



# Royal Institute for Deaf and Blind Children

**ABN: 53 443 272 865**

**Annual Concise Financial Report**

**For the Year Ended 31 December 2014**

**ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN  
DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**Information on RIDBC Concise Financial Report**

The concise financial report is an extract from the full financial report for the year ended 31 December 2014. The financial statements and disclosures in the concise financial report have been derived from the 2014 Financial Report of 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 2014 Annual Report of RIDBC.

Of significant note is the first time adoption of Australian Accounting AASB 9 Financial Instruments. The effect of the adoption of the Standard is set out in Note 1a of the Financial Report. To allow for meaningful comparisons, the financial data for 2013 has been restated to reflect the effect of this standard if it had been adopted for that year.

In addition, RIDBC completed the acquisition of the business operations of SCIC Limited effective from 1 July 2014 and the financial effect of this transaction is set out in Note 4 of the concise financial report.

The commentary provided below is inclusive of the financial effects of both of these significant items.

**Statement of Income & Expenditure**

In 2014, RIDBC recorded Total Revenue of \$41,976,789. This was an increase against 2013 of \$8,190,410. Within total revenue, Operating Revenue increased by \$4,819,474 or 14.3% over 2013 with \$2,470,984 or 7.3% attributable to the operating revenue added by the SCIC operations since acquisition date, also driven by the increase in Government Grants and Subsidies of \$1,497,401, and increased Investment income of \$1,455,619. Revenue from legacies was again for the second successive year at historical highs, of \$7,617,257 and was 5.5% higher than the prior year. RIDBC is very grateful for the generosity and foresight of those who have made provision for RIDBC through their Wills. Donations in 2014 totalled \$4,066,126, down 9.6% on the prior year, and income from the Rainbow Lottery at \$2,726,065 was 18% lower than the 2013 result. Income from other fundraising areas however was 7.1% higher than the 2013 result, providing RIDBC with continued valuable contributions from, the Lantern Clubs and other fundraising Committees, Auxiliaries and events of RIDBC totalling \$1,203,118.

The acquisition of the business of SCIC on 1 July 2014 added \$3,249,119 to the equity of RIDBC.

RIDBC continued to benefit from the ongoing support of the NSW, Queensland and Commonwealth Governments for which we are most appreciative with the increase in Grants and Subsidies noted above.

The difficult and unpredictable economic and operating conditions experienced since 2009 further receded and stabilised in 2014, however the spectre of ongoing depressed global economic growth especially in Europe and questions regarding sustainable GDP growth in Asia especially China casts a shadow over future business conditions locally in Australia and for RIDBC.

**ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN  
DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**Information on RIDBC Concise Financial Report (cont.)**

Given the continuing rise in the asset value of the investment portfolio in 2014 and 2013, income flows from the portfolio increased to \$5,380,112 which was an increase of \$1,455,619 or 37.1% over 2013.

Total Expenditure on Operating Activities increased in 2014 to \$37,942,169; however the acquisition of Sydney Cochlear Implant Centre Limited on 1 July 2014 contributed \$2,674,758 of expenses. Excluding this, expenditure increased by \$1,503,244 or 4.5% being above that of CPI reflecting increases in a number of expenditure types where RIDBC has little or no control and additional spend in areas that helped execute the Institute's 5 Year Strategic Plan expanding services to more diverse range of clients at more sites.

Expenditures increased primarily in Student Services, reflecting an increased breadth and depth of services. At the year end, there were 1,144 children enrolled, a decrease of 118 over the year. RIDBC spent 70% of its outgoings on services to children.

Finance, Administration and General Management costs were contained to 8.2% of operational expenditure. This continues to reflect the efficient and prudent operation of RIDBC.

**Statement of Other Comprehensive Income**

There was an increase of \$2,970,368 of which the increase in the year end net of cash market values of the long term investments held by RIDBC as at 31 December was \$2,179,118 or a 4% increase in market values during 2014 which is another welcome gain after the one experienced in the prior year.

**Statement of Financial Position**

Inclusive of the net assets added by the acquisition of SCIC in 2014, the value of RIDBC's Net Assets increased by 4.1% to \$150,404,732.

