

# Annual Report

# 2009



Ethan, aged 5 and his mother Shannon

# Thank you

The Spastic Centre gratefully acknowledges the support of all those who have donated to us, from the smallest coin to the largest cheque.

We appreciate the support we receive and extend our heartfelt thanks to our many donors and sponsors.



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## The Spastic Centre For people with cerebral palsy Building Futures

Cover photo courtesy Newspix / Virginia Young

**THE SPASTIC CENTRE OF NEW SOUTH WALES**  
ABN 45 000 062 288

The 62nd Annual General Meeting of The Spastic Centre will be held at 4.00pm on Wednesday, 25 November 2009 at The Spastic Centre Head Office Terrey Hills, 321 Mona Vale Road, Terrey Hills NSW.

All members are entitled to attend and are cordially invited to do so.

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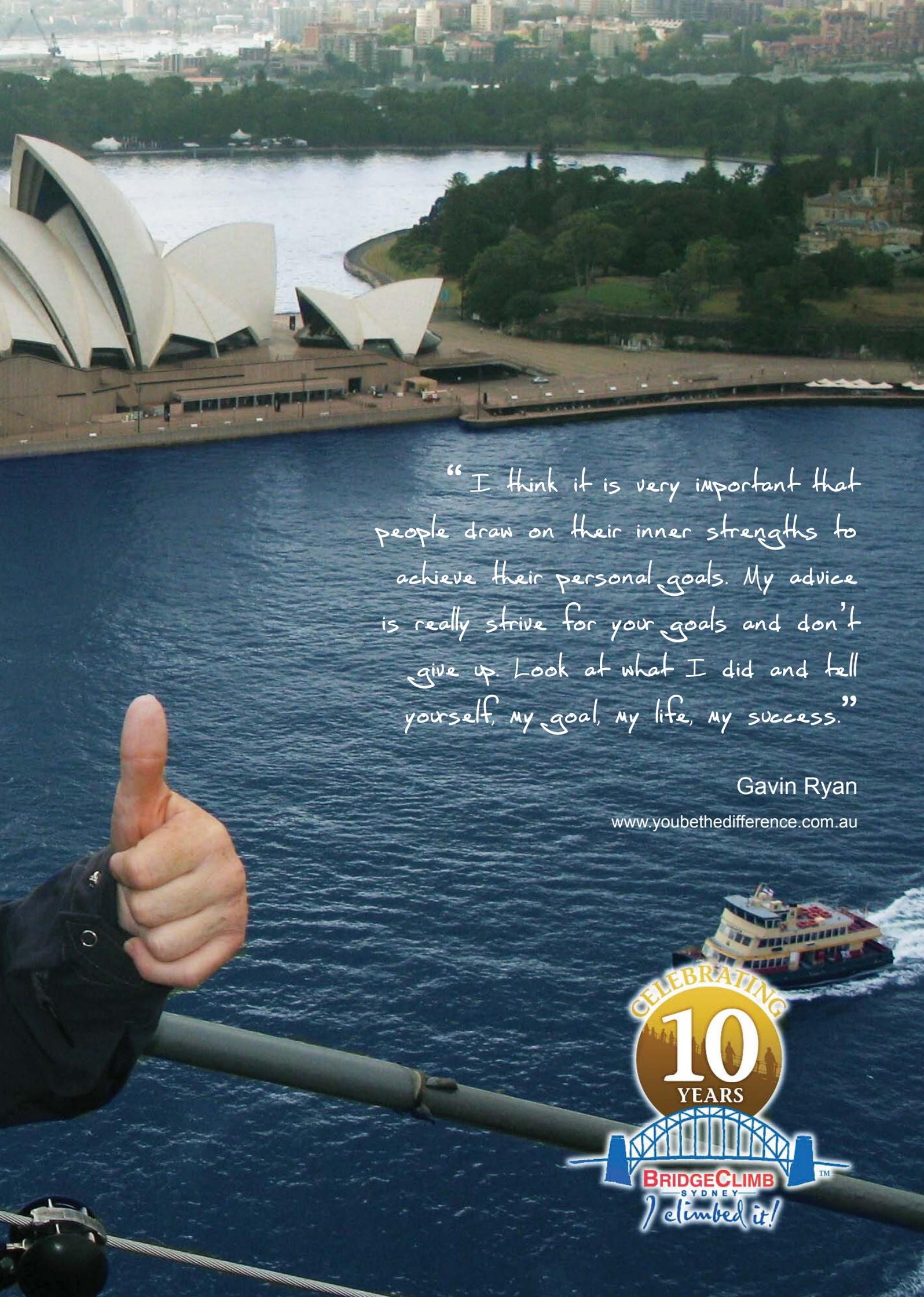
**BANKERS**

Commonwealth Bank of Australia  
48 Martin Place, Sydney NSW 2000

**AUDITORS**

KPMG  
The KPMG Centre,  
10 Shelley Street, Sydney NSW 2000





“I think it is very important that people draw on their inner strengths to achieve their personal goals. My advice is really strive for your goals and don't give up. Look at what I did and tell yourself, my goal, my life, my success.”

Gavin Ryan

[www.youbethedifference.com.au](http://www.youbethedifference.com.au)



# Report

## by the President and CEO

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The evocative image of the year is Gavin, at age 45, achieving his ambition of reaching the summit of the Sydney Harbour Bridge. For Gavin, this was a feat of courage and endurance. Our staff supported him every step of the way.

Beyond the personal triumph, Gavin's achievement symbolises the value that we place on personal best, individual ambition and meaningful participation in the community. The Spastic Centre will never lose sight of our mission to build futures for individuals and their families through innovative and responsive services.

Innovative practices that support community engagement have made a significant contribution to the quality of life for many. We have balanced these initiatives with a focus on allied health practices that are solidly based on research evidence. In a world-first, our staff members are now supported in their interventions with clients and families by a web-based, Evidence Based Clinical Decision Making Knowledge Library. As this tool is a wiki, our staff can continue to build this important body of knowledge.

Our staff's extensive training in this tool will equip them to support clients and families with all aspects of holistic health and well-being now and for their future. We have attracted an Australian Research Council Grant to evaluate these refinements to our services.

We continue to pursue excellence for those 4,000 clients and families who have used our services this year. Increasingly we have also had an eye to the future. Despite all the successes and celebrations, the harsh reality is that we can never meet all the needs of the parents and their children who come to us for support.

Likewise, traditional disability services' funding structures and sources cannot keep pace with ever-growing demands. Our call is for a different solution. So, during this year, we have

thrown our support behind a bold new campaign: a National Disability Insurance Scheme (NDIS).

NDIS was first raised at the 20/20 Summit. It has the potential to transform the lives of people with a significant disability and their families. NDIS would be a no-fault insurance scheme for anyone who has, or acquires, a significant disability. It would be funded through general revenue or a Medicare-type levy on all Australians. The scheme would provide lifelong funding for essential care, support, therapy, aids, equipment, home modifications and access to the community, education and training.

The campaign for NDIS is gaining momentum. A new website has been launched at [www.ndis.org.au](http://www.ndis.org.au). I urge you to visit the site and to join us in taking action.

Also, with our focus on a different future, we have made great strides in research. In February, our Cerebral Palsy Institute hosted the 3<sup>rd</sup> International Cerebral Palsy Conference at Darling Harbour. This was the largest conference of its type in the world, attracting more than 1,400 delegates from Australia and overseas. It was a defining moment in our organisation's history. It shone the spotlight on Australia as we took the lead in international initiatives to find the causes of cerebral palsy and how to prevent it. Great progress is being made.

Our Cerebral Palsy Foundation has now funded 20 research projects totalling more than \$1.7 million. To advance our initiatives, the NSW Government allocated \$3 million for the Cerebral Palsy Institute's relocation to the University of Notre Dame Australia within the St Vincent's research precinct.

The Macquarie Group Foundation Chair of Cerebral Palsy has been created. We are delighted to

announce that Associate Professor Nadia Badawi has been appointed to this prestigious post. Her department will be located in the School of Medicine at Notre Dame University.

The Cerebral Palsy Foundation also set up a landmark partnership with Avant to further research projects, with funding of \$2 million. The Balnaves Foundation established The Balnaves Cerebral Palsy Research Program to identify cerebral palsy early in life via new early diagnostic clinics to be established nationally. Our sincere thanks go to all donors to the Foundation, and to our Ambassadors who are helping us to pursue the Foundation's vision of a world without cerebral palsy.

We also thank those who continue to support us to address the pressing needs of today. Through the Department of Ageing, Disability and Home Care's 'Stronger Together' initiative, The Spastic Centre received a non-recurrent allocation of \$5 million over three years. Of this, \$1.715 million will pilot new programs. The remainder will be spent across various NSW regions to reduce the waiting lists for therapy.

Despite the economic downturn, we have been heartened by the continuing strong support from the community. Our tax appeal, mailed to 25,000 people in May and June, connected strongly with our supporters. The appeal raised \$585,000, which will see many children receive wheelchairs and other essential equipment. This was more than double the prior year's tax appeal.

The Minister for Housing, The Hon. David Borger, MP, opened our new residence for clients in South Granville. It sets a new benchmark for our accommodation services. Our wonderful group of residents deserve the best. We hope in time to bring all our facilities to this standard of excellence in design and amenity.



The service network for our rural and regional families has received a great boost with the purchase of the heritage-listed former East Maitland Post Office as a base for our therapy services in the Upper Hunter district; and on the Far North Coast, the establishment of a new service site at Alstonville, near Ballina, to replace the original Coffs Harbour site. From this centre, we will serve the growing population in the area.

In the Central West, we have bought our rental site in Orange and are upgrading it to house our service expansion.

The purchases in Orange and East Maitland have been made possible through a most generous donation from the Sargents Charitable Foundation. The remarkable support from Sargents continues to help us to strengthen and expand Spastic Centre services throughout rural and regional New South Wales.

The total income for The Spastic Centre in the financial year was \$66 million (previous year: \$64.5 million). We recorded an operating surplus of \$743,000 (previous year: \$2.75 million). Spending on direct services for children, adults and their families rose by \$3.9 million. In 2009/2010, we anticipate that this spending will increase again by \$2.4 million, as we roll out new and expanded programs of individual and family support.

Our funding from government totalled \$40.9 million this year, including grants that recognised the value of programs that we had piloted with proceeds from our fundraising, including corporate donations.

We value our partnerships with the government. We are proud and ever-mindful of their faith that we can deliver on promises and be creative and responsive. In particular, we thank the Australian Federal Government's Department of Families, Housing and Community Services and Indigenous

Affairs; Department of Education, Employment and Workplace Relations, and the NSW State Government's Department of Ageing, Disability and Home Care; Department of Health; and Department of Education and Training.

We are most thankful for the outstanding generosity of our individual and corporate supporters. They create the fabric of our organisation through their financial contributions and volunteering. Among them are many who are also clients and their families who, despite their own needs, give generously of their time and resources to support others. We salute you.

Our Executive Management team and our staff members, the backbone of the organisation, give well beyond what is expected. We express our admiration and our thanks.

Special thanks go also to The Hon. John Dowd AO, Goodwill Ambassador and The Hon. Margaret Reid AO, our patron in the ACT for their wisdom and support.

