

ANNUAL CONCISE FINANCIAL REPORT

For the year ended 31 December 2015

DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

Information on RIDBC Concise Financial Report

The concise financial report is an extract from the full financial report for the year ended 31 December 2015. The financial statements and disclosures in the concise financial report have been derived from the 2015 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 2015 Annual Report of RIDBC.

Statement of Income & Expenditure

In 2015 RIDBC recorded Total Revenue of \$41,379,631. This was a decrease against 2014 of \$597,158 or 1.4%. Total Revenue comprises Operating and Non-Operating Revenue Activities. Revenue from Operating Activities closed the year at \$41,307,171 which was an increase against 2014 of \$2,711,638 or 7%. Stronger revenues in 2015 were driven by a number of factors. SCIC Cochlear Implant Program contributed total revenue of \$6,044,978 which was \$3,573,994 or 145% higher than last year; Government Grants & Subsidies increased by \$737,502 or 5.9%; revenues from Donations were \$5,205,994 which was \$1,139,868 or 28% higher than last year and continuing valuable contributions from the Lantern Clubs and other fundraising committees, auxiliaries and events of RIDBC

totalled \$1,332,902 which was 10.8% higher than last year. The Rainbow Lottery revenue was \$2,321,075 which was \$404,990 or 14.8% down on last year and revenue from legacies of \$3,549,700 was 53.3% lower than 2014. 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 fell \$3,308,796. In 2014 RIDBC recognised a gain on acquisition of SCIC Limited.

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

Investment Income was \$6,775,156 which was a growth of \$1,395,044 or 25.9% over 2014.

The rising market volatility which defined the second half of 2015 has re-emerged in the early part of 2016. China has again been at the centre of investor concerns as last year's sell-off in Chinese equity markets resumed in early January. A weaker Chinese currency and sharply lower energy prices have added to global disinflation pressures, while the continuation of US dollar strength and expectations of further US interest rate increases are both contributing to the general 'tightening' of the global economy.

Total Expenditure on Operating Activities increased in 2015 to \$40,998,943; however the acquisition of SCIC Limited contributed \$5,255,161 of expenses. Excluding SCIC Cochlear Implant Program, expenditure

increased by \$476,371 or 1.35% being below that of CPI. Savings were made in a number of areas in order to offset increases in expenditure types where RIDBC has little or no control and allowed for additional spending to be made in areas that helped execute RIDBC's five year strategic plan of expanding services to a more diverse range of clients from more locations.

Expenditures increased primarily in Student Services, reflecting an increased breadth and depth of services. RIDBC spent 65% of its outgoings on services to children.

Finance, Administration and General Management costs were contained to 7.7% of operational expenditure. This continues to reflect the efficient and prudent operation of RIDBC.

Statement of Other Comprehensive Income

There was a decrease of \$423,031 which included a decrease of \$430,592 in the year end market values of the long term investments held by RIDBC as at 31 December.

Statement of Financial Position

The value of RIDBC's Net Assets decreased by 0.03% to \$150,362,389.

Of note was the increase in the Non-Current Financial Asset values, with a net increase of \$4,247,700 or 4.3% in 2015. 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 2015, RIDBC's additions to fixed assets were \$1,548,212. The most notable project spend made during the year was the relocation and upgrading of our Canberra operations. This project has seen RIDBC expand its services and offerings to that region and is in line with our strategic objective of meeting nationwide demand for our services.

Statement of Cash Flows

Cash inflows from operating activities increased 40% compared with 2014 primarily due to an increase in receipts from fundraising, Government Grants and Investments partially offset by increased payments to suppliers and employees.

Cash outflows from investing activities decreased 39% compared with 2014 primarily due to a decrease in receipts from the sale and purchase of investments.

Total Cash outflow for 2015 of \$1,915,584 compared to the outflow in 2014 of \$6,701,819, being a net decrease of \$4,786,235 reflects the movement of excess cash at bank to the investment portfolio.