Of importance was the increase in the Non-Current Financial Asset values, with a gross increase of 16% in 2014 (or 6% net of invested cash) after an increase of 13% was experienced in 2013 reflecting additional investments and gain in the value of RIDBC's investment assets with increases experienced across all asset sectors driven by rises in all major global financial markets. RIDBC's investment portfolio is diversified, 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 2014, RIDBC's additions to fixed assets were \$941,976 and with the acquisition of Sydney Cochlear Implant Centre Limited on 1 July 2014 a further \$711,634 in fixed assets were acquired.

**ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN  
DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**Information on RIDBC Concise Financial Report (cont.)  
Statement of Cash Flows**

Cash inflows from operating activities increased 88% compared with 2013 primarily due to an increase in receipts from fundraising and government grants partially offset by increased payments to suppliers and employees.

Total Cash outflow for 2014 of \$6,701,819 compared to the inflow in 2013 of \$4,920,869, a net reduction of \$11,622,688. This was due to the net increase, after investment redemptions, in payments for additional investment securities of \$16,354,486 reflecting the restructuring of the investment portfolio in 2014 recommendations that were received from the investment consultant and approved by the Board's Investment sub-committee partially offset by the \$2,924,189 received in cash assets from the acquisition of SCIC.

**ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN  
STATEMENT OF INCOME & EXPENDITURE  
FOR THE YEAR ENDED 31 DECEMBER 2014**

		2014	2013
	Note		
<b>REVENUE FROM OPERATING ACTIVITIES</b>	2	<b>38,595,533</b>	33,776,059
<b>INCOME FROM NON OPERATING ACTIVITIES</b>	2	<b>3,381,256</b>	10,320
<b>TOTAL REVENUE AND INCOME</b>	2	<b>41,976,789</b>	\$33,786,379
<b>EXPENDITURE ON OPERATING ACTIVITIES</b>			
CHARITABLE FUNDRAISING	3	<b>2,908,779</b>	2,545,147
RAINBOW LOTTERY	3	<b>2,106,406</b>	2,334,842
MARKETING AND COMMUNICATIONS	3	<b>400,358</b>	329,132
ADMINISTRATION	3	<b>3,096,580</b>	2,865,239
INVESTMENT MANAGEMENT	3	<b>290,029</b>	265,205
STUDENT SERVICES	3	<b>26,465,259</b>	25,424,602
COCHLEAR IMPLANT PROGRAM	3	<b>2,674,758</b>	-
	3	<b>\$37,942,169</b>	\$33,764,167
<b>EXPENDITURE ON NON OPERATING ACTIVITIES</b>	3	-	5,278
<b>TOTAL EXPENDITURE</b>	3	<b>\$37,942,169</b>	\$33,769,445
<b>SURPLUS FOR THE YEAR</b>		<b>\$4,034,620</b>	\$16,934

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 2014**

	2014	2013
Note		
<b>SURPLUS FOR THE YEAR</b>	<b>\$4,034,620</b>	\$16,934
<b>OTHER COMPREHENSIVE INCOME</b>		
Net unrealised gain on revaluation of long term investments held at fair value and net realised gain on disposal of investments	<b>2,235,867</b>	10,855,813
(Loss) / Gain on revaluation of Defined Superannuation Fund	<b>(51,000)</b>	108,000
	<b>2,184,867</b>	10,963,813
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>\$6,219,487</b>	\$10,980,747

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 2014**

	2014	2013
Note		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	6,378,578	13,080,397
Inventories	75,210	-
Trade and other receivables	1,416,525	1,637,497
Other current assets	659,387	719,781
<b>TOTAL CURRENT ASSETS</b>	<b>\$8,529,700</b>	<b>\$15,437,675</b>
<b>NON-CURRENT ASSETS</b>		
Financial assets	97,800,535	84,453,578
Investment property	1,530,000	-
Retirement benefit surplus	285,000	336,000
Property, plant and equipment	48,681,103	49,496,068
<b>TOTAL NON-CURRENT ASSETS</b>	<b>\$148,296,638</b>	<b>\$134,285,646</b>
<b>TOTAL ASSETS</b>	<b>\$156,826,338</b>	<b>\$149,723,321</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	727,146	1,051,290
Other current liabilities	736,436	212,996
Short-term provisions	3,868,869	3,332,750
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$5,332,451</b>	<b>\$4,597,036</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term provisions	1,025,395	941,040
Retirement benefit deficit	63,760	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>\$1,089,155</b>	<b>\$941,040</b>
<b>TOTAL LIABILITIES</b>	<b>\$6,421,606</b>	<b>\$5,538,076</b>
<b>NET ASSETS</b>	<b>\$150,404,732</b>	<b>\$144,185,245</b>
<b>FUNDS</b>		
Reserves		
Capital projects account	1,026,565	1,032,612
Cochlear Implant Program permanent funds	1,557,502	-
Prescribed purpose funds	5,378,661	5,214,000
Asset revaluation / realisation reserve	59,060,575	56,824,708
Designated investment fund	80,305,148	80,305,148
Technology capital campaign	-	300,000
Total reserves	<b>\$147,328,451</b>	<b>\$143,676,468</b>
Retained earnings	<b>\$3,076,281</b>	<b>\$508,777</b>
<b>TOTAL FUNDS</b>	<b>\$150,404,732</b>	<b>\$144,185,245</b>