We extend sincere appreciation to Mr Bill Bartlett and the Council of Governors of The Cerebral Palsy Foundation for their commitment and tireless efforts in pursuing the Foundation's vision.

Our Board of Directors of The Spastic Centre is second to none. To each director go our deepest thanks and respect for guidance, wisdom and dedication to duty.

In addition to juggling the complex work of directorship of The Spastic Centre and the demands of their own professional lives, five members of the board completed an intensive advanced education course with the Australian Institute of Company Directors.

Throughout the year, directors attended a number of briefings and interactive forums to enhance governance practices and to keep abreast of changing requirements and emerging issues.

We make special mention of John Morgan and Peter Whitfield who retired from the board in August 2009.

John served the organisation as a Director for almost 18 years. As well as performing his corporate duty with distinction, he gave much of himself by sharing his learned wisdom and his incredible life experience so that others might benefit. Thank you, John!

Peter Whitfield joined the board in November 1997. His passion for The Spastic Centre and its members, clients and families inspired many. His insight as a parent combined with his professional skills ensured that his 12 year contribution to the board will remain a valuable legacy.

We thank Adam Johnston and John Sintras for agreeing to become directors, filling the casual vacancies created by John and Peter.

The Spastic Centre has set its sights high for the year ahead. We aim to build on the achievements and lessons of the past as we stride into the future. We trust that like Gavin, we can reach new heights.

**Marelle Thornton, AM**

*President*

**Rob White**

*Chief Executive Officer*

“When I was in Year 10, I was inspired by my mentor to pick up my first camera. I used to daydream in Ken Duncan's gallery and stare at his photos. I dreamt one day I would meet Ken and show him my photos. Today I work for Ken Duncan.”

Jess Irwin, 21 years old

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[www.dare2bu.net.au](http://www.dare2bu.net.au)





www.dare2bu

# Highlights

## 2008 - 2009

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### Our Services

The Hon. Bill Shorten MP, Federal Parliamentary Secretary for Disabilities and Children's Services launched The Economic Impact of Cerebral Palsy in Australia 2007 report, which was completed by Access Economics.

The Board of Directors hosted several client and family forums throughout the year, providing opportunities to connect with board members and discuss issues around respite, employment and access for people from Aboriginal communities. These were held at Ryde, St Ives, Orange and Liverpool.

The NSW Cerebral Palsy Register grew with 80 new registrations, bringing the total registrations to 1,386.

An initiative to address the holistic health and wellbeing of clients and families, resulted in extensive staff training and changes being made to the way services are delivered. The impact on clients and families is being independently evaluated in a partnership with two Australian universities, through an Australian Research Council grant.

The Spastic Centre hosted the highly successful 2009 Boccia National Championships at the Sydney Academy of Sport in Narrabeen.

Three members of the Manly Warringah Community Access Service competed in the New Zealand Boccia Tour and were selected to compete in the 3rd Asia and South Pacific Boccia Championships in Hong Kong in August 2009.

A number of regional activities were organised during NAIDOC week to celebrate Aboriginal culture, to demonstrate the organisation's respect for Aboriginal and Torres Strait Islander people, and to acknowledge them as the traditional custodians of the land.

The CP Blogs grew in popularity with many families and clients sharing their stories and comments. [www.cpblogs.com.au](http://www.cpblogs.com.au)

In an initiative with Starlight Foundation, young people who are clients of The Spastic Centre were supported to participate in Livewire, a youth social networking website.

Members of our Community Access Services were supported to develop and engage in social networking through a member only website.

In partnership with the Fiji School of Medicine, The Spastic Centre continued training initiatives in Fiji to build local capacity in community based rehabilitation. The Fiji School of Medicine commenced the Community Disability and Rehabilitation Certificate course with participants from across the Asia Pacific region. Australians visiting Fiji helped raise funds to support the program at an annual golf event.

A new SportFitz gym was established in South West Sydney to support young people (aged 12-25) to become more active in their own health and wellbeing.

A four-day program, Camp Act Out, was held for teenagers with a focus on workshops in the performing and creative arts.

The Leisure Links program in South West Sydney formed a partnership with Accessible Arts and The Powerhouse Youth Theatre to run workshops for young people interested in the arts.

One hundred and twenty (120) clients and their families enjoyed a cruise on the Nepean River, in an initiative designed to help families relax and connect.

The service sites at East Gosford and Berkeley Vale were amalgamated in a new site at Tuggerah.

Representations were made to the PADP Parliamentary Inquiry to support the issue of unmet need for equipment. The Spastic Centre also became a member of a cross-agency forum to lobby for additional funding for PADP.

The Hon. David Borger MP, Minister for Housing, opened Lifestyle Apartments in Markey Street, South Granville. This latest residence for clients sets a new benchmark in standards for our accommodation services.

The new Respitality program provided 17 families with short breaks in hotels.

Katherine Proudfoot, speech pathologist, competed in the 2008 Beijing Paralympic Games and won a silver medal in the discus throw.

Residents benefited from significant refurbishments to Venee Burges House.



Boccia



Ethan Clough featured in our tax appeal



Children's Christmas party

## Our Volunteers

In 2008, 18 volunteers from the ING Mentoring Group completed a total of 1,192 hours to help build the self esteem of teenagers with a disability. In 2009, 11 ING volunteers provided 550 hours to mentor young leaders with a disability.

In the Newcastle region, the Ignition Mentoring Program was established for 10 teenagers with the support of staff from the Greater Newcastle Building Society.

Over 500 children and family members enjoyed a Christmas party at Terrey Hills with support from Macquarie Group Foundation, The One Centre, Westfield Parramatta, Asquith Bowling Club, Windybanks Bait Service and Edmen Recruitment.

Twenty five volunteers in the Just Like You! Disability Awareness Program helped 1,700 primary school children to understand more about disability.

The Parent to Parent project for parents of children with a disability commenced in the Hunter region. This pilot program is in partnership with ASPECT, Firstchance and the University of Newcastle. Training for 12 volunteer mentors has been completed and the matching of parents is underway.

Over 70 students at TAFE NSW Brookvale, volunteered their time and skills to fundraise, plan and run the 2009 Boccia National Championships in May.

The students from St Ignatius College, Riverview raised over \$4,000 in a street collection in North Sydney to support Boccia activities.

A new CP Volunteers blog was launched to highlight the activities of The Centre's corporate and individual volunteers.

## Our Partnerships and Fundraising

The Sargents Charitable Foundation generously donated \$1.5 million for new centres in Ballina and the Central Coast. Since 2004, the Foundation's support has totalled \$4.15 million.

The Spastic Centre received a non-recurrent allocation of \$5 million over three years through the Department of Ageing, Disability and Home Care's (DADHC) Stronger Together initiative. Of this, \$1.715 million will be used to pilot new programs and the remainder will be used across various regions to address the NSW waiting list for therapy.

Over 75,000 people across NSW and the ACT gave to one of our direct marketing programs, raising just over \$7 million to fund the work of the organisation.

Our raffle program had its best ever year with \$3.6 million being raised through our six raffles across the year.

Our tax appeal featured Ethan Clough, a bright five year old boy who has severe cerebral palsy. The appeal, mailed to 25,000 people in May/June, connected strongly with our supporters. Raising \$585,000 it more than doubled the prior year's tax appeal. As a result, many more children received wheelchairs and other essential equipment. During the last 12 months, the number of people giving to The Spastic Centre on a monthly basis has continued to grow strongly. Over 4,600 donors provided us with a reliable source of income, \$820,000 in total across the year.

The Might And Power Gala Race Day raised over \$283,000 to support The Spastic Centre's rural services and equipment for children.

Now in its 15<sup>th</sup> year, our popular CBD Golf Escape! saw 320 loyal supporters taking a weekend break to enjoy golf and raise a staggering \$484,000. This included a generous donation of a new bus and four wheelchairs from Variety.

The 20/twenty Challenge saw 120 participants cover the course in record time, raising just over \$200,000. This included a matching donation from the Macquarie Group Foundation of \$100,000. All monies raised at this event go towards equipment for children.

Col Crawford and his supporters celebrated the 25<sup>th</sup> anniversary of the Col Crawford Golf Day, raising \$106,000.



Six year old Nicholas received his electric wheelchair from money raised through the 20/twenty Challenge.

*“ It has given him one of the greatest gifts for any child – independence. Nicholas can now go on school excursions with his classmates, participate in family activities on weekends and enjoy family holidays, without worrying whether he will be able to make the distance in his walker.”* Nicholas’ parents, Suzie and Paul



Blackmore's Fun Run



20/twenty Challenge

Over 166 runners participated in the City 2 Surf, raising an impressive \$66,000 for The Spastic Centre which is our largest total ever.

In the Blackmore's Fun Run, 32 runners hit the streets for The Spastic Centre, raising an impressive \$22,000.

The Great Hands fundraising and awareness initiative was launched with the Waratahs and NSW Rugby, raising our profile through television coverage and home game promotions.

The Italian Affair Committee held its 21<sup>st</sup> Gala Ball, donating \$100,000 from the proceeds to The Spastic Centre.

Aristocrat generously donated \$250,000 for the development of the proposed SportFitz complex. A target of \$4 million has been set for this project.

AMP and Bluestar DM donated over \$45,000 to the SportFitz program at the Kick a Goal for Kids dinner.

Westfield generously provided a \$50,000 sponsorship to pilot a Relax and Recharge Respite program for families living in the Hunter, ACT and Far South Coast.

As the major sponsor of The Canberra Raiders, the CFMEU raises money for local charities through its 'Points for Cash' program. The program works by providing a donation for every point scored by the 'Green Machine' at Canberra Stadium. In 2008, this program raised \$27,400 for The Spastic Centre in the ACT.

The Capitol Chemist Group presented a cheque for \$14,500 to The Spastic Centre to purchase the 'Liberator', a communication device for the Talk and Play program in the ACT.

Support from the Eric Crawford Trust has funded the establishment of a Youth Worker position in the ACT.

In February 2009, The Spastic Centre launched a new logo to create greater visual awareness of cerebral palsy and the work of The Spastic Centre, while still retaining our hand icon.

The Spastic Centre took an active role in the campaign for a National Disability Insurance Scheme (NDIS) through the development of the NDIS website. The proposed scheme would provide cover to Australians who have, or acquire a disability. The scheme would be funded by taxpayers through general revenue or an extension of the Medicare insurance levy.

## Research

The Cerebral Palsy Foundation has now funded 20 research projects totalling more than \$1.7 million.

The first International Innovative Research Grant was awarded to Dr Jacques-Olivier Coq. This research will be conducted in France and the USA.

NSW Government funding enabled the Cerebral Palsy Institute's relocation to Notre Dame University

within the established St Vincent's research precinct in Darlinghurst.

The first Chair of Cerebral Palsy has been created. The Macquarie Group Foundation Chair of Cerebral Palsy will be located at Notre Dame University and was partly funded by the Australian Government.

The 3<sup>rd</sup> International Cerebral Palsy Conference was held in Sydney in February 2009. This was the largest conference of its type in the world, attracting more than 1,400 delegates from Australia and overseas.

A landmark partnership was established with Avant and the Cerebral Palsy Foundation to further research projects with funding of \$2 million.

The Balnaves Foundation established The Balnaves Cerebral Palsy Research Program to identify cerebral palsy early in life through early diagnostic clinics which will be set up nationally.





