



Royal Institute for Deaf and Blind Children

ABN: 53 443 272 865

Annual Concise Financial Report

For the Year Ended 31 December 2016

**ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN
DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Information on RIDBC Concise Financial Report

The financial statements and disclosures in the concise financial report have been derived from the 2016 Full Financial Report of the Royal Institute of Deaf and Blind Children (RIDBC). A copy of the full financial report and auditor's report will be sent to any member, free of charge, upon request.

The discussion and analysis is provided to assist members in understanding the concise financial report. It is based on RIDBC's financial statements, the information contained in the concise financial report and in the 2016 Annual Report of RIDBC.

Statement of Income & Expenditure

In 2016 RIDBC recorded total revenue of \$54,494,446 which was an increase against 2015 of \$13,114,815 or 31.7%.

Total Revenue comprises Operating and Non-Operating Revenue Activities.

Revenue from Operating Activities closed the year at \$52,093,484 which was an increase against 2015 of \$10,786,313 or 26.1%. Stronger revenues in 2016 were driven by a number of factors, notably Bequests and Investment Income. Bequests income of \$14,439,317 was \$10,889,617 or 307% higher than last year. This was primarily due to the estate of the Late Mr Ian Paul (\$8.7M). Investment Income was \$1,462,955 or 21.6% higher than last year. There were mixed results across the rest of the business compared to last year summarised as follows: Lantern Clubs and other fundraising Committees (+\$268,616), Miscellaneous Income (+\$134,714), Student and Other Fees (-\$79,677), Professional Development (-\$157,701), Rainbow Lottery (-\$279,346), Government Funding (-\$314,163), Donations (-\$464,097) and Cochlear Implant Program (-\$674,605). RIDBC is very grateful for the generosity and foresight of those who have made provision for RIDBC through their Wills.

Revenue from Non-Operating Activities increased \$2,328,502 compared to last year which represented the gain on sale of the property previously owned by RIDBC at North Parramatta.

RIDBC continued to benefit from the ongoing support of the NSW, QLD and Commonwealth Governments for which we are most appreciative.

Investment Income was \$8,238,111 which was a growth of \$1,462,955 or 21.6% over 2015.

Economic data in the 2016 calendar year pointed to a continuation of moderate growth across the global economies of Europe, China and United States. This, combined with the \$16M increase in the investment portfolio, has contributed to the increase in investment income.

Total Expenditure on Operating Activities increased in 2016 by \$1,239,569 to \$42,238,512 which included Strategic Initiatives of \$553,146. Increase in other operating costs was consistent with Consumer Price Index (CPI). Strategic initiatives include costs relating to the

ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Information on RIDBC Concise Financial Report (cont.)

proposal put forward by a consortium comprising RIDBC, Macquarie University and Cochlear Limited in its bid to secure Australian Hearing Limited (see Note 6 to the Financial Statements). This is consistent with RIDBC's 5 Year Strategic Plan of expanding our reach across Australia.

Expenditures increased primarily in Student Services, reflecting an increased breadth and depth of services. RIDBC spent 77% of its outgoings on the Cochlear Implant Program and on Student and Client Services.

Finance, Administration and General Management costs were contained to 7.5% of operational expenditure. This represents a 0.2% improvement against 2015 which reflects the ongoing vigilance around the headcount and operating costs associated with these functions.

Statement of Other Comprehensive Income

The gain of \$3,035,257 (2015: loss of \$430,592) comprised of an increase of \$2,561,165 in the year end market values of the long term investments held by RIDBC plus a \$474,092 gain on disposal of investments during the year.

Statement of Financial Position

The value of RIDBC's Net Assets increased by 10.2% to \$165,637,181.

Of particular note is the increase in Financial assets (+\$16,258,048), consisting of RIDBC's Investment portfolio, which reflects the additional investment of funds as a result of the extraordinary year of bequests received. RIDBC's investment portfolio is diverse, being invested broadly across a range of managers and asset classes including cash, bonds, equities, infrastructure and property trusts. RIDBC is a long term investor and operates its investment portfolio with the advice of an independent asset consultant and with a special purpose subcommittee of the RIDBC Board.