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 2014**

	Retained Earnings	Capital Projects Account	Capital Subsidies Reserve	Cochlear Implant Program Permanent Funds	Prescribed Purpose Funds	Asset Revaluation Reserve	Designated Investment Fund	Technology Capital Campaign	TOTAL
<b>Balance at 1 January 2013</b>	\$6,822,762	\$1,082,066	\$179,000	-	\$4,076,775	\$45,968,893	\$74,775,000	\$300,000	\$133,204,496
Total comprehensive income for the year	124,934	-	-	-	-	10,855,815	-	-	10,980,749
<b>Subtotal</b>	<b>6,947,696</b>	<b>1,082,066</b>	<b>179,000</b>	<b>-</b>	<b>4,076,775</b>	<b>56,824,708</b>	<b>74,775,000</b>	<b>300,000</b>	<b>144,185,245</b>
Transfers to and from reserve									
Capital projects account	49,454	(49,454)	-	-	-	-	-	-	-
Capital subsidies reserve	179,000	-	(179,000)	-	-	-	-	-	-
Prescribed purpose funds	(1,137,225)	-	-	-	1,137,225	-	-	-	-
Designated investment fund	(5,530,148)	-	-	-	-	-	5,530,148	-	-
<b>Balance at 31 December 2013</b>	<b>\$508,777</b>	<b>\$1,032,612</b>	<b>-</b>	<b>-</b>	<b>\$5,214,000</b>	<b>\$56,824,708</b>	<b>\$80,305,148</b>	<b>\$300,000</b>	<b>\$144,185,245</b>
Total comprehensive income for the year	<b>3,983,620</b>	-	-	-	-	<b>2,235,867</b>	-	-	<b>6,219,487</b>
<b>Subtotal</b>	<b>4,492,397</b>	<b>1,032,612</b>	<b>-</b>	<b>-</b>	<b>5,214,000</b>	<b>59,060,575</b>	<b>80,305,148</b>	<b>300,000</b>	<b>150,404,732</b>
Transfers to and from reserve									
Capital projects account	<b>6,047</b>	<b>(6,047)</b>	-	-	-	-	-	-	-
Prescribed purpose funds	<b>(1,722,163)</b>	-	-	<b>1,557,502</b>	<b>164,661</b>	-	-	-	-
Designated investment fund	-	-	-	-	-	-	-	-	-
Technology capital campaign	<b>300,000</b>	-	-	-	-	-	-	<b>(300,000)</b>	-
<b>Balance at 31 December 2014</b>	<b>3,076,281</b>	<b>\$1,026,565</b>	<b>-</b>	<b>1,557,502</b>	<b>\$5,378,661</b>	<b>\$59,060,575</b>	<b>\$80,305,148</b>	<b>-</b>	<b>\$150,404,732</b>

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 2014**

	2014	2013
	Note	
<b>Cash flow from operating activities</b>		
Receipts from fundraising, fees and sundry sources	19,491,150	18,757,952
Government grants & subsidies received	14,284,326	10,783,982
Interest received	123,470	252,757
Receipts from investments	5,269,967	3,566,232
Payments to suppliers and employees	(36,489,221)	(31,936,256)
<i>Net cash inflows from operating activities</i>	<b>\$2,679,692</b>	<b>\$1,424,667</b>
<b>Cash flows from investing activities</b>		
Cash acquired upon acquisition of Cochlear Implant Program	4 1,366,687	-
Cash acquired upon acquisition of Cochlear Implant Program Permanent Funds	4 1,557,502	-
Proceeds from sale of property, plant and equipment	207,120	98,250
Payments for property, plant and equipment	(1,000,894)	(1,444,608)
Receipts from sale of investment securities	5,801,626	16,924,063
Payments for investment securities	(17,313,552)	(12,081,503)
<i>Net cash (outflows)/ inflows from investing activities</i>	<b>\$(9,381,511)</b>	<b>\$3,496,202</b>
Net (decrease) / increase in cash held	(6,701,819)	4,920,869
Cash at the beginning of the financial year	13,080,397	8,159,528
Cash at the end of the financial year	<b>\$6,378,578</b>	<b>\$13,080,397</b>

