



Building what's next.

Annual comprehensive financial report

For the year ended 31 December 2022

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Statement of profit or loss and other comprehensive income

For the year ended 31 December 2022

		2022	2021 Restated
	Note	\$	\$
REVENUE AND INCOME			
Revenue from contracts with customers	2	25,254,898	24,475,764
Not for profit income	2	19,135,201	21,285,170
Investment income	2	12,345,881	10,170,589
TOTAL REVENUE AND INCOME		56,735,980	55,931,523
EXPENDITURE			
Bequests		(506,273)	(423,437)
Fundraising	20	(3,000,858)	(3,302,656)
Marketing and Communications		(1,669,460)	(1,212,031)
Administration	3a	(4,866,614)	(4,028,481)
Investment Management		(391,384)	(349,348)
Student and Client Services	3b	(37,368,607)	(37,587,729)
Strategic Initiatives		(2,146,458)	(4,518,863)
TOTAL EXPENDITURE		(49,949,654)	(51,422,545)
NET OPERATING INCOME		6,786,326	4,508,978
FAIR VALUE CHANGES			
Impairment of right of use asset	14d	(367,795)	-
Impairment of property, plant and equipment	8	(358,803)	-
(Loss) / Gain on sale of property, plant and equipment		(5,770)	4,366
Gain on sale of financial assets		-	6,742,299
Fair value (loss)/ gain on financial assets		(16,536,453)	8,278,031
NET (LOSS)/ SURPLUS FOR THE YEAR		(10,482,495)	19,533,674
OTHER COMPREHENSIVE (LOSS) / INCOME			
Items that will not be reclassified to profit or loss			
Net Actuarial losses / (gains) recognised in respect of defined benefits plans		-	(4,406)
TOTAL COMPREHENSIVE (LOSS) / INCOME		(10,482,495)	19,529,268

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

Statement of financial position

For the year ended 31 December 2022

		2022	2021 Restated
	Note	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	21	12,787,778	16,574,281
Trade and other receivables	4	3,429,514	1,803,068
Assets held for sale	5d	29,554,784	-
Other current assets	5a	1,137,000	615,465
Financial assets	6	280,009	51,616
TOTAL CURRENT ASSETS		47,189,085	19,044,430
NON-CURRENT ASSETS			
Financial assets	6	177,663,993	203,719,495
Other non-current assets	5b	125,000	437,500
Investment property	5c	3,430,000	1,530,000
Property, plant and equipment	8	47,785,117	51,198,389
Intangible assets	9	-	4,726
Right-of-use assets	14d	9,053,607	8,164,741
TOTAL NON-CURRENT ASSETS		238,057,717	265,054,851
TOTAL ASSETS		285,246,802	284,099,281
CURRENT LIABILITIES			
Trade and other payables	10	2,571,234	2,673,350
Contract liabilities	11a	202,833	265,099
Borrowings	11b	10,156,685	-
Provisions	12a	6,837,649	6,865,330
Lease liabilities	14e	1,148,346	1,135,321
Short-term financial liabilities	17a	25,000,000	-
TOTAL CURRENT LIABILITIES		45,916,747	10,939,100
NON-CURRENT LIABILITIES			
Long-term financial liabilities	17b	1,500,000	26,000,000
Provisions	12b	963,102	1,085,527
Lease liabilities	14e	9,212,995	7,938,201
TOTAL NON-CURRENT LIABILITIES		11,676,097	35,023,728
TOTAL LIABILITIES		57,592,844	45,962,828
NET ASSETS		227,653,958	238,136,453
FUNDS			
Reserves			
Elisabeth Murdoch Scholarship Trust		413,646	430,598
Prescribed purpose funds		7,559,131	8,832,855
Total Reserves		7,972,777	9,263,453
Retained Earnings		219,681,181	228,873,000
TOTAL FUNDS		227,653,958	238,136,453

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

Statement of changes in equity

For the year ended 31 December 2022

	Retained Earnings	Defined Benefit Reserve	Capital Projects Account	Prescribed Purpose Funds	Elizabeth Murdoch Scholarship	Asset Revaluation Reserve	Designated Investment Fund	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2021	65,748,195	4,406	1,009,552	7,861,820	430,598	63,247,466	80,305,148	218,607,185
Total comprehensive income for the year	11,255,643	(4,406)	-	-	-	8,278,031	-	19,529,268
Subtotal	77,003,838	-	1,009,552	7,861,820	430,598	71,525,497	80,305,148	238,136,453
Prescribed purpose funds	(971,034)	-	-	921,023	50,011	-	-	-
Transfers to and from reserves	152,940,196	-	(1,009,552)	(49,988)	(50,011)	(71,525,497)	(80,305,148)	-
Balance at 31 December 2021	228,973,000	-	-	8,732,855	430,598	-	-	238,136,453
Total comprehensive income for the year	(10,482,495)	-	-	-	-	-	-	(10,482,495)
Subtotal	218,490,505	-	-	8,732,855	430,598	-	-	227,653,958
Prescribed purpose funds	1,190,676	-	-	(1,173,724)	(16,952)	-	-	-
Balance at 31 December 2022	219,681,181	-	-	7,559,131	413,646	-	-	227,653,958

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

Statement of cash flows

For the year ended 31 December 2022

		2022	2021
	Note	\$	\$
Cash flow from operating activities			
Receipts from customers		37,581,670	43,465,865
Dividends and Distributions		12,345,881	9,847,365
Payments to suppliers and employees		(47,080,770)	(46,885,075)
Interest payment		(117,308)	-
Net cash inflows from operating activities	21	2,729,473	6,428,155
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		21,591	6,591
Payments for property, plant and equipment	8	(18,225,264)	(2,895,845)
Receipts from sale of investment securities		27,000,000	29,559,986
Receipt of option fee for property	17	500,000	500,000
Payments for investment securities		(11,908,775)	(24,900,000)
Payments for Bank Guarantees		(2,514,605)	-
Net cash (outflows) / inflows from investing activities		(5,127,054)	2,270,732
Cash flows from financing activities			
Lease payments (principal and interest)	14f	(1,388,923)	(1,552,635)
Net cash (outflows) from financing activities		(1,388,923)	(1,552,635)
Net increase in cash held		(3,786,503)	7,146,252
Cash at the beginning of the financial year		16,574,281	9,428,029
Cash at the end of the financial year	21b	12,787,778	16,574,281

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

Notes to the financial statements

For the year ended 31 December 2022

Note 1 – Statement of Significant Accounting Policies

On 22 March 2021, the Royal Institute for Deaf & Blind Children (“RIDBC”) rebranded as NextSense. NextSense is a registered trademark of RIDBC.

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. It is intended that the Act of Parliament will be changed in 2023 to reflect this name change.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Charitable Fundraising Act 1991, and the Australian Charities and Not-for-Profit Commission (ACNC) Act 2012.

RIDBC was automatically registered as a charity with the ACNC when its registration details transferred across from the Australian Taxation Office (ATO) having been previously endorsed by the ATO as a charity. This will be changed over to NextSense once the change to the Act of Parliament has taken effect.

