The Western Australian Deaf Society Inc.
ABN 18 317 780 170

Financial Statements

For the year ended 30 June 2014

Contents

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2014

	Note	2014 $	2013 $
Revenue			
Government grants and subsidies	2	745,786	1,045,963
Other revenues	2	922,169	1,042,480
		1,667,955	2,088,443
Expenses			
Employee benefits expense		(1,178,391)	(1,239,133)
Depreciation and amortisation expenses		(52,159)	(59,296)
Other expenses		(708,628)	(735,275)
	3	(1,939,178)	(2,033,704)
Surplus/(Deficit) before income tax expense		(271,223)	54,739
Income tax expense	1 (a)	-	-
Surplus after income tax expense for the year		(271,223)	54,739
Other Comprehensive income, net of tax			
Items that will not be classified subsequent to profit or loss			
Gain on the revaluation of land and buildings		-	-
Items that may be reclassified subsequent to profit or loss			
Gain/(Loss) on the revaluation of available for sale financial assets		128,140	119,946
		128,140	119,946
Total comprehensive income for the year		(143,083)	174,685

The accompanying notes form part of these financial statements.

The Western Australian Deaf Society Inc.

ABN 18 317 780 170

Statement of Financial Position

As At 30 June 2014

	Note	2014 $	2013 $
CURRENT ASSETS			
Cash and cash equivalents	4	125,273	280,733
Trade and other receivables	5	144,696	144,507
Inventories	6	941	1,841
Financial assets	8	233,537	347,197
Other current assets	7	43,338	52,287
TOTAL CURRENT ASSETS		547,785	826,565
NON-CURRENT ASSETS			
Financial assets	8	1,556,322	1,357,046
Property, plant and equipment	9	2,672,502	2,733,204
TOTAL NON-CURRENT ASSETS		4,228,824	4,090,250
TOTAL ASSETS		4,776,609	4,916,815
CURRENT LIABILITIES			
Trade and other payables	10	142,390	140,242
Provisions	11	113,529	112,800
TOTAL CURRENT LIABILITIES		255,919	253,042
TOTAL LIABILITIES		255,919	253,042
NET ASSETS		4,520,690	4,663,773
EQUITY			
Retained earnings	12	2,952,998	3,224,221
Reserves	13	1,567,692	1,439,552
TOTAL EQUITY		4,520,690	4,663,773

The accompanying notes form part of these financial statements.

The Western Australian Deaf Society Inc.

ABN 18 317 780 170

Statement of Changes in Equity

For the year ended 30 June 2014

	Reserves	Retained Earnings	Total
	$	$	$
Balance at 1 July 2012	1,319,606	3,169,482	4,489,088
Net surplus attributable to members	-	54,739	54,739
Revaluation increment			
- Land and building	-	-	-
- Investments	119,946	-	119,946
Balance at 30 June 2013	1,439,552	3,224,221	4,663,773
Net surplus attributable to members	-	(271,223)	(271,223)
Revaluation increment			
- Land and building			
- Investments	128,140	-	128,140
Balance at 30 June 2014	1,567,692	2,952,998	4,520,690

The accompanying notes form part of these financial statements.

The Western Australian Deaf Society Inc.

ABN 18 317 780 170

Statement of Cash Flows

For the year ended 30 June 2014

	Note	2014 $	2013 $
Cash flows from operating activities			
Receipts from supporters and customers		1,439,700	1,973,177
Payments to suppliers and employees		(1,710,218)	(1,936,924)
Interest/distributions received		18,929	33,048
Net cash provided by (used in) operating activities		(251,589)	69,301
Cash flows from investing activities			
Purchase of fixed assets		(71,821)	(75,844)
Sale of fixed assets		54,290	34,918
Deposit of term deposit		113,660	(347,197)
Net cash provided by (used in) investing activities		96,129	(388,123)
Net decrease / increase in cash and cash equivalents held		(155,460)	(318,822)
Cash and cash equivalents at beginning of financial year		280,733	599,555
Cash and cash equivalents at end of financial year		125,273	280,733

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Western Australian Deaf Society Inc. ('the society') is a not-for profit organisation established in 1921 to provide services to deaf and hard of hearing people in Western Australia. It is located at Suite 46, 5 Aberdeen Street, East Perth.

The financial report of The Western Australia Deaf Society Inc for the year ended 30 June 2014 was authorised for issue on 10 October 2014. The Directors have the power to amend and reissue the financial statements.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The society has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the society from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the society.

