

Hear and Say Limited

Financial Statements

for the year ended

30 June 2022

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Director's Report

The directors present this report on Hear and Say Limited for the financial year ended 30 June 2022.

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

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

Mr Matthew Ames MBA (Tech Mgt); BE (Env); GAICD Chair	Matthew has almost 20 years' experience in the energy and resources industry. He has found innovative ways to apply his skills after the loss of all four of his limbs and a significant hearing loss diagnosis in 2012. In addition to Hear and Say, Matthew is a board member of Bionics Queensland, Xavier Children's Support Network and Metro South Hospital and Health Service; 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 2019 and was elected Chair in June 2020.
Dr Jane Black PhD; BSW (Hons 1); Dip. Rad Deputy Chair	Jane is a highly qualified and experienced healthcare professional. She has a longstanding career in the clinical management of paediatric disorders with particular application to the related corporate activities. Jane has a proven record of executive leadership in both for profit and not-for profit organisations and has a strong focus on health innovation, clinical research and clinical ethics. She also has a particular interest in contemporary governance principles, board effectiveness and performance and strategic decision making. 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. She currently serves on the Finance and Risk Committee and the Client Quality and Impact Committee.
Dr Dimity Dornan AO PhD UQ, HonDUniv USQ, BSpThy, FSPAA, CpSp, LSLS Cert AVT Founder Non-Executive Director	Dimity is a qualified speech pathologist, and Founder and Non-executive Director of Hear and Say. She is also Founder and Chair of Bionics Queensland. Dimity is an Adjunct Professor to the University of Queensland; Adjunct Professor to the Science and Engineering Faculty, School of Mechanical, Medical and Process Engineering, Queensland University of Technology; Member of Advisory Board for ARC Centre for Industrial Transformation and Training for Joint Biomechanics, QUT; Honorary Associate at Macquarie University; Co-chair of Industry and Innovation Forum, ATSE.
Mr Andrew Fraser LLB/B Com (1st Class Hons) Non-Executive Director	Andrew had a career in public office, inclusive of being Treasurer of Queensland from 2007 to 2012 and today he is a professional director. He is the Chair of Australian Retirement Trust, and a director of BESIX Watpac, ASFA and 3rd Space. He is the Chair of Orange Sky Australia and Motorsport Australia. Andrew graduated from Griffith University with degrees in law and commerce and now serves as the Chancellor of the university. Andrew joined the Hear and Say Board in September 2017.

Mrs Evelyn Goggin Non-Executive Director	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.
Mr Mario Pennisi AM B App Sci (Med Tech) Non-Executive Director	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 Chair of Suncare Community Services and Non-Executive Director of Electrogenics Laboratories Ltd, Queensland Eye Institute Foundation, Alpine Immune Sciences Australia, Acclime Australia, and Briz Brain & Spine. He is also Chair of the Griffith University Clinical Trials Unit and the Compounds Australia Strategic Advisory Board as well as a B20 Participating Delegate. Mario joined the Hear and Say Board in August 2020.
Dr Peter Riddles AM Non-Executive Director	Peter seeks to contribute to sustainable development through innovation from science. He is a board member of the CSIRO, where he Chairs the Board Science Excellence Committee. He is also Chair of the Experimental Development Program, Chair of the Infrastructure CoLaboratory and advisor to several health technology enterprises. He is an Elected Member of Chatham House, a Fellow of the Royal Society for Arts, Manufacture and Commerce, and a Fellow of the Australian Institute for Company Directors. Peter joined the Hear and Say Limited Board in November 2013 and resigned from the Hear and Say Limited Board in December 2021.
Dr Margaret Steinberg AM PhD (Child Health & Ed); M.Phty; B. Phty (Hons); Dip.Phty Non-Executive Director	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.
Mr Darren Sumich Non-Executive Director	Darren is a lawyer with over 20 years' experience, specialising in structuring and negotiating financial transactions. He is currently a Partner of MinterEllison and leads the firm's Financial Solutions 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.