The Annual Information Statement and an Annual Financial Statement for 2021 was duly submitted to the ACNC on 22 June 2022.

The financial report of RIDBC for the year ended 31 December 2022 was authorised for issue in accordance with a resolution of the Directors on 18 April 2023.

The following is a summary of the material accounting policies adopted by RIDBC in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

Basis of Preparation

Reporting basis and conventions

The financial report has been prepared on the accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial report is presented in Australian dollars, which is RIDBC’s functional and presentation currency. All values are rounded to the nearest dollar (\$) unless otherwise stated.

Statement of compliance

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.

Note 1 – Statement of Significant Accounting Policies (cont.)

New and revised accounting standards effective for annual periods beginning on or after 1 January 2021

There were no applicable new or amended accounting standards issued by the Australian Accounting Standards Board (AASB) that were mandatory and required adoption in this current reporting period.

(a) Income Tax

RIDBC is exempt from Income tax under section 50-5 of the Income Tax Assessment Act 1997. It holds endorsements as an Income Tax Exempt Charity and as a Deductible Gift Recipient.

(b) Foreign Currency Transactions and Balances

Foreign currency transactions during the year are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date. The gains and losses from conversion of short-term assets and liabilities, whether realised or unrealised, are included in profit from ordinary activities as they arise.

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(d) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(e) Critical Accounting Estimates and Judgments

RIDBC evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within RIDBC. Refer to Note 24 around key events and activities which impacted the operations during the year.

Note 1 – Statement of Significant Accounting Policies (cont.)

Key estimates – Impairment

RIDBC assesses impairment at each reporting date by evaluating conditions specific to the organisation that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined using depreciated replacement cost. Depreciated replacement cost calculations incorporate a number of key estimates.

Key estimates – Provision for annual leave and long service leave

In determining the present value of the liability RIDBC gives consideration to expected future pay increases through promotion and inflation, experience of employee departures, and periods of service.

Key estimates – Defined benefit plans

RIDBC no longer contributes to any employer sponsored defined benefit superannuation plans. The accounting for a defined benefit superannuation plan requires actuarial assessment, which by nature relies upon various estimates and assumptions. RIDBC engages independent actuaries to make these assessments. The key estimates and assumptions are set out in Note 7 to the financial statements.

Key estimates – Judgement applied in determining the amount of revenue

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with several parties at RIDBC, review of the proposal documents prepared during the grant application phase and consideration of the terms and conditions. Grants received by RIDBC have been accounted for under both *AASB 15 Revenue from contracts with customers* and *AASB 1058 Income for not-for-profits* depending on the performance obligations, terms and conditions and decisions made.

RIDBC believe that there are no other key estimates or judgements.

(f) Change in accounting policy (restatement of comparatives)

In compliance with accounting standards, RIDBC has re-assessed its classification and measurement of a certain class of financial assets. The company had previously measured all financial assets using the Fair value through other comprehensive income (FVOCI) method whereby, after initial recognition of the assets as Investment subsequently they are carried at fair value with changes in fair value recognised in other comprehensive income – asset revaluation reserve. The company has re-assessed its classification and measurement of financial assets and the financial assets are now measured at fair value with any changes in fair value recognised in the profit and loss. In accordance with AASB 108, the effect of these reclassification and measurement adjustments to financial assets have been recognised in the statement of profit or loss and comprehensive income with updates made to the comparative period.

Note 2 – Revenue and Income

	2022	2021
	\$'000	\$'000
Revenue recognised under AASB 15 Revenue from contracts with customers		
Rendering of services – at a point of time	18,806	17,757
Rendering of services – over a period of time	6,449	6,718
	25,255	24,475
Income recognised under AASB 1058 Income of not-for-profit entities		
JobKeeper & JobSaver subsidy	-	3,504
Bequests	7,190	11,967
Donations *	10,080	4,045
Lottery	711	761
Grant income	1,154	1,009
	19,135	21,286
TOTAL REVENUE & INCOME	44,390	45,761

During the year RIDBC obtained control over the Donald Boden Memorial Trust (DBMT) for nil consideration. The control of the trust was transferred to RIDBC with the appointment of RIDBC executives as Trustees to continue its principal purpose.

The fair value of the Trust assets have been recognised as a donation when control was obtained on 3 May 2022 and has been accounted for in accordance with AASB 1058 Income for not for profits.

The fair value of the Trust assets has been recognised as donation income of \$6.932m. Subsequent to recognition, RIDBC's normal accounting policies have been applied.

The fair value of the assets acquired included:

	\$'000
Cash	1,446
Term deposits	300
Investment property	1,900
Managed funds	3,286
Total Donation	6,932

(a) Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated based on the type of services provided and source of funds:

Cochlear Implant Program	1,664	1,683
Education	6,311	6,652
Medicare	4,471	3,770
National Disability Insurance Scheme (NDIS)	11,087	11,106
Other	1,722	1,264
	25,255	24,475
Income recognised under AASB 1058	19,135	21,286

Note 2 – Revenue from Operating Activities (cont.)**Source of funds**

2022	Revenue under AASB 1058	Revenue under AASB 15	Total
	\$'000	\$'000	\$'000
Clients	-	1,850	1,850
Government	-	20,107	20,107
Organisations	-	1,644	1,644
Other	-	155	155
Philanthropic	19,135	-	19,135
Schools	-	800	800
University	-	699	699
	19,135	25,255	44,390

Source of funds

2021	Revenue under AASB 1058	Revenue under AASB 15	Total
	\$'000	\$'000	\$'000
Clients	-	2,292	2,292
Government	3,504	19,769	23,273
Organisations	-	253	253
Other	-	155	155
Philanthropic	17,782	-	17,782
Schools	-	1,174	1,174
University	-	832	832
	21,286	24,475	45,761

(a) Revenue recognition policy under AASB 15 Revenue from Contracts with customers

Revenue is recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration.

Note 2 – Revenue from Operating Activities (cont.)

The timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations. Revenue can be recognised over a period of time or at a point in time depending on when the performance obligation is satisfied.

- **Over a period of time** – if the performance obligation is satisfied over a period of time, revenue will be recognised by being spread over this period.
- **At a point in time** – if the performance obligation is satisfied at a point in time, for example, services are delivered, or goods are transferred to customers, revenue is recognised at this point.

Where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

- Services: revenue is recognised at both a point in time and over a period of time within the calendar year, the performance obligation being linked to the purpose of the government funding and/or third party.
- Medicare: revenue is recognised at a point in time, the performance obligation being the completion of the appointment with the client.
- National Disability Insurance Scheme (NDIS): revenue is recognised at a point in time, the performance obligation being the completion of the service to the client.

(b) Income recognition policy under AASB 1058

The timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset received by an entity.