The following Accounting Standards and Interpretations are most relevant to the society:

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

The society has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities

The society has applied AASB 2012-2 from 1 July 2013. The amendments enhance AASB 7 'Financial Instruments: Disclosures' and requires disclosure of information about rights of set-off and related arrangements, such as collateral agreements. The amendments apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the AASB, and West Australian legislation the Associations Incorporation Act 1987 and associated regulations, as appropriate for not-for-profit oriented entities. These financial statements do not comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB'). The financial statements are presented in Australian dollars.

Critical Accounting Estimates
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Classification of investments

The society has decided to classify investments in listed securities as available for sale. These securities are accounted for at fair value. Any increments or decrements in their value at year end are charged or credited to the revaluation reserves.

Estimation of useful lives of assets

The society determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

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

(a) Revenue
Revenue is measured at the fair value of the consideration received or receivable after taking into account, trade discounts and volume rebates allowed.

(i) Sales revenue
Events, fundraising and raffles are recognised when received or receivable.

(ii) Donations
Donations are recognised at the time the pledge is made.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(a) Revenue (cont.)

(iii) Grants

Government grants shall be recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. The society earns them through compliance with their conditions and meeting the envisaged obligations.

When grant revenue is received whereby the society 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.

(i) Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(ii) Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established

(b) Income Tax

Under Section 50-5 of the Income Tax Assessment Act 1997 the income of The Western Australian Deaf Society Inc. as a charitable institution is exempt from income tax.

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

(d) Cash and Cash Equivalents

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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(e) Trade and other receivables

Trade and other receivables are recognised at amortised cost, less any provision for impairment

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

(g) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity.

Plant and equipment

The cost of fixed assets constructed within the society includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the society and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets excluding computer equipment, is depreciated on a diminishing value basis over their useful lives commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Plant, furniture and equipment	7.5% and 15 %
Video film and equipment	15%
Motor Vehicles	15%
Buildings	2.5%
Computer equipment	30%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(h) Impairment of Non-Financial Assets

At each reporting date, the society reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

All impairment losses are recognised either in the statement of profit or loss and other comprehensive income or revaluation reserves in the period in which the impairment arises.

(i) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to the society prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Employee Benefits

(i) *Wages, salaries and annual leave*

Liabilities for wages, salaries and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Employee benefits payable later than one year

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

(ii) *Superannuation*

Contributions are made by the society to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

(iii) *Employee benefit on costs*

Employee benefit on costs are recognised and included in employee benefits liabilities and costs when the employee benefits to which they relate are recognised as liabilities

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(K) Employee Benefits (cont.)

(iv) *Long service leave*
Prior to 30 June 2008 the society accrued for long service leave under the Public Service Award 1992 where long service leave entitlements accrue at 13 weeks after 7 years of continuous service. From 1 July 2008, the society now accrues under the Long Service Leave Act 1958 where entitlements accrue at 8 2/3 weeks after 10 years of continuous service, with payment of pro-rata entitlement on termination after 7 years of continuous service.

(l) Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(m) 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 are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(n) Financial Instruments
The society classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(n) Financial Instruments (cont.)

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the society commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement
Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) *Financial assets at fair value through profit or loss*
This category has two sub-categories; financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the reporting date.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(n) Financial Instruments (cont.)

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the society provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

(iii) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

Purchases and sales of investments are recognised on trade-date being the date on which the society commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the society has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the statement of profit or loss and other comprehensive income in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale investments revaluation reserve are recognised in equity in the "available for sale revaluation reserve". When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of profit or loss and other comprehensive income as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the society establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing methods refined to reflect the issuer's specific circumstances.

Impairment

The society assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(n) Financial Instruments (cont.)

If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss, is removed from equity and recognised in the income statement. Impairment losses recognised in the statement of profit or loss and other comprehensive income on equity instruments are not reversed through the statement of profit or loss and other comprehensive income.

(o) Comparative Figures

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

Notes to the Financial Statements

For the year ended 30 June 2014

	2014	2013
	$	$
NOTE 2: REVENUE		
Operating activities		
Government grants and subsidies		
Employment services	420,762	654,385
Operating grants	325,024	391,578
Other revenues		
Interpreting services	487,226	457,370
Donations	293,015	440,130
Miscellaneous and others	54,020	42,936
Resources centre	1,560	2,316
Non Operating Income		
Interest received	13,626	21,053
Dividend/trust distributions received	72,722	78,675
	1,667,955	2,088,443

NOTE 3: EXPENSES

	2014	2013
Depreciation of property, plant and equipment	52,159	59,296
Net loss on scrapping of plant and equipment	-	1,513
Net loss on disposal of motor vehicles	26,074	13,621
Superannuation	95,659	97,257

