Hear and Say Limited

Financial Statements

for the year ended

30 June 2024

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Directors' Report

The Directors present this report on Hear and Say Limited for the financial year ended 30 June 2024.

Directors

The Directors of Hear and Say Limited at any time during or since the end of the financial year are:

Mr Matthew Ames
Dr Jane Black
Dr Dimity Dornan AO
Mrs Evelyn Goggin
Mr Andrew Fraser
Mr Mario Pennisi AM
Dr Margaret Steinberg AM
Mr Darren Sumich
Dr Helen Chenery
Mr Stephen Burmester
Ms Tamarin Willmot

Objectives

Hear and Say exists for the purpose of relieving the distress, suffering and misfortune experienced by persons with a permanent or temporary hearing loss and/or speech disability. This is our Principal Purpose.

Strategy for achieving objectives

Hear and Say aims to achieve its principal purpose through means and activities such as:

(i) identifying and diagnosing permanent or temporary hearing loss and/or speech disability and advancing knowledge and understanding of the issues and difficulties faced by persons with these conditions;
(ii) promoting, developing and furthering the education, integration and assimilation of persons with permanent or temporary hearing loss and/or speech disability;
(iii) training and providing specialist teachers for persons with permanent or temporary hearing loss and/or speech disability;
(iv) counselling and educating teachers, parents, guardians, relatives and other stakeholders as to the special needs of persons with permanent or temporary hearing loss or speech disability to enable the provision of appropriate support;
(v) arranging and promoting vocational training, guidance and placement of persons with permanent or temporary hearing loss and/or speech disability to enable those persons to integrate and become self-supporting members for the community;
(vi) engaging in research and other associated measures to advance knowledge in relation to the education, recreation, training, welfare, care, aid, protection and employment of persons with permanent or temporary hearing loss and/or speech disability;
(vii) creating forums for the discussion of the issues relating to the education and integration of persons with a permanent or temporary hearing loss and/or speech disability;
(viii) publishing and distributing papers, journals and other publications in furtherance of the Principal Purpose;
(ix) supporting the development of appropriate legislation, rules and regulations which govern and regulate the treatment of persons with permanent or temporary hearing loss or speech disability;
(x) undertaking activities for the purposes of generating profit or otherwise raising funds, the proceeds of which are to be applied in furtherance of the Principal Purpose; and
(xi) doing other things as may be deemed incidental or conducive to the furtherance of the Principal Purpose

Hear and Say's current strategy has four streams. They are, 'help more people,' 'moments of magic,' 'streamlined and effective,' and 'collaborative and curious.' The strategy prioritises the delivery of services to people in regional Queensland, which will involve the creation of new relationships, referral pathways and funding mechanisms. It includes expansion of the organisation's service scope to support more children with general speech disabilities, and it anticipates growth in the scale of regional service hubs, to improve efficiency and mitigate against the risk of discontinuity of service. The strategy also embraces more conscious leverage of the organisation's ability to create magic through the joy of sound, under the banner of 'moments of magic.'

Performance measures

Key performance measures include the following:

<u>Help more people</u>

- Number of clinic clients (total and outside metropolitan Brisbane)
- Number of clinical staff (as a measure of capacity)
- Number of clients with hearing loss and without hearing loss
- Total occasions of service
- Number of service locations
- Number of referrers (general practitioners and specialists)

<u>Moments of magic</u>

- Customer experience (Net Promoter Score)
- Donor volume and value

<u>Streamlined and effective</u>

- Revenue
- Net profit
- Net profit margin
- Overhead ratio
- Payroll to revenue ratio
- Revenue/FTE
- Cancellation rate
- Employee engagement (action)

<u>Collaborative and curious</u>

- Government funding
- Employee engagement (vision, strategy)
- Research partnerships

Principal activities

The principal activity of Hear and Say Limited during the period was to provide audiology and specialised speech pathology for all people with hearing loss in Queensland. Hear and Say Limited operates state-wide and supports people of all ages, from newborn babies through to adults.

In the opinion of the Directors, there were no significant changes in the nature of Hear and Say Limited's activity that occurred during the financial year.