- Donations: donations collected are recognised as revenue when RIDBC gains control of the asset. There are no enforceable or sufficiently specific performance obligations linked to donations.
- Bequests: revenue from legacies comprising bequests of shares, real property and cash are recognised at fair value, being the market value of the shares or property at the time RIDBC becomes legally entitled to the share or property. There are no enforceable or sufficiently specific performance obligations linked to bequests.
- Lottery: revenue is recognised at the latter of when the ticket is purchased or the lottery is drawn (within the calendar year). There are no enforceable or sufficiently specific performance obligations linked to lottery.
- Grant income: is recognised as revenue when RIDBC gains control of the asset. There are no enforceable or sufficiently specific performance obligations linked to grant income.

Note 2 – Revenue from Operating Activities (cont.)

Volunteers

No amounts are included in the financial report for services donated by volunteers.

	2022	2021
	\$	\$
INVESTMENT INCOME		
Interest	138,755	89,054
Distributions	12,017,609	9,983,180
Dividends	189,517	98,355
TOTAL OTHER INCOME	12,345,881	10,170,589

Note 3 – Expenditure

(a) ADMINISTRATION

General and Financial Management	3,213,636	3,134,622
Human Resources Management	1,652,978	893,859
TOTAL ADMINISTRATION EXPENDITURE	4,866,614	4,028,481

(b) STUDENT AND CLIENT SERVICES

Preschool Services	1,333,858	1,302,614
Schools Services		
Blind and DeafBlind Program	1,258,791	1,663,061
Sign Bilingual Program	1,347,096	1,299,058
Spoken Language Program	1,513,771	1,538,449
Schools Support Services	2,376,687	2,275,541
Paediatric Audiology Services	820,408	683,375
NextSense Institute	1,883,610	1,809,333
All Other Client Services	26,834,386	27,016,298

TOTAL STUDENT AND CLIENT SERVICES EXPENDITURE	37,368,607	37,587,729
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Note 3 – Expenditure (cont.)

	2022	2021
	\$	\$
(c) The expenditure include the following specific expenditures		
Amortisation of non-current assets	4,727	4,364
Depreciation of non-current assets	1,850,293	2,214,280
Depreciation of right-of-use assets	1,420,081	1,539,074
Remuneration of auditor		
Audit services	109,000	111,488
Other assurance services	-	5,500
Taxation services	114,496	10,900
Other services	-	66,400
TOTAL REMUNERATION OF AUDITOR	223,496	194,288
TOTAL BAD AND DOUBTFUL DEBTS	38,935	58,340
TOTAL EMPLOYEE EXPENDITURE	35,922,768	34,567,353

Note 4 – Receivables

	2022	2021
	\$	\$
Receivables from operating activities	254,658	191,759
Less: Provision for credit loss	(27,295)	(46,150)
	227,363	145,609
Other receivables	39,378	39,588
GST receivable	854,985	172,691
Accrued income	2,307,788	1,445,180
TOTAL RECEIVABLES	3,429,514	1,803,068

(a) Provision for credit loss

Impairment of financial assets is determined on an expected credit loss (ECL) basis for financial assets measured at amortised cost and contract assets arising under AASB 15. RIDBC has used the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. RIDBC has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

When estimating ECL, RIDBC considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on RIDBC's historical experience and informed credit assessment and including forward looking information.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in the result for the year. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Trade receivables are non-interest bearing and are generally on 14 – 60 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. An impairment loss of \$38,935 (2021: \$58,340) has been recognised by RIDBC in the current year.

Movements in the provision for impairment loss were as follows:

At 1 January	46,450	41,580
Impairment loss	38,935	58,340
Amounts written off	(57,790)	(53,770)
At 31 December	27,295	46,150

Note 4 – Receivables (cont.)

At 31 December, the ageing analysis of trade receivables is as follows:

	Total	0-30 days	31-60 days	61-90 days PDNI*	+ 91 days PDNI*	+ 91 days CI*
	\$	\$	\$	\$	\$	\$
2022	254,658	172,067	37,875	15,734	1,687	27,295
2021	191,759	102,468	14,223	23,559	5,359	46,150

* Past due not impaired ('PDNI'), Considered impaired ('CI')

Receivables past due but not considered impaired are: \$17,421, (2021: \$28,918). Payment terms on these amounts have not been re-negotiated and RIDBC is satisfied that payment will be received in full.

Other balances within receivables from operating activities do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

(b) Fair value and credit risk

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it RIDBC policy to transfer (on-sell) receivables to special purpose entities.

Note 5a – Other current assets

	2022	2021
	\$	\$
Prepayments	1,137,000	615,465
TOTAL OTHER CURRENT ASSETS	1,137,000	615,465

Note 5b – Other non-current assets

Prepayment	125,000	437,500
TOTAL OTHER NON-CURRENT ASSETS	125,000	437,500

Note 5c – Investment property

Investment properties comprise of land and buildings held for capital appreciation and are accounted for using the cost model.

Investment properties are included in the Statement of Financial Position at cost. These values are supported by market evidence and are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property.

The carrying amounts are reviewed periodically to determine whether there is any indication of impairment. If any such indication exists then the assets' recoverable amount is estimated with the subsequent gain or loss on re-measurement being recognised in the profit or loss.

Any gain or loss resulting from the sale of an investment property is immediately recognised in profit or loss.

	2022	2021
	\$	\$
Investment property	3,430,000	1,530,000
TOTAL INVESTMENT PROPERTY	3,430,000	1,530,000

In 2014 a property based at Luddenham, NSW was donated to RIDBC, value \$1,530,000.

In 2022 a property based at Neutral Bay, NSW was donated to RIDBC as part of the Donald Boden Memorial Trust (DBMT), value \$1,900,000.

Note 5d - Assets held for sale

Asset held for sale	29,554,784	-
TOTAL ASSETS HELD FOR SALE	29,554,784	-

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

They are measured at the lower of their carrying amount and fair value less costs to sell.

Assets classified as held for sale are not amortised or depreciated.

Assets classified as held for sale and any associated liabilities are presented separately in the statement of financial position.

In 2018 RIDBC entered into a put and call option agreement with a buyer for the property at North Rocks. The contract for sale is to be completed in Quarter 3, 2023, at this point the final settlement is expected to occur within the next financial year therefore the property has been reclassified as an asset held for sale.

Note 6 – Financial Assets

Recognition, initial measurement, subsequent measurement and de-recognition

Financial assets are recognised when RIDBC becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

Classification

On initial recognition, RIDBC classifies its financial assets into the following categories, instruments measured at:

- amortised cost
- fair value through profit or loss – FVTPL
- fair value through other comprehensive income – equity instrument (FVOCI – equity)

Measured at amortised cost

RIDBC measures receivables, cash and cash equivalents at amortised cost since these financial assets meet the relevant criteria in AASB 9, being that they are held to collect contractual cash flows which give rise to solely payments of principal and interest on the principal amount outstanding. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through profit or loss

Fixed interest securities are measured at fair value through profit and loss with changes in fair value at each reporting period being recognised directly in surplus for the year. Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Fair value measurement of financial assets

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- ❖ Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- ❖ Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- ❖ Level 3: unobservable inputs for the asset or liability.