“Even though representing my country in wheelchair basketball is exciting, my long-term goal is to put other people first rather than myself, and be able to help young people in need.”

David Moreira, 17 years old

[www.youbethedifference.com.au](http://www.youbethedifference.com.au)

# Services

## at a Glance

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### Aquability

Trained aquatic physiotherapists design programs which offer support and information to community groups giving children, adults and their families confidence to enjoy the water for their fitness and mobility.

**Staff:** 1.9 FTE **Sites:** 1

### Dental Service

This is an oral hygiene and dental intervention service for children and adults who find it difficult to access mainstream dental services.

**Staff:** 1 FTE + 20 volunteer dentists  
**Sites:** 1 + outreach

### Community Access Services

People who have severe and multiple disabilities access these non-vocational day services in a local community setting. The services are based on a person-centred planning approach and emphasise community participation. They offer a viable and valuable alternative to employment.

**Staff:** 67.2 FTE **Sites:** 7

### Sydney Employment Development Service (SEDS)

SEDS provides services and opportunities for people with physical and/or multiple disabilities to maximise their training and employment potential within mainstream employment settings. It offers assessment, guidance, specialised training and job placement support.

**Staff:** 17.4 FTE **Sites:** 3

### Transition To Work Program

This two year program helps

school leavers build confidence, competency and vocational skills. It helps young people gain employment or transition to an employment service for ongoing job training and support.

**Staff:** 2.5 FTE **Sites:** 2

### Packforce- Supported Employment Service

Packforce provides opportunities for people with physical and/or multiple disabilities to maximise their training and employment potential within a supported environment. Packforce is committed to productivity based wages, based on competency levels.

**Staff:** 26.9 FTE **Sites:** 2

### LifePoints - Children, Adults and their Families

This is a holistic approach to family services for children and adults who have cerebral palsy and other disabilities. It provides a range of services including information, support, therapy and educational programs to promote inclusion of children, adults, and their families in their communities. Activities and programs are offered on a group and individual basis and are incorporated into daily routines at home, school and community to build skills and participation.

#### Staff (for children):

Metro Sydney 48.6 FTE, Hunter & Central Coast 20.9 FTE, Rural NSW 25.5 FTE

#### Sites (for children):

Sydney 5, Hunter, Central & Mid North Coast 4, Rural NSW 8

#### Staff (for adults):

Metro Sydney 10.8 FTE

#### Sites (for adults):

Sydney 2, Hunter 1

### Conductive Education

This service provides a holistic educational approach to the management of cerebral palsy and is a program offered through LifePoints.

**Staff:** 2.58 FTE **Sites:** 2

### Respite Services - Centre based

These services offer adults and children 12 years and over, a range of social and recreational activities during overnight and weekend stays in community based respite houses

**Staff:** 24.4 FTE **Sites:** 4

### Respite Services - Older carers

This program allows older parents, caring for adult children (over 25 years) living at home, to take a break from their caring responsibilities. Our flexible range of services include in-home, centre based and recreational support.

**Staff:** 4 coordinators + a team of direct care staff

**Sites:** Located in SW Sydney, NE Sydney, Hunter and Central West regions.

### Respite Services - Rural brokerage

Individual funding packages are available for parents, caring for a child with a disability in the Central West and Orana Far West areas of rural NSW. Parents are able to purchase services and support for family respite and recreational opportunities.

**Staff:** 2 FTE **Sites:** 2

### Respite Services - Relax and Recharge

Individual funding packages are



Ignition Mentoring



Packforce



Conductive Education

available to parents caring for children and adults with cerebral palsy, to purchase the service of their own support workers.

**Staff:** 0.4 FTE **Sites:** State-wide service

### Respite Services - Respitality

This program offers vouchers for parents to stay one to two nights in hotel accommodation while their son or daughter stays in respite care.

**Staff:** 0.4 FTE **Sites:** State-wide service

### Community Links

This service offers a range of client and family supports that start with information at the time of referral and connection with other families through group support and other community activities.

**Staff:** 20.8 FTE **Sites:** 4

### Leisure Links

This service provides after hours/ weekend leisure activities to teenagers and young people living in the South West Sydney region.

**Staff:** 1.2 FTE **Sites:** 1

### SportFitz

This program helps teenagers and young adults build skills and confidence to manage their fitness and wellbeing, and enables them to successfully transition into mainstream programs.

**Staff:** 2 FTE **Sites:** 2

### Ignition Mentoring Program

Through this mentoring program, teenagers are given the opportunity to connect with

volunteer mentors who provide encouragement, guidance, support, friendship, positive reinforcement and advice.

**Staff:** 1 FTE + volunteers  
**Sites:** 2

### Intensive Family Support Options

This intensive family support program works with families who have requested an out-of-home placement for their child with a disability or who are at risk of requiring placement.

**Staff:** 18.5 FTE **Sites:** 6

### Community Living Services

This service offers adults with disabilities the opportunity to live as independently as possible within the community. Appropriate premises, resident compatibility, timely and skilled support are the keys to the program's success.

**Staff:** 3 managers + team of direct care staff **Sites:** 23

### Technology Solutions for Computer Access, Seating & Communication (TASC)

This customised service meets the technology, seating and mobility needs of people with a disability. Staff with expertise in disability equipment and technology provide evaluation and teaching services for families, educators and professionals. TASC also has a technical workshop on-site at Allambie Heights.

**Staff:** 9.2 FTE **Sites:** State-wide service

### Technability

Technability is the sales and marketing division of TASC. It imports and distributes

assistive technology including communication devices, computer access products and switches. It also provides after sales support and training through workshops and individualised programs.

**Staff:** 3 FTE **Sites:** 1

### Hart Walker Program

The Hart Walker is a customised orthotic walking frame designed to help and encourage children with cerebral palsy to walk hands free. A specially trained team of orthotists and physiotherapists run regular clinics providing assessment, fitting and training programs for children.

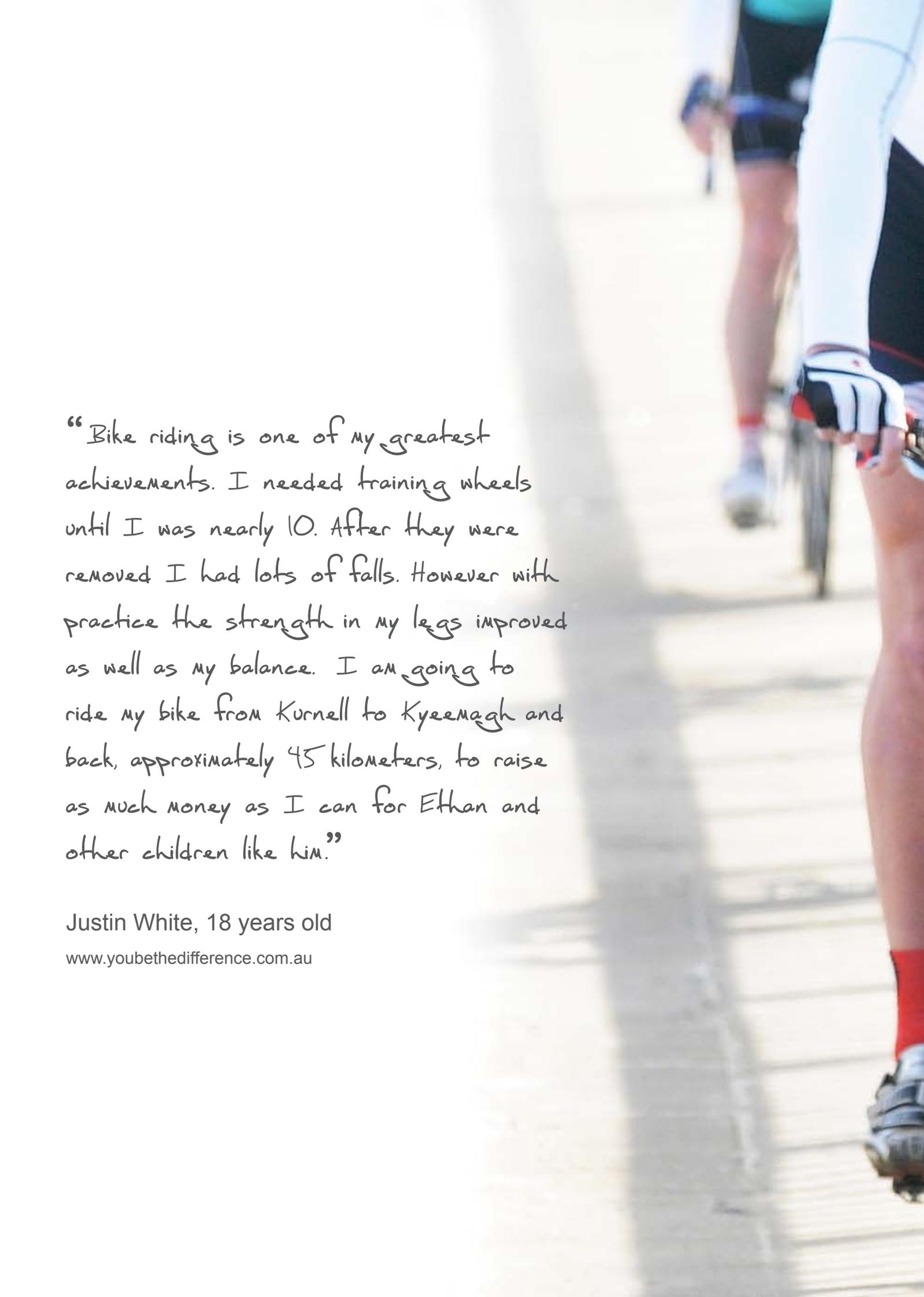
**Staff:** 2 FTE **Sites:** 1

### Information Services

A range of digital initiatives and information services offers support to people with cerebral palsy, families and staff. Information Services creates, hosts and maintains major websites including: The Spastic Centre; Cerebral Palsy Institute; Cerebral Palsy Foundation and National Disability Insurance Scheme.

The team is also responsible for the development of a number of web-based initiatives for social participation and information such as CP Blogs, Doorways social networking website, ParentWise Podcasts, Cerebral Palsy Research News, and support to Livewire - an online youth social support network.

**Staff:** 5.6 FTE **Sites:** State-wide service



“Bike riding is one of my greatest achievements. I needed training wheels until I was nearly 10. After they were removed I had lots of falls. However with practice the strength in my legs improved as well as my balance. I am going to ride my bike from Kurnell to Kyeemagh and back, approximately 45 kilometers, to raise as much money as I can for Ethan and other children like him.”

Justin White, 18 years old

[www.youbethedifference.com.au](http://www.youbethedifference.com.au)



# Directors' Report

The Directors present their report together with the financial report of The Spastic Centre of New South Wales ("the Company") and the consolidated entity, being the Company and its controlled entities, for the year ended 30 June 2009 and the auditor's report thereon.

