Deaf Services Queensland

ABN: 62 118 664 298

Financial Statements

For the Year Ended 30 June 2016

Deaf Services Queensland

ABN: 62 118 664 298

Contents

For the Year Ended 30 June 2016

Directors' Report

For the Year Ended 30 June 2016

Your directors present this report on the company for the financial year ended 30 June 2016.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Ms Judith Bertram

Ms Robin Blackson (retired November 2015)

Mr Ralph Collins

Ms Marita Corbett

Mr Doug Evans

Mr David Gibson

Mr Cameron Miller

Mr Ian Milton (retired November 2015)

Ms Bronwyn Neroni

Ms Kathryn O'Brien

Mr Richard Senescall

Ms Sally Strobridge

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of Operations

The company recorded a surplus of $1,435,994; (2015: $1,274,997 (restated)).

Principal Activities

The principal activity of the company during the financial year was to advance the welfare of deaf and hearing impaired people.

The company's short term objectives are:

- Being responsive to stakeholder needs by delivering services to the highest level.
- Responsible financial management practices to meet the current and future needs of the community.

The company's long term objectives are to:

- Create opportunities to encourage leadership within our community and sector.
- Invest in people and infrastructure to create a sustainable, professional and skilled organisation.

Strategies

To achieve these objectives, the company has adopted the following strategies:

- Secure opportunities of leadership with service innovation and excellence in communication.
- Providing customer orientated service delivery.
- Invest in people, infrastructure and systems to create a sustainable, professional and skilled organisation.
- Financial resources remain viable through responsible financial management practices and financial diversity to meet the current and future needs of the community.

Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short term and long term objectives are being achieved.

Information on Directors

Deaf Services Queensland's CEO is Brett Casey. He has worked in the deaf sector for the past 20 years and is the company secretary for the organisation.

The information on directors is as follows:

Judith Bertram Judith Bertram joined the Board in November 2009. Judith has held a range of senior positions in the Queensland Government throughout her 30 year career including Deputy Director General, Department of Child Safety and prior to that as the General Manager, Workplace Health and Safety, Queensland. Judith has also worked extensively in the vocational education and training area. She is currently the Deputy Chief Executive at the Queensland Resources Council. Judith is a graduate of the Australian Institute of Company Directors, and holds a Bachelor of Science and a Diploma of Education.

Robin Blackson Bobbie Blackson joined the Board in August 2006 and served as Chair since 2009. Bobbie holds degrees in Psychology and Social Work. She was a pioneer in relay service delivery in Queensland and is a co-founder of Australian Communication Exchange. She is responsible for managing an interpreting service at Griffith University and services the South East Queensland region within the tertiary sector. She is a member of the Australian Institute of Company Directors. She is also a civil marriage celebrant and a Justice of the Peace. She has served on a number of national and state boards in Chair or director roles. Bobbie retired from the Deaf Services Queensland Board in November 2015.

Ralph Collins Ralph Collins joined the Board 2014. He has worked in the financial services sector for over 30 years, qualifying as an actuary whilst in AMP in 1988 and moving to the profit for members sector of the superannuation industry, including Sunsuper and QSuper. He has been responsible for managing teams involved in the delivery of services and advice to large employers and their employees. Ralph is a member of the Australian Institute of Company Directors, a Fellow of the Institute of Actuaries of Australia and currently serves as Chair of the Finance, Investment and Property Board of the Uniting Church Queensland and Chair of the Uniting Church in Australia Property Trust (Q).

Marita Corbett Marita Corbett joined the Board in 2009 and is a partner with BDO, a global network of accounting and advisory firms. She brings more than 20 years' experience in supporting organisations improve operations through evaluating decision making, risk management, management control and governance processes. Marita holds a Bachelor of Commerce (Accounting and Business Law), is a Chartered Accountant, a Certified Internal Auditor, Certified in Risk Management Assurance and Chair / Independent member of a number of Audit and Risk Management Committees, including the Department of Science, Information Technology and Innovation; Department of Environment and Heritage Protection; Public Safety Business Agency and the Queensland Parliamentary Service.