STATEMENT OF INCOME & EXPENDITURE

For the year ended 31 December 2015

	Note	2015	2014
REVENUE FROM OPERATING ACTIVITIES	2	41,307,171	38,595,533
INCOME FROM NON OPERATING ACTIVITIES	2	72,460	3,381,256
TOTAL REVENUE AND INCOME	2	\$41,379,631	\$41,976,789
EXPENDITURE ON OPERATING ACTIVITIES			
Charitable Fundraising	3	3,402,248	2,908,779
Rainbow Lottery	3	1,633,629	2,106,406
Marketing and Communications	3	734,104	400,358
Administration	3	3,168,082	3,096,580
Investment Management	3	234,320	290,029
Student Services	3	26,571,399	26,465,259
Cochlear Implant Program	3	5,255,161	2,674,758
TOTAL EXPENDITURE	3	\$40,998,943	\$37,942,169
SURPLUS FOR THE YEAR		\$380,688	\$4,034,620

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

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Note	2015	2014
SURPLUS FOR THE YEAR		\$380,688	\$4,034,620
OTHER COMPREHENSIVE INCOME			
Net unrealised (loss) / gain on revaluation of long term investments held at fair value and net realised gain on disposal of investments		(430,592)	2,235,867
Gain / (Loss) on revaluation of Defined Superannuation Funds		7,561	(51,000)
		(423,031)	2,184,867
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		\$(42,343)	\$6,219,487

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Note	2015	2014
CURRENT ASSETS			
Cash and cash equivalents		4,462,994	6,378,578
Inventories		-	75,210
Trade and other receivables		1,595,359	1,416,525
Other current assets		583,106	659,387
TOTAL CURRENT ASSETS		\$6,641,459	\$8,529,700
NON-CURRENT ASSETS			
Financial assets		102,048,235	97,800,535
Investment property		1,530,000	1,530,000
Retirement benefit surplus		287,000	285,000
Property, plant and equipment		47,867,842	48,506,679
Other intangible assets		123,229	174,424
TOTAL NON-CURRENT ASSETS		\$151,856,306	\$148,296,638
TOTAL ASSETS		\$158,497,765	\$156,826,338
CURRENT LIABILITIES			
Trade and other payables		1,621,844	727,146
Other current liabilities		1,431,688	736,436
Short-term provisions		4,121,763	3,868,869
TOTAL CURRENT LIABILITIES		\$7,175,295	\$5,332,451
NON-CURRENT LIABILITIES			
Long-term provisions		901,882	1,025,395
Retirement benefit deficit		58,199	63,760
TOTAL NON-CURRENT LIABILITIES		\$960,081	\$1,089,155
TOTAL LIABILITIES		\$8,135,376	\$6,421,606
NET ASSETS		\$150,362,389	\$150,404,732
FUNDS			
Reserves			
Capital projects account		1,009,552	1,026,565
Cochlear Implant Program permanent funds		1,652,510	1,557,502
Prescribed purpose funds		6,038,262	5,378,661
Asset revaluation / realisation reserve		58,343,405	59,060,575
Designated investment fund		80,305,148	80,305,148
TOTAL RESERVES		\$147,348,877	\$147,328,451
RETAINED EARNINGS		\$3,013,512	\$3,076,281
TOTAL FUNDS		\$150,362,389	\$150,404,732