During 2016, RIDBC's property, plant and equipment reduced by \$3,874,326. Additions of \$1,476,671 were offset by depreciation of (\$2,497,496) and the disposal (\$2,899,159) of the North Parramatta property, previously the residence of the Garfield Barwick School which has now been relocated to North Rocks. The most notable area of additions was in Information Technology (\$670,406), Cochlear Implant Program (\$203,331) and in the Schools (\$172,999).

Statement of Cash Flows

Cash inflows from operating activities increased 232% compared with 2015 primarily due to an increase in receipts from bequests and investments partially offset by increased payments to suppliers and employees.

The increase in cash inflows has been used to fund a 16% increase in investing activities compared with 2015.

**ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN
STATEMENT OF INCOME & EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2016**

		2016	2015
	Note		
REVENUE ON OPERATING ACTIVITIES			
BEQUEST INCOME	2	14,439,317	3,549,700
FUNDRAISING INCOME	2	8,385,144	8,859,971
GOVERNMENT FUNDING	2	12,915,816	13,229,979
OTHER INCOME	2	16,353,207	15,667,521
REVENUE FROM OPERATING ACTIVITIES	2	52,093,484	41,307,171
INCOME FROM NON OPERATING ACTIVITIES	2	2,400,962	72,460
TOTAL REVENUE AND INCOME	2	\$54,494,446	\$41,379,631
EXPENDITURE ON OPERATING ACTIVITIES			
FUNDRAISING	3	4,707,670	5,035,877
MARKETING AND COMMUNICATIONS	3	1,102,819	734,104
ADMINISTRATION	3	3,167,922	3,168,082
INVESTMENT MANAGEMENT	3	125,176	234,320
STUDENT AND CLIENT SERVICES	3	27,538,377	26,571,399
COCHLEAR IMPLANT PROGRAM	3	5,043,402	5,255,161
STRATEGIC INITIATIVES	3	553,146	-
TOTAL EXPENDITURE	3	\$42,238,512	\$40,998,943
SURPLUS FOR THE YEAR		\$12,255,934	\$380,688

These financial statements should be read in conjunction with the accompanying notes.

**ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
Note		
SURPLUS FOR THE YEAR	\$12,255,934	\$380,688
OTHER COMPREHENSIVE INCOME		
Net unrealised gain/ (loss) on revaluation of long term investments held at fair value and net realised gain on disposal of investments	3,035,257	(430,592)
(Loss) /Gain on revaluation of Defined Superannuation Funds	(16,399)	7,561
	3,018,858	(423,031)
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR	\$15,274,792	\$(42,343)

These financial statements should be read in conjunction with the accompanying notes.

**ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	2016	2015
	Note	
CURRENT ASSETS		
Cash and cash equivalents	7,630,993	4,462,994
Trade and other receivables	1,520,162	1,595,359
Other current assets	464,064	583,106
TOTAL CURRENT ASSETS	\$9,615,219	\$6,641,459
NON-CURRENT ASSETS		
Financial assets	118,306,283	102,048,235
Investment property	1,530,000	1,530,000
Retirement benefit surplus	281,000	287,000
Property, plant and equipment	43,993,516	47,867,842
Other Intangible assets	65,356	123,229
TOTAL NON-CURRENT ASSETS	\$164,176,155	\$151,856,306
TOTAL ASSETS	\$173,791,374	\$158,497,765
CURRENT LIABILITIES		
Trade and other payables	1,726,981	1,621,844
Other current liabilities	764,085	1,431,688
Short-term provisions	4,770,350	4,121,763
TOTAL CURRENT LIABILITIES	\$7,261,416	\$7,175,295
NON-CURRENT LIABILITIES		
Long-term provisions	824,179	901,882
Retirement benefit deficit	68,598	58,199
TOTAL NON-CURRENT LIABILITIES	\$892,777	\$960,081
TOTAL LIABILITIES	\$8,154,193	\$8,135,376
NET ASSETS	\$165,637,181	\$150,362,389
FUNDS		
Reserves		
Defined Benefit Reserve	212,402	228,801
Capital projects account	1,009,552	1,009,552
Cochlear Implant Program permanent funds	1,722,598	1,652,510
Prescribed purpose funds	6,609,232	6,038,262
Asset revaluation / realisation reserve	60,904,570	58,343,405
Designated investment fund	80,305,148	80,305,148
Total reserves	\$150,763,502	\$147,577,678
Retained earnings	\$14,873,679	\$2,784,711
TOTAL FUNDS	\$165,637,181	\$150,362,389