Information on directors

Name	Mr Matthew Ames
Title	Non-Executive Director
Qualifications	MBA (Tech Mgt); BE (Env); GAICD
Experience and expertise	Matthew has almost 20 years' experience in the energy and resources industry, and has found innovative ways to apply his skills after the loss of all four of his limbs and significant hearing loss in 2012. In addition to Hear and Say, Matthew is a board member of Metro South Hospital and Health Board, Bionics Gamechangers Queensland and; a council member for Centacare and a member of a number of steering committees for Queensland Health. Matthew joined the Hear and Say Board in November 2016 and was elected Chair in June 2020.
Special responsibility	Chair of the Board Member of the People and Culture Committee

Name	Dr Jane Black
Title	Non-Executive Director
Qualifications	PhD; BSW (Hons 1); Dip. Rad; MAICD
Experience and expertise	Jane has a longstanding career in clinical management of paediatric disorders. She has played a key role in the development of Hear and Say from inception to present day. Jane has a proven record of executive leadership, having worked for both for-profit and not-for-profit organisations. Jane is Chair of the Board of Directors of the Children's Hospital Foundation and serves on the Finance Audit and Risk Management Committee, Remuneration and Nominations Committee and is an ex-officio member of the Grants Committee. Jane joined the Hear and Say Board in November 1995, chaired the Board from 1996 to 2008 and was appointed Deputy Chair in May 2010.
Special responsibility	Deputy Chair of the Board Member of the Finance and Risk Committee Member of the Client Quality and Impact Committee

Name	Dr Dimity Dornan AO
Title	Non-Executive Director Founder
Qualifications	PhD UQ; HonDUniv USQ; BSpThy; FSPAA; LSLS Cert AVT; FTSE
Experience and expertise	Dimity is a qualified speech pathologist. She is the Founder and Chair of Bionics Queensland and Co-Founder of Bionics Gamechangers Australia. Dimity is an Adjunct Professor to The University of Queensland School of Health and Rehabilitation Sciences and Adjunct Professor to the Science and Engineering Faculty, School of Mechanical, Medical and Process Engineering, Queensland University of Technology. She is a Fellow of Speech Pathology Australia, the Academy for Technology and Engineering and the Qld College of Arts and Sciences.
Special responsibility	Member of the People and Culture Committee

Name	Ms Evelyn Goggin
Title	Non-Executive Director
Qualifications	B Com
Experience and expertise	Evelyn has over 34 years' experience in the energy, infrastructure, and retail sectors, holding senior management positions in international companies primarily in accounting and corporate governance. Volunteer roles in the not-for-profit sector have allowed Evelyn the opportunity to leverage her substantial financial and accounting experience to enhance school and charity boards. Evelyn has an enduring passion for the sector and a strong association with Hear and Say, having worked with the organisation in a consulting capacity in 2018. Evelyn joined the Hear and Say Board in September 2020.
Special responsibility	Chair of the Finance and Risk Committee

Information on directors

Name	Mr Andrew Fraser
Title	Non-Executive Director
Qualifications	LLB/B Com (Ist Class Hons)
Experience and expertise	Andrew is the Chancellor of Griffith University and serves on several boards of major corporations and charities. He is the Chair of the Australian Retirement Trust, President and Chair of Motorsport Australia, and Chair of the charity, Orange Sky Australia. Andrew also serves on the board of BESIX Watpac Ltd, and on the boards of Bank of Queensland (ASX: BOQ), Brisbane Broncos Ltd (ASX: BBL) and Australians for Indigenous Constitutional Recognition Ltd.
Special responsibility	Member of the People and Culture Committee

Name	Mr Mario Pennisi AM
Title	Non-Executive Director
Qualifications	B App Sci (Med Tech)
Experience and expertise	Mario is a strategist and trusted advisor with more than 30 years' experience in managing and growing commercial operations in the life sciences industry. Mario is the Chairman of Suncare Community Services and Non-Executive Director of Elo Life Systems Australia, Queensland Eye Institute Foundation, Alpine Immune Sciences Australia, Omniox AU, and Briz Brain & Spine. He is also Chair of the Griffith University Clinical Trial Unit and the Compounds Australia Strategic Advisory Board as well as a B20 Participating Delegate, and a member of the Queensland Government Biofutures Industry Advisory Group. Mario joined the Hear and Say Board in August 2020.
Special responsibility	Chair of the Client Quality and Impact Committee