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	Directors' Meetings		Client Quality and Impact Committee		Finance and Risk Committee		Finance Committee		Risk and Compliance Committee		People and Culture Committee		Transition Committee	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Matthew Ames	9	9	-	-	1	1	2	2	2	2	3	3	6	6
Andrew Fraser	9	9	-	-	-	-	-	-	2	2	3	3	-	-
Dimity Dornan	9	9	-	-	-	-	-	-	-	-	3	3	6	6
Evelyn Goggin	9	9	-	-	5	5	4	4	-	-	-	-	6	6
Jane Black	9	9	5	5	5	5	4	4	2	2	-	-	4	4
Margaret Steinberg	9	9	5	5	-	-	-	-	2	2	-	-	-	-
Mario Pennisi	9	9	5	5	-	-	-	-	-	-	-	-	-	-
Darren Sumich	9	8	-	-	5	5	4	4	-	-	-	-	-	-
Peter Riddles	5	5	-	-	-	-	-	-	-	-	-	-	6	6

A – Number of meetings held during the time the Director held office during the year

B – Number of meetings the Director attended.

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 2022 has been received and can be found on page 4 of the financial report.

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

Director: 

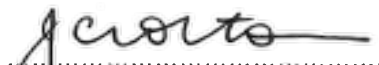
Matthew Ames, Chair and Director

Dated: 16/11/2022

AUDITOR'S INDEPENDENCE DECLARATION

As auditor for the audit of Hear and Say Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



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Jason Croston, FCA
Registered Company Auditor
Brisbane
SRJ Walker Wayland

Dated: 16 November 2022

Statement of Profit or Loss and Other Comprehensive Income

	Note	2022 \$	2021 \$
REVENUE			
Revenue from continuing operations	6	6,842,824	9,364,840
Interest Income		881	1,806
Other Income	6	35,191	1,074,579
TOTAL REVENUE		6,878,896	10,441,225
EXPENSES			
Employee Benefits Expense		5,212,625	5,452,062
Depreciation & Amortisation Expenses		708,881	775,969
Operating Expenses	7	1,513,893	1,364,540
TOTAL EXPENSES		7,435,399	7,592,572
NET OPERATING PROFIT / (LOSS)		(556,502)	2,848,653
Other comprehensive income for the year	6	-	-
Total comprehensive income / (expenses) for the year		(556,502)	2,848,653

The accompany notes form part of these financial statements.

Statement of Financial Position

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	5,099,132	5,779,721
Accounts receivable and other debtors	9	114,903	165,750
Inventories (at cost)	10	22,889	7,519
Prepayments and other assets	12	97,160	106,417
TOTAL CURRENT ASSETS		5,334,084	6,059,407
NON-CURRENT ASSETS			
Property, plant, and equipment	11	9,682,424	10,323,271
Right-of-use assets		50,792	-
TOTAL NON-CURRENT ASSETS		9,733,216	10,323,271
TOTAL ASSETS		15,067,300	16,382,678
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	13	449,248	454,910
Provision for employee entitlements	15	296,999	611,696
Lease liabilities		42,069	-
Other financial liabilities	14	1,866	539,182
TOTAL CURRENT LIABILITIES		790,183	1,605,788
NON-CURRENT LIABILITY			
Provision for employee entitlements	15	84,105	38,334
Lease liabilities		10,958	-
TOTAL NON-CURRENT LIABILITIES		95,063	38,334
TOTAL LIABILITIES		885,246	1,644,122
NET ASSETS		14,182,054	14,738,556
EQUITY			
Asset Revaluation Reserve		2,495,597	2,495,597
Retained surplus / (deficit)		12,242,960	9,394,307
Current year surplus / (deficit)		(556,502)	2,848,653
TOTAL EQUITY		14,182,054	14,738,556

The accompany notes form part of these financial statements

Statement of Changes in Equity

	Retained Earnings	Asset Revaluation Reserve	Total Equity
	\$	\$	\$
Balance as at 30 June 2020	9,394,307	2,495,597	11,889,903
Comprehensive income	-	-	-
Surplus / (deficit) for the period	2,848,653	-	2,848,653
Other comprehensive income for the year	-	-	-
Total comprehensive surplus / (deficit) for the year	2,848,653	-	2,848,653
Balance as at 30 June 2021	12,242,960	2,495,597	14,738,556
Comprehensive income	-	-	-
Surplus / (deficit) for the period	(556,502)	-	(556,502)
Other comprehensive income for the year	-	-	-
Total comprehensive surplus / (deficit) for the year	(556,502)	-	(556,502)
Balance as at 30 June 2022	11,686,458	2,495,597	14,182,054

The accompany notes form part of these financial statements.