## The Board of Directors

The Directors of the Company who held a position at any time during or since the end of the financial year are:



**CAIN BECKETT**, BEc, MIntS, GAICD

Mr Beckett has been a member of the Board of Directors since November 2003. Mr Beckett is the Chairman of the Research Committee and the Ethics Committee. He is also a member of the Finance and Audit Committee, the Property and Equipment Committee, the Community Relations, Fundraising and Marketing Committee and the Services Committee. Mr Beckett is currently employed by Perpetual Corporate Trust, is a member of the senior leadership team, and for over 11 years prior to this was a successful management and technology consultant. Mr Beckett represents Australia in Archery and is the No.1 Australian on the current Men's Paralympic Archery World Ranking.



**NEROLI BEST**, MBBS, FANZCA, MAICD

Dr Best has been a member of the Board of Directors since June 1994. Dr Best is a member of the Services Committee, the Research Committee and the Ethics Committee. Dr Best is a medical practitioner specialising in anaesthesiology and holds appointments at Royal North Shore, Mater Misericordiae and North Shore Private Hospitals.



**MARK B. BRYANT**, OAM, MA, FCA, MAICD

Mr Bryant has been a member of the Board of Directors since December 1997. Mr Bryant is Vice-President of The Spastic Centre, Chairman of the Finance and Audit Committee and a member of the Community Relations, Fundraising and Marketing Committee, and the Property and Equipment Committee. He also serves as a board appointee to the Enterprise Risk Management Committee. Mr Bryant is a Director of The Cerebral Palsy Foundation Pty Ltd. Mr Bryant has over 30 years experience in public accounting.



**ADAM JOHNSTON**, BA/LLB, Dip. Legal Practice

Mr Johnston has been a member of the Board of Directors since August 2009. Mr Johnston is a member of the Services Committee, Human Resources Committee and the Research Committee. Mr Johnston studied politics and law at Macquarie University, is an active advocate for disability service development, and has served on numerous council and local community committees. His most recent professional appointment was as a Complaints Officer for the NSW Ombudsman.



**ROBERT (BOB) G. MILLER**

Mr Miller has been a member of the Board of Directors since May 1999. Mr Miller is a member of the Community Relations, Fundraising and Marketing Committee, the Finance and Audit Committee, and the Property and Equipment Committee. He also serves as a board appointee to the Enterprise Risk Management Committee. Mr Miller is presently the Principal of Australia Street Consulting Pty Ltd where he advises the automotive industry, advertising agencies, telecommunications companies and others on marketing. He was previously General Manager - Marketing, Toyota Australia for 15 years. Mr Miller is an Adjunct Professor teaching postgraduate students in Macquarie University's Faculty of Business and Economics, and the Macquarie Graduate School of Management.



**JOHN MORGAN**

Mr Morgan was appointed to the Board of Directors in November 1991. Mr Morgan was a member of the Services Committee. Mr Morgan has been employed at The Spastic Centre for the past 47 years. He has served as an advisor to the Warringah Council Access Committee and on other management committees, including the Disability & Ageing Reference Group, and the Physical Disability Council of NSW. He has an interest in raising awareness of the effects of spinal cord compression on adults with cerebral palsy. Mr Morgan retired as a Director of The Spastic Centre and its controlled entities on 20 August 2009.



**VICTOR NOSSAR**, MBBS (UNSW), FRACP, FAFPHM

Associate Professor Nossar has been a member of the Board of Directors since June 2006. He is a member of the Research Committee. Associate Professor Nossar is the Associate Dean of the School of Medicine, Sydney at The University of Notre Dame Australia. As a Community Paediatrician, he has more than 20 years experience in implementing community-based services in Australia and overseas to enhance the health and development of children and young people. Associate Professor Nossar was previously a member of the board from December 1995 until his relocation to South Australia in December 2002.



**JOHN SINTRAS**

Mr Sintras has been a member of the Board of Directors since August 2009. Mr Sintras has a young daughter with cerebral palsy and he is currently a Governor on the Council of The Cerebral Palsy Foundation. Mr Sintras is a member of the Finance and Audit Committee, and the Community Relations, Fundraising and Marketing Committee. Mr Sintras is the Chief Executive Officer of the Starcom MediaVest Group, one of Australia's leading media communications agencies.



**MARELLE THORNTON, AM, DipTeach, MAICD**

Mrs Thornton has been a member of the Board of Directors since October 1983. Mrs Thornton is President of The Spastic Centre, Chairman of the Board of Directors, Chairman of the Community Relations, Fundraising and Marketing Committee, Chairman of the Nominations and Governance Committee, and a member of the Finance and Audit Committee, the Property and Equipment Committee, the Human Resources Committee and the Services Committee. Mrs Thornton is also President and Chairman of The Cerebral Palsy Foundation Pty Ltd. In December 2008, Mrs Thornton retired as a primary school teacher.



**ROBIN WAY, M Mgt, PhD**

Dr Way has been a member of the Board of Directors since November 1995. Dr Way is Chairman of the Services Committee, a member of the Human Resources Committee and a board appointee to the Enterprise Risk Management Committee. Dr Way is CEO of Community Connections Australia which is a non government organisation providing a range of in-home support services to maintain people in their homes wherever possible. She has worked extensively in the disability arena and is a member of the NSW State Committee of National Disability Services (NDS), and a member of the Centre for Australian Community Organisations and Management (CACOM) at UTS.



**PETER WHITFIELD, BSc, MAICD**

Mr Whitfield was appointed to the Board of Directors in November 1997. Mr Whitfield was the Chairman of the Property and Equipment Committee, and a member of the Finance and Audit Committee, the Community Relations, Fundraising and Marketing Committee, and the Human Resources Committee. Mr Whitfield initiated the introduction of the Hart Walker to Australia and was instrumental in promoting the Hart Walker program at The Spastic Centre. Mr Whitfield holds a degree in Maths and Physics and spent eight years as a money-market trader. Thirteen years ago Mr Whitfield left the finance industry to pursue his own business interests. He currently owns a publishing company of quality children's books. Mr Whitfield retired as a Director of The Spastic Centre and its controlled entities on 19 August 2009.



**BRIAN WILLIAMSON, Dip Law (SAB), M. Com (Deakin), Accredited Specialist in Employment & Industrial Law (Law Soc of NSW), MAICD**

Mr Williamson has been a member of the Board of Directors since December 2002. Mr Williamson is the Chairman of the Human Resources Committee and is a board representative on the Enterprise Risk Management Committee. Mr Williamson is the founder and co-owner of the specialist law firm - Workplace Law - which deals with all aspects of workplace law and specialises in acting for employers. In 1994, Mr Williamson was one of the first five solicitors in NSW to become an Accredited Specialist in Employment & Industrial Law with the Law Society of NSW.

**The following Directors are all in office at the date of this report:**

Mr C. Beckett, Dr N. Best, Mr M. B. Bryant OAM, Mr A. Johnston, Mr R. Miller, Associate Professor V. Nossar, Mr J. Sintras, Mrs M. Thornton AM, Dr R. Way, Mr B. Williamson.

**Company Secretary**

The Company Secretary at the end of the financial year is: **Anthony Cannon, BA (Econ), FCIS, CPA, MAICD, M. Mgt, M. Bus Law**  
Mr Cannon has been employed by The Spastic Centre since 1988. In 1996 Mr Cannon was appointed Company Secretary to the board and all board committees. Mr Cannon is also the General Manager, Compliance.

**Board of Directors' Meetings**

The number of directors' meeting (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

Board Members	Board of Directors' Meetings		Finance & Audit Committee Meetings		Human Resources Committee Meetings		Services Committee Meetings*		Community Relations, Fundraising and Marketing Committee Meetings**		Property and Equipment Committee Meetings ***		Research Committee Meetings		Ethics Committee Meetings ****		Nominations & Governance Committee Meetings *****	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr C. Beckett	8	8	4	4			3	1	3	3	2	2	3	2	5	4	2	2
Dr N. Best	8	7					3	1					3	3	5	5		
Mr M. B. Bryant OAM	8	7	4	4					3	3	2	2					2	2
Mr R. Miller	8	6	4	2					3	2	2	0						
Mr J. Morgan	8	5					3	0										
Ass. Prof. Victor Nossar	8	6											1	1				
Mrs M. A. Thornton AM	8	8	4	4	4	4	3	3	3	3	2	2					2	2
Dr R. Way	8	5			4	2	3	2										
Mr P. Whitfield	8	7	4	3	4	1			3	3	2	2						
Mr B. Williamson	8	8			4	4												

\* Services Committee meetings include Client/Family Forums

\*\* Community Relations, Fundraising and Marketing Committee was known (until May 2009) as the Fundraising Committee

\*\*\* Property and Equipment Committee was dissolved in May 2009 and its activities subsumed within the Finance and Audit Committee

\*\*\*\* Ethics Committee ceased to be designated as a Board Committee in May 2009

\*\*\*\*\* Nominations and Governance Committee commenced operating from May 2009

Associate Professor Nossar was appointed to the Research Committee in November 2008

# Directors' Report (continued)

## Review of Board Committees

The Chairs of the standing board committees met in April 2009 to review the format of the various committees in order to consider whether the committee structure and its reporting could be enhanced in order to streamline the business of the board.

It was subsequently agreed by the board that the following changes in terms of the committee structure and its reporting would be implemented:

- The business of the Property and Equipment Committee would be subsumed within the wider responsibilities of the Finance and Audit Committee. The Finance and Audit Committee would continue to be chaired by Mr Bryant, OAM.
- The Ethics Committee, which includes external representatives in accordance with the NHMRC model of governance, would cease to be designated as a committee of the board. All research projects approved by the Ethics Committee will continue to be brought to the board for approval. The committee would continue to be chaired by Mr Beckett.
- The scope of the Fundraising Committee would be expanded to include matters involving community relations and marketing, and that the name of the committee would be changed to reflect its new responsibilities. The committee would continue to be chaired by Mrs Thornton, AM.
- A new board committee, the Nominations and Governance Committee, would be formed to assist the board in fulfilling its corporate governance responsibilities for matters of succession planning and appointments to the board and senior management, board performance and committee

membership. The committee would be chaired by Mrs Thornton, AM.

- The number of board members on the Enterprise Risk Management Committee would be increased from one to four with the addition of Dr Way, Mr Bryant, OAM and Mr Miller who will join Mr Williamson on the committee.
- Each committee would consider, as a standing item on agenda, matters of risk management appropriate to the terms of reference for each committee.

The committees will continue to meet throughout the year as the business of each committee necessitates.

## Board Committees

The agendas for committee meetings are prepared in conjunction with the Chairs of the relevant committees. Papers and submissions are distributed to committee members in advance and each committee is free to invite members of management or others to attend meetings, or take external advice, when considered appropriate.

The purpose and function of these board committees are described below.

## Finance and Audit Committee

The Finance and Audit Committee enhances the credibility, objectivity and accountability of The Spastic Centre by assisting the board in discharging its responsibilities in relation to financial management, monitoring and controlling risk, internal control systems and reporting financial information.

The committee also provides a forum for communication between the board, senior financial management and the external auditors.

In May 2009, the responsibilities of the Finance and Audit Committee

were expanded to include matters of property and equipment previously considered by the Property and Equipment Committee.

## Human Resources Committee

The Human Resources Committee advises and makes recommendations to the board on the appointment and remuneration of senior management.

The committee also advises management in the development, implementation and review of policies in the human resources and industrial relations areas, including any references from the board in respect of human resources management and industrial relations.

## Services Committee

The Services Committee reviews, advises and makes recommendations to the board on the nature and scope of service practice and delivery within The Spastic Centre.