Directors' Report

For the Year Ended 30 June 2016

Doug Evans	Doug Evans joined the Board in October 2014. He has held varied CEO roles over the last 20 years and has degrees in Science and Business Administration. Doug has worked in a range of business models including Global Consumer Companies, NFP, and member based organisations as well as retail and service businesses across a number of industries. Doug has worked in a number of functional senior leadership roles and has been a member of Boards and Industry Councils that successfully lobbied and dealt with government and regulatory authorities. He has launched a major media and PR program to raise community awareness of the challenges that small business operators face against the anti-competitive practices of the major chains and the lack of representation to government. Doug has a strong commitment to working collaboratively, compassionately and with high integrity, and he is passionate about building organisations and developing benefits for all stakeholders.
David Gibson	David Gibson joined the Board in November 2009, and as a Child of Deaf Adults (CODA) has direct knowledge of the issues that the Deaf community face. With over 9 years' experience as a former member of the Queensland Parliament, David brings considerable experience in government, regulatory reform and economic development as well as skills in strategic planning and community engagement. An accomplished public speaker, having presented at various conferences he has also authored papers on democracy and disability. David brought awareness to deafness in Parliament giving his maiden speech in AUSLAN and engaging the first deaf intern. David serves as Chairman of the Board. He is also on the Board of Deafness Forum Australia, Chairs the Australasian Study of Parliament Group – Qld and is Executive Director for the charity – Gympie Music Muster. A graduate of the Royal Military College Duntroon, David served as an Army officer for 8 ½ years before embarking on a career in newspapers prior to taking public office.
Cameron Miller	Cameron Miller joined the board in 2014. He holds a Bachelor of Education and has taught at a number of schools in England and South East Queensland, most recently at Toowong State School. Cameron has been on the organising committee of the last two Deaf Festivals, has worked with Queensland Association of the Deaf (QAD) and was the secretary for Queensland Deaf Rugby League. He is also a member of the Queensland Teachers Union and a Board Director of Deaf Sports and Recreation Queensland.
Ian Milton	Ian Milton joined the Board in 2006 and also served 1987-1996. Spanning more than 40 years, Ian was and continues to be heavily involved with the Deaf community in a variety of roles: past President of Queensland Deaf Sports Association, Queensland Deaf Tennis Club and Australian Deaf Tennis Association. He was a Board Director of the Queensland Theatre of the Deaf and founding President of Deaflink Inc, the forerunner of the Australian Communication Exchange where he was also a Board Director. Ian was the Australian Team Manager for Tennis in the World Deaf Games in NZ in 1989. Ian has retired from the Brisbane City Council as a designer in 2010. Ian retired from the Deaf Services Queensland Board in November 2015.
Bronwyn Neroni	Bronwyn Neroni joined the Board in 2011. She has more than 20 years' experience in law and governance, as a lawyer, company secretary and senior manager in government, not-for-profit and membership associations. Bronwyn holds a Bachelor of Arts and a Bachelor of Laws and was admitted as a solicitor in 1999. She is currently General Manager, Legal and Governance and Corporate Secretary at the Queensland Law Society.

Directors' Report

For the Year Ended 30 June 2016

Kathryn O'Brien Kathryn O'Brien joined the Board in 2014. She was the first signing Deaf Lawyer to be admitted in Queensland and is currently a member of the Queensland Law Society and Family Law Practitioners Association. She was a Board member and Secretary for the Queensland Association of the Deaf, an organizing committee member and volunteer for the previous Queensland Deaf Festival's and is currently the Deputy Chairperson for Deaf Sports Australia. Kathryn holds a Master of Laws and currently practices at Porta Lawyers. She has worked as a tutor for Griffith University Gumurri Centre, assisting indigenous students with their academic studies and she has a passion for advancing and sharing knowledge with the Deaf Community and ensuring the enrichment of future Deaf generations. Kathryn is a Visiting Committee Board Member for Griffith Law School since 2012.

Richard Senescall Richard Senescall joined the Board in 2014, and is now Chair of the Audit and Investment Committee. His professional background includes senior positions in public and private sector organisations in the fields of finance, mining, agriculture, transport, political advisory, representation and negotiation, corporate strategy, branding, marketing and business development. Richard has served extensively as Secretary and Director on the Management Committee of the Economics Society of Australia (Qld Inc) as well as a number of private boards. He holds a Bachelor of Economics (with Honours), a Master of Economic Studies and is a Professional Member of the Economics Society of Australia (Qld Inc).

Sally Strobridge Sally Strobridge is a third generation Deaf person who joined the Board in 2013. Sally first became associated with Deaf Services Queensland in the 1980's, initially as a client and later as an employee. As President of the Queensland Association of the Deaf from 2008 – 2011, Sally collaborated with Deaf Services Queensland to help establish our Townsville office. Sally has been a Coordinator for Deaf Adventure Group for over 10 years and currently works in various roles for Education Queensland in a range of capacities, from coordinating development of the Auslan Language Model to teaching in the classroom as well as establishing professional development workshops for classroom teachers, teacher of deaf students, educational interpreters and Auslan language models. She has also worked as an Auslan consultant, advisor, interpreter and translator for numerous different organisations. Among them, Sally has sat on the Deaf Festival Organising Committee for 5 Deaf Festivals as well as being consultant and actress for Sally and Possum – a children's TV series which is a tailor-made learning solution to building early literacy and numeracy skills in deaf and hard of hearing children aged 4 to 8 years. Sally has taught Auslan classes for over 20 years for audience levels ranging from community-based organisations, to TAFE and postgraduate university level. Sally has recently completed two modules, Duties & Responsibilities of the Non-for-Profit Director & Finance for the Not-for-Profit Director Courses which was run by the Australian Institute of Company Directors. Her invaluable contributions to the DSQ Board has helped DSQ become the best service provider for deaf and hard of hearing people. Sally holds a Bachelor in Science and a Graduate Diploma in Education from Griffith University.