Notes to the Financial Statements
For the year ended 30 June 2014

	2014	2013
	$	$
NOTE 4: CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	459	459
Cash at bank	40,725	198,873
Short-term bank deposits	84,089	81,401
	125,273	280,733
NOTE 5: TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade and other receivables	113,735	109,961
Income receivable on investments	22,292	26,009
Income tax refundable - imputation credits on investments	8,669	8,537
	144,696	144,507
NOTE 6: INVENTORIES		
CURRENT		
Stock of publications - at cost	941	1,841
NOTE 7: OTHER CURRENT ASSETS		
CURRENT		
GST receivable	-	1,222
Prepayments	39,037	46,265
Deposits	4,300	4,800
	43,337	52,287
NOTE 8: FINANCIAL ASSETS		
Available-for-sale financial assets	1,556,322	1,357,046
Held to maturity investments	233,536	347,197
	1,789,858	1,704,243
Current	233,536	347,197
Non-Current	1,556,322	1,357,046
	1,789,858	1,704,243

Notes to the Financial Statements

For the year ended 30 June 2014

NOTE 8: FINANCIAL ASSETS (CONT)

Available-for-sale financial assets comprise of:	Opening Balance 1 July 2013 $	Additions	Fair Value Gain/(Loss)	Closing Balance 30 June 2014 $
Perpetual Fund	1,207,154	62,396	111,704	1,381,254
Bunning Warehouse Property Trust	138,692	8,740	14,956	162,388
National Australia Bank Limited	11,200	-	1,480	12,680
	1,357,046	71,136	128,140	1,556,322

	2014 $	2013 $
NOTE 9: PROPERTY, PLANT AND EQUIPMENT		
Freehold land and buildings at independent valuation	2,811,626	2,811,626
Accumulated depreciation	(266,561)	(239,422)
Total land and buildings	2,545,065	2,572,204
Plant, Furniture and Equipment		
At cost	331,911	328,830
Accumulated depreciation	(264,647)	(250,248)
Total plant, furniture and equipment	67,264	78,582
Video and Film Equipment		
At Cost	12,139	12,139
Accumulated depreciation	(10,581)	(10,306)
Total video and film equipment	1,558	1,833
Motor Vehicles		
At Cost	68,740	97,213
Accumulated Depreciation	(10,125)	(16,628)
Total motor vehicles	58,615	80,585
Total property, plant and equipment	2,672,502	2,733,204

Notes to the Financial Statements

For the year ended 30 June 2014

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONT)

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.

	Land and Buildings	Plant, Furniture and Equipment	Video Equipment	Motor Vehicles	Total
	$	$	$	$	$
Balance at 1 July 2013	**2,572,204**	**78,582**	**1,833**	**80,585**	**2,733,204**
Additions	-	3,081	-	68,740	71,821
Revaluation	-	-	-	-	-
Disposals	-	-	-	(80,364)	(80,364)
Depreciation expense	(27,139)	(14,399)	(275)	(10,346)	(52,159)
Balance at 30 June 2014	**2,545,065**	**67,264**	**1,558**	**58,615**	**2,672,502**

Valuation of land and buildings

The basis of the valuation of land and buildings is fair value, being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. The land and buildings were last revalued on 30 June 2012 based on independent assessments by a member of the Australian Property Institute.

	2014	2013
	$	$
NOTE 10: TRADE AND OTHER PAYABLES		
CURRENT		
Trade and other payables	136,300	129,244
GST payable	1,090	-
Grants received in advance	5,000	10,998
	142,390	140,242
NOTE 11: PROVISIONS		
CURRENT		
Provision for annual leave	48,597	55,183
Provision for long service leave	64,932	57,617
TOTAL PROVISIONS	113,529	112,800

Notes to the Financial Statements

For the year ended 30 June 2014

	2014	2013
	$	$
NOTE 12: RETAINED EARNINGS		
Balance at beginning of year	3,224,221	3,169,482
Net surplus/(Deficit)	(271,223)	54,739
Balance at end of year	2,952,998	3,224,221

Note 13: RESERVES		
Asset revaluation reserve		
Opening balance at 1 July	1,439,552	1,319,606
Fair value of available for sale investments	128,140	119,946
Fair value of freehold land and buildings at independent valuation	-	-
Closing balance at 30 June	1,567,692	1,439,552

This reserve is used to;

(i) recognise increments and decrements in the fair value of land and buildings; and

(ii) recognise increments and decrements in the fair value of available-for-sale financial assets.