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 2014**

**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 2014. 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 ACNC with its registration details transferred across from the Australian Taxation Office (ATO) having been previously endorsed by the ATO as a charity.

RIDBC, due to its substituted accounting period of 31 December, was first required to comply with the ACNC's reporting obligations in relation to its 2013 annual report and accounts. The Annual Information Statement and an Annual Financial Statement was duly submitted on 2<sup>nd</sup> June 2014.

**a. Financial Instruments**

RIDBC elected to early adopt AASB 9 Financial Instruments. This new standard has been adopted as it includes requirements for the classification and measurement of financial assets which improve and simplify the approach when compared with the requirements of the previous Accounting Standard AASB 139 Financial Instruments: Recognition and Measurement.

When adopting this standard RIDBC's investments which were previously designated as "Available for Sale" under AASB 139, have been designated as "financial assets at fair value through other comprehensive income" in accordance with AASB9. All gains and losses on investments are presented in other comprehensive income as part of the statement of profit or loss and other comprehensive income. Under AASB 9, there is no recycling of realised gains and losses to the income statement as was previously required by AASB 139. There is also no requirement to test RIDBC's long-term investments for impairment, with the result that there is no transfer of unrealised impairment revaluation charge from the investment revaluation reserve to statement of income and expenditure.

**ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014	2013
<b>Note 2 – Revenue</b>		
<b>(a) Revenue from Operating Activities</b>		
<b>Charitable Fundraising</b>		
Legacies	7,617,257	7,217,464
Donations	4,066,126	4,499,246
Lantern Clubs, Committees, Auxiliaries and Merchandising	1,117,107	927,921
Other Fundraising	86,011	194,625
	<b>\$12,886,501</b>	<b>\$12,839,256</b>
<b>Rainbow Lottery</b>	<b>\$2,726,065</b>	<b>\$ 3,321,564</b>
<b>TOTAL FUNDRAISING</b>	<b>\$15,612,566</b>	<b>\$ 16,160,820</b>
<b>Government grants and subsidies</b>		
<b>Commonwealth Department of Education</b>		
Basic Per Capita	2,491,554	882,454
Capital support - Non-Government Schools	4,481	46,012
Commonwealth Targeted Programs	168,524	1,453,572
<b>Commonwealth Department of Social Services</b>		
Better Start	578,127	527,178
National Disability Insurance Scheme	121,702	9,266
Print Disability Services	115,750	100,000
Remote Hearing & Vision Services	604,135	593,453
<b>NSW Ageing, Disability &amp; Home Care</b>		
Early Childhood Intervention	2,106,740	966,187
Print Disability/Alternative Formats	115,177	111,548
Therapy, Low Vision and other service grants	3,805,854	4,159,584
<b>NSW Department of Education &amp; Training</b>		
Intervention Support	773,516	739,338
Teaching Supervisors' Subsidy	424,481	495,022
SCAN funding	196,270	203,243
<b>NSW Department of Education &amp; Communities</b>		
State per capita grants	308,841	293,755
National Education Reform Agreement (NERA)	8,780	-
Preschool per capita grants	368,545	412,964
<b>Queensland Department of Health</b>		
Support for Students at Teleschool	300,000	-
<b>AusAID</b>		
Avoidable Blindness Initiative	-	1,500
<b>TOTAL GOVERNMENT GRANTS &amp; SUBSIDIES</b>	<b>\$12,492,477</b>	<b>\$ 10,995,076</b>
<b>Investment Income</b>	<b>\$5,380,112</b>	<b>\$ 3,924,493</b>
<b>Student and Other Fees</b>	<b>\$1,917,380</b>	<b>\$ 1,914,162</b>

**ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014	2013
<b>Note 2 – Revenue (cont.)</b>		
<b>Cochlear Implant Program</b>		
Donations and Merchandising	437,300	-
Medicare Receipts	1,451,187	-
Cochlear Devices	522,021	-
Other Income	60,476	-
<b>Total Cochlear Implant Program</b>	<b>\$2,470,984</b>	<b>-</b>
<b>Staff Development &amp; Publications</b>	<b>\$348,358</b>	<b>\$446,767</b>
<b>Miscellaneous Income</b>	<b>\$373,656</b>	<b>\$ 334,741</b>
<b>TOTAL REVENUE FROM OPERATING ACTIVITIES</b>	<b>\$38,595,533</b>	<b>\$ 33,776,059</b>
<b>(b) Income from Non Operating Activities</b>		
Gain on acquisition (Note 4)	3,249,119	-
Gain on sale of property, plant and equipment	132,137	10,320
<b>TOTAL INCOME FROM NON OPERATING ACTIVITIES</b>	<b>\$3,381,256</b>	<b>\$10,320</b>
<b>TOTAL REVENUE</b>	<b>\$ 41,976,789</b>	<b>\$33,786,379</b>
<b>Note 3 – Surplus from Ordinary Activities</b>		
<b>Surplus from ordinary activities has been determined after:</b>		
<b>(a) Expenditure on Operating Activities</b>		
<b>CHARITABLE FUNDRAISING</b>		
Donation Appeals	1,655,097	1,681,398
Lantern Clubs, Committees, Auxiliaries and Merchandising	625,661	359,402
Other Fundraising	628,021	504,347
	<b>\$2,908,779</b>	<b>\$ 2,545,147</b>
<b>RAINBOW LOTTERY</b>	<b>\$2,106,406</b>	<b>\$2,334,842</b>
<b>TOTAL FUNDRAISING EXPENDITURE</b>	<b>\$5,015,185</b>	<b>\$4,879,989</b>
<b>MARKETING AND COMMUNICATIONS</b>	<b>\$400,358</b>	<b>\$ 329,132</b>
<b>ADMINISTRATION</b>		
General and Financial Management	2,244,757	2,139,454
Human Resources Management	851,823	725,785
<b>TOTAL ADMINISTRATION EXPENDITURE</b>	<b>\$3,096,580</b>	<b>\$2,865,239</b>
<b>INVESTMENT MANAGEMENT</b>	<b>\$290,029</b>	<b>\$ 265,205</b>
<b>COCHLEAR IMPLANT PROGRAM EXPENDITURE</b>	<b>\$2,674,758</b>	<b>-</b>
<b>STUDENT SERVICES</b>		
<b>Preschool Services</b>		
RIDBC (Hunter) Preschool	807,437	825,315
Roberta Reid Preschool	326,159	314,858
Rockie Woofit Preschool	635,408	584,919
RIDBC (Nepean) Preschool	630,545	599,036
Vision Ed Preschool	261,240	232,161

ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
<b>Note 3 – Surplus from Ordinary Activities (cont.)</b>		
<b>Schools</b>		
Alice Betteridge School	4,487,680	4,309,512
Thomas Pattison School	2,029,620	1,931,514
Garfield Barwick School	1,744,498	1,651,736
<b>Schools Support</b>	<b>3,672,268</b>	<b>3,448,657</b>
<b>Clinical Services</b>	<b>1,209,219</b>	<b>1,071,709</b>
<b>Jim Patrick Audiology Centre</b>	<b>652,003</b>	<b>699,518</b>
<b>Renwick Centre</b>	<b>2,690,015</b>	<b>2,771,799</b>
<b>Teleschool</b>	<b>2,657,680</b>	<b>2,423,298</b>
<b>Early Learning Program</b>	<b>4,044,943</b>	<b>4,172,500</b>
<b>Community Based Professional Services</b>	<b>616,544</b>	<b>388,070</b>
<b>TOTAL STUDENT SERVICES EXPENDITURE</b>	<b>\$26,465,259</b>	<b>\$ 25,424,602</b>
<b>TOTAL EXPENDITURE ON OPERATING ACTIVITIES</b>	<b>\$37,942,169</b>	<b>\$ 33,764,167</b>
<b>Depreciation on non-current assets</b>	<b>\$2,455,196</b>	<b>\$2,252,502</b>
Remuneration of auditor		
Audit services	76,899	72,000
Other assurance services	24,000	25,272
Taxation Advice	36,520	1,020
Total remuneration of auditor	\$137,419	\$98,292
Cost of goods sold	\$19,058	\$778
Bad and doubtful debts	\$48,621	\$28,951
<b>(b) <u>Loss on Non Operating items</u></b>		
Loss on sale of property, plant and equipment	-	5,278
<b>TOTAL EXPENDITURE ON NON OPERATING ACTIVITIES</b>	<b>-</b>	<b>\$5,278</b>
<b>TOTAL EXPENDITURE</b>	<b>\$37,942,169</b>	<b>\$33,769,445</b>

**ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**Note 4 – Acquisition of trade and assets of Sydney Cochlear Implant Centre**

On 1 July 2014, RIDBC acquired assets and liabilities from Sydney Cochlear Implant Centre Limited (SCIC) in addition to assets from University of Sydney to operate as a going concern the SCIC Cochlear Implant Program as an RIDBC service. Though the equity instruments of Sydney Cochlear Implant Centre Limited were not acquired, this has been accounted for in accordance with AASB 3 Business Combinations.

The details of the business combination are as follows:

	2014
<b>Fair value of consideration transferred</b>	
Amount settled in cash	-
<b>Total</b>	-
<b>Recognised amounts of identifiable net assets at fair value</b>	
Cash and cash equivalents	1,366,687
Inventories	75,210
Trade and other receivables	279,893
Other current assets	57,335
<b>Total current assets</b>	<b>1,779,125</b>
Financial assets	1,557,502
Property, plant and equipment	711,634
<b>Total non-current assets</b>	<b>2,269,136</b>
Trade and other payables	211,561
Other current liabilities	5,547
Short-term provisions	184,433
<b>Total current liabilities</b>	<b>401,541</b>
Long-term provisions	333,841
Retirement benefit deficit	63,760
<b>Total non-current liabilities</b>	<b>397,601</b>
<b>Identifiable net assets</b>	<b>3,249,119</b>
Gain on acquisition	3,249,119

**Consideration transferred**

The Cochlear Implant Program was acquired for nil consideration.

**Identifiable net assets acquired**

Identifiable net assets acquired total \$3,249,119.

The fair value of the trade and other receivables acquired as part of the business combination amounted to \$279,893, with a gross contractual amount of \$279,893. As of the acquisition date, RIDBC's best estimate of the contractual cash flow not expected to be collected amounted to \$nil.

Identifiable intangibles acquired have a fair value of \$nil.

**ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**Note 4 – Acquisition of trade and assets of Sydney Cochlear Implant Centre (cont.)**

The Defined benefit pension acquired was in deficit by \$63,760, being the difference between the fair value of plan assets, and the present value of funded obligations.

The Financial Assets acquired comprising a trust fund was received in cash. This has been reclassified to prescribed purpose funds by RIDBC in the Statement of Changes in Equity. These funds are treated in accordance with reserves policy.

**Gain on acquisition**

A gain on acquisition of \$3,249,119 has been recognised in the statement of income & expenditure.

This transaction resulted in a gain as no consideration was transferred by RIDBC. SCIC Limited's Cochlear Implant Program has historically been making losses. Once fully integrated and synergies achieved, RIDBC expect a significant reduction in the cost of running the Cochlear Implant Program. RIDBC also expect that they will be able to expand the services that the Cochlear Implant Program offers in order to better deliver on the charitable objectives.

**Cash Inflow**

Net cash inflow on acquisition being the \$1,366,687 cash and equivalents acquired, and the Financial Assets of \$1,557,502 also received in cash.

Acquisition-related costs of \$278,665 are included in other expenses in profit or loss and in operating cash flows in the statement of cash flows.

**Cochlear Implant Program contribution to the result**

Since acquisition, the Cochlear Implant Program has contributed \$2,470,984 of revenues and incurred a net loss of \$203,774 in the six months and this is reflected in RIDBC's 31 December 2014 result.

**ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**Note 5 – 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.

	2014	2013
Income received from sale of items	1,117,107	927,921
Total expenditure incurred	<u>(625,661)</u>	<u>(359,402)</u>
Net Income	<u>491,446</u>	<u>568,519</u>

**(b) Forms of fundraising appeals conducted in 2014**

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; legacies, donations, lantern clubs plus committees and auxiliaries, merchandising and rainbow lottery.