The committee also consults widely with stakeholders through regular Client / Family Forums about effective service delivery so that issues of duty of care, legal liability and service quality are brought to the board's attention.

## Community Relations, Fundraising and Marketing Committee

The Community Relations, Fundraising and Marketing Committee considers matters related to the image and profile of the organisation - its cause and its clients, community and corporate partnerships/programs, and opportunities for increasing funds from both existing and new fundraising ventures.

The committee also advises and makes recommendations on the financial viability, ethics and legal aspects of existing and proposed

fundraising and marketing programs.

Until May 2009, the Community Relations, Fundraising and Marketing Committee was known as the Fundraising Committee.

### **Property and Equipment Committee**

The Property and Equipment Committee oversees the effective management of the use, and potential use of the land, buildings and equipment which The Spastic Centre controls.

The committee evaluates advice about land, buildings or items of equipment used by The Spastic Centre.

The committee was dissolved in May 2009 and its activities subsumed within the Finance and Audit Committee.

### **Research Committee**

The Research Committee considers all submissions regarding research in terms of the effective use of organisational resources, applicability to people with cerebral palsy and the alignment to priorities within its research agenda.

Approved research projects are referred to the Ethics Committee for consideration and ethical approval. All recommendations of the Ethics Committee in respect of research proposals are made to the board.

### **Ethics Committee**

The Ethics Committee ensures full and appropriate consideration is given to any potential risks, harms and benefits associated with participation in a research study. It may propose changes to the study that will manage/minimise risks and improve the understanding of potential harms and benefits so that participants are able to provide informed consent.

In May 2009, the Ethics Committee ceased to be designated as a committee of the board.

### **Nominations and Governance Committee**

Following the commissioning by the board for KPMG to undertake a review of its corporate structure, in March 2009 the board accepted a recommendation for the formation of a governance committee.

The Nominations and Governance Committee assists the board in fulfilling its governance responsibilities for matters of succession planning and appointments to the board and senior management, formulating directors' induction programs, assessing board and director performance and reviewing and assessing committee membership.

### **Governance**

The Company and its controlled entities operate as companies limited by guarantee with the exception of Cerebral Palsy Foundation Pty Ltd which is a proprietary limited company. The Company is governed by directors who are elected by the members in a general meeting.

Any member of the Company can stand for election to the board, if correctly nominated.

The Articles of Association limit the number of directors to a minimum of five and a maximum of 10. Half of the directors retire each year.

Resolution requirements for general meetings are in accordance with the Corporations Act 2001.

### **Director Education**

The Company has a formal process to educate new directors about the nature of the business, current issues, the corporate strategy and the expectations of the Company concerning performance of directors.

Directors also have the opportunity to visit our organisation's facilities and meet with management to gain a better understanding of their operations. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge.

### **Principal Activities**

The principal activities of the Company and its controlled entities are to provide access to a range of services and facilities to children and adults with cerebral palsy and their families in NSW and the ACT and, where applicable, to people with other disabilities who can benefit from the services offered.

There were no significant changes in the nature of the activities of the consolidated entity during the year.

### **Operating and Financial Review**

The operating surplus of the consolidated entity for the financial year was \$743,000 (2007-2008: \$2,758,000).

The Company is exempt from income tax.

### **State of Affairs**

In the opinion of the directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review that are not otherwise disclosed in this report or the financial statements.

### **Environmental Regulations**

The consolidated entity's operations are not subject to any significant environmental regulations under either Commonwealth or state legislation. The board believes that the consolidated entity has adequate systems in place for the management of its environmental requirements.

# Directors' Report (continued)

## Events Subsequent to Balance Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

## Dividends

The Company and its controlled entities are prohibited by their Constitutions from paying dividends.

## Likely Developments

The Directors do not believe it likely that there will be any material changes in the operations of the consolidated entity for the next 12 months.

## Authority to Fundraise

The Spastic Centre of New South Wales has been granted authority to raise funds in NSW under the provisions of the Charitable Fundraising Act 1991.

The Spastic Centre has also been granted authority to raise funds in the ACT under the provisions of the Charitable Collections Act 2003.

## Tax Deductibility of Donations

The Spastic Centre and its controlled entities are deductible gift recipients as defined in the Income Tax Assessment Act. Donations of \$2.00 or more are tax deductible in Australia.

## Directors' Benefits

The remuneration of directors is disclosed in Note 21 in the Financial Statements. One Director, Mr J. Morgan, received remuneration

in his capacity as an employee of the Company. Since the end of the previous financial year, no other director received or became entitled to receive remuneration.

The board members of The Spastic Centre provide their time and expertise on an entirely voluntary basis and receive no fees, salaries or benefits for the work they undertake on behalf of the board.

## Indemnification and Insurance of Directors and Officers

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability of any person who is or has been an officer or auditor of the Company.

Since the end of the previous financial year, the Company has paid premiums in respect of directors' and officers' liability and legal expenses' insurance contracts. Such insurance contracts insure against certain liability (subject to specific exclusions) for persons who are or have been directors or executive officers of the Company.

The directors have not included details of the nature of the liabilities covered nor the amount of the premium paid in respect of the directors' and officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

## Rounding of amounts

The Company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise stated.

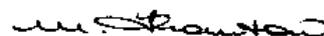
## Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on page 23 and forms part of the Directors' Report for the financial year ended 30 June 2009.

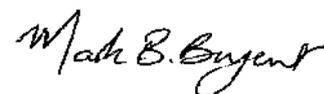
## Members

As at 30 June 2009 there were 431 members (2008: 479 members) of the Company.

The Directors' Report was authorised for issue by the directors dated at Sydney this 16 September 2009.



M. A. Thornton, AM  
Director



M. B. Bryant, OAM  
Director

# Lead Auditor's Independence Declaration

under section 307C of the Corporations Act 2001



To: the directors of The Spastic Centre of New South Wales

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2009 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG  
Sydney, 16 September 2009

Kathy Ostin,  
Partner

# Directors' Declaration

for the year ended 30 June 2009

- 1 In the opinion of the directors of The Spastic Centre of New South Wales (the Company):
  - (a) the financial statements and notes that are set out on pages 30 to 49 are in accordance with the Corporations Act 2001, including:
    - (i) giving a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2009 and of their performance for the financial year ended on that date; and
    - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 2 There are reasonable grounds to believe that the Company and the group entities identified in Note 28 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Class Order 98/1418.

Signed in accordance with a resolution of the directors:

M. A. Thornton, AM  
Director

Terrey Hills  
16 September 2009

M. B. Bryant, OAM  
Director

Terrey Hills  
16 September 2009

# Declaration by Chief Executive Officer

in respect of fundraising appeals

I, Rob White, Chief Executive Officer of The Spastic Centre of New South Wales, declare in my opinion:

- (a) the financial report gives a true and fair view of all income and expenditure of The Spastic Centre of New South Wales with respect to fundraising appeal activities for the financial year ended 30 June 2009;
- (b) the income statement gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2009;
- (c) the provisions of the Charitable Fundraising (NSW) Act 1991 and Regulations and the conditions attached to the authority have been complied with for the financial year ended 30 June 2009; and
- (d) the internal controls exercised by The Spastic Centre of New South Wales are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

Rob White  
Chief Executive Officer

Terrey Hills  
16 September 2009

“This year I got involved with one of The Spastic Centre’s programs called Ignition Mentoring. The ski trip was my first big trip without Mum & Dad. When I first got in the sit-ski, the feeling was amazing. It wasn’t like anything I had felt before. It wasn’t like being in a wheelchair or a car. It was in a league of its own.

The mentoring program has massively improved my confidence. I feel I have stepped it up a notch and I’m now more of a young adult.”

Jacob Cross, 15 years old

[www.youbethedifference.com.au](http://www.youbethedifference.com.au)





# Independent Auditor's Report

to the members of The Spastic Centre of New South Wales

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We have audited the accompanying financial report of The Spastic Centre of New South Wales ('the Company') for the financial year ended 30 June 2009, which comprises the balance sheets as at 30 June 2009 and the income statements, statements of changes in equity and cash flow statements for the year then ended, a summary of significant accounting policies, other explanatory notes 1 to 31 and the directors' declaration of the Consolidated Entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

## Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our

understanding of the Company's and the Consolidated Entity's financial position and of their performance.

In addition, our audit report has also been prepared for the members of the Company in accordance with Section 24(2) of the Charitable Fundraising (NSW) Act 1991. Accordingly we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the Corporations Act 2001. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Charitable Fundraising (NSW) Act 1991 and Regulations.

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year end financial adjustments for such matters as accruals, prepayments, provisioning and valuations necessary for year end financial report preparation.

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



### Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

### Auditor's opinion pursuant to the Corporations Act 2001

In our opinion, the financial report of The Spastic Centre of New South Wales is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Company's and the Consolidated Entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

### Auditor's opinion pursuant to the Charitable Fundraising (NSW) Act 1991

In our opinion:

- a) the financial report gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 30 June 2009;
- b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2008 to 30 June 2009, in accordance with the

Charitable Fundraising (NSW) Act 1991 and Regulations;

- c) money received as a result of fundraising appeal activities conducted during the period from 1 July 2008 to 30 June 2009 has been properly accounted for and applied in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations; and
- d) there are reasonable grounds to believe that The Spastic Centre of New South Wales will be able to pay its debts as and when they fall due.

KPMG

Kathy Ostin

Partner

Sydney  
16 September 2009





“I first realised I loved kicking balls when I was four and took my first steps in my Hart Walker. Pretty soon I was kicking balls into a goal set up in our house. Mum approached our local soccer club, Hornsby RSL Youth Soccer Club, and asked if I could join. I have been playing with them for three years.

Getting out of my wheelchair has helped other kids in our area with special needs know that they can also join in local team sports and activities. It is the best feeling ever!”

Alex Graham, 9 years old

[www.youbethedifference.com.au](http://www.youbethedifference.com.au)

(photo courtesy David Hahn/Woman's Day)

# Balance Sheets

as at 30 June 2009

	NOTE	CONSOLIDATED		THE COMPANY	
		2009	2008	2009	2008
		\$'000	\$'000	\$'000	\$'000
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	8	18,226	12,927	12,760	12,820
Trade and other receivables	9	3,819	3,175	4,193	3,555
Inventories	10	419	412	419	412
<b>TOTAL CURRENT ASSETS</b>		<b>22,464</b>	<b>16,514</b>	<b>17,372</b>	<b>16,787</b>
<b>NON-CURRENT ASSETS</b>					
Other investments	11	13,385	15,309	6,022	7,108
Property, plant and equipment	12	13,274	11,623	13,274	11,623
Intangible assets	13	318	315	318	315
<b>TOTAL NON-CURRENT ASSETS</b>		<b>26,977</b>	<b>27,247</b>	<b>19,614</b>	<b>19,046</b>
<b>TOTAL ASSETS</b>		<b>49,441</b>	<b>43,761</b>	<b>36,986</b>	<b>35,833</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	14	10,537	6,910	14,330	14,092
Employee benefits	15	5,325	4,506	1,958	1,781
<b>TOTAL CURRENT LIABILITIES</b>		<b>15,862</b>	<b>11,416</b>	<b>16,288</b>	<b>15,873</b>
<b>NON-CURRENT LIABILITIES</b>					
Employee benefits	16	771	814	328	376
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>771</b>	<b>814</b>	<b>328</b>	<b>376</b>
<b>TOTAL LIABILITIES</b>		<b>16,633</b>	<b>12,230</b>	<b>16,616</b>	<b>16,249</b>
<b>NET ASSETS</b>		<b>32,808</b>	<b>31,531</b>	<b>20,370</b>	<b>19,584</b>
<b>EQUITY</b>					
General funds		32,894	32,151	20,408	19,822
Asset revaluation reserve	17	(86)	(620)	(38)	(238)
<b>TOTAL EQUITY</b>		<b>32,808</b>	<b>31,531</b>	<b>20,370</b>	<b>19,584</b>

The balance sheets are to be read in conjunction with the notes to the financial statements set out on pages 34 to 49.