Name	Dr Margaret Steinberg AM
Title	Non-Executive Director
Qualifications	PhD (Child Health & Ed); M.Phty; B.Phty (Hons); Dip.Phty
Experience and expertise	Margaret has expertise in ethical decision making as a clinician, academic and administrator. A former Commissioner, including of the Criminal Justice and Crime and Misconduct Commissions, Margaret currently sits on several boards and tribunals, and was previously on the Metro North Hospital and Health Service Board. Margaret joined the Hear and Say Board in April 2006.
Special responsibility	Member of the Client Quality and Impact Committee

Name	Mr Darren Sumich
Title	Non-Executive Director
Qualifications	LLB (Hons); BIntBus
Experience and expertise	Darren is a lawyer with 25 years' experience, specialising in structuring and negotiating financial transactions. He is currently a Partner of MinterEllison and leads the firm's Banking & Finance practice in Queensland. Darren has also led MinterEllison's community investment and pro bono practice and is driven by his passion for bringing his commercial experience to assist not-for-profit and community welfare sectors. Darren joined the Board of Hear and Say in September 2020.
Special responsibility	Member of the Finance and Risk Committee

Information on directors

Name	Professor Helen Chenery
Title	Non-Executive Director
Qualifications	BBSpThy; MSpThy; PhD; GAICD
Experience and expertise	Helen is an Emeritus Professor at The University of Queensland (UQ), having graduated from UQ with a Bachelor and Master's degrees in speech pathology and a PhD in language neuroscience. She is the immediate past President of the Queensland Academy of Arts and Sciences and a member of the Research Advisory Committee of the Queensland Eye Institute. She has previously chaired the STARS Hospital Alliance Board and been a Director of the Gold Coast Hospital and Health Board and of CPL. Helen has a long history of engagement in human neurobionics, policy and practice reform in dementia care, health workforce innovation, adoption of digital health and education technologies and interprofessional education and practice. Helen joined the Hear and Say Board in October 2022.
Special responsibility	Member of the Client Quality and Impact Committee

Name	Mr Stephen Burmester
Title	Non-Executive Director
Qualifications	B Inf Tech; CISSP
Experience and expertise	Stephen is a technology professional in the Healthcare sector, with more than 30 years' experience in architecting, building, operating and supporting some of the largest ICT systems in the country, including having led the design of Australia's MyHealth Record. He has also previously run Cyber Intelligence and Incident Response for IBM Security helping businesses put strategies in place to deal with constant cyber threats and to manage the recovery from some of the largest cyber-attacks globally. Stephen joined the Hear and Say Board in December 2023.
Special responsibility	Member of the Client Quality and Impact Commitee

Name	Ms Tamarin Willmot
Title	Non-Executive Director
Qualifications	BComAcctgSC (Hons), CA
Experience and expertise	Tamarin is a Chartered Accountant with over 14 years of experience working with privately owned and not-for-profit businesses across various industries, including healthcare, in both Australia and South Africa. She is currently a Partner at PWC and is passionate about helping business grow and establishing strong corporate governance structures and cultures. Tamarin's dedication to her profession is matched by her personal commitment to supporting families facing challenges similar to her own. Since 2017, when her daughter was born with a hearing impairment, her family has experienced firsthand the life-changing support provided by Hear and Say.
Special responsibility	Member of the Finance and Risk Commitee

Meetings of Directors

The following is the number of Directors meetings (including meetings of committees of Directors) and the number of meetings each Director attended during the financial year:

	Directors' Meetings		Client Quality and Impact Committee		Finance and Risk Committee		People and Culture Committee	
Directors	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
Matthew Ames	5	5	1	1	2	2	3	3
Andrew Fraser	5	5	-	-	-	-	3	3
Dimity Dornan	5	5	-	-	-	-	3	3
Evelyn Goggin	5	4	-	-	4	4	-	-
Darren Sumich	5	5	-	-	4	4	-	-
Jane Black	3	3	2	2	2	2	-	-
Mario Pennisi	3	3	2	2	-	-	-	-
Margaret Steinberg	5	3	3	3	-	-	-	-
Helen Chenery	5	5	4	4	-	-	-	-
Stephen Burmester	3	3	2	1	-	-	-	-
Tamarin Wilmott	1	1	-	-	-	-	-	-

A – Number of meetings eligible during the year the Director held office
B – Number of meetings the Director attended

Contributions on winding up

Hear and Say Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of Hear and Say Limited, the constitution states that each member and any person or association who ceased to be a member in the year prior to the winding up is required to contribute a maximum of $2 each towards meeting any outstanding obligations of the entity. As at 30 June 2024, the total amount that members of Hear and Say Limited are liable to contribute if Hear and Say Limited is wound up are $18.

Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of Hear and Say Limited, the results of those operations or the state of affairs of Hear and Say Limited in future financial years.

Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with section 60-40 of the *Australian Charities and Not for Profits Commission Act 2012,* for the year ended 30 June 2024 has been received and can be found on page 8 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: M B Ames ____________________________________

Matthew Ames, Chair and Director

Dated: 05 November 2024

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DECLARATION OF INDEPENDENCE BY L G MYLONAS TO THE DIRECTORS OF HEAR AND SAY LIMITED

As lead auditor of Hear and Say Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

L G Mylonas

Director

BDO Audit Pty Ltd

Brisbane, 5 November 2024

Statement of Profit or Loss and Other Comprehensive Income

	Note	2024 $	2023 $
REVENUE			
Revenue from continuing operations	6	9,048,688	6,665,328
Interest Income		116,238	49,422
Other Income	6	86,167	12,009
TOTAL REVENUE		**9,251,093**	**6,726,759**
EXPENSES			
Employee Benefits Expense		5,245,982	4,826,343
Depreciation & Amortisation Expenses		883,336	639,659
Operating Expenses	7	1,686,826	1,753,644
TOTAL EXPENSES		**7,816,144**	**7,219,646**
NET OPERATING INCOME/(LOSS)		**1,434,949**	**(492,887)**
Other comprehensive income for the year			
Items that will not be reclassified subsequently to profit or loss			
Gain on revaluation of land and buildings		-	5,132,364
Total comprehensive income for the year		**1,434,949**	**4,639,477**

The accompany notes form part of these financial statements.

Statement of Financial Position

	Note	2024 $	2023 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	2,669,890	4,770,274
Accounts receivable and other debtors	9	236,143	238,512
Inventories (at cost)	10	23,027	18,675
Prepayments and other assets	13	120,480	201,376
TOTAL CURRENT ASSETS		**3,049,540**	**5,228,837**
NON-CURRENT ASSETS			
Financial assets	11	6,153,018	-
Property, plant, and equipment	12	12,103,054	14,288,377
Right-of-use assets		18,270	9,986
TOTAL NON-CURRENT ASSETS		**18,274,342**	**14,298,363**
TOTAL ASSETS		**21,323,882**	**19,527,200**
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	14	373,399	319,232
Provision for employee entitlements	16	368,525	325,762
Lease liabilities		7,088	10,537
Other financial liabilities	15	262,507	4,394
TOTAL CURRENT LIABILITIES		**1,011,519**	**659,925**
NON-CURRENT LIABILITY			
Provision for employee entitlements	16	44,438	45,744
Lease liabilities		11,445	-
TOTAL NON-CURRENT LIABILITIES		**55,883**	**45,744**
TOTAL LIABILITIES		**1,067,402**	**705,669**
NET ASSETS		**20,256,480**	**18,821,531**
EQUITY			
Asset Revaluation Reserve		7,460,393	7,627,961
Accumulated Surplus		12,796,087	11,193,570
TOTAL EQUITY		**20,256,480**	**18,821,531**

The accompany notes form part of these financial statements

Statement of Changes in Equity

	Accumulated Surplus	Asset Revaluation Reserve	Total Equity
	$	$	$
Balance as at 1 July 2022	**11,686,457**	**2,495,597**	**14,182,054**
Net operating loss for the year	(492,887)	-	**(492,887)**
Other comprehensive income for the year	-	5,132,364	**5,132,364**
Total comprehensive income for the year	(492,887)	5,132,364	**4,639,477**
Balance as at 30 June 2023	**11,193,570**	**7,627,961**	**18,821,531**
Balance as at 1 July 2023	**11,193,570**	**7,627,961**	**18,821,531**
Net operating income for the year	1,434,949	-	**1,434,949**
Transfer of reserve on sale of property	167,568	(167,568)	**-**
Total comprehensive income for the year	1,602,517	**(167,568)**	**1,434,949**
Balance as at 30 June 2024	**12,796,087**	**7,460,393**	**20,256,480**

The accompany notes form part of these financial statements.