Directors' Report

For the Year Ended 30 June 2016

Meetings of Directors

During the year, 6 meetings of directors were held. Attendance by each director is as follows:

	DIRECTOR'S MEETINGS	
DIRECTORS	Number eligible to attend	Number attended
Judith Bertram	6	4
Robin Blackson	2	2
Ralph Collins	6	5
Marita Corbett	6	3
Doug Evans	6	4
David Gibson	6	6
Cameron Miller	6	4
Ian Milton	2	1
Bronwyn Neroni	6	4
Kathryn O'Brien	6	3
Richard Senescall	6	6
Sally Strobridge	6	4

Members' Guarantee

The company is limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of $5 towards meeting any outstanding obligations of the entity. At 30 June 2016, the total amount that members of the company are liable to contribute if the company is wound up is $520 (2015: $550).

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 60-40 of *the Australian Charities and Not-For-Profits Commission Act 2012* is set out on page 6.

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

Director ______________________

Marita Corbett

Brisbane

Dated this 26th day of October, 2016

UHY Haines Norton
Chartered Accountants

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AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF DEAF SERVICES QUEENSLAND

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 Deaf Services Queensland for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

UHY HAINES NORTON
CHARTERED ACCOUNTANTS

DARREN LAARHOVEN
Partner

Brisbane, 26 October 2016

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Not your average bean counters...

Deaf Services Queensland

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Statement of Comprehensive Income

For the Year Ended 30 June 2016

	Note	2016 $	* 2015 $
Operating grants		**3,832,884**	3,468,684
Services income		**1,427,611**	1,202,763
Fundraising income		**15,264,501**	12,428,482
Interest and dividend income		**334,532**	254,132
Other income	4	**522,785**	170,193
Total income		**21,382,313**	17,524,254
Employee benefits expense	5	**(9,074,729)**	(7,591,111)
Depreciation and amortisation expense		**(397,363)**	(348,006)
Travel and motor vehicle expenses		**(364,625)**	(300,418)
Occupancy expenses		**(370,765)**	(337,962)
Printing and postage		**(1,354,176)**	(1,165,954)
Insurance expense		**(199,882)**	(170,521)
Advertising and promotion		**(1,025,615)**	(590,792)
IT and telecommunications		**(428,527)**	(359,373)
Contractors		**(172,847)**	(166,822)
Professional fees		**(184,039)**	(81,773)
Other supplies and services		**(6,335,873)**	(5,134,588)
Loss on disposal of assets		**(37,878)**	(1,937)
Total expenses		**(19,946,319)**	(16,249,257)
Surplus for the year		**1,435,994**	1,274,997
Other comprehensive income			
Items that will not be reclassified subsequently to surplus/deficit			
Net fair value movements in financial assets		**(114,514)**	(60,103)
Other comprehensive income for the year		**(114,514)**	(60,103)
Total comprehensive income for the year		**1,321,480**	1,214,894

* Comparative balances have been restated. Refer to Note 2(m) for further details.

The accompanying notes form part of these financial statements.

Deaf Services Queensland

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Statement of Financial Position

As At 30 June 2016

	Note	2016 $	* 2015 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**2,510,557**	2,835,584
Trade and other receivables	7	**306,783**	236,469
Other assets	8	**775,983**	692,456
Financial assets	9	**375,375**	250,000
TOTAL CURRENT ASSETS		**3,968,698**	4,014,509
NON-CURRENT ASSETS			
Financial assets	9	**5,538,416**	4,252,553
Property, plant and equipment	10	**4,440,904**	4,589,121
Intangible assets	11	**385,337**	331,839
TOTAL NON-CURRENT ASSETS		**10,364,657**	9,173,513
TOTAL ASSETS		**14,333,355**	13,188,022
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	**679,196**	1,117,201
Other liabilities	13	**1,864,959**	1,692,438
Employee benefits	14	**690,530**	592,513
TOTAL CURRENT LIABILITIES		**3,234,685**	3,402,152
NON-CURRENT LIABILITIES			
Employee benefits	14	**126,109**	134,789
TOTAL NON-CURRENT LIABILITIES		**126,109**	134,789
TOTAL LIABILITIES		**3,360,794**	3,536,941
NET ASSETS		**10,972,561**	9,651,081
EQUITY			
Reserves	15	**2,460,928**	2,576,094
Retained surpluses		**8,511,633**	7,074,987
TOTAL EQUITY		**10,972,561**	9,651,081

* Comparative balances have been restated. Refer to Note 2(m) for further details.