Statement of Cash Flows

	Note	2022	2021
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donations, grants, and customers		6,567,945	10,872,517
Payments to suppliers and employees		(7,007,217)	(6,762,440)
Interest income		881	1,806
Net cash flows from operating activities	8	(438,392)	4,111,883
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		(27,400)	(130,819)
Net cash flows from investing activities		(27,400)	(130,819)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(214,797)	(201,469)
Net cash flows from financing activities		(214,797)	(201,469)
Net increase / (decrease) in cash held		(680,589)	3,779,595
Cash at the beginning of the financial year		5,779,721	2,000,126
Cash at the end of the financial year	8	5,099,132	5,779,721

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 2022 was authorised for issue in accordance with a resolution of the directors of Hear and Say Limited on 13 December 2022.

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. Changes in Accounting Policies

AASB 15 Revenue from Contracts with Customers

Hear and Say Limited has adopted AASB 15 Revenue from Contracts with Customers from 1 July 2021. The standard provides a comprehensive revenue recognition model. The core principle of the standard is that revenue is recognised at an amount that reflects the consideration entitled in exchange for transferring goods or services to a customer. The adoption of such standard does not have any material impact on Hear and Say Limited's financial position as the updated requirements are not significantly different to how accounting policies were previously applied.

AASB 1058 Income of Not-for-Profit Entities

Hear and Say Limited has adopted AASB 1058 Income of Not-for-Profit Entities from 1 July 2021. The timing of income recognition depends upon whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. Income under this standard is recognised when consideration provided to acquire an asset, including cash, is significantly less than the fair value of that asset, or when no consideration was provided, and the difference is principally to enable the entity to further its objectives.

An entity shall recognise a liability for the excess of the initial carrying amount of a financial asset received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity over any related amounts recognised. Related amounts recognised may be related to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. Income shall be recognised in profit or loss when the entity satisfies its obligations under the transfer. In the case where the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately.

AASB 16 Leases

Hear and Say Limited has adopted AASB 16 Leases using the modified retrospective (cumulative catch-up) method from 1 July 2021. In compliance with AASB 16 Leases, the entity is required to recognise the lease liability as a 'Finance Lease'. The cumulative effect of adopting AASB 16 has been recognised in equity and recorded as opening balance of financial assets and financial liabilities for the current period. Prior periods have not been restated. These lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2021.

AASB 119 Employee Benefits

Hear and Say Limited has adopted AASB 119 Employee Benefits for the treatment of long service leave provisions from 1 July 2021. In compliance with AASB 119 Employee Benefits, for employees where Hear and Say Limited remains primarily responsible for providing long service leave benefits to the employee, Hear and Say Limited accrue for the full long service leave payable measured at the present value of the expected future payment. A reimbursement asset is also recorded to recognise the present value of any amounts which will be expected to be recovered under the Q Leave portable long service leave scheme. Prior periods have not been restated.

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 the significant risks and rewards of ownership of the goods have passed to the buyer. Risks and rewards are considered transferred to the buyer at the time of delivery of the goods to the customer.

VI. Interest Income

Revenue is recognised when interest income is received from cash deposits held with banks.

(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 current replacement cost as at the date of acquisition, which is the deemed cost.

(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.

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

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 income and expenditure statement 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

As described in Note 3, 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) 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.