Statement of Cash Flows

	Note	2024 $	2023 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donations, grants, and customers		9,395,336	6,567,347
Payments to suppliers and employees		(6,696,492)	(6,821,947)
Interest income		116,238	49,422
Net cash flows from operating activities		**2,815,082**	**(205,178)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		(253,058)	(81,651)
Proceeds from disposal of property, plant & equipment		1,451,520	-
Purchase of financial assets at fair value through profit or loss		(6,100,000)	-
Net cash flows from investing activities		**(4,901,538)**	**(81,651)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(13,928)	(42,029)
Net cash flows from financing activities		**(13,928)**	**(42,029)**
Net decrease in cash held		(2,100,384)	(328,858)
Cash at the beginning of the financial year		4,770,274	5,099,132
Cash at the end of the financial year	8	**2,669,890**	**4,770,274**

The accompany notes form part of these financial statement

Notes to the Financial Statements

1. *Corporate Information*

Hear and Say Limited was incorporated under the *Corporations Act 2001* on 2 February 1993 and is a public company limited by guarantee that is domiciled in Australia. The registered office and principal place of business of Hear and Say Limited is 29 Nathan Avenue, Ashgrove QLD 4060.

Hear and Say Limited is a not-for-profit entity for financial reporting purposes. This financial report for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the directors of Hear and Say Limited on 5 November 2024.

2. *Basis of Preparation and Statement of Compliance*

The financial statements are general purpose financial statements that have been prepared in accordance with Australia Accounting Standards – Simplified Disclosures Requirements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-Profits Commission Act 2012*.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar. The functional and presentation currency is Australian dollars. When required by Accounting Standards or for clarity, comparative information has been reclassified to achieve consistency with the current financial figures and other disclosures.

3. *New or amended Accounting Standards and Interpretations adopted*

Hear and Say Limited has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

4. *Summary of Significant Accounting Policies*

(a) Revenue

Revenue is recognised at the fair value of consideration received or receivable, to the extent that it is reliably measurable, and it is probable that economic benefits arising from the transaction will flow to Hear and Say Limited. In addition, the following specific recognition criteria must be satisfied prior to revenue being recognised:

I. *Provision of Service*

Revenue from the provision of service to clients is recognised upon the delivery of the agreed services to the customer.

II. *Operating Grants, Donations and Bequests*

Revenue received as operating grants, donations and bequests from any sources are assessed by Hear and Say Limited to determine whether a contract exists that is enforceable and has sufficiently specific performance obligations. When both these conditions are satisfied, Hear and Say Limited defers revenue recognition until the obligations are satisfied. If the performance obligations are not sufficiently specific, revenue will be recognised upon receipts.

III. Goods-in-kind Donations

Gifted assets acquired at a nominal value or nil value are recognised at their fair value at the date when Hear and Say Limited gains control over the asset.

IV. Fundraising Income

Receipts from fundraising events are recognised as income when received.

V. Sale of Goods

Revenue from the sale of goods is recognised when control of the goods has passed to the buyer. Control is transferred to the buyer at the time of delivery of the goods to the customer.

VI. Interest Income

Interest revenue is recognised as interest accrues using the effective interest method.

(b) Finance Costs
Finance costs are recognised as expenses in the period in which they are incurred.

(c) Income Tax
Hear and Say Limited is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(d) Goods and Services Tax
Revenue, expenses, assets, and liabilities are recognised net of GST amount, unless the GST incurred is not recoverable from the Australian Taxation Office. In this case, the GST is recognised as part of the cost of acquisition of the asset or as part of the expenses. Receivables and payables in the Statement of Financial Position are shown as GST inclusive amounts.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the Australian Taxation Office, are presented as operating cash flows.

(e) Expenses
All expenses are recognised on an accrual basis and have been classified under headings that reflect the nature of the activity.

(f) Inventories
Inventories are measured at the lower of cost and net realisable value.

(g) Property, Plant and Equipment

i. Acquisition

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

<u>Land and buildings</u>
Land and buildings are shown at fair value, based on periodic, at least every 5 years, valuations by external independent valuers, less subsequent depreciation, and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive

income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

<u>Plant and equipment</u>
Plant and equipment are measured using the cost model.

Donated assets are recorded at market value when Hear and Say Limited gains control.

ii. Depreciation

Depreciation is calculated on a diminishing value method over the asset's useful life to Hear and Say Limited, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful lives.