These financial statements should be read in conjunction with the accompanying note

**ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Retained Earnings	Defined Benefit Reserve	Capital Projects Account	CIP Permanent Funds	Prescribed Purpose Funds	Asset Revaluation/ Realisation Reserve	Designated Investment Fund	TOTAL
Balance at 1 January 2015	2,855,041	221,240	1,026,565	1,557,502	5,378,661	59,060,575	80,305,148	150,404,732
Total comprehensive income for the year	380,688	7,561	-	-	-	(430,592)	-	(42,343)
Subtotal	3,235,729	228,801	1,026,565	1,557,502	5,378,661	58,629,983	80,305,148	150,362,389
Transfers to and from reserve								
Capital projects account	17,013	-	(17,013)	-	-	-	-	-
Realised Investments	286,578	-	-	-	-	(286,578)	-	-
Prescribed purpose funds	(754,609)	-	-	95,008	659,601	-	-	-
Balance at 31 December 2015	2,784,711	228,801	1,009,552	1,652,510	6,038,262	58,343,405	80,305,148	150,362,389
Total comprehensive income for the year	12,255,934	(16,399)	-	-	-	3,035,257	-	15,274,792
Subtotal	15,040,645	212,402	1,009,552	1,652,510	6,038,262	61,378,662	80,305,148	165,637,181
Transfers to and from reserve								
Capital projects account	-	-	-	-	-	-	-	-
Prescribed purpose funds	(641,058)	-	-	70,088	570,970	-	-	-
Realised investments	474,092	-	-	-	-	(474,092)	-	-
Balance at 31 December 2016	14,873,679	212,402	1,009,552	1,722,598	6,609,232	60,904,570	80,305,148	165,637,181

These financial statements should be read in conjunction with the accompanying notes.

**ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
Note		
Cash flow from operating activities		
Receipts from fundraising, fees and sundry sources	31,016,928	21,387,502
Government grants & subsidies received	12,267,362	13,703,741
Interest received	303,569	332,851
Receipts from investments	7,854,533	5,912,884
Payments to suppliers and employees	(38,946,267)	(37,573,706)
<i>Net cash inflows from operating activities</i>	\$12,496,125	\$3,763,272
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	5,300,121	91,895
Payments for property, plant and equipment	(1,522,330)	(1,730,555)
Receipts from sale of investment securities	5,171,929	3,059,804
Payments for investment securities	(18,277,846)	(7,100,000)
<i>Net cash (outflows) from investing activities</i>	\$(9,328,126)	\$(5,678,856)
Net increase/ (decrease) in cash held	3,167,999	(1,915,584)
Cash at the beginning of the financial year	4,462,994	6,378,578
Cash at the end of the financial year	\$7,630,993	\$4,462,994

These financial statements should be read in conjunction with the accompanying notes.

**ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Note 1 – Basis of Preparation of the Concise Financial Report

The concise financial report is an extract from the full financial report for the year 31 December 2016. The concise financial report has been prepared in accordance with the principles of Accounting Standard AASB 1039: Concise Financial Reports, and the Charitable Fundraising Act 1991.

The financial report covers the entity of the Royal Institute for Deaf and Blind Children (RIDBC) domiciled in Australia, incorporated in 1905 by Act No. 10 of the New South Wales Parliament, and replaced by the provisions of the Royal Institute for Deaf and Blind Children Act No. 6 from 26 June 1998.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full financial report of the Royal Institute for Deaf and Blind Children (RIDBC). The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of RIDBC as the full financial report. A copy of the full financial report and auditor's report will be sent to any member, free of charge, upon request.