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Retained Earnings	Capital Projects Account	CIP Permanent Funds	Prescribed Purpose Funds	Asset Revaluation/ Realisation Reserve	Designated Investment Fund	Technology Capital Campaign	TOTAL
BALANCE AT 1 JANUARY 2014	508,777	1,032,612	-	5,214,000	56,824,708	80,305,148	300,000	144,185,245
Total comprehensive income for the year	3,983,620	-	-	-	2,235,867	-	-	6,219,487
SUBTOTAL	4,492,397	1,032,612	-	5,214,000	59,060,575	80,305,148	300,000	150,404,732
Transfers to and from reserve								
Capital projects account	6,047	(6,047)	-	-	-	-	-	-
Capital subsidies reserve	(1,722,163)	-	1,557,502	164,661	-	-	-	-
Prescribed purpose funds	-	-	-	-	-	-	-	-
Technology capital campaign	300,000	-	-	-	-	-	(300,000)	-
BALANCE AT 31 DECEMBER 2014	3,076,281	1,026,565	1,557,502	5,378,661	59,060,575	80,305,148	-	150,404,732
Total comprehensive income for the year	388,249	-	-	-	(430,592)	-	-	(42,343)
SUBTOTAL	3,464,530	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)	-	-	-	-	-	-
Prescribed purpose funds	(754,609)	-	95,008	659,601	-	-	-	-
Realised investments	286,578	-	-	-	(286,578)	-	-	-
Technology capital campaign	-	-	-	-	-	-	-	-
BALANCE AT 31 DECEMBER 2015	3,013,512	1,009,552	1,652,510	6,038,262	58,343,405	80,305,148	-	150,362,389

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

STATEMENT OF CASH FLOWS

For the year ended 31 December 2015

	Note	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from fundraising, fees and sundry sources		21,387,502	19,491,150
Government grants & subsidies received		13,703,741	14,284,326
Interest received		332,851	123,470
Receipts from investments		5,912,884	5,269,967
Payments to suppliers and employees		(37,573,706)	(36,489,221)
Net cash inflows from operating activities		\$3,763,272	\$2,679,692
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash acquired on acquisition of Cochlear Implant Program		-	1,366,687
Cash acquired on acquisition of Cochlear Implant Program Permanent Funds		-	1,557,502
Proceeds from sale of property, plant and equipment		91,895	207,120
Payments for property, plant and equipment		(1,730,555)	(1,000,894)
Receipts from sale of investment securities		3,059,804	5,801,626
Payments for investment securities		(7,100,000)	(17,313,552)
Net cash (outflows) from investing activities		\$(5,678,856)	\$(9,381,511)
Net (decrease) in cash held		(1,915,584)	(6,701,819)
Cash at the beginning of the financial year		6,378,578	13,080,397
CASH AT THE END OF THE FINANCIAL YEAR		\$4,462,994	\$6,378,578

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

RIDBC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

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 2015. 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 2014 annual report and accounts. The Annual Information Statement and an Annual Financial Statement was duly submitted on 20th May 2015.

RIDBC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

Note 2 – Revenue

	2015	2014
(a) Revenue from Operating Activities		
CHARITABLE FUNDRAISING		
Legacies	3,549,700	7,617,257
Donations	5,205,994	4,066,126
Lantern Clubs, Committees, Auxiliaries and Merchandise	1,332,902	1,203,118
	\$10,088,596	\$12,886,501
Rainbow Lottery	\$2,321,075	\$2,726,065
TOTAL FUNDRAISING	\$12,409,671	\$15,612,566
GOVERNMENT GRANTS AND SUBSIDIES		
Commonwealth Department of Education		
Basic Per Capita	2,333,688	2,491,554
Capital support – Non-Government Schools	-	4,481
Commonwealth Targeted Programs	83,430	168,524
Commonwealth Department of Social Services		
Better Start	683,002	578,127
National Disability Insurance Scheme	296,932	121,702
Print Disability Services	115,750	115,750
Remote Hearing & Vision Services	864,762	604,135
NSW Ageing, Disability & Home Care		
Early Childhood Intervention	2,099,179	2,106,740
Print Disability/Alternative Formats	119,618	115,177
Therapy, Low Vision and other service grants	3,960,231	3,805,854
NSW Department of Education & Training		
Intervention Support	854,160	773,516
Teaching Supervisors' Subsidy	440,118	424,481
SCAN funding	322,710	196,270
NSW Department of Education & Communities		
State Per Capita Grants	284,474	308,841
National Education Reform Agreement (NERA)	-	8,780
Preschool Per Capita Grants	464,614	368,545
Queensland Department of Health		
Support for Students at Teleschool	307,311	300,000
TOTAL GOVERNMENT GRANTS & SUBSIDIES	\$13,229,979	\$12,492,477
Investment Income	\$6,775,156	\$5,380,112
Student and Other Fees	\$1,880,288	\$1,917,380
COCHLEAR IMPLANT PROGRAM		
Donations and Merchandising	1,017,335	437,300
Medicare Receipts	2,991,235	1,451,187
Cochlear Devices Commission	1,812,471	522,021
Other Income	223,937	60,476
TOTAL COCHLEAR IMPLANT PROGRAM	\$6,044,978	\$2,470,984
Staff Development & Publications	\$465,663	\$348,358
Miscellaneous Income	\$501,436	\$373,656
TOTAL REVENUE FROM OPERATING ACTIVITIES	\$41,307,171	\$38,595,533
(b) Income From Non Operating Activities		
Gain on Acquisition	-	3,249,119
Gain on Sale of Property, Plant and Equipment	72,460	132,137
TOTAL INCOME FROM NON OPERATING ACTIVITIES	\$72,460	\$3,381,256
TOTAL REVENUE	\$ 41,379,631	\$ 41,976,789