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Statement of Changes in Equity

For the Year Ended 30 June 2016

2016

	Retained Surpluses	Asset Revaluation Reserve	Financial Asset Revaluation Reserve	Other Reserves	Total
	$	$	$	$	$
Balance at 1 July 2015	**7,074,987**	**298,540**	**275,081**	**2,002,473**	**9,651,081**
Surplus for the year	**1,435,994**	**-**	**-**	**-**	**1,435,994**
Other comprehensive income for the year	**-**	**-**	**(114,514)**	**-**	**(114,514)**
Total comprehensive income for the year	**1,435,994**	**-**	**(114,514)**	**-**	**1,321,480**
Transfer from asset revaluation reserve realised increment on financial assets sold during the year	**652**	**-**	**(652)**	**-**	**-**
Balance at 30 June 2016	**8,511,633**	**298,540**	**159,915**	**2,002,473**	**10,972,561**

*** 2015**

	Retained Surpluses	Asset Revaluation Reserve	Financial Asset Revaluation Reserve	Other Reserves	Total
	$	$	$	$	$
Balance at 1 July 2014	5,677,373	496,040	260,301	2,002,473	8,436,187
Surplus for the year	1,274,997	-	-	-	1,274,997
Other comprehensive income for the year	-	-	(60,103)	-	(60,103)
Total comprehensive income for the year	1,274,997	-	(60,103)	-	1,214,894
Transfer from asset revaluation reserve realised increment on freehold property sold during the year	197,500	(197,500)	-	-	-
Transfer from asset revaluation reserve realised decrement on financial assets sold during the year	(74,883)	-	74,883	-	-
Balance at 30 June 2015	7,074,987	298,540	275,081	2,002,473	9,651,081

* Comparative balances have been restated. Refer to Note 2(m) for further details.

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Statement of Cash Flows

For the Year Ended 30 June 2016

	Note	2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**1,729,538**	1,568,439
Deaf lottery income		**15,207,756**	13,682,779
Government grants and subsidies		**4,216,172**	3,506,579
Payments to suppliers and employees		**(20,795,529)**	(16,350,960)
Donations received		**316,237**	110,123
Net cash provided by operating activities		**674,174**	2,516,960
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received		**69,440**	91,301
Dividends received		**242,834**	96,211
Proceeds from sale of plant and equipment		**-**	332,950
Purchase of property, plant and equipment		**(77,120)**	(264,781)
Purchase of intangible assets		**(224,130)**	(254,021)
Proceeds from sale of investment		**364,594**	340,280
Purchase of financial assets		**(1,783,814)**	(3,317,398)
Cash contributed from Hearing Impaired Children's Therapies Inc	4(a)	**408,995**	-
Net cash used by investing activities		**(999,201)**	(2,975,458)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase/(decrease) in cash and cash equivalents held		**(325,027)**	(458,498)
Cash and cash equivalents at beginning of year		**2,835,584**	3,294,082
Cash and cash equivalents at end of financial year	6	**2,510,557**	2,835,584

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 30 June 2016

The financial report covers Deaf Services Queensland as an individual entity. Deaf Services Queensland is a not-for-for profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Deaf Services Queensland is Australian dollars.

The financial report was authorised for issue by the Directors on 26 October 2016.

Except as detailed at Note 2(m), comparatives are consistent with prior years.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements, accounting interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared on the basis of historical cost except for the following:

- Land and buildings are measured at fair value less accumulated depreciation on buildings and any impairment losses
- Financial assets are measured at fair value

The methods used to measure the fair values of these assets are discussed in notes 2(i) and 2(h). Cost is based on the fair values of the consideration given in exchange for assets.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

2 Summary of Significant Accounting Policies (continued)

(c) Revenue and other income (continued)

Grant revenue

Grant revenue is recognised in the statement of comprehensive income when the Company obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Rendering of services

Revenue in relation to rendering of services is recognised upon the delivery of the service to the customer. In relation to training revenue, amounts may be received in advance of the training being delivered. In these circumstances, amounts received are recognised as a liability in the statement of financial position as revenue received in advance until the training has been provided.

Fundraising income

Revenue from the sale of lottery tickets is measured at the fair value of the consideration received. Monies received for tickets in undrawn lotteries is deferred and recorded as advance lottery receipts in revenue received in advance.

Donations collected, including cash and goods for resale, are recognised as revenue when the Company gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Interest revenue

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

Dividend revenue

Dividends are recognised when the right to receive a dividend has been established.

(d) Deaf Lottery expense

Expenses relating to the Deaf Lottery are recognised in the statement of comprehensive income at the date the lottery is drawn. Any expenses directly associated with undrawn lotteries are recorded as a prepayment in the statement of financial position until the lottery is drawn.

(e) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

2 Summary of Significant Accounting Policies (continued)

(e) Goods and services tax (GST) (continued)

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(g) Trade and other receivables

Trade receivables, which comprise amounts due from the provision of services provided to customers, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. The carrying amount of the receivable is deemed to reflect fair value.

An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

(h) Financial instruments

The Company has elected to early adopt AASB 9 *Financial Instruments*. AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments and impairment of financial assets. AASB 9 also significantly amends other standards dealing with financial instruments such as AASB 7 *Financial Instruments: Disclosures*.

There was no difference between the previous carrying amount and the revised carrying amount of the other financial assets at 1 July 2015 to be recognised in opening retained surplus.

Equity investments previously classified as available-for-sale

The Company elected to present in other comprehensive income changes in the fair value of all of its equity instruments previously classified as available-for-sale, because these investments are not held for trading.

Reclassification from held-to-maturity to amortised cost

Term deposits that would have previously been classified as held-to-maturity are now classified at amortised cost. The Company intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of principal and interest on the principal amount outstanding.

(i) Classification and measurement

The Company classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost, and
- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss).