The financial report complies with Australian Accounting Standards. A statement of compliance with International Financial Reporting Standards cannot be made due to RIDBC applying the not-for-profit sector specific requirements contained in the Australian Accounting Standards.

RIDBC was automatically registered as a charity with the Australian Charities and Not-for-profits Commission (ACNC) with its registration details transferred across from the Australian Taxation Office (ATO) having been previously endorsed by the ATO as a charity.

The Annual Information Statement and an Annual Financial Statement for 2015 was duly submitted on 22nd June 2016.

**ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
Note 2 – Revenue		
(a) Revenue from Operating Activities		
Charitable Fundraising		
BEQUESTS *	\$14,439,317	\$3,549,700
*Bequests in 2016 include a substantial bequest from a long term RIDBC donor, the late Mr Ian Paul to the value of \$8.7M. An additional amount of approximately \$2M is expected in 2017 on final closure of the estate.		
Fundraising Income		
Donations	4,741,897	5,205,994
Lantern Clubs, Committees, Auxiliaries and Merchandise	1,601,518	1,332,902
Rainbow Lottery	2,041,729	2,321,075
TOTAL FUNDRAISING INCOME	\$8,385,144	\$8,859,971
Government funding		
Commonwealth Department of Education		
Basic Per Capita	2,354,645	2,333,688
AIS Funding	68,609	83,430
Commonwealth Department of Social Services		
Better Start	660,528	683,002
National Disability Insurance Scheme	498,955	296,932
Print Disability Services	131,500	115,750
Remote Hearing & Vision Services	832,000	864,762
NSW Ageing, Disability & Home Care		
Early Childhood Intervention	1,502,128	2,099,179
Print Disability/Alternative Formats	124,056	119,618
Therapy, Low Vision and other service grants	4,131,565	3,960,231
NSW Department of Education		
Intervention Support	777,809	854,160
Teaching Supervisors' Subsidy	311,609	440,118
Early Childhood Funding	173,862	322,710
State per capita grants	267,505	284,474
Preschool per capita grants	383,218	464,614
NSW Department of Health		
Port Macquarie Site Development	240,000	-
Bone Anchored Hearing Devices (BAHD)	152,955	-
Queensland Department of Health		
Support for Students at Teleschool	304,872	307,311
TOTAL GOVERNMENT FUNDING	\$12,915,816	\$13,229,979

**ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
Note 2 – Revenue (cont.)		
Other Income		
Investment Income	\$8,238,111	\$6,775,156
Student and Other Fees	\$1,800,611	\$1,880,288
Cochlear Implant Program		
Donations and Merchandising	445,149	1,017,335
Medicare Receipts	3,318,021	2,991,235
Cochlear Devices Commission	1,349,285	1,812,471
Other Income	257,918	223,937
Total Cochlear Implant Program	\$5,370,373	\$6,044,978
Staff Development & Publications	\$307,962	\$465,663
Miscellaneous Income	\$636,150	\$501,436
TOTAL OTHER INCOME	\$16,353,207	\$15,667,521
TOTAL REVENUE FROM OPERATING ACTIVITIES	\$52,093,484	\$41,307,171
(b) Income from Non Operating Activities		
Gain on sale of property, plant and equipment *	2,400,962	72,460
TOTAL INCOME FROM NON OPERATING ACTIVITIES	\$2,400,962	\$72,460
TOTAL REVENUE	\$ 54,494,446	\$ 41,379,631
*Gain on sale relates to the disposing of property at North Parramatta, previously the residence of the Garfield Barwick School which has now been relocated to North Rocks		
Note 3 – Surplus from Ordinary Activities		
Surplus from ordinary activities has been determined after:		
(a) Expenditure on Operating Activities		
CHARITABLE FUNDRAISING		
Donation Appeals	1,607,485	1,648,469
Lantern Clubs, Committees, Auxiliaries and Merchandising	653,882	740,701
Other Fundraising	825,924	1,013,078
Rainbow Lottery	1,620,379	1,633,629
TOTAL FUNDRAISING EXPENDITURE	\$4,707,670	\$5,035,877
MARKETING AND COMMUNICATIONS	\$1,102,819	\$734,104
ADMINISTRATION		
General and Financial Management	2,221,447	2,274,692
Human Resources Management	946,475	893,390
TOTAL ADMINISTRATION EXPENDITURE	\$3,167,922	\$3,168,082
INVESTMENT MANAGEMENT	\$125,176	\$234,320
STRATEGIC INITIATIVES *	\$553,146	-
COCHLEAR IMPLANT PROGRAM EXPENDITURE	\$5,043,402	\$5,255,161

**ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
Note 3 – Surplus from Ordinary Activities (cont.)		
STUDENT AND CLIENT SERVICES		
Preschool Services		
RIDBC (Hunter) Preschool	967,170	715,337
Roberta Reid Preschool	203,675	219,662
Rockie Woofit Preschool	570,801	554,490
RIDBC (Nepean) Preschool	544,802	557,654
Vision Ed Preschool	285,209	259,778
Schools		
Alice Betteridge School	3,802,411	4,163,446
Thomas Pattison School	1,855,370	2,092,679
Garfield Barwick School	1,498,066	1,647,678
Schools Support	3,876,675	3,919,441
Clinical Services	2,321,190	1,101,345
Jim Patrick Audiology Centre	684,274	622,160
Renwick Centre	2,879,448	2,835,575
Teleschool	2,953,066	2,944,124
Early Learning Program	4,246,943	4,246,696
Community Based Professional Services	849,277	691,334
TOTAL STUDENT AND CLIENT SERVICES EXPENDITURE	\$27,538,377	\$26,571,399
TOTAL EXPENDITURE ON OPERATING ACTIVITIES	\$42,238,512	\$40,998,943
*Strategic Initiatives include costs relating to the proposal put forward by a consortium comprising RIDBC, Macquarie University and Cochlear Limited in its bid to secure Australian Hearing Limited.		
The expenditure on operating activities include the following specific expenditures		
Amortisation of non-current assets	\$57,873	\$76,935
Depreciation on non-current assets	\$2,497,496	\$2,401,151
Remuneration of auditor		
Audit services	80,000	121,740
Other assurance services	-	22,500
Taxation Advice related firm (Grant Thornton LLP (US))	-	34,440
Total remuneration of auditor	\$80,000	\$178,680
Bad and doubtful debts	\$20,691	\$52,549
Total employee benefits expense	\$30,131,502	\$29,192,673

**ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Note 4 – Fundraising Activities Conducted

Fundraising appeals conducted during the financial year, under the Charitable Fundraising Act 1991, included direct mailings, special events, merchandising, lotteries and bequests. Other fundraising activities were also undertaken by various Committees & Auxiliaries including Lantern Clubs.

(a) Details of income and aggregate expenditure of appeals conducted jointly with traders

For the purpose of this note all fundraising involving the Sale of Items (e.g. chocolates, sun hats, sunscreen, etc.) is deemed to have involved a trader.

	2016	2015
Income received from sale of items	1,642,853	1,332,902
Total expenditure incurred	<u>(653,882)</u>	<u>(740,701)</u>
Net Income	<u>\$988,971</u>	<u>\$592,201</u>

(b) Forms of fundraising appeals conducted in 2016

For the purposes of reporting under the requirements of the Charitable Fundraising Act 1991, Royal Institute for Deaf and Blind Children classifies all fundraising activities under five categories; bequests, donations, lantern clubs plus committees and auxiliaries, merchandising and rainbow lottery.

Note 5 – Other Commitments

On 10 November 2015 RIDBC entered into an agreement to acquire the assets and assume the liabilities of Early Education Program for Hearing Impaired Children (EEP), in Victoria, at a date in the future up to 1 November 2018 for nil consideration. The net assets and liabilities to be acquired are not material. At 31 December 2016 RIDBC did not control EEP and the value of the option to acquire EEP is negligible. Accordingly this transaction has not been recognised in the 31 December 2016 financial statements.