Note 3 – Surplus from Ordinary Activities

	2015	2014
Surplus from ordinary activities has been determined after:		
(a) Expenditure on Operating Activities		
CHARITABLE FUNDRAISING		
Donation Appeals	1,648,469	1,655,097
Lantern Clubs, Committees, Auxiliaries and Merchandising	740,701	625,661
Other Fundraising	1,013,078	628,021
	\$3,402,248	\$2,908,779
RAINBOW LOTTERY	\$1,633,629	\$2,106,406
TOTAL FUNDRAISING EXPENDITURE	\$5,035,877	\$5,015,185
MARKETING AND COMMUNICATIONS	\$734,104	\$400,358
ADMINISTRATION		
General and Financial Management	2,274,692	2,244,757
Human Resources Management	893,390	851,823
TOTAL ADMINISTRATION EXPENDITURE	\$3,168,082	\$3,096,580
INVESTMENT MANAGEMENT	\$234,320	\$290,029
COCHLEAR IMPLANT PROGRAM EXPENDITURE	\$5,255,161	\$2,674,758
STUDENT SERVICES		
Preschool Services		
RIDBC (Hunter) Preschool	715,337	807,437
Roberta Reid Preschool	219,662	326,159
Rockie Woofit Preschool	554,490	635,408
RIDBC (Nepean) Preschool	557,654	630,545
VisionEd Preschool	259,778	261,240
Schools		
Alice Betteridge School	4,163,446	4,487,680
Thomas Pattison School	2,092,679	2,029,620
Garfield Barwick School	1,647,678	1,744,498
School Support	3,919,441	3,672,268
Clinical Services	1,101,345	1,209,219
Jim Patrick Audiology Centre	622,160	652,003
Renwick Centre	2,835,575	2,690,015
Teleschool	2,944,124	2,657,680
Early Learning Program	4,246,696	4,044,943
Community Based Professional Services	691,334	616,544
TOTAL STUDENT SERVICES EXPENDITURE	\$26,571,399	\$26,465,259
TOTAL EXPENDITURE ON OPERATING ACTIVITIES	\$40,998,943	\$37,942,169
The expenditure on operating activities include the following specific expenditures		
Depreciation of Non-current Assets	\$2,401,151	\$2,455,196
Remuneration of Auditor		
Audit Services	121,740	76,899
Other Assurance Services	22,500	24,000
Taxation Advice	-	36,520
Taxation Advice Related Firm (Grant Thornton LLP (US))	34,440	-
TOTAL REMUNERATION OF AUDITOR	\$178,680	\$137,419
COST OF GOODS SOLD	\$197,490	\$19,058
BAD AND DOUBTFUL DEBTS	\$52,549	\$48,621

RIDBC NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

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.

	2015	2014
Income received from sale of items	1,332,902	1,203,118
Total expenditure incurred	(740,701)	(625,661)
NET INCOME	\$592,201	\$577,457

(b) Forms of fundraising appeals conducted in 2015

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 5 – Other Commitments

On November 10th 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 2015 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 2015 financial statements.