2 Summary of Significant Accounting Policies (continued)

(h) Financial instruments (continued)

(i) Classification and measurement (continued)

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in surplus or deficit.

Amortised cost

Assets are measured at amortised cost only if the asset is held within a business model with the objective of collecting contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in surplus or deficit when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

The Company's investments held at amortised cost comprise only of term deposits.

Fair value through other comprehensive income (FVOCI)

Financial assets at fair value through other comprehensive income includes equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value through OCI rather than through surplus or deficit.

Impairment losses (and reversal of impairment losses) on equity instruments measured at FVOCI are not reported seperately from other changes in fair value.

The Company's investments held at FVOCI comprise the following:

- listed equity instruments
- debt securities - corporate bonds.

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss.

The Company does not hold any investments at fair value through profit or loss.

(ii) Impairment

The Company assesses on a forward looking based the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk as noted below.

2 Summary of Significant Accounting Policies (continued)

(h) Financial instruments (continued)

(ii) Impairment (continued)

For trade receivables only, the Company applies the simplified approach permitted by AASB 9, which requires the expected lifetime losses to be recognised from initial recognition of the receivables.

The Company is exposed to credit risk if counterparties fail to make payments as they fall due in respect of:

- payment of trade receivables as invoices fall due
- contractual cash flows of debt instruments.

The Company considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the ris of default at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Financial assets are written off when there is no reasonable expectation of recovery.

(i) Property, plant and equipment

Land and buildings are measured at fair value less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation.

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Revaluation of freehold land and buildings

Following initial recognition at cost, freehold land and buildings are carried at a revalued amount that is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and any subsequent impairment losses.

Fair value is the amount of “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”. Fair values are confirmed by independent valuations that are obtained with sufficient regularity to ensure that the carrying amounts do not differ materially from the assets’ fair values at the reporting date. Director valuations are used if an independent valuation does not take place during an annual reporting period.

Land and buildings are treated as a class of assets. When the carrying amount of this class of assets is increased as a result of a revaluation, the increase is credited directly to the revaluation reserve, except where it reverses a revaluation decrement previously recognised in the statement of comprehensive income, in which case it is credited to that statement.

When the carrying amount of land and buildings is decreased as a result of a revaluation, the decrease is recognised in the statement of comprehensive income, except where a credit balance exists in the revaluation reserve, in which case it is debited to that reserve.

2 Summary of Significant Accounting Policies (continued)

(i) Property, plant and equipment (continued)

Revaluation of freehold land and buildings (continued)

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line ('SL') or diminishing value ('DV') basis over the asset's useful life to the Company, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Buildings	2.50% SL
Plant and Equipment	20 - 50% DV
Motor Vehicles	22.50% DV
Leasehold improvements	20% SL

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

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of property, plant and equipment is the higher of fair value less costs of disposal and value in use. Value in use for assets is a discounted cash flow calculation.

An impairment loss exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

2 Summary of Significant Accounting Policies (continued)

(j) Intangible Assets

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years.

Amortisation

Amortisation is recognised in surplus or deficit on a diminishing value basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Trade and other payables

Trade and other payables represent liabilities for goods and services provide to the Company prior to the end of the financial year that are unpaid. These amounts are usually settled in 30 days. The carrying amount of the trade and other payables is deemed to reflect fair value.

(l) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in surplus or deficit.

2 Summary of Significant Accounting Policies (continued)

(m) Restatement of comparatives

Adoption of AASB 9

Deaf Services Queensland elected to early adopt AASB 9 Financial Instruments from 1 July 2015. Note 2(h) describes the classification of assets under AASB 9 and the relevant treatment of movements in fair value to be applied from 1 July 2015.

Under the previous standard, financial assets were classified as held for trading and were recognised as current assets in the statement of financial position. Gains and losses as a result of movements in fair value were recognised in surplus or deficit.

The adoption of AASB 9 has resulted in management reconsidering the classification of the Company's financial assets. Management has determined that financial assets are not held for trading and are considered to be non-current assets. There was no difference between the previous carrying amount and the revised carrying amount of financial assets at 1 July 2015 but rather classification between current and non-current. Changes in fair value are now presented through other comprehensive income where previously they were through surplus or deficit.

Undrawn lottery revenue and expenses

The Company has voluntarily changed its accounting policy with respect of the recognition of lottery income and expenses. Lottery income and expenses were previously recognised on a progressive basis depending on the number of days the lottery runs. The Company has now elected to defer the recognition of lottery income and expenses until the date of the relevant draw requiring recognition of revenue in advance (see Note 2(c)) and prepaid expenses (see Note 2(d)). This change has been implemented as management is of the opinion that this basis will provide more relevant information, and result in more accurate recognition of lottery surpluses/deficits.

Classification errors

The expenses in the statement of comprehensive income for the year ended 30 June 2015 were not presented using a consistent classification based on either the nature of the expenses or their function within the Company. For the year ended 30 June 2016, the Company has presented expenses in the statement of comprehensive income based on the nature of the expenses and the comparatives have been reclassified to reflect the change in presentation.