# Income Statements

for the year ended 30 June 2009

	NOTE	CONSOLIDATED		THE COMPANY	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Revenue from government funding	5	40,921	41,167	40,921	41,167
Revenue from fundraising and bequests		16,771	14,797	15,538	14,797
Revenue from rendering of services		3,872	3,616	3,872	3,616
Revenue from sale of goods		624	678	624	678
Other income		-	-	808	451
Insurance claim received - fire	30	1,748	1,793	1,748	1,793
Financial income - interest		702	1,077	590	951
Financial income - distributions from trusts and dividends		1,162	1,177	536	567
Rental income		65	155	65	155
Gain on sale of property, plant and equipment		134	128	134	128
<b>Total revenue and other income</b>		<b>65,999</b>	<b>64,588</b>	<b>64,836</b>	<b>64,303</b>
Accommodation expenses		15,470	14,325	15,470	14,325
Individual and family support expenses		18,440	16,173	18,440	16,173
Employment services expenses		5,311	5,314	5,311	5,314
Community access service expenses		5,163	4,641	5,163	4,641
Fundraising expenses		4,046	3,789	4,046	3,789
Community education and information		2,929	2,744	2,929	2,744
Technical services expenses		1,543	1,639	1,543	1,639
Cost of goods sold		448	383	448	383
Realised loss on sale of other investments		1,469	1,118	659	560
Impairment loss on other investments		1,431	2,339	627	1,172
Financial expenses	7	6	7	6	7
Administration expenses		7,875	7,499	7,805	7,431
Donation to The Cerebral Palsy Foundation	7	-	-	678	5,816
Fire expenses	30	1,125	1,534	1,125	1,534
Impairment loss on property, plant and equipment	30	-	325	-	325
<b>Total expenses</b>	<b>7</b>	<b>65,256</b>	<b>61,830</b>	<b>64,250</b>	<b>65,853</b>
<b>Operating surplus/(deficit) for the year before income tax</b>		<b>743</b>	<b>2,758</b>	<b>586</b>	<b>(1,550)</b>
<b>Income tax expense</b>	<b>2(m)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating surplus/(deficit) for the year after income tax</b>		<b>743</b>	<b>2,758</b>	<b>586</b>	<b>(1,550)</b>

The income statements are to be read in conjunction with the notes to the financial statements set out on pages 34 to 49.

# Statements of Changes in Equity

for the year ended 30 June 2009

	CONSOLIDATED			THE COMPANY		
	General Funds	Asset Revaluation Reserve	Total Equity	General Funds	Asset Revaluation Reserve	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2007	29,393	1,377	30,770	21,372	628	22,000
Net change in fair value of other investments	-	(1,997)	(1,997)	-	(866)	(866)
Total income and expense recognised directly in equity	-	(1,997)	(1,997)	-	(866)	(866)
Operating surplus/(deficit) for the year	2,758	-	2,758	(1,550)	-	(1,550)
Total recognised income and expense	2,758	(1,997)	761	(1,550)	(866)	(2,416)
<b>Balance at 30 June 2008</b>	<b>32,151</b>	<b>(620)</b>	<b>31,531</b>	<b>19,822</b>	<b>(238)</b>	<b>19,584</b>
Balance at 1 July 2008	32,151	(620)	31,531	19,822	(238)	19,584
Net change in fair value of other investments	-	534	534	-	200	200
Total income and expense recognised directly in equity	-	534	534	-	200	200
Operating surplus for the year	743	-	743	586	-	586
Total recognised income and expense	743	534	1,277	586	200	786
<b>Balance at 30 June 2009</b>	<b>32,894</b>	<b>(86)</b>	<b>32,808</b>	<b>20,408</b>	<b>(38)</b>	<b>20,370</b>

The statements of changes in equity are to be read in conjunction with the notes to the financial statements set out on pages 34 to 49.

# Cash Flow Statements

for the year ended 30 June 2009

	NOTE	CONSOLIDATED		THE COMPANY	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash receipts in the course of operations		70,503	68,739	68,663	68,739
Cash payments to suppliers and employees		(63,601)	(63,721)	(66,824)	(65,298)
<b>Net cash from operating activities</b>	26	6,902	5,018	1,839	3,441
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received		702	1,077	590	951
Distributions from trusts and dividends		1,162	1,177	536	567
Acquisition of property, plant and equipment	12	(4,127)	(2,475)	(4,127)	(2,475)
Acquisition of intangible assets	13	(156)	(315)	(156)	(315)
Net purchase of other investments		(442)	(2,379)	-	(86)
Proceeds from sale of property, plant and equipment		1,264	920	1,264	920
<b>Net cash used in investing activities</b>		(1,597)	(1,995)	(1,893)	(438)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Financing costs		(6)	(7)	(6)	(7)
<b>Net cash used in financing activities</b>		(6)	(7)	(6)	(7)
Net increase/(decrease) in cash and cash equivalents		5,299	3,016	(60)	2,996
Cash and cash equivalents at the beginning of the financial year		12,927	9,911	12,820	9,824
Cash and cash equivalents at the end of the financial year	8	18,226	12,927	12,760	12,820

The cash flow statements are to be read in conjunction with the notes to the financial statements set out on pages 34 to 49.

# Financial Notes

Notes to and forming part of the financial statements for the year ended 30 June 2009

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## 1. BASIS OF PREPARATION

### Reporting entity

The Spastic Centre of New South Wales ('the Company') is a company domiciled in Australia. The address of the Company's registered office is 321 Mona Vale Road, Terrey Hills, NSW 2084. The consolidated financial statements of the Company for the financial year ended 30 June 2009 comprise the Company and its controlled entities (together referred to as the 'Consolidated Entity'). The principal activities of the consolidated entity are to provide access to a range of services and facilities to children and adults with cerebral palsy and their families in NSW and the ACT and, where applicable, to other people with disabilities who can benefit from the services offered. The financial report was authorised for issue by the Board of Directors on 16 September 2009.

### a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. In the opinion of the directors, having regard to the not-for-profit nature of the consolidated entity's business, the terms used in the prescribed format of the income statements are not appropriate. The words 'Operating Surplus/(Deficit)' have been substituted for the terms 'Net Profit/(Loss)' in the prescribed format of the income statements.

### b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for available for sale financial assets which are measured at fair value. The methods used to measure fair values are discussed further in note 3.

### c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's and the consolidated entity's functional currency. The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that class order, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

### d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate was revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- note 15 and 16 - employee benefits provisions; and
- note 25 - financial instruments.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and by all entities comprised within the consolidated entity.

### a) New standards and interpretations issued but not effective

Revised AASB 101 Presentation of Financial Statements (September 2007) may impact the consolidated entity for the period of initial application. It is available for early adoption at 30 June 2009 but has not been applied in preparing this financial report.

Revised AASB 101 introduces as a financial statement (formerly 'primary' statement) the 'statement of comprehensive income'. The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 will become mandatory for

the consolidated entity's 30 June 2010 financial statements. The consolidated entity has not yet determined the potential effect of the revised standard on its disclosures.

## b) Basis of consolidation

### Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. In the Company's financial statements, investments in subsidiaries are carried at cost.

### Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

## c) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in listed equity securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the consolidated entity becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the consolidated entity's contractual rights to the cash flows from the financial assets expire or if the consolidated entity transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the consolidated entity's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Accounting for finance income and expense is discussed in note 2(h) and 2(l) respectively.

### Available-for-sale financial assets

The consolidated entity's investments in listed equity securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 2(k)) are recognised as a separate component of equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

### Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

## d) Inventories

Inventories are valued at the lower of cost and net realisable value, with net realisable value being the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Cost is based on the first-in first-out principle and includes expenditure incurred in bringing them to their present condition and location.

## e) Property, plant and equipment

### Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes

expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The value of in-kind donations is determined by independent valuation at the time of the donation of land and on completion of building works. This independent valuation forms the deemed cost of such donated assets.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds of disposal with the carrying amount of property, plant and equipment.

### Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the consolidated entity and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

### Depreciation and amortisation

Items of property, plant and equipment, including buildings, leasehold improvements and motor vehicles, but excluding freehold land, are depreciated over their estimated useful lives using the straight line method. Assets are depreciated from the date of acquisition.

In respect of assets under construction depreciation commences from the date the asset is ready for use.

Depreciation rates used for each class of asset, for the current and previous years, are as follows:

	2009	2008
Buildings	4%	4%
Crown Land Improvements	4%	4%
Plant and Equipment	15-25%	15-25%
Motor Vehicles	15-20%	15-20%

The residual value, the useful life and the depreciation method applied to an asset are reassessed at the reporting date.

## f) Intangible assets

Intangible assets acquired by the consolidated entity are measured at cost less accumulated amortisation and accumulated impairment losses.

### Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

### Amortisation

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of the intangible assets from the date they are available for use. The estimated useful life of computer software for the current and comparative periods is 3 years.

## g) Employee benefits

### Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as a personnel expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

### Short-term benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs, such as workers' compensation insurance and superannuation. Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the consolidated entity as the benefits are taken by the employees.

### Long-term service benefits

The consolidated entity's net obligation in respect of long-term service benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wages and salary rates including related on-costs and expected settlement dates.

### h) Revenue and Income

Total revenue is recognised at the fair value of the consideration received net of the amount of goods and services tax.

### Government funding

Income from non reciprocal grants is recognised when the consolidated entity obtains control of the grant or the right to receive the grant; it is probable that the economic benefits comprising the grant will flow to the consolidated entity; and the amount of grant can be measured reliably. Income from such grants is therefore recognised on receipt as the revenue recognition criteria are met when the consolidated entity receives those grants.

Government grants which are reciprocal in nature, i.e. those grants which are received on the condition that specified services are delivered or conditions are fulfilled and have to be returned if the consolidated entity fails to meet the attached conditions, are initially recognised as deferred revenue (liability) with revenue recognised as the services are performed or conditions are fulfilled.

### Fundraising and bequests

Income from non reciprocal donations is recognised when the consolidated entity obtains control of the donation or the right to receive the donation; it is probable that the economic benefits comprising the donation will flow to the consolidated entity; and the amount of donation can be measured reliably. Income from such donations is therefore recognised on receipt as the revenue recognition criteria are met when the consolidated entity receives those donations.

Donations which are reciprocal in nature (those donations which are received on the condition that specified services are delivered, or conditions are fulfilled and have to be returned if the consolidated entity fails to meet the attached conditions) are initially recognised as deferred revenue (a liability) with revenue recognised as the services are performed or conditions are fulfilled.