The depreciation rates used for each class of depreciable assets are shown below:

Fixed asset class	**Depreciation rate**
Buildings	5%
Plant & Equipment	10-40%
Furniture & Fittings	10-40%
Motor Vehicles	12.5%
Software	20%

Depreciation expense is recognised in the Statement of Profit or Loss and Other Comprehensive Income in the expense category consistent with the function of the asset.

iii. De-recognition and Disposal

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gains or loss arising from de-recognition of an asset, calculated as the difference between the net disposal proceeds and the residual amount of the asset, is included in the Statement of Profit or Loss and Other Comprehensive Income in the year the asset is de-recognised.

At the end of each annual reporting period, the depreciation method, useful life, and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(h) Cash and Cash Equivalents
Cash and cash equivalents in the Statement of Financial Position and Statement of Cash Flows, comprise of cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(i) Leases
Hear and Say Limited has applied AASB 16 Leases using the modified retrospective approach from 1 July 2021. Prior periods have not been restated.

i. Accounting policy applicable from 1 July 2021 – Hear and Say Limited as a lessee

For any new contracts entered on or after 1 July 2021, Hear and Say Limited considers whether a contract is, or contains a lease. A lease is defined as a "contract, or part of a contract, that conveys the right or use an asset (the underlying asset) for a period in exchange for consideration". To apply this definition, Hear and Say Limited assesses whether the contract meets three key evaluations which are whether:

1. The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to Hear and Say Limited;
2. Hear and Say Limited has the right to obtain substantial economic benefits from the use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
3. Hear and Say Limited has the right to direct the use of the identified asset throughout the period of use. Hear and Say Limited assesses whether it has the right to direct "how and for what purpose" the asset is used throughout the period of use.

ii. Measurement and recognition of leases as a lessee

At lease commencement date, Hear and Say Limited recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by Hear and Say Limited, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Hear and Say Limited depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Hear and Say Limited also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, Hear and Say Limited measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or Hear and Say Limited's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Following by the initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

On the Statement of Financial Position, right-of-use assets and lease liabilities are reported separately.

iii. Exceptions to lease accounting

Hear and Say Limited has elected to apply the exceptions to lease accounting for both short-term leases (i.e., leases with a term of less than or equal to 12 months) and leases of low-value assets. Hear and Say Limited recognises the payments associated with these leases as an expense on a straight-line method over the lease term in the Statement of Profit and Loss and Other Comprehensive Income.

(j) Trade and Other Receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectable amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is established when there is objective evidence that Hear and Say Limited will not be able to collect all amounts due in accordance with the original terms of receivables.

(k) Trade and Other Payables

Trade and other payables are carried at costs and represent liabilities for goods and services supplied to Hear and Say Limited, prior to the end of the financial year that remain unpaid and arise when Hear and Say Limited becomes obliged to make future payments with regards to the purchase of these goods and services.

These amounts are unsecured and are typically paid within 30 days.

(l) Employee Benefits

i. Short-term Employee Benefit Obligation

Liabilities for annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when liabilities are settled.

ii. Long-term Employee Benefit

Liabilities for employees' long service leave who have not reached their vesting date, are recognised in the provision, and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, periods of service, on-costs and the probabilities that some employees may not satisfy any vesting requirements. Expected future payments are discounted based on the long-term government bond rate as at the reporting date, with terms of maturity that matches as closely as possible the estimated future cash outflows.

(m) Financial assets at fair value through profit or loss

i. Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

ii. Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

iii. Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. For Hear and Say Limited, financial assets have been designated as such upon initial recognition. Fair value movements are recognised in profit or loss.

(n) Economic dependence

Hear and Say Limited is dependent on grant revenue for a major share of its revenue used to operate the business. At the date of this report, the Board of Directors have no reason to believe that grant revenue will not continue to be provided in support of Hear and Say Limited.

5. *Critical Accounting Estimates and Judgements*

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Estimation of useful lives of assets
Hear and Say Limited determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
Hear and Say Limited assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Fair value of land and buildings
As per the accounting policy in note 4, land and buildings are held at fair value based on an independent valuation by a registered valuer which occurs at a minimum every 5 years or when there is a significant change in fair value. The determination of fair value is considered a category 3 in the fair value hierarchy and involves certain key judgements. The independent valuer utilises a combination of the capitalisation and direct comparison approach in determination of fair value or in certain circumstances, when relevant, just the direct comparison approach.