Note 6 – Events After the Balance Date

Matters or circumstances that have arisen since the end of the financial year which significantly affect or may significantly affect the operations of RIDBC, the results of those operations, or the state of affairs of RIDBC in future financial years are provided below.

- (a)** Subsequent to balance date, the Consortium (comprising RIDBC, Cochlear Ltd and Macquarie University) has withdrawn the proposal previously submitted to the Australian Federal Government, regarding the future of Australian Hearing.

ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN RESPONSIBLE ENTITIES' DECLARATION

The Responsible Entities of RIDBC declare that:

- 1) The financial statements and notes of RIDBC are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 including;
 - a. giving a true and fair view of its financial position as at 31 December 2016 and of its performance for the financial year ended on that date;
 - b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- 2) there are reasonable grounds to believe that RIDBC 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.



Sean P Wareing
President

11 April 2017



Peter van Dongen
Director

11 April 2017

DECLARATION BY THE PRESIDENT WITH RESPECT TO FUNDRAISING APPEALS

I Sean Wareing, President of the Royal Institute for Deaf and Blind Children, declare that in my opinion:

- a. the accounts give a true and fair view of all income and expenditure with respect to fundraising appeals;
- b. the statement of financial position gives a true and fair view of the state of affairs of the organisation with respect to fundraising appeals;
- c. the provisions of the Charitable Fundraising Act, the regulations under the Act and the conditions attached to the fundraising authority have been complied with by the organisation; and
- d. the internal controls exercised by the organisation are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.



Sean P Wareing
President

11 April 2017

**Auditor's Independence Declaration
To the Directors of Royal Institute for Deaf and Blind Children**

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Royal Institute for Deaf and Blind Children for the year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



A J Archer
Partner - Audit & Assurance

Sydney, 11 April 2017

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN

Auditor's Opinion

We have audited the concise financial report of the Royal Institute for Deaf and Blind Children (the Company), which comprises the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, derived from the audited financial report of Royal Institute for Deaf and Blind Children for the year ended 31 December 2016. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

In our opinion, the concise financial report of Royal Institute for Deaf and Blind Children for the year ended 31 December 2016 complies with the principles of Accounting Standard AASB 1039 Concise Financial Reports.

Basis for Auditor's 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* (the Code) that are relevant to our audit of the concise 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 audit opinion.

Information other than the Concise Financial Report and Auditor's Report

The Responsible Entities of RIDBC are responsible for the other information. The other information comprises the information included in the entity's annual report for the year ended 31 December 2016, but does not include the concise financial report and our auditor's report thereon.

Our opinion on the concise 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 concise 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, 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.

Responsible Entities' responsibility for the Concise Financial Report

The Responsible Entities of RIDBC are responsible for the preparation and fair presentation of the concise financial report in accordance with the principles of Accounting Standard AASB 1039 Concise Financial Reports, the Australian Charities and Not-for-profits Commission Act 2012 and Charitable Fundraising Act 1991. This responsibility includes such internal controls as the Responsible Entities' determine are necessary to enable the preparation of the concise financial report to be free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Concise Financial Report

Our responsibility is to express an opinion on the concise financial report based on our audit procedures which were conducted in accordance with Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with the principles Accounting Standard AASB 1039 Concise Financial Reports.

Our objectives are to obtain reasonable assurance about whether the concise 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 at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