In accordance with AASB 108 these changes in accounting policies have been presented retrospectively and the tables below provide a summary of the amounts of the adjustments for each financial statement line item affected for the comparative period, the year ended 30 June 2015.

Notes to the Financial Statements

For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies (continued)

(m) Restatement of comparatives (continued)

Adjustments made to Statement of Comprehensive Income

	2015 Reported	Adjustments	2015 Restated
	$	$	$
Operating grants	3,468,684	-	3,468,684
Services income	1,647,590	(444,827)	1,202,763
Fundraising income	-	12,428,482	12,428,482
Deaf Lottery income	13,683,436	(13,683,436)	-
Donations and bequests	87,025	(87,025)	-
Interest and dividend income	254,132	-	254,132
Other income	-	170,193	170,193
Gain/(Loss) on investments	(60,103)	60,103	-
Total income	19,080,764	(1,556,510)	17,524,254
Deaf lottery expenditure	(10,241,227)	10,241,227	-
Administration expense	(1,941,747)	1,941,747	-
Employee leave provisions	(48,165)	48,165	-
Wages and salaries	(4,901,158)	4,901,158	-
Employee benefits	(68,792)	68,792	-
Employee benefits expense	-	(7,591,111)	(7,591,111)
Depreciation and amortisation expense	(348,006)	-	(348,006)
Travel and motor vehicle expenses	-	(300,418)	(300,418)
Occupancy expenses	-	(337,962)	(337,962)
Printing and postage	-	(1,165,954)	(1,165,954)
Insurance expense	-	(170,521)	(170,521)
Advertising and promotion	-	(590,792)	(590,792)
IT and telecommunications	-	(359,373)	(359,373)
Contractors	-	(166,822)	(166,822)
Professional fees	-	(81,773)	(81,773)
Other supplies and services	-	(5,134,588)	(5,134,588)
Loss on disposal of assets	(1,937)	-	(1,937)
Total expenses	(17,551,032)	1,301,775	(16,249,257)
Surplus for the year	1,529,732	(254,735)	1,274,997
Other comprehensive income			
Items that will not be reclassified subsequently to surplus/deficit			
Net fair value movements in financial assets	-	(60,103)	(60,103)
Other comprehensive income for the year	-	(60,103)	(60,103)
Total comprehensive income for the year	1,529,732	(314,838)	1,214,894

2 Summary of Significant Accounting Policies (continued)

(m) Restatement of comparatives (continued)

Adjustments made to Statement of Financial Position

	2015 Reported	Adjustments	2015 Restated
	$	$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2,835,584	-	2,835,584
Trade and other receivables	236,469	-	236,469
Financial assets	4,502,554	(4,252,554)	250,000
Other assets	160,465	531,991	692,456
TOTAL CURRENT ASSETS	7,735,072	(3,720,563)	4,014,509
NON-CURRENT ASSETS			
Financial assets	-	4,252,553	4,252,553
Property, plant and equipment	4,589,121	-	4,589,121
Intangible assets	331,839	-	331,839
TOTAL NON-CURRENT ASSETS	4,920,960	4,252,553	9,173,513
TOTAL ASSETS	12,656,032	531,990	13,188,022
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	1,962,811	(845,610)	1,117,201
Employee benefits	592,513	-	592,513
Other liabilities	-	1,692,438	1,692,438
TOTAL CURRENT LIABILITIES	2,555,324	846,828	3,402,152
NON-CURRENT LIABILITIES			
Employee benefits	134,789	-	134,789
TOTAL NON-CURRENT LIABILITIES	134,789	-	134,789
TOTAL LIABILITIES	2,690,113	846,828	3,536,941
NET ASSETS	9,965,919	(314,838)	9,651,081
EQUITY			
Reserves	2,301,013	275,081	2,576,094
Retained surpluses	7,664,906	(589,919)	7,074,987
TOTAL EQUITY	9,965,919	(314,838)	9,651,081

3 Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key judgements - Grants received

The Company has received a number of government grants during the year. Once the Company has been notified of the successful outcome of a grant application, the terms and conditions of each grant are reviewed to determine whether the funds relate to a reciprocal grant (i.e. payment for services rendered), in which case it is accounted for under AASB 118 Revenue, or a non-reciprocal grant, in which case it is accounted for under AASB 1004 Contributions.

Key estimates - Provisions for employee benefits

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures and periods of service, as discussed in Note 2(l). The amount of these provisions would change should any of these factors change in the next 12 months.

4 Other Income

	Note	2016 $	2015 $
Other Income			
- rental income		**143,048**	147,095
- contribution of net assets from Hearing Impaired Children's Therapies Inc.	4(a)	**364,253**	-
- other income		**15,484**	23,098
		522,785	170,193

(a) Contribution of net assets from Hearing Impaired Children's Therapies Inc.

During the 2016 financial year Hearing Impaired Children's Therapies Inc. ('HICTI') merged its operations with Deaf Services Queensland ('DSQ') to further its charitable purpose of operating educational facilities and providing services to assist in the early perceptual experience social training and the development of speed and speech-reading skills in Queensland for the benefit of Hearing Impaired Children of pre-school age.