Key estimates - impairment of property, plant, and equipment

Hear and Say Limited assesses impairment at the end of each reporting period by evaluating conditions specific to Hear and Say Limited that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - fair value of financial instruments

Hear and Say Limited has certain financial assets and liabilities which are measured at fair value. Where fair value was not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

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

	2022	2021
	\$	\$
Revenue from continuing operations		
Grants	1,858,686	1,926,575
Fundraising - Gifts and Contributions	1,476,971	3,630,072
Trading / Operating Activities	3,507,167	3,808,193
Total revenue from continuing operations	6,842,824	9,364,840
Other income		
Other Income Received (JobKeeper)	-	922,500
Cash Boost Stimulus	-	50,000
Sundry Income	35,191	102,079
Total other income	35,191	1,074,579
Other comprehensive income for the year		
Changes in fair value of financial assets at fair value through other comprehensive income	-	-
Total other comprehensive income for the year	-	-

7. *Operating expenses and other expenses*

	2022	2021
	\$	\$
Operating expenses		
Client services expenses	56,136	31,794
Consultants	342,006	298,890
Electricity	43,057	42,161
Fundraising	275,124	200,722
Insurance	91,833	74,359
Legal & accounting fees	8,000	8,000
Licenses & fees	43,666	38,633
Motor vehicles & travel	33,002	51,395
Rates	29,652	16,751
Rent	358	30,589
Repairs & maintenance	164,213	157,243
Technology	209,784	178,113
Telephone & internet	35,865	42,175
Water	31,573	1,416
Other expenses	149,624	192,300
Total operating expenses	1,513,893	1,364,540

8. *Cash and cash equivalents*

	2022	2021
	\$	\$
Cash at bank and in hand	5,017,865	5,685,784
Other cash and cash equivalents	81,268	93,937
Total cash and cash equivalents	5,099,132	5,779,721

Reconciliation of cash

Cash and cash equivalents reported in the Statement of Cash Flows are reconciled to the equivalent items in the Statement of Financial Position as follows:

	2022 \$	2021 \$
Cash and cash equivalents	5,099,132	5,779,721
Balance as per Statement of Cash Flows	5,099,132	5,779,721

Reconciliation of net surplus / (deficit) to the net cash flows from operating activities:

Net surplus / (deficit)	(556,502)	2,848,653
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Adjustment for non-cash items

Depreciation	668,247	775,969
Amortisation – leased assets	40,634	-
(Gain) / loss on disposal of assets	-	-

Adjustment for investing income

Changes in fair value of financial assets at fair value through other comprehensive income	-	-
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Changes in operating assets and liabilities

(increase) / decrease in accounts receivable and other debtors	50,847	30,425
(increase) / decrease in prepayment and other assets	9,257	113,225
(increase) / decrease in inventories	(15,370)	(24)
increase / (decrease) in accounts payable and other payables	(366,578)	311,632
increase / (decrease) in other financial liabilities	-	-
increase / (decrease) in provision for employee benefit	(268,926)	32,003
Net cash flows from operating activities	(438,392)	4,111,883

9. *Accounts receivable and other debtors*

	2022 \$	2021 \$
Trade receivables	127,403	178,250
Less: Provision for doubtful debts	(12,500)	(12,500)
Total accounts receivable and other debtors	114,903	165,750

10. *Inventories*

	2022 \$	2021 \$
CURRENT		
At cost		
Inventories	22,889	7,519
Total inventories	22,889	7,519

11. Property, plant, and equipment

	2022 \$	2021 \$
<u>Software</u>		
At cost	137,265	137,265
Accumulated depreciation	(137,265)	(137,144)
Total software	-	122
<u>Land</u>		
At fair value	2,890,000	2,890,000
Total land	2,890,000	2,890,000
<u>Buildings</u>		
At fair value	10,548,866	10,548,906
Accumulated depreciation	(4,243,905)	(3,719,434)
Total buildings	6,304,961	6,829,472
<u>Plant & equipment</u>		
At cost	1,970,821	1,943,421
Accumulated depreciation	(1,557,148)	(1,456,149)
Total plant & equipment	413,673	487,273
<u>Furniture & fittings</u>		
At cost	384,354	384,354
Accumulated depreciation	(338,788)	(305,580)
Total furniture & fittings	45,566	78,774
<u>Motor vehicles</u>		
At cost	130,444	130,444
Accumulated depreciation	(102,220)	(92,813)
Total motor vehicles	28,224	37,631
Total property, plant, and equipment	9,682,424	10,323,271