A J Archer
Partner - Audit & Assurance

Sydney, 11 April 2017

ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN
FIVE YEAR FINANCIAL HISTORY FOR THE YEAR ENDED 31 DECEMBER 2016

Description	%	2016	2015	2014	2013	2012	%
EXPENDITURE							
Student and Client Services							
Preschool Services		2,571,657	2,306,921	2,660,789	2,556,288	2,483,641	
Alice Betteridge School		3,802,411	4,163,446	4,487,680	4,309,512	4,337,187	
Thomas Pattison School		1,855,370	2,092,679	2,029,620	1,931,514	2,003,107	
Garfield Barwick School		1,498,066	1,647,678	1,744,498	1,651,736	1,497,702	
Early Learning Programs		4,246,943	4,246,696	4,044,943	4,172,500	3,903,776	
Teleschool		2,953,066	2,944,124	2,657,680	2,423,298	2,455,769	
Community Based Professional Services		849,277	691,334	616,544	388,070	-	
Clinical Services		2,321,190	1,101,345	1,209,219	1,071,709	778,436	
School Support Services		3,876,675	3,919,441	3,672,268	3,448,657	3,343,129	
Jim Patrick Audiology Centre		684,274	622,160	652,003	699,518	500,965	
Renwick Centre		2,879,448	2,835,575	2,690,015	2,771,799	2,872,148	
Total Student and Client Services	65	27,538,377	26,571,399	26,465,259	25,424,602	24,175,860	75
Cochlear Implant Program	12	5,043,402	5,255,161	2,674,758	-	-	
Finance and General Management	8	3,167,922	3,168,082	3,096,580	2,865,239	2,732,671	8
Investment Management		125,176	234,320	290,029	265,205	237,841	1
Charitable Fundraising	7	3,087,291	3,402,248	2,908,779	2,545,147	2,348,115	7
Rainbow Lottery	4	1,620,379	1,633,629	2,106,406	2,334,842	2,530,351	8
Strategic Initiatives	1	553,146	-	-	-	-	
Marketing & Communications	3	1,102,819	734,104	400,358	329,132	380,972	1
Total Expenditure from Operating Activities	100	42,238,512	40,998,943	37,942,169	33,764,167	32,405,810	100
REVENUE FROM ORDINARY ACTIVITIES							
Charitable Fundraising Income							
Bequests		14,439,317	3,549,700	7,617,257	7,217,464	5,564,139	
Donations & special events		4,741,897	5,205,994	4,066,126	4,499,246	3,971,246	
Lantern Clubs, Committees and Auxiliaries		1,601,518	1,332,902	1,203,118	927,921	946,233	
Merchandising and Other Fundraising		-	-	-	194,625	495,209	
Rainbow Lottery		2,041,729	2,321,075	2,726,055	3,321,564	3,513,674	
Total Charitable Fundraising Income	44	22,824,461	12,409,671	15,612,566	16,160,820	14,490,501	46
Government funding							
Commonwealth Department of Education		2,423,254	2,417,118	2,664,559	2,382,038	2,757,607	
Commonwealth Department of Social Services		2,122,983	1,960,446	1,419,714	1,229,897	1,078,148	
NSW Ageing, Disability and Home Care		5,757,749	6,179,028	6,027,771	5,237,319	4,408,644	
NSW Department of Education		1,914,003	2,366,076	2,080,433	2,144,322	2,087,383	
NSW Department of Health		392,955	-	-	-	-	
QLD Department of Health		304,872	307,311	300,000	-	-	
AusAID		-	-	-	1,500	86,562	
Total Government funding	25	12,915,816	13,229,979	12,492,477	10,995,076	10,418,344	33
Other Income							
Investment income		8,238,111	6,775,156	5,380,112	3,924,493	4,106,267	
Cochlear Implant Program		5,370,373	6,044,978	2,470,984	-	-	
Sales, fees and miscellaneous income		2,744,723	2,847,387	2,639,394	2,695,670	2,638,774	
Total Other Income	31	16,353,207	15,667,521	10,490,490	6,620,163	6,745,041	21
Total Revenue From Operating Activities	100	52,093,484	41,307,171	38,595,533	33,776,059	31,653,886	100
Operating Surplus/(Deficit)		9,854,972	308,228	653,364	11,892	(751,924)	
Net (loss) on sale of available-for-sale investments		-	-	-	-	(1,175,396)	
Net gain/ (loss) on disposal of property, plant & equipment		2,400,962	72,460	132,137	5,042	-	
Gain on acquisition		-	-	3,249,119	-	-	
Gain/(loss) on defined benefit super funds		(16,399)	7,561	(51,000)	108,000	-	
Net unrealised gain/ (loss) on revaluation of long term investments held at fair value and net realised gain on disposal of investments		3,035,257	(430,592)	2,235,867	10,855,813	-	
Surplus/(Deficit) after non-operating items		15,274,792	(42,343)	6,219,487	10,980,747	(1,927,320)	

ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN GOVERNMENT FUNDING – SUMMARY OF APPLICABLE LEGISLATION

Source of Funds	Legislation	Funding Purposes
Commonwealth Department of Education		
General Recurrent Grants Program General Recurrent Grants for Non-Government Schools	Australian Education Act (2013)	Assistance towards the cost of recurrent services at our schools
Commonwealth Strategic Assistance for Improving Student Outcomes Schools Support Non-Government	Australian Education Act (2013)	Assistance towards costs of education support services at and from our Special Schools.
Commonwealth Strategic Assistance for Improving Student Outcomes	Australian Education Act (2013)	Funding for special projects that provide a type of support to children's education which may otherwise be lacking in an institutional setting.
School Language Program Community Languages Element	Australian Education Act (2013)	Assistance towards the cost of implementation of Community Languages Program in the RIDBC Thomas Pattison School.
Literacy & Numeracy Action Plan	Australian Education Act (2013)	Assistance towards improving student achievement in literacy and numeracy in the RIDBC Garfield Barwick School
Australian Sports Commission - Sporting Schools Program	Australian Government	Initiative program aimed to involve more children in playing sport at the RIDBC Thomas Pattison School
Education Research Project		Access and utilise education research in the RIDBC Thomas Pattison School
Commonwealth Department of Social Services		
Early Childhood – Remote Hearing and Vision Services RIDBC Teleschool Project	Childcare Act (1972)	To provide intensive, targeted and coordinated support for parents and children who have limited or no access to specialised professional services in their local community.
Better Start Early Intervention Funding		The Better Start for Children with Disability (Better Start) initiative aims to assist eligible children with developmental disabilities to access funding for early treatment, diagnostic and management services.
National Disability Insurance Scheme	National Disability Insurance Scheme Act (2013) No. 20, 2013	NDIS provide community linking and individualised support for people with permanent and significant disability, their families and carers.
Production of Alternate Format Print	Print Disability Service – Disability Services Act (1986)	Subsidy towards the production of AFP (Part II, Section 10 of the Act)

ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN GOVERNMENT FUNDING – SUMMARY OF APPLICABLE LEGISLATION

N.S.W. Ageing, Disability and Home Care

Financial Assistance Grants	Disability Services Act (1993)	Assistance towards the cost of providing boarding, therapy, low vision and other services, under Section 7 of the Act.
Community Services Grants	Departmental policy initiative - Children (Care and Protection) Act (1987)	Community services grants program funding for community support and braille production.

N.S.W. Department of Education

Non-Government State Schools Per Capita Allowance	Education Act (1990)	Per capita allowance for primary and secondary pupils attending our special schools.
Teaching Supervisor's Subsidy	Education Act (1990)	Subsidies for approved teaching staff of intellectually impaired children.
Intervention Support Program	Early Childhood Education	The Program provides support that is supplementary to improve educational opportunities, learning outcomes and personal development of children with disabilities. The Program provides funding to non-government, not-for-profit incorporated services.
Early Childhood Education and Care	Early Childhood Education and Care Grants Program (2013) (Also now known as Start Strong)	Supports direct delivery of early childhood education by not-for profit preschool providers. Target audience is children in their year before school and those from CALD, ATSI and low SES backgrounds
Preschool Per Capita Grant	Preschool Disability Support Program	Per capita allowance for pupils attending RIDBC's Hunter, Nepean, Roberta Reid, Rockie Woofit and VisionEd Preschools under the Early Childhood Education and Care Program 2013

N.S.W. Department of Health

Department of Health	Support for cochlear implant services on the mid-north coast
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Q.L.D. Department of Health

Department of Health	Support for students at Teleschool
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AusAid

Avoidable Blindness Initiative	Public Service Act (1999)	Tackle avoidable blindness in the Asia Pacific region
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