Note 6 – Events After the Balance Date

There are three (3) 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.

1) Subsequent to balance date, RIDBC resolved that the Garfield Barwick School property at North Parramatta would be sold following the relocation of activities to our North Rocks precinct at the start of term 1 2016. The book value of property as at 31 December 2015 is \$2,892,625. On 1 April 2016, RIDBC received an offer and expects to sell the property for \$5,300,000 but this has not yet been formalised by way of contract. The accounts at 31 December 2015 do not include any impact of this proposed sale.

2) In June 2015, RIDBC farewelled lifelong supporter and extremely generous donor Ian Paul. Thanks to the incredible support of Ian and his late wife Dorothy over the past 20 years, the outcomes for children with vision or hearing loss in Australia are forever changed. RIDBC is extremely grateful for a bequest in the order of \$10M that is expected from the Ian Paul Estate. This significant donation will ensure that Ian and Dorothy's legacy lives on – transforming the lives of people with vision or hearing loss for many years to come.

3) Subsequent to balance date, RIDBC commenced discussions with the Australian Federal Government to discuss the acquisition of Australian Hearing by a Consortium involving RIDBC, Cochlear Limited and Macquarie University.

The financial report was authorised by the Directors for issue on 12 April 2016.

RIDBC 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 2015 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
12 Apr 2016



Peter van Dongen

Director
12 Apr 2016

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

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Royal Institute for Deaf and Blind Children



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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 2015, 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.

A handwritten signature in black ink that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD

Chartered Accountants

Sydney, 12 April 2016

A handwritten signature in black ink that reads "A J Archer".

A J Archer

Partner - Audit & Assurance

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INDEPENDENT AUDITOR'S REPORT

To the Members of Royal Institute for Deaf and Blind Children



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Report on the concise financial report

The accompanying concise financial report of Royal Institute for Deaf and Blind Children (RIDBC) comprises the statement of financial position as at 31 December 2015, the statement of income and expenditure, 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 RIDBC for the year ended 31 December 2015. 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 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 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 RIDBC for the year ended 31 December 2015. Our audit report on the financial report for the year was signed on 12 April 2016 and was not subject to any

modification. The Australian Auditing Standards require that we comply with 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 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 RIDBC for the year ended 31 December 2015 complies with the principles of Accounting Standard AASB 1039 Concise Financial Reports.

A handwritten signature in blue ink that reads "Grant Thornton".

GRANT THORNTON
AUDIT PTY LTD
Chartered Accountants
Sydney, 12 April 2016

A handwritten signature in blue ink that reads "A J Archer".