**Note 6 – Events After the Balance Date**

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

The financial report was authorised by the Directors for issue on 14 April 2015.



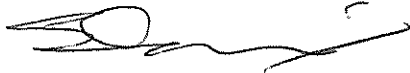
## ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN

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 2014 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.

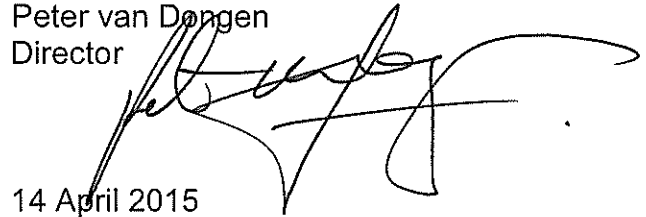
This declaration is made in accordance with a resolution of the Board of Directors.

Sean P Wareing  
President



14 April 2015

Peter van Dongen  
Director



14 April 2015

### 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



14 April 2015

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**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 2014, 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, 14 April 2015

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## **Independent Auditor's Report To the Members of Royal Institute for Deaf and Blind Children**

### **Report on the concise financial report**

The accompanying concise financial report of Royal Institute for Deaf and Blind Children comprises the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and related notes, derived from the audited financial report of Royal Institute for Deaf and Blind Children for the year ended 31 December 2014. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

### **Responsibility of the Responsible Entities' for the concise financial report**

The Responsible Entities' of Royal Institute for Deaf and Blind Children 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 responsibility**

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. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Royal Institute for Deaf and Blind Children for the year ended 31 December 2014. Our audit report on the financial report for the year was signed on 14 April 2015 and was not subject to any modification. The Australian Auditing Standards require that we comply with Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

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.

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

### **Independence**

In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

### **Auditor's opinion**

In our opinion, the concise financial report of Royal Institute for Deaf and Blind Children for the year ended 31 December 2014 complies with the principles of Accounting Standard AASB 1039 Concise Financial Reports.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