In March 2016, HICTI and DSQ entered into a deed of agreement with an effective date of 31 March 2016. As part of the deed of agreement, HICTI transferred its net assets to DSQ from that date, with the exception of amounts disclosed at Note 18. The contribution of $364,253 represents the net fair value of the assets gifted to and liabilities assumed by DSQ. The assets contributed consisted of property, plant and equipment of $39,272 (see Note 10(a)) and cash of $408,996 as disclosed in the statement of cash flows.

5 Result for the Year

The result for the year includes the following specific expenses:

	2016	2015
	$	$
Employee benefits expense		
Wages, salaries and leave expense	**8,444,159**	7,051,657
Superannuation contributions	**630,570**	539,454
	9,074,729	7,591,111
Impairment of receivables:		
- Doubtful debts	**2,506**	-
Rental expense on operating leases:		
- Minimum lease payments	**327,542**	294,969

6 Cash and Cash Equivalents

	2016	2015
	$	$
Cash at bank and in hand	**2,510,557**	2,835,584
	2,510,557	2,835,584

7 Trade and Other Receivables

	2016	2015
	$	$
CURRENT		
Trade receivables	**200,941**	152,123
Provision for impairment	**(7,506)**	(5,000)
	193,435	147,123
Other receivables	**113,348**	89,346
	306,783	236,469

Notes to the Financial Statements

For the Year Ended 30 June 2016

8 Other Assets

	Note	2016 $	2015 $
CURRENT			
Prepayments	(a)	**745,241**	659,048
Deposits		**30,742**	33,408
		775,983	692,456

(a) Prepaid lottery expense

Included in prepayments is an amount of $611,871 (2015: $531,991) which relates to lottery expenses incurred for future draws. These costs will be recognised in the statement of comprehensive income at the time the lottery is drawn.

9 Financial assets

	2016 $	2015 $
CURRENT		
Financial assets at amortised cost		
- term deposits	**300,000**	250,000
	300,000	250,000
Financial assets at fair value through other comprehensive income		
- debt securities - corporate bonds	**75,375**	-
	75,375	-
	375,375	250,000
NON-CURRENT		
Financial assets at fair value through other comprehensive income		
- equity investments in listed corporations	**4,142,998**	3,153,150
- debt securities - corporate bonds	**1,180,925**	920,568
- listed investment trusts	**214,493**	178,835
	5,538,416	4,252,553

10 Property, plant and equipment

	2016	2015
	$	$
LAND AND BUILDINGS		
Freehold land		
At independent valuation	**1,507,500**	1,507,500
Total Land	**1,507,500**	1,507,500
Buildings		
At independent valuation	**2,637,500**	2,637,500
Accumulated depreciation	**(131,876)**	(65,938)
Total buildings	**2,505,624**	2,571,562
Total land and buildings	**4,013,124**	4,079,062
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	**1,617,370**	1,865,755
Accumulated depreciation	**(1,341,151)**	(1,536,656)
Total plant and equipment	**276,219**	329,099
Motor vehicles		
At cost	**84,873**	74,103
Accumulated depreciation	**(39,079)**	(27,854)
Total motor vehicles	**45,794**	46,249
Leasehold Improvements		
At cost	**144,718**	144,718
Accumulated depreciation	**(38,951)**	(10,007)
Total leasehold improvements	**105,767**	134,711
	4,440,904	4,589,121

Land and Buildings at valuation

The Company's land and buildings were revalued at 30 June 2014 by independent valuers. Valuations were made using the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date. The revaluation surplus was credited to an asset revaluation reserve in equity.

Notes to the Financial Statements

For the Year Ended 30 June 2016

10 Property, plant and equipment (continued)

(a) Movements in Carrying Amounts

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

	Note	Land $	Buildings $	Plant and Equipment $	Motor Vehicles $	Leasehold improvements $	Total $
Year ended 30 June 2016							
Balance at the beginning of the year		1,507,500	2,571,562	329,099	46,249	134,711	4,589,121
Additions		-	-	77,120	-	-	77,120
Contributed from Hearing Impaired Children's Therapy Inc - at fair value	4(a)	-	-	28,502	10,770	-	39,272
Disposals - written down value		-	-	(33,653)	-	-	(33,653)
Depreciation expense		-	(65,938)	(124,849)	(11,225)	(28,944)	(230,956)
Balance at the end of the year		1,507,500	2,505,624	276,219	45,794	105,767	4,440,904

11 Intangible Assets

	2016	2015
	$	$
Computer software		
At cost	**819,899**	614,614
Accumulated amortisation	**(434,562)**	(282,775)
	385,337	331,839

(a) Movements in carrying amounts of intangible assets

	Computer software	Total
	$	$
Year ended 30 June 2016		
Balance at the beginning of the year	**331,839**	**331,839**
Additions	**224,130**	**224,130**
Disposals - written down value	**(4,225)**	**(4,225)**
Amortisation expense	**(166,407)**	**(166,407)**
Balance at the end of the year	**385,337**	**385,337**

12 Trade and Other Payables

	2016	2015
	$	$
CURRENT		
Unsecured liabilities		
Trade payables	**101,012**	181,178
GST (receivable)/payable	**(15,175)**	17,937
Sundry payables and accrued expenses	**593,359**	918,086
	679,196	1,117,201

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

Notes to the Financial Statements

For the Year Ended 30 June 2016

13 Other Liabilities

	2016	2015
	$	$
CURRENT		
Revenue received in advance - lottery receipts	**1,785,145**	1,525,653
Other revenue received in advance	**79,814**	166,785
	1,864,959	1,692,438

(a) Revenue received in advance - lottery receipts

The balance disclosed relates to lottery ticket sale revenue received in relation to future draws. These amounts are recognised as revenue in the statement of comprehensive income at the time the lottery is drawn.