Note 6 – Financial Assets (cont.)

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 December 2022 and 31 December 2021.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 December 2022				
Financial Assets				
Units in managed funds	170,856,012	-	-	170,856,012
Shares	4,167,582	-	-	4,167,582
Term deposits (property bond guarantees)	2,920,408	-	-	3,220,408
Net fair value	177,944,002	-	-	178,244,002
31 December 2021				
Financial Assets				
Units in managed funds	201,647,901	-	-	201,647,901
Shares	1,717,407	-	-	1,717,407
Term deposits (property bond guarantees)	405,803	-	-	405,803
Net fair value	203,771,111	-	-	203,771,111

There were no transfers between Level 1, 2 or 3 in 2022 or 2021.

Note 7 – Retirement Benefit Obligations

Employee superannuation contribution plans

RIDBC pays fixed contributions into independent entities in relation to superannuation plans for individual employees. RIDBC has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

Note 7 – Retirement Benefit Obligations (cont.)

Defined Benefit Plan

RIDBC no longer participates in employer-sponsored defined benefit superannuation plans, the last plan being closed in 2021. Where a deficiency exists in the plan, RIDBC exercised its legal obligation and made up the deficiency.

Plan 2	2022	2021
	\$	\$
Statement of Financial Position: retirement benefit surplus	-	-
Statement of Comprehensive Income: Loss on revaluation of Defined Benefit Superannuation Fund	-	(4,406)
The amounts recognised in the statement of financial position are as follows:		
Fair value of plan assets	-	-
Present value of funded obligations	-	-
Net surplus in the Statement of Financial Position	-	-
Net discount rate	-	-
Anticipated return on plan assets	-	-
Expected future salary increases	-	-

This plan was closed in 2021.

Note 8 – Property, Plant and Equipment

Freehold land is initially recognised at acquisition cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Buildings, plant and equipment are initially recognised at acquisition cost, including costs directly attributable to bringing the assets to the location and condition necessary for it to operate in the manner intended by RIDBC. Buildings, plant and equipment are subsequently measured using the cost model; being cost less subsequent depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually, to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount of an asset is determined as the higher of fair value less costs to sell, and value in use, with value in use being determined as the written-down current cost (depreciated replacement cost) of the asset.

Note 8 – Property, Plant and Equipment (cont.)

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to RIDBC commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Buildings	2.5%
Motor vehicles	25%
Plant, equipment, furniture & fittings	10%
Computer equipment and software	25%
Leasehold improvements	6-20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as a gain or loss from non-operating activities.

Note 8 – Property, Plant & Equipment (cont.)

	Land		Buildings and Leasehold Improvements		Plant and Equipment		Motor Vehicles		Work In Progress		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost												
Opening balance	20,480,518	20,480,518	46,027,241	45,020,221	6,726,115	7,619,003	497,443	454,442	2,473,044	1,313,959	76,204,361	74,888,143
Additions	-	-	45,667	1,007,020	482,981	671,104	-	58,636	27,849,322	1,159,085	28,377,970	2,895,845
Disposals	-	-	(5,621)	-	(695,458)	(1,563,992)	(189,429)	(15,635)	-	-	(890,508)	(1,579,627)
Impairment	(358,803)	-	-	-	-	-	-	-	-	-	(358,803)	-
Transfers	(8,221,715)	-	(38,822,400)	-	(1,632,625)	-	-	-	-	-	(48,676,741)	-
Closing balance	11,900,000	20,480,518	7,244,887	46,027,241	4,881,012	6,726,115	308,014	497,443	30,322,366	2,473,044	54,656,279	76,204,361
Accumulated depreciation												
Opening balance	-	-	20,478,465	19,071,719	4,080,149	4,841,388	447,358	454,442	-	-	25,005,972	24,367,549
Depreciation	-	-	1,177,772	1,406,746	657,862	798,983	14,659	8,551	-	-	1,850,293	2,214,280
Disposals	-	-	(5,621)	-	(668,096)	(1,560,222)	(189,429)	(15,635)	-	-	(863,146)	(1,575,857)
Transfers	-	-	(18,068,767)	-	(1,053,190)	-	-	-	-	-	(19,121,957)	-
Closing balance	-	-	3,581,849	20,478,465	3,016,725	4,080,149	272,588	447,358	-	-	6,871,162	25,005,972
Written down value	11,900,000	20,480,518	3,663,038	25,548,776	1,864,287	2,645,966	35,426	50,085	30,322,366	2,473,044	47,785,117	51,198,389

Work In Progress (WIP) includes the refurbishment of the Alstonville site (\$788,413) which was completed after balance date and also the building of the Centre of Innovation at the Macquarie University campus (\$29,529,934) which will be ongoing until scheduled completion in Quarter 3, 2023.

Note 9 – Other intangible assets

	2022	2021
	\$	\$
Acquired software licences gross carrying amount		
Balance at 1 January	463,238	463,238
Additions	-	-
Disposals	-	-
Balance at 31 December	463,238	463,238
Amortisation and impairment		
Balance at 1 January	458,512	454,148
Amortisation	4,726	4,364
Disposals	-	-
Balance at 31 December	463,238	458,512
Carrying amount at 31 December	-	4,726

RIDBC recognises an intangible asset if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Note 10 – Trade and Other Payables

Trade creditors and accrued expenses	1,368,293	931,332
Employee accruals	1,200,587	1,729,429
Other payables	2,354	12,589
TOTAL TRADE AND OTHER PAYABLES	2,571,234	2,673,350

RIDBC measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of RIDBC comprise trade creditors and other payables.

RIDBC has one redress claim relating to historical cases. A provision has been recognised in the financial statements as at 31 December 2022 in accordance with the advice of an independent decision maker. Subsequent to balance date, this amount has been paid.

Note 11a – Contract liability

Revenue in advance	177,637	249,779
Lease incentives	-	15,320
Cochlear Implant Program	25,196	-
TOTAL CONTRACT LIABILITY	202,833	265,099

Note 11b - Current liability – Borrowings

	2022	2021
	\$	\$
Bank loan	10,156,685	-
Total facilities	60,000,000	-
Used at the reporting date	10,156,685	-
Unused at the reporting date	49,843,315	-

RIDBC negotiated with St George Bank for a loan to the value of \$60M to fund the majority of the building at Macquarie Park which commenced in January 2022. This decision was based on the favourable interest rates versus the opportunity cost of drawing down on our investment funds.

The security for the loan is a first registered mortgage over both the North Rocks and Blackburn properties.

At balance date \$10.2M has been drawn down on the loan. RIDBC could completely repay the loan at any time prior to the sale of North Rocks.

Please also refer to Note 5d – Asset held for sale and Note 8 – Property Plant and Equipment and Work In Progress.

Note 12 - Provisions

Provisions are made recognising RIDBC's liabilities for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash outflows are discounted using market yields on high quality corporate bond rates published by G100 and Milliman Australia.