A J Archer  
Partner - Audit & Assurance

Sydney, 14 April 2015

**ROYAL INSTITUTE FOR DEAF AND BLIND CHILDREN  
FIVE YEAR FINANCIAL HISTORY FOR THE YEAR ENDED 31 DECEMBER 2014**

Description	%	2014	2013	2012*	2011	2010	%
<b>EXPENDITURE</b>							
<b>Educational Services Expenditure</b>							
Preschool Services		2,660,789	2,556,288	2,483,641	2,471,897	2,481,640	
Alice Betteridge School		4,487,680	4,309,512	4,337,187	3,357,116	3,590,399	
Thomas Pattison School		2,029,620	1,931,514	2,003,107	1,905,411	2,102,680	
Garfield Barwick School		1,744,498	1,651,736	1,497,702	1,419,276	1,424,205	
Early Learning Programs		4,044,943	4,172,500	3,903,776	2,300,214	2,422,979	
Teleschool		2,657,680	2,423,298	2,455,769	2,379,155	2,029,675	
Community Based Professional Services		616,544	388,070	-	-	-	
Clinical Services		1,209,219	1,071,709	778,436	916,374	901,502	
Approved Therapy Services		-	-	-	2,683,560	2,581,224	
School Support Services		3,672,268	3,448,657	3,343,129	3,088,691	2,698,066	
Jim Patrick Audiology Centre		652,003	699,518	500,965	447,709	403,085	
Renwick Centre		2,690,015	2,771,799	2,872,148	2,969,024	2,601,934	
<b>Total Educational Services Expenditure</b>	70	<b>26,465,259</b>	25,424,602	24,175,860	23,938,427	23,237,389	76
Cochlear Implant Program	7	2,674,758	-	-	-	-	
Finance and General Management	8	3,096,580	2,865,239	2,732,671	1,824,417	1,962,321	6
Investment Management	1	290,029	265,205	237,841	217,175	250,846	1
Charitable Fundraising	7	2,908,779	2,545,147	2,348,115	2,093,422	2,151,157	7
Rainbow Lottery	6	2,106,406	2,334,842	2,530,351	2,570,478	2,321,994	8
Marketing & Communications	1	400,358	329,132	380,972	601,502	602,721	2
<b>Total Expenditure from Operating Activities</b>	100	<b>37,942,169</b>	33,764,167	32,405,810	31,245,421	30,526,428	100
<b>REVENUE FROM ORDINARY ACTIVITIES</b>							
<b>Charitable Fundraising Income</b>							
Legacies		7,617,257	7,217,464	5,564,139	4,905,185	5,294,359	
Donations & special events		4,066,126	4,499,246	3,971,246	3,985,480	4,181,645	
Lantern Clubs, Committees and Auxiliaries		1,117,107	927,921	946,233	1,041,902	946,964	
Merchandising and Other Fundraising		86,011	194,625	495,209	104,268	80,129	
<b>Total Charitable Fundraising Income</b>	33	<b>12,886,501</b>	12,839,256	10,976,827	10,036,835	10,503,097	32
<b>Rainbow Lottery</b>	8	<b>2,726,065</b>	3,321,564	3,513,674	3,917,192	4,287,680	13
<b>Government</b>							
Commonwealth Department of Education		2,664,559	2,382,038	2,757,607	2,374,599	3,356,732	
Commonwealth Department of Social Services		1,419,714	1,229,897	1,078,148	723,406	642,822	
NSW Ageing, Disability and Home Care		6,027,771	5,237,319	4,408,644	4,043,300	3,647,627	
NSW Department of Education and Communities		689,166	706,719	557,116	570,087	548,776	
NSW Department of Education and Training		1,391,267	1,437,603	1,530,267	1,497,861	1,801,135	
QLD Department of Health		300,000	-	-	-	-	
AusAID		-	1,500	86,562	313,690	76,441	
<b>Total Grants and Subsidies</b>	32	<b>12,492,477</b>	10,995,076	10,418,344	9,522,943	10,073,533	30
<b>Other Income</b>							
Investment income	14	5,380,112	3,924,493	4,106,267	6,953,778	6,064,550	18
Cochlear Implant Program	6	2,470,984	-	-	-	-	
Sales, fees and miscellaneous income	7	2,639,394	2,695,670	2,638,774	2,519,163	2,287,535	7
<b>Total Revenue From Operating Activities</b>	100	<b>38,595,533</b>	33,776,059	31,653,886	32,949,911	33,216,395	100
<b>Operating Surplus/(Deficit)</b>		<b>653,364</b>	11,892	(751,924)	1,704,490	2,689,967	
Net gain/(loss) on sale of available-for-sale investments		-	-	(1,175,396)	(754,784)	(100,000)	
Net gain/(loss) on disposal of property, plant & equipment		132,137	5,042	-	(24,531)	(197,629)	
Gain on acquisition		3,249,119	-	-	-	-	
(Loss)/gain on defined benefit super funds		(51,000)	108,000	-	-	-	
Gain/(loss) on impaired available-for-sale financial asset *		2,235,867	10,855,813	-	(4,942,361)	(1,138,747)	
<b>Surplus/(Deficit) after non-operating Items</b>		<b>6,219,487</b>	10,980,747	(1,927,320)	(4,017,186)	1,253,591	

\*note AASB 9 was applied from 1 January 2013. Earlier years have not been impacted

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

Source of Funds	Legislation	Funding Purposes
<b>Commonwealth Department of Education</b>		
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.
		Assistance towards the recurrent costs of our Early Learning Programs.
		Funding towards the cost of provision of Student Support Services.
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.
Commonwealth Strategic Assistance for Improving Student Outcomes Capital Support – Non Government	Australian Education Act (2013)	Assistance towards the cost of Equipment and construction projects within our schools.
<b>Commonwealth Department of Social Services</b>		
Early Childhood - Invest to Grow RIDBC Teleschool Project	Childcare Act (1972)	To provide intensive, targeted and coordinated support for parents and children who are vulnerable, at risk or in disadvantaged communities.
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 and Training

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.
Supporting Children with additional needs	Children and Young Persons (Care and Protection) Act (1998)	Assistance towards the cost of providing inclusive support for children with additional needs who attend RIDBC's Hunter, Nepean, Rockie Woofit, Roberta Reid and VisionEd Preschools

### N.S.W. Department of Education and Communities

Non-Government State Schools Per Capita Allowance	Education Act (1990)	Per capita allowance for primary and secondary pupils attending our special schools.
Preschool Per Capita Grant	Children and Young Persons (Care and Protection) Act (1998)	Per capita allowance for pupils attending RIDBC's Hunter, Nepean, Roberta Reid, Rockie Woofit and VisionEd Preschools under the Childrens Services Regulation 2004.

### 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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