(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:

	Software \$	Land \$	Property \$	Plant & Equipment \$	Furniture & Fittings \$	Motor Vehicles \$	TOTAL \$
Year ended 30 June 2022							
Balance at the beginning of the year	122	2,890,000	6,829,472	487,273	78,774	37,631	10,323,271
Add:							
Additions	-	-	-	27,400	-	-	27,400
Less:							
Depreciation expenses	122	-	524,510	100,999	33,208	9,407	668,247
Balance at the end of the year	-	2,890,000	6,304,961	413,674	45,566	28,224	9,682,424

12. Prepayment and other assets

	2022	2021
	\$	\$
CURRENT		
Prepayments	97,160	106,417
Total prepayments and other assets	97,160	106,417

13. Accounts payable and other payables

	2022	2021
	\$	\$
Trade creditors	108,892	107,919
GST payable	(11,641)	(9,153)
Sundry payables and accrued expenses	40,108	50,130
PAYG withholding payable	53,916	93,315
Wages and super payable	257,974	212,699
Total accounts payable and other payables	449,248	454,910

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.

14. Other financial liabilities

	2022	2021
	\$	\$
Revenue received in advance	776	74,228
Grants	-	287,465
Bank loans	1,090	502
Other loans	-	176,987
Total other financial liabilities	1,866	539,182

15. Provision for employee benefits

	2022	2021
	\$	\$
Current		
Annual Leave	186,534	335,524
Long Service Leave	110,465	276,173
Total current employee benefits	296,999	611,696
Non-current		
Long Service Leave	84,105	38,334
Total non-current employee benefits	84,105	38,334
Total provision for employee benefits	381,104	650,031

16. 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 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.

17. 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 2022, the total amount that members of Hear and Say Limited are liable to contribute if Hear and Say Limited is wound up are \$18.

18. 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 2022 was:

	2022	2021
	\$	\$
Remuneration	634,383	446,445
Total key management personnel remuneration	634,383	446,445

19. Auditor's Remuneration

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

	2022	2021
	\$	\$
SRJ Walker Wayland		
Audit of financial statements	9,000	8,000
Total auditor's remuneration	<u>9,000</u>	<u>8,000</u>

20. Contingencies

In the opinion of the Directors, Hear and Say Limited did not have any contingencies as at 30 June 2022 (30 June 2021: None).

21. Related Parties

No related party transactions occurred during the financial year ended 30 June 2022.

22. 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.

23. Reserves

Asset Revaluation Reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

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 5 – 19, 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 2022 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: 
Matthew Ames, Chair and Director

Dated: 16/11/2022

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, which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year 2022 then ended, and notes to the financial statement, including a summary of significant accounting policies, and the directors' 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:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year 2022 then ended; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 Company in accordance with 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 directors are responsible for other information. The other information comprises the information included in the Director's Report for the year ended 30 June 2022, but does not include the financial report or our auditor's report thereon.

Our opinion on the financial report does not cover the Director's Report 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 Director's Report and, in doing so, consider whether the Director's Report 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, 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 Directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the Directors 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, the directors are responsible for assessing the Company'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 directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those directors are responsible for overseeing the Company'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 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 the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

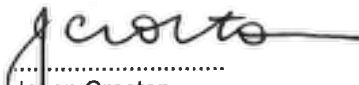
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting, from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and based, on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independence

We confirm that the independence declaration required by the ACNC Act, which has been given to the directors of Hear and Say Limited, would be in the same terms if given to the directors as at the time of this auditor's report.



.....
Jason Croston
SRJ Walker Wayland
Director

Date: 16 November 2022

Address: Unit 3, 27 South Pine Road, BRENDALE QLD 4500