Note 12a – Current

Annual leave	3,829,336	3,881,976
Long service leave	3,008,313	2,983,354
TOTAL CURRENT PROVISIONS	6,837,649	6,865,330

Note 12b – Non-current

Long service leave	963,102	1,085,527
TOTAL NON-CURRENT PROVISIONS	963,102	1,085,527
Full time equivalent employees at balance date	301	313

Note 13 – Reserves

In 2022, a decision was made by management to streamline the reserves. The Elisabeth Murdoch Scholarship Trust and Prescribed Purpose Funds have been retained, all the remaining reserves have been transferred to retained earnings.

(a) Elisabeth Murdoch Scholarship Trust

As part of the acquisition of Taralye on 1 February 2018 the Elisabeth Murdoch Scholarship Trust was transferred to RIDBC. Donations to and income earned are brought to account in the statement of income and expenditure.

(b) Prescribed Purpose Funds

Donations to and income earned upon prescribed purpose funds are brought to account in the statement of income and expenditure and are transferred by the Board to each prescribed purpose fund. Included in this total are permanent funds held by the University of Sydney which were transferred on 13th August 2014 as a result of the business combination between SCIC and RIDBC.

Note 14 – Leases

RIDBC has leases over buildings, vehicles and office equipment. A right-of-use asset and a lease liability are recognised at the lease commencement date if the right to control the use of an asset for a period of time arises after the assessment. Information relating to the leases in place and associated balances and transactions are provided below:

14(a) Buildings*Commercial Leases*

RIDBC leases 16 office buildings/spaces in New South Wales, Victoria, Australian Capital Territory, Queensland and Northern Territory. The lease terms vary from 2 - 15 years with 10 of the leases including renewal options. The remaining 7 options are not included in 14(e) due to the uncertainty of exercising them.

There are \$4,299,759 potential future lease payments which are not included in the lease liabilities as it is assessed that the exercise of the option is not reasonably certain as at 31 December 2022.

The leases contain annual rent reviews where the lease payments are adjusted at each anniversary date.

Concessionary Leases

RIDBC has the right to use the office space in Gladesville NSW under a peppercorn lease agreement. The lease has expired and the renewal lease is currently under negotiation.

RIDBC has the right to use the office space in Strathfield NSW for \$1 per year under a premises licence deed. The lease has expired and the renewal lease is currently under negotiation.

RIDBC has elected to measure the right-of-use asset arising from the concessionary leases at cost.

Note 14 – Leases (cont.)*Income from subleasing right-of-use assets*

RIDBC has subleased a portion of the Canberra office. The lease agreement expired on 30 June 2022 and the renewal is currently under negotiation.

14(b) Vehicles

RIDBC leases vehicles which are predominantly used by health professionals to visit patients in regional and metropolitan areas. All the lease agreements expired in 2022, new leases (totalling 16) have been signed with SupaLease and all but one lease is for a term of 12 months. The remaining lease is for a period of 5 years.

14(c) Office Equipment

The lease terms for office equipment such as photocopiers and printers vary from 2 – 5 years and 6 of them are treated as low-value assets or short-term leases.

14(d) Right of use assets

	Properties	Vehicles	Office Equipment	Total
	\$	\$	\$	\$
Balance at 1 January 2022	8,078,721	69,047	16,973	8,164,741
Depreciation charge	(1,290,138)	(74,516)	(55,427)	(1,420,081)
Additions	2,349,138	82,050	237,816	2,669,004
Increases due to changes in lease liability	7,738	-	-	7,738
Impairment of ROU	(367,795)	-	-	(367,795)
Balance at 31 December 2022	8,777,664	76,581	199,362	9,053,607

14(e) Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in the Statement of Financial Position
	\$	\$	\$	\$	\$
2022	1,859,882	5,066,235	7,569,042	14,495,159	10,361,341
2021	1,520,536	3,653,320	7,150,223	12,324,079	9,073,522

Note 14 – Leases (cont.)**14(f) Lease impact in the Statement of Comprehensive Income**

The amounts recognised in the Statement of Comprehensive Income relating to leases where RIDBC is a lessee are shown below:

	2022	2021
	\$	\$
Interest on lease liabilities	406,681	330,681
Variable lease payments not included in the measurement of lease liabilities	-	-
Expenses relating to leases of low-value assets	572	3,860
Expenses relating to short-term leases	22,973	38,695

Statement of Cash Flows

Total cash outflow for leases	1,345,162	1,552,635
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Lease accounting policies

The right-of-use asset is measured at the asset's carrying value as if the Standard had been applied since the commencement date of the lease and the carrying value is discounted using the incremental borrowing rate at the date of initial application.

The lease liability is measured at the present value of the remaining lease payment and the estimated make good provision at the end of lease, discounted using the incremental borrowing rate provided by the banker at the date of initial application.

Exceptions are applied to short-term leases of 12 months or less and leases of low-value assets (such as small office equipment) where lease payments are expensed to income and expenses as incurred.

14(g) Provisions

The make good provision has been calculated as an estimate of future costs and discounted to a present value. The value of future costs is based on RIDBC's experience with similar premises and estimates of likely restoration costs.

Make-good provision under leases	519,600	542,200
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Note 15 – Capital commitments

	2022	2021
	\$	\$
Capital expenditure commitments contracted for include:		
Construction of new building at Macquarie Park	44,587,703	69,216,567
Alstonville refurbishment	211,587	-
Minor building alterations and refurbishment of rooms at Blackburn, Victoria	-	20,188
Other miscellaneous capital items	45,540	12,908
TOTAL CAPITAL COMMITMENTS	44,844,830	69,249,663

Note 16 – Contingent liabilities

One civil and one public liability claim relating to student matters are currently under review. The civil claim is a historical abuse case dating back to the 1970's which we are in the process of reviewing.

The public liability claim is for damages where proceedings have commenced.

Given these proceedings are in progress it would be prejudicial to comment further. The extent of the RIDBC liability, if any, is yet to be determined.

Note 17a – Short term financial liability

Option fee on forward contract	25,000,000	-
TOTAL SHORT TERM FINANCIAL LIABILITY	25,000,000	-

In 2018 RIDBC entered into a put and call option agreement with a buyer for the property at North Rocks. An option fee of \$25m was received by RIDBC in 2018 and will be retained as a long-term liability until the contract for sale is executed in 2023. At this point the final settlement is expected to occur.

Note 17b – Long term financial liability

	2022	2021
	\$	\$
Option fee on forward contract	1,500,000	26,000,000
TOTAL LONG TERM FINANCIAL LIABILITY	1,500,000	26,000,000

In 2020 RIDBC entered into a put and call option agreement with a buyer for the property at Luddenham. Further option fees of \$0.5m has been received by RIDBC in 2022 and will be retained as a long-term liability. The call option expiry date is 47 calendar months after, but excluding, the date of the deed. At this point the final settlement is expected to occur in 2024 as per the agreement.