A J Archer
Partner - Audit &
Assurance

RIDBC FIVE YEAR FINANCIAL HISTORY

For the year ended 31 December 2015

Description	%	2015	2014	2013	2012	2011	%
EXPENDITURE							
Educational Services Expenditure							
Preschool Services		2,306,921	2,660,789	2,556,288	2,483,641	2,471,897	
Alice Betteridge School		4,163,446	4,487,680	4,309,512	4,337,187	3,357,116	
Thomas Pattison School		2,092,679	2,029,620	1,931,514	2,003,107	1,905,411	
Garfield Barwick School		1,647,678	1,744,498	1,651,736	1,497,702	1,419,276	
Early Learning Programs		4,246,696	4,044,943	4,172,500	3,903,776	2,300,214	
Teleschool		2,944,124	2,657,680	2,423,298	2,455,769	2,379,155	
Community Based Professional Services		691,334	616,544	388,070	-	-	
Clinical Services		1,101,345	1,209,219	1,071,709	778,436	916,374	
Approved Therapy Services		-	-	-	-	2,683,560	
School Support Services		3,919,441	3,672,268	3,448,657	3,343,129	3,088,691	
Jim Patrick Audiology Centre		622,160	652,003	699,518	500,965	447,709	
Renwick Centre		2,835,575	2,690,015	2,771,799	2,872,148	2,969,024	
TOTAL EDUCATIONAL SERVICES EXPENDITURE	65	26,571,399	26,465,259	25,424,602	24,175,860	23,938,427	76
Cochlear Implant Program	13	5,255,161	2,674,758	-	-	-	
Finance and General Management	8	3,168,082	3,096,580	2,865,239	2,732,671	1,824,417	6
Investment Management	1	234,320	290,029	265,205	237,841	217,175	1
Charitable Fundraising	7	3,402,248	2,908,779	2,545,147	2,348,115	2,093,422	7
Rainbow Lottery	4	1,633,629	2,106,406	2,334,842	2,530,351	2,570,478	8
Marketing & Communications	2	734,104	400,358	329,132	380,972	601,502	2
TOTAL EXPENDITURE ON OPERATING ACTIVITIES	100	40,998,943	37,942,169	33,764,167	32,405,810	31,245,421	100
REVENUE FROM ORDINARY ACTIVITIES							
Charitable Fundraising Income							
Legacies		3,549,700	7,617,257	7,217,464	5,564,139	4,905,185	
Donations & special events		5,205,994	4,066,126	4,499,246	3,971,246	3,985,480	
Lantern Clubs, Committees and Auxiliaries		1,332,902	1,203,118	927,921	946,233	1,041,902	
Merchandising and Other Fundraising		-	-	194,625	495,209	104,268	
TOTAL CHARITABLE FUNDRAISING INCOME	24	10,088,596	12,886,501	12,839,256	10,976,827	10,036,835	30
RAINBOW LOTTERY	7	2,321,075	2,726,065	3,321,564	3,513,674	3,917,192	12
GOVERNMENT							
Commonwealth Department of Education		2,417,118	2,664,559	2,382,038	2,757,607	2,374,599	
Commonwealth Department of Social Services		1,960,446	1,419,714	1,229,897	1,078,148	723,406	
NSW Ageing, Disability and Home Care		6,179,028	6,027,771	5,237,319	4,408,644	4,043,300	
NSW Department of Education and Communities		749,088	689,166	706,719	557,116	570,087	
NSW Department of Education and Training		1,616,988	1,391,267	1,437,603	1,530,267	1,497,861	
QLD Department of Health		307,311	300,000	-	-	-	
AusAID		-	-	1,500	86,562	313,690	
TOTAL GRANTS AND SUBSIDIES	32	13,229,979	12,492,477	10,995,076	10,418,344	9,522,943	29
OTHER INCOME							
Investment Income	16	6,775,156	5,380,112	3,924,493	4,106,267	6,953,778	21
Cochlear Implant Program	14	6,044,978	2,470,984	-	-	-	
Sales, Fees and Miscellaneous Income	7	2,847,387	2,639,394	2,695,670	2,638,774	2,519,163	8
TOTAL REVENUE FROM OPERATING ACTIVITIES	100	41,307,171	38,595,533	33,776,059	31,653,886	32,949,911	100
OPERATING SURPLUS/(DEFICIT)		308,228	653,364	11,892	(751,924)	1,704,490	

Description	%	2015	2014	2013	2012	2011	%
OPERATING SURPLUS/(DEFICIT)		308,228	653,364	11,892	(751,924)	1,704,490	
Net Gain/(Loss) on Sale of Available-for-sale Investments		286,578	-	-	(1,175,396)	(754,784)	
Net Gain/(Loss) on Disposal of Property, Plant & Equipment		72,460	132,137	5,042	-	(24,531)	
Gain on Acquisition		-	3,249,119	-	-	-	
Gain/(Loss) on Defined Benefit Super Funds		7,561	(51,000)	108,000	-	-	
(Loss)/Gain on Impaired Available-for-sale Financial Asset*		(717,170)	2,235,867	10,855,813	-	(4,942,361)	
SURPLUS/(DEFICIT) AFTER NON-OPERATING ITEMS		(42,343)	6,219,487	10,980,747	(1,927,320)	(4,017,186)	

**note AASB 9 was applied from 1 January 2014. Earlier years have not been impacted*