14 Employee Benefits

	2016	2015
	$	$
CURRENT		
Long service leave	**392,444**	364,172
Annual leave	**298,086**	228,341
	690,530	592,513
NON-CURRENT		
Long service leave	**126,109**	134,789
	126,109	134,789

15 Reserves

(a) Asset revaluation reserve

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

(b) Financial asset reserve

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income, as explained in Note 2(h). These changes are accumulated with the financial assets reserve within equity. The Company transfers amounts from this reserve to retained surpluses when the relevant equity securities are derecognised.

(c) Other reserves

Other reserves primarily consist of capital profits from the sale of properties in prior years.

16 Commitments

Operating Leases

	2016	2015
	$	$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	**338,812**	292,283
- between one year and five years	**614,571**	760,801
	953,383	1,053,084

Operating leases have been have been taken out for properties located at Alderley, Townsville, Rockhampton, Mackay and Yeerongpilly. Lease payments are increased on an annual basis to reflect market rentals.

The Rockhampton and Mackay leases are period leases and can be terminated by either party by giving 30 or 90 days notice, respectively.

The Company also has operating leases for 15 (2015: six) motor vehicles. These are non-cancellable leases with payments made monthly in advance. The terms of the motor vehicle leases are for a period of 36 months.

17 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $ 5 each towards meeting any outstandings and obligations of the Company. At 30 June 2016 the number of members was 104 (2015: 110).

18 Contingencies

Contingent Liabilities

Deaf Services Queensland had no contingent liabilities at the end of the reporting period (2015: Nil).

Contingent Assets

As disclosed at Note 4(a), Hearing Impaired Children's Therapies Inc ('HICTI') merged with Deaf Services Queensland ('DSQ') on 31 March 2016 and resolved to transfer its net assets to DSQ on that date. The deed of agreement includes provision for an amount of $750,000 of the net assets of HICTI to be withheld from DSQ until 1 June 2017. The amount will be released to DSQ on that date provided the HICTI steering committee is satisfied that DSQ has utlilised the initially transferred assets in accordance with the provisions of the deed of agreement. HICTI has sole discretion to terminate the transfer of the balance. The amount has been considered a contingent asset until such time as all conditions of the deed of agreement are satisfied.

Notes to the Financial Statements

For the Year Ended 30 June 2016

19 Related Parties

(a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

The compensation paid to key management personnel during the year was $386,894 (2015: $376,332).

The directors act in an honorary capacity and receive no remuneration for their services in that capacity. The Company reimburses directors for travel and professional membership expenses incurred by the directors in fulfilling their role.

Ms S Strobridge earned wages of $3,540 (2015: nil) in her capacity as a teacher within the Company's registered training organisation arm.

(b) Transactions with other related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the year, expenses were incurred of $45,000 (2015: Nil) with DnA Management Group for consultancy services, including engagement with Government departments, Board and other external stakeholders. Mr D Gibson, a director of the Company, is also a director of DnA Management Group. An amount of $8,250 (GST inclusive) is payable to DnA Management Group at the reporting date. There are no other amounts payable or receivable from director-related entities at the reporting date.

20 Economic dependence

Deaf Services Queensland is dependent on the State of Queensland and Commonwealth Governments for a major part of its net income. At the date of this report the directors have no reason to believe the State of Queensland and Commonwealth Governments will not continue to support Deaf Services Queensland..

21 Events after the end of the Reporting Period

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

22 Company Details

The registered office of and principal place of business of the company is:

Deaf Services Queensland
915 Ipswich Road
MOOROOKA QLD 4105

Deaf Services Queensland

ABN: 62 118 664 298

Directors' Declaration

The directors declare that in their opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and

- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012.*

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013.*

Director ....

Dated this ....26.......... day of ....October.......... 2016

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF DEAF SERVICES QUEENSLAND

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of Deaf Services Queensland, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL REPORT

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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*.

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OPINION

In our opinion the financial report of Deaf Services Queensland has been prepared in accordance with Division 60 of the *Australian Charities and Not-For-Profit Commission Act 2012*, including:

(a) giving a true and fair view of the company's financial position as at 30 June 2016 and of its financial performance and cash flows for the year ended on that date; and

(b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

UHY HAINES NORTON
CHARTERED ACCOUNTANTS

DARREN LAARHOVEN
Partner

Brisbane, 26 October 2016

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