6. *Revenue from continuing operations, other income, and other comprehensive income for the year*

	2024	**2023**
	$	**$**
Revenue from continuing operations		
Government grants and contracts		
State government		
Department of Education	1,084,055	899,662
Department of Health	875,603	870,217
Department of Justice & Attorney General	31,617	21,160
Total	1,991,275	1,791,039
Total government grants and contracts	1,991,275	1,791,039
Fundraising - gifts and contributions	3,113,044	1,342,204
Operating activities	3,944,369	3,532,085
Total revenue from continuing operations	**9,048,688**	**6,665,328**
Other income		
Interest income	116,238	49,422
Fair value movement of financial assets	53,018	-
Sundry income	33,149	12,009
Total other income	**202,405**	**61,431**

7. Operating expenses and other expenses

	2024 $	2023 $
Operating expenses		
Client services expenses	43,299	24,846
Consultants	110,385	315,286
Electricity	47,103	43,507
Fundraising	64,601	122,006
Insurance	93,402	92,537
Legal & accounting fees	50,311	6,028
Licenses & fees	120,892	102,066
Motor vehicles & travel	163,306	118,726
Rates	27,236	29,337
Rent	44,356	6,180
Repairs & maintenance	101,695	204,221
Sponsorship	15,000	15,000
Technology	302,277	364,231
Telephone & internet	45,062	44,391
Water	30,788	32,878
Other expenses	427,113	232,404
Total operating expenses	**1,686,826**	**1,753,644**

8. Cash and cash equivalents

	2024 $	2023 $
Cash at bank and in hand	2,669,890	4,770,274
Total cash and cash equivalents	**2,669,890**	**4,770,274**

9. Accounts receivable and other debtors

	2024 $	2023 $
Trade receivables	238,643	241,012
Less: Provision for expected credit loss	(2,500)	(2,500)
Total accounts receivable and other debtors	**236,143**	**238,512**

10. Inventories

	2024 $	2023 $
CURRENT		
At cost		
Inventories	23,027	18,675
Total inventories	**23,027**	**18,675**

11. *Financial assets*

	2024	2023
	$	$
Financial asset at fair value through profit or loss	6,153,018	-
Total financial assets	**6,153,018**	**-**

12. *Property, plant, and equipment*

	2024	2023
	$	$
Land		
At fair value	6,160,000	6,560,000
Total land	**6,160,000**	**6,560,000**
Buildings		
At fair value	5,508,444	7,240,000
Accumulated depreciation	(195,344)	-
Total buildings	**5,313,100**	**7,240,000**
Plant & equipment		
At cost	2,249,569	2,044,797
Accumulated depreciation	(1,700,347)	(1,619,960)
Total plant & equipment	**549,222**	**424,837**
Furniture & fittings		
At cost	388,683	384,354
Accumulated depreciation	(354,992)	(347,628)
Total furniture & fittings	**33,691**	**36,726**
Leaseshold fitouts		
At cost	49,350	7,675
Accumulated depreciation	(13,857)	(738)
Total leasehold fitouts	**35,493**	**6,937**
Motor vehicles		
At cost	130,444	130,444
Accumulated depreciation	(118,896)	(110,567)
Total motor vehicles	**11,548**	**19,877**
Total property, plant, and equipment	**12,103,054**	**14,288,377**

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land $	Property $	Plant & Equipment $	Furniture & Fittings $	Leasehold Fitouts $	Motor Vehicles $	TOTAL $
Year ended 30 June 2024							
Balance at the beginning of the year	**6,560,000**	**7,240,000**	**424,837**	**36,726**	**6,937**	**19,877**	**14,288,377**
Add:							
Additions	-	-	204,772	6,611	41,675	-	**253,058**
Revaluations	-	-	-	-	-	-	**-**
Less:							
Depreciation expenses	-	(774,136)	(80,387)	(8,125)	(13,119)	(8,329)	**(884,096)**
Disposals	(400,000)	(1,152,764)	-	(1,521)	-	-	**(1,554,285)**
Balance at the end of the year	**6,160,000**	**5,313,100**	**549,222**	**33,691**	**35,493**	**11,548**	**12,103,504**

13. Prepayment and other assets

	2024 $	2023 $
CURRENT		
Prepayments	104,363	115,263
Other assets	16,117	86,113
Total prepayments and other assets	**120,480**	**201,376**

14. Accounts payable and other payables

	2024 $	2023 $
Trade creditors	87,914	75,023
GST payable	26,081	(20,344)
Sundry payables and accrued expenses	32,786	40,154
PAYG withholding payable	68,502	84,394
Wages and super payable	158,116	140,005
Total accounts payable and other payables	**373,399**	**319,232**

Accounts payable and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered a reasonable approximation of fair value.