NOTE 14: KEY MANAGEMENT PERSONNEL COMPENSATION

Compensation

The aggregate compensation to officers and other members of key management personnel of the society is set out below: -

	2014	2013
	$	$
Aggregate compensation	38,508	87,735

NOTE 15: RELATED PARTY DISCLOSURES

During the year ended 30 June 2014 the society trade-in Five motor vehicles. As part of this process the vehicles were purchased from Paceway Mitsubishi. Mr J Barbera, Dealer Principal of Paceway Mitsubishi is a Board member of the society. All transactions between both parties are undertaken at normal commercial terms.

Total values of the transactions are:
Purchase amount: $68,740 (2013: $57,876)
Sale amount: $54,290 (2013: $33,239)

Notes to the Financial Statements

For the year ended 30 June 2013

NOTE 16: CONTINGENCIES & COMMITMENTS

a. Until June 2004, the Disability Service Commission held an equity interest in the Leederville hostel as a result of a capital grant received in 1975 for the Goderich Street hostel which was sold when the society moved to Leederville in 1983. The purpose of the original grant was to provide housing for the deaf community. In order to comply with changes in Commonwealth government policy the society stopped using the Leederville hostel for this purpose.

   It was confirmed on 30 May 2007 that the capital equity was $268,000 (20% of cost and fit out of Aberdeen Street) and that future value would be based on 20% of the market value of these premises being $520,000 as valued in the 2014 year.

b. A guarantee of $20,000 has been made to allow a direct debit bank facility to be used for donations. The funds remain on Term Deposit with the society but are used to secure the bank stand by facility in the event of default by a donor.

Note 17: FAIR VALUE MEASUREMENT

Fair value hierarchy

The following tables detail the Society's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

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.

2014	Level 1	Level 2	Level 3	Total
Assets	$	$	$	$
Financial assets	1,556,322	-	-	1,556,322
Land and buildings	-	2,545,065	-	2,545,065
Total assets	1,556,322	2,545,065	-	4,101,387

2013	Level 1	Level 2	Level 3	Total
Assets	$	$	$	$
Financial assets	1,357,046	-	-	1,357,046
Land and buildings	-	2,572,204	-	2,572,204
Total assets	1,357,046	2,572,204	-	3,929,250

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Note 18: EVENTS AFTER THE REPORTING DATE

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

Statement of the Board

In the opinion of the Board of the Western Australian Deaf Society Inc. (the society);

(a) The attached financial statements and notes there to comply with the Australian Accounting Standards-Reduced Disclosure Requirements;

(b) The attached financial statements and notes of the society present fairly the financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and

(c) There are reasonable grounds to believe that the society will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board.

....

MR R GRAY
President

Dated: 10 of 10 October 2014

PERTH WA

PKF Mack & Co

Chartered Accountants & Business Advisers

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF

THE WESTERN AUSTRALIAN DEAF SOCIETY INC.

Report on the Financial Report

We have audited the accompanying financial report of The Western Australian Deaf Society Inc. ("the Association"), which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information, and the statement by members of the Committee.

Committee's Responsibility for the Financial Report

The Committee of the Association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Associations Incorporation Act 1987, and for such internal control as the committee determine is necessary to enable the preparation of the financial report that 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 Association's preparation and fair presentation of the financial report 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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, 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.

Tel: 61 8 9426 8999 | Fax: 61 8 9426 8900 | www.pkf.com.au
PKF Mack & Co | ABN 74 254 453 660
4th Floor, 35 Havelock Street | West Perth | Western Australia 6005 | Australia
PO Box 609 | West Perth | Western Australia 6872 | Australia

Basis for Qualified Opinion

As disclosed in Note 2 to the financial report, donations are a significant source of fundraising revenue for the Association. The Association has determined that it is impracticable to establish control over the collection of donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to donations had to be restricted to the amount recorded in the financial records. We therefore are unable to express an opinion on whether donations recorded by the Association are complete.

Qualified Opinion

In our opinion, except for the effects, if any, of the matter described in the Basis for Qualified Opinion paragraph above, the financial report of the Western Australian Deaf Society Inc:

(i) presents fairly, in all material respects, the financial position as at 30 June 2014 and of its performance and cash flows for the year ended on that date; and

(ii) complies with the Australian Accounting Standards – Reduced Disclosure Requirements.

PKF Mack & Co

PKF MACK & CO

SFermanis

SIMON FERMANIS
PARTNER

10 OCTOBER 2014
WEST PERTH,
WESTERN AUSTRALIA