Revenue from bequests of shares or other property is recognised at fair value, being the market value of the asset received at the date on which the consolidated entity becomes legally entitled to the asset.

### Rendering of services

Revenue from rendering of services is recognised in the period in which the service is provided having regard to the stage of completion of the transaction.

### Sale of goods

Revenue from the sale of goods is recognised when significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement, and the amount of revenue can be measured reliably.

### Financial income

Interest income is recognised as it accrues. Dividend income is recognised on the date the consolidated entity's right to receive payments is established, which in the case of equity investments is the ex-dividend date. Financial income is separately recognised in the income statement.

### Rental income

Rental income is recognised in the income statement on a straight line basis over the life of the lease.

### i) Volunteer workers

No monetary value has been attributed to the valuable services provided by the many volunteer workers.

### j) Goods and services tax

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

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 with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

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

### k) Impairment

#### Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

#### Non-financial assets

The carrying amounts of the consolidated entity's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## **l) Expenses**

### **Operating lease payments**

The consolidated entity has entered into leases of properties, motor vehicles and office equipment as disclosed in note 19. Management has determined that all the risks and rewards of ownership of these premises, vehicles and equipment remain with the lessor and has therefore classified the leases as operating leases. Payments made under operating leases are recognised in the income statement on a straight line basis over the term of the lease.

### **Financial expenses**

Financial expenses represent interest relating to interest-bearing liabilities and bank overdraft fees. Financial expenses are recognised using the effective interest rate method

## **m) Income Tax**

No income tax is payable by the consolidated entity as Section 50-5 of the Income Tax Assessment Act 1997 exempts recognised Charitable Institutions from Income Tax. The Spastic Centre and its controlled entities are deductible gift recipients as defined in the Income Tax Assessment Act.

## **3. DETERMINATION OF FAIR VALUES**

A number of the consolidated entity's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

### **Available-for-sale financial assets**

The fair value of available-for-sale financial assets is determined by reference to their quoted bid price at the reporting date.

### **Non-derivative financial liabilities**

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

### **Trade and Other Receivables**

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

## **4. FINANCIAL RISK MANAGEMENT**

### **Overview**

The Company and the consolidated entity have exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's and the consolidated entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing

risk. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The board has established the Finance and Audit Committee, which is responsible for developing and monitoring risk management policies. The committee reports regularly to the board on its activities.

Risk management policies have been established to identify and analyse the risks faced by the Company and consolidated entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's and consolidated entity's activities. The Company and the consolidated entity, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

### **Credit risk**

Credit risk is the risk of financial loss to the Company or consolidated entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's and consolidated entity's receivables from customers. For the Company, this risk also arises from receivables due from subsidiaries.

Exposure to credit risk is influenced mainly by individual characteristics of each customer and there are no significant concentrations of credit risk. The Risk Management Committee has established a policy under which each new customer is analysed for creditworthiness before the consolidated entity's standard payment terms and conditions are offered. In monitoring customer credit risk, customers are grouped according to their credit characteristics.

### **Liquidity risk**

Liquidity risk is the risk that the Company and the consolidated entity will not be able to meet their financial obligations as they fall due. The Company's and the consolidated entity's approach to managing liquidity is to ensure, as far as possible, that they will always have sufficient liquidity to meet their obligations, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the consolidated entity's reputation. The consolidated entity ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted. In addition, the consolidated entity maintains the following lines of credit (refer note 18 and 20 for details).

- liquidity risk \$500,000 overdraft facility; and
- bank guarantee facility, which has a maximum limit of \$200,000.

### **Market risk**

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Company's or consolidated entity's income or the value of their holdings of financial instruments. Both the Company and the consolidated entity are not exposed to significant currency and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### **Equity price risk**

The primary goal of the Company's and consolidated entity's investment strategy is to maximise investment returns in order to partially meet the Company's and consolidated entity's unfunded expenditure; management is assisted by external advisors in this regard.

	CONSOLIDATED		THE COMPANY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>5. GOVERNMENT FUNDING</b>				
The following government support is included under government funding:				
<b>Commonwealth Government</b>				
Department of Family and Community Services and Indigenous Affairs	2,808	3,190	2,808	3,190
Department of Employment and Workplace Relations	2,011	1,482	2,011	1,482
Department of Education, Science and Training	-	170	-	170
	4,819	4,842	4,819	4,842
<b>NSW Government</b>				
Department of Ageing, Disability and Home Care	34,991	35,295	34,991	35,295
Health Department	729	637	729	637
Department of Education and Training	382	393	382	393
	36,102	36,325	36,102	36,325
Total government funding	40,921	41,167	40,921	41,167

	CONSOLIDATED		THE COMPANY	
	2009 \$	2008 \$	2009 \$	2008 \$
<b>6. REMUNERATION OF AUDITORS</b>				
Audit services:				
Auditors of the Company - KPMG Australia				
Audit of the financial report	102,200	148,500	102,200	148,500
Other regulatory audit services	15,900	20,500	15,900	20,500
	118,100	169,000	118,100	169,000
Other services:				
Auditors of the Company - KPMG Australia				
Other assurance services	20,000	-	20,000	-

	CONSOLIDATED		THE COMPANY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>7. EXPENSES</b>				
Expenses include the following items:				
Depreciation of property, plant and equipment	1,346	1,106	1,346	1,106
Impairment/(recovery) of trade and other receivables	(18)	12	(18)	12
Employee benefits expense (includes payments to defined contribution superannuation funds of \$2,930,000 (2008: \$2,711,000))	6,187	5,875	6,187	5,875
Rental expense on operating leases	1,635	1,496	1,635	1,496
Financial expenses - Interest and fee expense	6	7	6	7
Donation to The Cerebral Palsy Foundation	-	-	678	5,816

The Cerebral Palsy Foundation is wholly controlled by The Spastic Centre of New South Wales.

	CONSOLIDATED		THE COMPANY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>8. CASH AND CASH EQUIVALENTS</b>				
Cash at bank and in hand	2,522	4,964	2,329	4,857
Short-term bank deposits	15,704	7,963	10,431	7,963
	18,226	12,927	12,760	12,820

<b>9. TRADE AND OTHER RECEIVABLES - CURRENT</b>				
Trade receivables	2,378	698	2,345	698
Other receivables	975	2,071	856	1,929
Prepaid insurance	466	406	466	406
Receivables from wholly-owned subsidiaries	-	-	526	522
	3,819	3,175	4,193	3,555

Trade receivables are shown net of impairment losses of \$35,000 (2008: \$53,000).

Other receivables in the Company include franking credits recoverable from the ATO amounting to \$100,000 (2008: \$121,000).

<b>10. INVENTORIES</b>				
Non-manufacturing stores	419	412	419	412

<b>11. OTHER INVESTMENTS</b>				
Listed equity securities available-for-sale	13,385	15,309	6,022	7,108

Listed equity securities available-for-sale are carried at fair value being the quoted market price at reporting date. Macquarie Private Portfolio Management Limited invests funds on behalf of the consolidated entity in Australian shares, property trusts and investment trusts.

*Sensitivity analysis - equity price risk*

At the reporting date, there is a significant concentration of credit risk in relation to listed securities as the majority of those securities of the consolidated entity and the Company are listed on the Australian Securities Exchange.

An increase of one percent in the market value of available-for-sale investments held at the reporting date would have increased equity and/or decreased impairment loss in relation to available-for-sale investments by \$134,000 (2008: \$153,000) and \$60,000 (2008: \$71,000) in the consolidated entity and the Company respectively.

A decrease of one percent at the reporting date would have decreased equity and/or increased impairment loss in relation to available-for-sale investments by the same amount.

	CONSOLIDATED AND THE COMPANY						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Freehold Land	Buildings	Improvements to Crown Land	Plant and Equipment	Motor Vehicles	Capital Works in Progress	Total
<b>12. PROPERTY, PLANT AND EQUIPMENT</b>							
<b>Cost</b>							
At 1 July 2007	3,010	7,002	3,165	647	3,704	-	17,528
Acquisitions	-	-	-	738	1,737	-	2,475
Disposals	-	-	(1,906)	(353)	(1,257)	-	(3,516)
At 30 June 2008	3,010	7,002	1,259	1,032	4,184	-	16,487
At 1 July 2008	3,010	7,002	1,259	1,032	4,184	-	16,487
Acquisitions	391	630	-	654	1,867	585	4,127
Disposals	-	-	-	(307)	(1,884)	-	(2,191)
At 30 June 2009	3,401	7,632	1,259	1,379	4,167	585	18,423
<b>Depreciation and impairment losses</b>							
At 1 July 2007	-	2,125	2,532	620	880	-	6,157
Depreciation charge for the year	-	280	127	14	685	-	1,106
Disposals	-	-	(1,601)	(333)	(465)	-	(2,399)
At 30 June 2008	-	2,405	1,058	301	1,100	-	4,864
At 1 July 2008	-	2,405	1,058	301	1,100	-	4,864
Depreciation charge for the year	-	292	50	255	749	-	1,346
Disposals	-	-	-	(230)	(831)	-	(1,061)
At 30 June 2009	-	2,697	1,108	326	1,018	-	5,149
<b>Carrying amounts</b>							
At 1 July 2007	3,010	4,877	633	27	2,824	-	11,371
At 30 June 2008	3,010	4,597	201	731	3,084	-	11,623
At 1 July 2008	3,010	4,597	201	731	3,084	-	11,623
At 30 June 2009	3,401	4,935	151	1,053	3,149	585	13,274

The head office of the Company, including its contents, was destroyed by fire on 16 December 2007. The Company is adequately covered by insurance.

Details of the impairment loss on property, plant and equipment are provided in note 30 and these losses are included within disposals shown above.

	CONSOLIDATED AND THE COMPANY	
	2009 \$'000	2008 \$'000
<b>13. INTANGIBLE ASSETS - COMPUTER SOFTWARE</b>		
<b>Cost</b>		
At 1 July	315	-
Acquisitions	156	315
At 30 June	471	315
<b>Amortisation</b>		
At 1 July	-	-
Amortisation charge for the year	153	-
At 30 June	153	-
<b>Carrying Amount</b>		
At 1 July	315	-
At 30 June	318	315

	CONSOLIDATED		THE COMPANY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>14. TRADE AND OTHER PAYABLES - CURRENT</b>				
Trade payables	1,859	2,217	1,859	2,217
Government funding received in advance	6,314	1,971	6,314	1,971
Other creditors and accruals	1,485	1,557	1,400	1,468
Deferred revenue	879	1,165	879	1,165
Payables to wholly-owned subsidiaries	-	-	3,878	7,271
	10,537	6,910	14,330	14,092

Payables to wholly-owned subsidiaries are not interest-bearing and are repayable on demand.

<b>15. EMPLOYEE BENEFITS - CURRENT</b>				
Salaries and wages accrued	1,027	210	293	70
Liability for long service leave	1,860	1,832	869	870
Liability for annual leave	2,438	2,464	796	841
	5,325	4,506	1,958	1,781
<b>16. EMPLOYEE BENEFITS - NON-CURRENT</b>				
Liability for long service leave	771	814	328	376

### 17. ASSET REVALUATION RESERVE

The asset revaluation reserve records the cumulative net changes in the fair value of listed equity securities available-for-sale until the investment is derecognised. However, impairment losses in respect of these securities are recognised in profit or loss.