15. Other financial liabilities

	2024 $	2023 $
Contract liabilities	262,507	4,394
Total other financial liabilities	**262,507**	**4,394**

16. Provision for employee benefits

	2024 $	2023 $
Current		
Annual Leave	256,617	172,987
Long Service Leave	111,908	152,775
Total current employee benefits	**368,525**	**325,762**
Non-current		
Long Service Leave	44,438	45,744
Total non-current employee benefits	**44,438**	**45,744**
Total provision for employee benefits	**412,963**	**371,506**

17. *Financial Risk Management*

Hear and Say Limited is exposed to a variety of financial risks through its use of financial instruments.

Hear and Say Limited's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which Hear and Say Limited is exposed to are described below:

(a) Specific risks:

- Liquidity risk
- Credit risk
- Market risk – currency risk, interest rate risk and price risk

(b) Financial instruments used

Hear and Say Limited's financial instruments are cash at bank, financial assets and short-term deposits, trade receivables and trade payables which arise from the operating activities. Details of the significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 4 of the financial statements.

18. *Members' Guarantee*

Hear and Say Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of Hear and Say Limited, the constitution states that each member and any person or association who ceased to be a member in the year prior to the winding up is required to contribute a maximum of $2 each towards meeting any outstanding obligations of the entity. As at 30 June 2024, the total amount that members of Hear and Say Limited are liable to contribute if Hear and Say Limited is wound up are $18.

19. *Key Management Personnel Disclosures*

Key management personnel are any person(s) having authority and responsibility for planning, directing, and controlling the activities of the organization, directly or indirectly, including executive director and non-executive director.

The Directors do not receive any remuneration for their position as a Board member.

Key management personnel compensation during the year ended 30 June 2024 was:

	2024	**2023**
	$	**$**
Remuneration	493,200	449,139
Total key management personnel remuneration	**493,200**	**449,139**

20. Auditor's Remuneration

During the year, the following fees were paid or payable for services provided to the auditor of Hear and Say Limited:

	2024 $	2023 $
BDO Audit Pty Ltd		
Audit of financial statements	20,500	20,000
Audit of grant acquittals	3,000	3,000
Other assurance services	4,000	-
Total auditor's remuneration	**27,500**	**23,000**

21. Contingencies

In the opinion of the Directors, Hear and Say Limited did not have any contingencies as at 30 June 2024 (30 June 2023: None).

22. Related Parties

No related party transactions occurred during the financial year ended 30 June 2024.

23. Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of Hear and Say Limited, the results of those operations or the state of affairs of Hear and Say Limited in future financial years.

24. Reserves

Asset Revaluation Reserve
The asset revaluation reserve records fair value movements on property, plant and equipment held under the fair value model. During the financial year, the Asset Revaluation Reserve decreased by $167,568 because of the sale of a land and a building which has transferred to accumulated surplus.

Directors' Declaration

The directors of Hear and Say Limited declare that, in the directors' opinion:

1. The financial statements and notes, as set out on page 9 – 24, are in accordance with the Australian Charities and Not-For-Profits Commission Act 2012 and the Corporations Act 2001, including:
    - Complying with Australian Accounting Standards - Simplified Disclosures Requirements (including the Australian Accounting Interpretations); and the Corporations Regulations 2001 and the Australian Charities and Not-For-Profits Commission Regulation 2012.
    - Giving a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of Hear and Say Limited.

2. There are reasonable grounds to believe that Hear and Say Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: M B Ames
Matthew Ames, Chair and Director

Dated: 05 November 2024

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INDEPENDENT AUDITOR'S REPORT

To the members of Hear and Say Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Hear and Say Limited (the registered entity), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of Hear and Say Limited, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) Giving a true and fair view of the registered entity's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The responsible entities of the registered entity are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The responsible entities of the registered entity are responsible for overseeing the registered entity's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf
This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO

L G Mylonas
Director

Brisbane, 5 November 2024