Note 18 – Related party information

Members of the Board of RIDBC who held office during the year include:

President

D Dinte, BEc, LLB, MAICD

Vice Presidents

B Stone, AM, BA, DipEd, MEd, MAICD, FACE, FACEL

P van Dongen, BComm (Acc), FCA, F Fin, GAICD

M Pearce

Directors

Professor C Birman, MBBS, PhD, FRACS, GAICD

C Cowper, BA LLB FAICD

R Gee

The Honourable R Parker DipEd, DipTeach, GAICD

R Gee retired from the Board effective 7 March, 2023

Transactions with 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 donations were received from several Directors and key management personnel.

It should be noted that RIDBC have acted in an agency capacity for Associate Professor C Birman where patient fees are collected on her behalf and passed through to her at the same value. The value of these transactions was \$12,056 (2021: \$4,906) in the 2022 financial year and has no impact on the financial statements of RIDBC. In addition, Medicare revenue of \$13,483, earned by Professor Birman were donated in full to RIDBC.

No Directors of RIDBC or parties related to the Directors received any remuneration or benefit from their position.

Note 18 – Related party information (cont.)*Key management personnel*

During the 2022 year, the management structure and roles were revised however the number of key management personnel remained at 9 at year end.

Total Compensation	Salary	Superannuation Contribution	Termination Pay	Long Service Leave	Total
	\$	\$	\$	\$	\$
2022	2,330,497	240,158	63,274	-	2,633,929
2021	2,199,848	217,533	26,274	-	2,443,655

Note 19 – Limit of Members' Liability

Members are not liable as a consequence of their memberships, for the debts of RIDBC in the event of it being wound up.

Note 20 – Fundraising Activities Conducted**Information & Declarations to be Furnished Under the Charitable Fundraising Act 1991**

Under this Act, Royal Institute for Deaf and Blind Children holds multiple authorities to fundraise for RIDBC centres.

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

RIDBC conducts all its appeals in-house. We do not use third party traders.

Note 20 – Fundraising Activities Conducted (cont.)**(b) Forms of fundraising appeals conducted in 2022**

Details of aggregate income and expenditure from fundraising are as follows:

	2022 Total Income \$	2022 Direct Expenses \$	2022 Net Income \$	2021 Net Income \$
Community Partnerships	124,107	209,804	(85,697)	(52,077)
Committees & Events	286,948	162,489	124,459	(34,703)
Lantern Clubs	86,437	111,732	(25,295)	(11,335)
Corporate Partnerships	216,186	501,485	(285,299)	(182,863)
Mid-value	326,105	289,677	36,428	139,723
Individual Giving	1,682,241	1,127,580	554,661	380,292
Major Donors	1,091,370	280,806	810,564	832,482
Trusts and Foundations	1,153,390	317,285	836,105	692,524
Donald Boden Memorial Trust	6,932,605	-	6,932,605	-
Macquarie Capital Campaign	46,000		46,000	747,772
Total	11,945,389	3,000,858	8,944,531	2,511,815

	2022	2021
	\$	\$
Net surplus from fundraising appeals	8,944,531	2,511,815

The net surplus generated from fundraising activities has been applied to the shortfall in funding of Student and Client Services of RIDBC.

Note 21 – Cash Flow Information

	2022	2021
	\$	\$
(a) Reconciliation of net cash provided by operating activities to net surplus		
Surplus for the year	(10,482,495)	11,255,647
<i>Non-cash flows in surplus</i>		
Loss/(Gain) on sale of non-current assets	5,770	(6,746,665)
Bequests received in shares (non-cash item)	-	(4,274,872)
Depreciation / Amortisation	3,275,101	3,757,718
Impairment of property, plant and equipment	358,803	-
Fair value of Boden Memorial Trust Donation (Note 2)	(5,185,963)	-
Impairment of right of use asset	367,795	-
Fair value (loss)/ gain on financial assets	16,536,453	-
<i>Changes in assets and liabilities</i>		
(Increase) / Decrease in trade debtors	(1,626,446)	2,419,036
(Increase) / Decrease in prepayments	(834,035)	(27,549)
Increase / (Decrease) in trade creditors/accruals	102,118	(170,621)
Increase in other provisions	150,106	657,864
Increase / (Decrease) in contract liabilities	62,266	(442,404)
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,729,473	6,428,154
(b) Reconciliation of cash and cash equivalents		
Cash on hand	3,210	4,821
Cash at bank	3,698,009	3,218,846
Deposits at call	8,786,559	9,350,614
Term deposits	300,000	4,000,000
TOTAL CASH AND CASH EQUIVALENTS	12,787,778	16,574,281

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Note 22 – Capital and Financial Risk Management

(a) Capital management

RIDBC's objective is to ensure that the organisation continues as a going concern as well as to maintain optimal benefits for stakeholders. RIDBC aims to maintain a capital structure that ensures the lowest cost of capital available to the organisation.

(b) Financial risk management

Treasury risk management

An Investment committee consisting of a sub-committee of the Board meet with senior executives of RIDBC together with RIDBC's investment advisers to discuss and analyse interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

Credit risk

RIDBC continuously monitors defaults by customers and other counterparties and incorporates this information into its credit risk controls. RIDBC does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by RIDBC.

(c) Financial instrument composition and maturity analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a period of maturity. Receivables and payables at 31 December 2022 and 31 December 2021 are non-interest bearing. The balance of financial assets and liabilities has been stated at their net fair value.

December 2022	Weighted Average Effective Interest Rate	Floating Interest Rate \$	Fixed Interest Rate Maturing within 1 year \$	Fixed Interest Rate Maturing over 1 year to less than 5 years \$
Cash at bank	0.00%	3,701,219	-	-
Deposits at call	0.01%	8,786,559	-	-
Interest bearing deposits 1	3.38%	-	11,038	-
Interest bearing deposits 2	2.50%	-	-	84,196
Interest bearing deposits 3	0.25%	-	-	15,625
Interest bearing deposits 4	0.95%	-	146,617	-
Interest bearing deposits 5	0.59%	-	41,354	-
Interest bearing deposits 6	0.30%	-	-	40,578
Interest bearing deposits 7	0.85%	-	81,000	-
Interest bearing deposits 8	4.05%	-	-	2,500,000
Term Deposits	0.60%	-	300,000	-
TOTAL		12,487,778	580,009	2,640,399

December 2021	Weighted Average Effective Interest Rate	Floating Interest Rate \$	Fixed Interest Rate Maturing within 1 year \$	Fixed Interest Rate Maturing over 1 year to less than 5 years \$
Cash at bank	0.00%	3,223,667	-	-
Deposits at call	0.01%	9,350,614	-	-
Interest bearing deposits 1	0.20%	-	11,038	-
Interest bearing deposits 2	1.42%	-	-	69,591
Interest bearing deposits 3	0.25%	-	-	15,625
Interest bearing deposits 4	0.95%	-	-	146,617
Interest bearing deposits 5	0.59%	-	-	41,354
Interest bearing deposits 6	1.30%	-	40,578	-
Interest bearing deposits 7	0.85%	-	-	81,000
Term deposits	0.165%	-	4,000,000	-
TOTAL		12,574,281	4,051,616	354,187

Note 22 – Financial Risk Management (cont.)

(d) Sensitivity analysis

RIDBC has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and funds (equity) which could result from a change in these risks. RIDBC is exposed to changes in market interest rates through the cash held at banks which are subject to variable and fixed interest rates. RIDBC is also exposed to market risk through its use of financial instruments and specifically to currency, interest rate and other price risks.

Interest rate sensitivity analysis

Interest rate risk is managed with fixed interest rate returns and fixed interest rate returns with a capped variable. At 31 December 2022, the effect on surplus and funds (equity) as a result of changes in the interest rate, with all other variables remaining constant would be:

	2022	2021
	\$	\$
Change in surplus / (deficit)		
- Increase in interest rate by .5%	82,190	82,871
- Decrease in interest rate by .5%	(82,190)	(82,871)
Change in funds (equity)		
- Increase in interest rate by .5%	82,190	82,871
- Decrease in interest rate by .5%	(82,190)	(82,871)

Foreign currency sensitivity

Most of RIDBC's transactions are carried out in Australian Dollars. It is RIDBC's management opinion that no significant risk exists at balance date.

Other price sensitivity

RIDBC is exposed to other price risk in respect of its investment in managed funds as detailed in Note 6. Management monitors other price risk by actively monitoring volatility in managed funds. This volatility figure is considered for estimating how surplus or deficit and funds (equity) would have been affected by changes in market risk that were reasonably possible at the reporting date. The following table illustrates the net result for the year and the effect on funds (equity) resulting from changes in quoted prices. The managed funds are classified as financial assets at fair value through other comprehensive income, therefore no effect on profit or loss would have occurred.

	2022	2021
	\$	\$
Change in surplus / (deficit)		
- Increase by 5%	8,542,801	10,188,556
- Decrease by 5%	(8,542,801)	(10,188,556)
Change in funds (equity)		
- Increase by 5%	8,542,801	10,188,556
- Decrease by 5%	(8,542,801)	(10,188,556)

Note 23 – Commitment Drawn – Utilities Trust of Australia (UTA)

RIDBC committed to a capital raising issue of \$1.668M in August 2020 which had an expiry date of 21 August 2023 but a right by UTA to draw down at any time. This was to enable UTA to support growth in TransGrid and provide an allowance for COVID-19 related contingencies. The full value of \$1.668M was drawn down in July 2022. UTA is part of the current investment portfolio of RIDBC.

Note 24 – Key events and activities which impact the operations

RIDBC negotiated with St George Bank for a loan to the value of \$60M to fund the majority of the building at Macquarie Park which commenced in January 2022. This decision was based on the favourable interest rates versus the opportunity cost of drawing down on our investment funds. At balance date \$10.2M has been drawn down on the loan. RIDBC has the opportunity to completely repay the loan at any time prior to the sale of North Rocks. Post balance date a further \$13.4M has been drawn down. For additional information, please refer to Notes 8 and 11b.

The newly elected Labor Federal Government reaffirmed in their first budget that they are committed to providing up to \$12.5m in funding to establish a new Centre of Innovation in Vision and Hearing at Macquarie University.

Note 25 – Events After the Balance Date

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

Subsequent to balance date, the following events occurred:

- a) The centre at Alstonville became operational. This is the replacement site for the Lismore centre which was destroyed by the floods in Feb 2022
- b) In March 2023 R. Gee Board member retired
- c) In January 2023 an additional \$7m was invested into the JP Morgan Global Bond Fund – Class 1

Note 26 – Registered office and principal place of business

The registered office of RIDBC and its principal place of business is:

361-365 North Rocks Road
North Rocks, NSW 2151

Note 27 – Economic dependency on government funding

RIDBC is dependent on the ongoing receipt of financial assistance from the Commonwealth and State governments to continue delivering its charitable programs as detailed in the following table

	2022	2021
	\$'000	\$'000
Government revenue (including grants)		
Commonwealth Government		-
• National Disability Insurance Agency – NDIS payments	11,087	11,106
• JobKeeper + JobSaver	-	3,504
• Services Australia (Medicare)	4,471	3,770
• Department of Education	3,005	2,751
	18,563	21,131
State Government		
• NSW Department of Education	1,397	1,481
• Queensland Department of Health	-	50
• NSW Ageing, Disability and Home Care	31	147
• NSW Department of Health	-	181
• Victorian Department of Education and Training	116	283
	1,544	2,142
TOTAL	20,107	23,273

Responsible entities' declaration

The Responsible Entities of RIDBC declare that:

- a. 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
- b. 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 Regulations 2022.

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

David Dinte

Peter van Dongen

President

Vice President

18 April 2023

18 April 2023

Declaration by the NextSense President with respect to fundraising appeals

Declaration in accordance with the Section 21(3) of the Charitable Fundraising Regulation 2021 (NSW)

In my opinion, regarding Royal Institute for Deaf and Blind Children "the Company" for the year ended 31 December 2022:

- a. The Company is able to pay all its debts as and when the debts become due and payable;
- b. The 31 December 2022 financial statements of the Company satisfy the requirements of the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulation 2021;
- c. The contents of the 31 December 2022 financial statement of the Company are true and fair; and
- d. The Company has appropriate and effective internal controls.

David Dinte
President

18 April 2023

Auditor's independence declaration



Grant Thornton Audit Pty Ltd
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Auditor's Independence Declaration

To the Directors of Nextsense, a registered trademark 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 NextSense, a registered trademark of Royal Institute for Deaf and Blind Children for the year ended 31 December 2022, 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.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

A J Archer

Partner – Audit & Assurance

Sydney, 18 April 2023

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Independent auditor’s report



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Independent Auditor’s Report

To the Members of NextSense, a registered trademark of Royal Institute for Deaf and Blind Children

Report on the audit of the financial report

Opinion

We have audited the financial report of NextSense, a registered trademark of Royal Institute for Deaf and Blind Children (the “Registered Entity”), which comprises the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the Responsible Entities’ declaration and the Declaration in accordance with the Section 21 (3) of the Charitable Fundraising Regulation 2021 (NSW).

In our opinion, the financial report of the Royal Institute for Deaf and Blind Children has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Registered Entity’s financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Registered Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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Information Other than the Financial Report and Auditor’s Report Thereon

The Responsible Entities are responsible for the other information. The other information comprises the information included in the Registered Entity’s annual report for the year ended 31 December 2022, the Declaration in accordance with Section 21(3) of the Charitable Fundraising Regulation 2021 (NSW), but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Responsible Entities for the financial report

The Responsible Entities of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, the Charitable Fundraising Act (NSW) 1991, the Charitable Fundraising Regulation 2021 (NSW), and for such internal control as the Responsible Entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Responsible Entities are responsible for assessing the Registered Entity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Responsible Entities either intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

The Responsible Entities are responsible for overseeing the Registered Entity’s financial reporting process.

Auditor’s responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

We also:

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

related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registered Entity to cease to continue as a going concern.

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

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

Grant Thornton Audit Pty Ltd
Chartered Accountants

A J Archer
Partner – Audit & Assurance

Sydney, 18 April 2023

Grant Thornton Audit Pty Ltd

Five year financial history

For the year ended 31 December 2022

Description	%	2022	2021	2020	2019	2018	%
EXPENDITURE							
Student and Client Services Expenditure							
Preschool Services		1,333,858	1,302,614	1,353,328	1,748,291	2,316,582	
Schools Services							
Blind and DeafBlind Program		1,258,791	1,663,061	2,254,700	2,945,393	2,865,201	
Sign Bilingual Program		1,347,096	1,299,058	1,361,012	1,368,757	1,686,645	
Spoken Language Program		1,513,771	1,538,449	1,501,527	1,375,268	1,518,421	
Schools Support Services		2,376,687	2,275,541	2,710,096	3,001,688	3,273,798	
Paediatric Audiology Services		820,408	683,375	699,577	720,288	677,412	
NextSense Institute		1,883,610	1,809,333	1,990,586	2,263,367	2,279,185	
Remote Services		-	-	1,619,256	2,306,618	2,841,127	
Early Learning Program and Other Client Services		16,677,663	16,785,012	15,862,736	14,249,300	13,247,260	
Cochlear Implant Program Services		10,156,723	10,231,286	8,626,213	8,447,125	7,606,097	
Total Student and Client Services Expenditure	75	37,368,607	37,587,729	37,979,031	38,426,095	38,311,728	79
Administration	10	4,866,614	4,028,481	3,252,896	3,385,345	2,980,293	6
Investment Management	1	391,384	349,348	310,693	157,710	145,030	
Charitable Fundraising	6	2,935,135	3,098,416	2,410,597	3,596,346	3,954,242	8
Lottery	1	571,996	627,677	560,653	-	-	
Strategic Initiatives	4	2,146,458	4,518,863	4,366,713	2,272,440	2,222,884	5
Marketing & Communications	3	1,669,460	1,212,031	936,863	877,602	863,710	2
Total Expenditure from Operating Activities	100	49,949,654	51,422,545	49,817,446	48,715,538	48,477,887	100
REVENUE & INCOME FROM ORDINARY ACTIVITIES							
Charitable Fundraising Income							
Bequests		7,189,812	11,966,749	4,180,083	16,700,279	10,661,271	
Donations		10,859,606	4,174,793	5,540,868	6,427,084	6,890,399	
Lantern Clubs, Committees and Auxiliaries		1,039,783	891,907	602,719	1,044,004	1,255,128	
Macquarie Capital Campaign		46,000	747,771	-	-	-	
Total Charitable Fundraising Income	34	19,135,201	17,781,220	10,323,670	24,171,367	18,806,798	37
Government funding							
Commonwealth Department of Education		2,898,302	2,763,391	3,104,024	3,118,618	3,019,670	
Commonwealth Department of Social Services & Department of Human Services		11,192,751	11,094,499	10,460,724			
					8,722,053	5,075,825	
Commonwealth Department of Health					225,128	255,821	
NSW Ageing, Disability and Home Care		31,212	147,452	142,978	140,424	882,709	
NSW Department of Education		1,397,234	1,480,780	1,362,517	1,362,429	2,145,107	
NSW Department of Health		-	180,875	38,816	974,496	1,248,879	
QLD Department of Health		-	50,000	100,000	180,000	200,000	
Victorian Department of Education & Training		116,372	282,693	3,917	1,345,808	1,286,041	
JobKeeper/JobSaver		-	3,503,950	7,573,500	-	-	
Total Government funding	28	15,635,871	19,503,640	22,786,476	16,068,956	14,114,052	28
Other Income							
Investment income	22	12,345,881	10,170,589	6,881,562	10,590,710	7,714,314	15
Cochlear Implant Program	12	6,640,856	5,611,838	5,338,510	6,423,182	6,847,858	13
Sales, fees and miscellaneous income	5	2,978,171	2,864,237	3,401,072	3,781,960	3,596,062	7
Total Other Income	39	21,964,908	18,646,664	15,621,144	20,795,852	18,158,234	35
Total Revenue & Income from Operating Activities	100	56,735,980	55,931,523	48,731,290	61,036,175	51,079,084	100
Operating (Deficit) / Surplus							
Net gain/(loss) on disposal of property, plant & equipment		(5,770)	6,746,665	439,680	4,847,503	1,995	
Impairment of right of use asset		(367,795)	-	-	-	-	
Impairment of non-current assets		(358,803)	-	-	-	(500,000)	
Net unrealised (loss) / gain on revaluation of long term investments held at fair value and net realised (loss) / gain on disposal of investments		(16,536,453)	8,278,031	(4,694,539)			
(Deficit) / Surplus for the year		(10,482,495)	19,533,674		15,147,229	(6,487,217)	
Other Comprehensive Income							
Gain / (Loss) on defined benefit super funds		-	(4,406)	(413)	28,486	5,975	
Total comprehensive (loss) / income for the year		(10,482,495)	19,529,268	(5,341,428)	32,343,855	(4,378,050)	

Government funding

—summary of applicable legislation

Source of Funds	Legislation	Funding Purposes
Commonwealth Department of Education		
Commonwealth Government funding	Australian Education Act 2013 (the Act) amended in 2017 to give effect to the Quality Schools package	Schooling Resource Standard (SRS) to meet students' educational needs and up to 6 needs-based loadings for student priority cohorts and disadvantaged schools. The student with disability loading is based on the Nationally Consistent Collection of Data on school students with disability (NCCD)
State Government funding	Australian Education Act 2013 (the Act)	Aligned with the Commonwealth's funding model. The Commonwealth pays 80% and the NSW Government pays 20% of the funding entitlement. The NSW Departments of Education (DoE) Non-Government Schools Unit manages entitlement.
Australian Sports Commission - Sporting Schools Program	Australian Sports Commission	Grant applied for term by term to support sporting programs with the schools
Australian, State and Territory Governments		
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.
N.S.W. Department of Communities & Justice		
Transitional Advocacy Funding Supplement	National Disability Insurance Scheme	To provide education, information and support for people with vision or hearing loss to access the NDIS and other government funded supports.

N.S.W. Department of Education		
Early Childhood Education	Start Strong	Start Strong funding for community preschools provides funding for the provision of quality preschool education delivered to 3, 4 and 5 year old children enrolled in community preschools in NSW. The funding supports at least 600 hours per year or 15 hours per week of quality preschool education. Services that have not opted in to Start Strong Free Preschool for 2022, are required to pass through at least 50 percent of the base rate funding for these children.
Early Childhood Education	Disability Inclusion Program	Supports children with a disability and additional needs to participate in a quality early childhood program on the same basis as all children.
Early Childhood Education	Community Grants	The 'quality learning environments' and 'minor capital works' grant are available where services meet the criteria. These grants aim to support preschools to improve their learning environment.
Victoria State Government		
Department of Education & Training		Three and four year old Kindergarten programs, Early Intervention – Hearing Services