### 18. FINANCING FACILITIES

The consolidated entity has access to the following lines of credit at balance date (all unused):

Bank overdraft	500	500	500	500
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The bank overdraft facility is secured by a floating charge over the assets of the consolidated entity.

	CONSOLIDATED		THE COMPANY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>19. OPERATING LEASES</b>				
Leases as lessee				
Future operating lease commitments not provided for in the financial statements and payable:				
- not later than one year	1,407	1,276	1,407	1,276
- later than one year but not later than five years	1,794	1,259	1,794	1,259
- later than five years	16	16	16	16
	<b>3,217</b>	<b>2,551</b>	<b>3,217</b>	<b>2,551</b>

The consolidated entity leases a number of properties, land, wheel-chair accessible motor vehicles and IT equipment. None of these leases included contingent rentals. Details are as follows:

Type	Term	Option to Renew	Future Increments
Properties	0 - 24 Months	Yes	Annually (CPI)
Crown Land	50 Years	Yes	None
Motor Vehicles	36 Months	Yes	None
IT Equipment	36 - 60 Months	Yes	None

## 20. CONTINGENT LIABILITIES

The details and estimated maximum amounts of contingent liabilities, classified according to the party from whom the contingent liability arises, are set out below. The directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

Commonwealth Bank of Australia - Autopay Facility	-	1,088	-	1,088
Barunanda Revay	52	-	52	-
Permanent Trustee Australia - Spring St Chatswood	17	17	17	17
Australian Postal Corporation	-	40	-	40
Jode Pty Ltd ATF Wetherill Park Unit Trust	32	32	32	32
	<b>101</b>	<b>1,177</b>	<b>101</b>	<b>1,177</b>

The consolidated entity's bank guarantee facility has a maximum limit of \$200,000 (2008: \$1,590,000) of which \$101,000 (2008: \$1,177,000) was used as at balance date.

## 21. RELATED PARTY INFORMATION

### Transactions with related parties

The ultimate parent entity provides administration services for the controlled entities, for which it is not reimbursed.

During the financial year, the ultimate parent entity received grants of \$86,000 (2008: \$281,000) from The Cerebral Palsy Foundation, a wholly-owned entity controlled by The Spastic Centre of New South Wales, to contribute to the funding of research, work on the CP Register and the International Development Program. The Cerebral Palsy Foundation also made grants of \$722,000 (2008: \$170,000) to The Cerebral Palsy Institute, a wholly-owned subsidiary of the Company.

In the current financial year, the ultimate parent entity donated \$678,000 (2008: \$5,816,000) to The Cerebral Palsy Foundation. Other wholly-owned controlled entities charge the Company for salaries and wages incurred and paid as part of their normal operations.

	THE COMPANY	
	2009	2008
<b>Balances with entities within the wholly owned group</b>		
The aggregate amounts receivable from or payable to wholly-owned controlled entities by the Company at balance date are:	\$	\$
Receivables	526,423	522,102
Payables	3,878,889	7,270,584

### Directors' compensation

One director received compensation during the year of \$6,535 (2008: \$6,412) in his capacity as an employee. The directors act in an honorary capacity and received no compensation for their services as directors.

	CONSOLIDATED		THE COMPANY	
	2009	2008	2009	2008
<b>Key management personnel compensation</b>	\$	\$	\$	\$
The key management personnel compensation is as follows:				
Short-term benefits	1,279,268	1,209,530	1,279,268	1,209,530
Long-term benefits	16,776	24,410	16,776	24,410
	1,296,044	1,233,940	1,296,044	1,233,940

Payments to defined contribution superannuation funds in respect of key management personnel amounted to \$100,000 (2008: \$96,000). These have been classified under short-term benefits.

## 22. MEMBERS' GUARANTEE

In accordance with the Company's Memorandum and Articles of Association each member of the Company has a maximum liability of \$20 in the event of the Company being unable to meet its obligations as and when they fall due. As at 30 June 2009 there were 431 members (2008: 479).

## 23. COMPANY DETAILS

The Spastic Centre of New South Wales and its controlled entities are incorporated and domiciled in Australia. The companies are limited by guarantee and exempted under Section 150 (1) of the Corporations Act 2001 from using the word 'Limited' with the exception of The Cerebral Palsy Foundation Pty Ltd.

CONSOLIDATED  
INTEREST HELD

2009 2008  
% %

## 24. CONSOLIDATED ENTITIES

Particulars in relation to controlled entities all of which are incorporated in Australia

### Ultimate parent entity

The Spastic Centre of New South Wales

### Subsidiaries subject to Cross Guarantee

The Spastic Centre of New South Wales-Accommodation South	100	100
The Spastic Centre of New South Wales-Accommodation North	100	100
The Spastic Centre of New South Wales-Accommodation Hunter	100	100
The Spastic Centre of New South Wales-Therapy Services	100	100
The Spastic Centre of New South Wales-Community Access Service	100	100
The Spastic Centre of New South Wales-Venee Burges House	100	100
The Cerebral Palsy Institute	100	100
The CP Institute	100	100
United Cerebral Palsy Australia	100	100
The Australian Cerebral Palsy Register	100	100
The Australian CP Register	100	100
The CP Foundation	100	100
International CP Foundation	100	100
CP Research Foundation	100	100

### Subsidiaries not subject to Cross Guarantee

The Cerebral Palsy Foundation Pty Ltd	100	100
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The Cerebral Palsy Foundation Pty Ltd acts as trustee for The Cerebral Palsy Foundation.

Refer to note 28 for details of Deed of Cross Guarantee.

## 25. FINANCIAL INSTRUMENTS

Exposure to credit, impairment losses, liquidity risks and interest rate risks arise in the normal course of the Company and the consolidated entity's business.

### Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Company and the consolidated entity do not normally require collateral in respect of financial assets.

There are no significant concentrations of credit risk as at the reporting date (2008: none).

### Exposure to credit risk

The carrying amount of the consolidated entity's and the Company's financial assets represents the maximum credit exposure.

The consolidated entity's and the Company's maximum exposure to credit risk at the reporting date was:

	Note	CONSOLIDATED Carrying Amount		THE COMPANY Carrying Amount	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Cash and cash equivalents	8	18,226	12,927	12,760	12,820
Trade and other receivables	9	3,819	3,175	4,193	3,555
Other Investments	11	13,385	15,309	6,022	7,108
		35,430	31,411	22,975	23,483

## 25. FINANCIAL INSTRUMENTS (continued)

### Impairment losses

The ageing of the consolidated entity's and the Company's trade receivables at the reporting date was:

	CONSOLIDATED			
	Gross	Impairment	Gross	Impairment
	2009	2009	2008	2008
	\$'000	\$'000	\$'000	\$'000
Not past due	1,870	-	400	-
Past due 1-60 days	295	-	195	3
Past due more than 60 days	248	35	156	50
	2,413	35	751	53

	THE COMPANY			
	Gross	Impairment	Gross	Impairment
	2009	2009	2008	2008
	\$'000	\$'000	\$'000	\$'000
Not past due	1,837	-	400	-
Past due 1-60 days	295	-	195	3
Past due more than 60 days	248	35	156	50
	2,380	35	751	53

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	CONSOLIDATED		THE COMPANY	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July	53	41	53	41
Impairment (recoveries)/loss recognised	(18)	12	(18)	12
Balance at 30 June	<b>35</b>	<b>53</b>	<b>35</b>	<b>53</b>

Based on historic default rates, the directors believe that no impairment allowance is necessary in respect of receivables not past due.

### Liquidity risk

The contractual cash flows in respect of the trade and other payables shown in note 14 were equal to their carrying amounts for both 2009 and 2008. They were all due to mature within six months.

### Interest rate risk

At the reporting date, cash and cash equivalents of \$18,226,000 (2008: \$12,927,000) in the consolidated entity and \$12,760,000 (2008: \$12,820,000) in the Company were the only interest-bearing variable rate financial instruments. There were no fixed-rate instruments as at the end of the current year or the prior year.

During the year cash assets were deposited with recognised financial institutions. The weighted average interest rate during the year was 4.69% (2007: 6.72%). There is no other material interest rate risk on assets and liabilities.

### Cash flow sensitivity analysis for variable rate instruments

An increase of one percentage in the average interest rate during the reporting period would have increased the operating surplus by \$149,000 (2008: \$160,000) and \$126,000 (2008: \$142,000) in the consolidated entity and the Company respectively. A decrease of one percent would have decreased the operating surplus by the same amount.

### Net fair values of financial assets and liabilities

The balances of financial assets and liabilities have been stated at their net fair value.

## 26. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

### Reconciliation of Cash

For the purposes of the cash flows statements, cash includes cash on hand and at bank and short-term deposits at call, net of outstanding bank overdrafts. Cash does not include investments in unit trusts. Cash at the end of the financial year as shown in the cash flow statements is the same as shown on the balance sheets.

	Note	CONSOLIDATED		THE COMPANY	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Reconciliation of operating surplus from ordinary activities to net cash from operating activities:</b>					
Operating surplus/(deficit)		743	2,758	586	(1,550)
Add/(less) items classified as investing/financing activities:					
Loss on sale of other investments		1,469	1,118	659	560
Gain on sale of property, plant and equipment		(134)	(128)	(134)	(128)
Interest received		(702)	(1,077)	(590)	(951)
Distributions from trusts and dividends		(1,162)	(1,177)	(536)	(567)
Interest paid		6	7	6	7
<i>Add non-cash items:</i>					
Depreciation	7,12	1,346	1,106	1,346	1,106
Amortisation - software	13	153	-	153	-
Impairment loss of other investments		1,431	2,339	627	1,172
Impairment loss on property destroyed	30	-	325	-	325
<i>Change in assets and liabilities:</i>					
Trade and other receivables	9	(644)	(1,114)	(638)	(1,426)
Inventories	10	(7)	9	(7)	9
Trade payables	14	(358)	1,144	(358)	1,144
Government funding received in advance	14	4,343	(811)	4,343	(811)
Other creditors and accruals	14	(72)	117	(68)	55
Deferred revenue	14	(286)	(77)	(286)	(77)
Payables to wholly-owned subsidiaries	14	-	-	(3,393)	4,333
Employee benefits	15,16	776	479	129	240
<b>Net cash from operating activities</b>		<b>6,902</b>	<b>5,018</b>	<b>1,839</b>	<b>3,441</b>

## 27. FUNDRAISING APPEALS CONDUCTED DURING THE FINANCIAL YEAR

### Information to be furnished under the Charitable Fundraising (NSW) Act 1991

Fundraising appeals conducted during the financial year included mail appeals, telephone appeals, lotteries, money box collections, and various other fundraising projects and receiving of indirectly solicited donations and unsolicited bequests.

	CONSOLIDATED	
	2009 \$'000	2008 \$'000
<b>Results of fundraising appeals</b>		
a) Gross proceeds from fundraising appeals	16,771	14,797
Less: Direct costs of fundraising appeals	4,046	3,789
<b>Net surplus obtained from fundraising appeals</b>	<b>12,725</b>	<b>11,008</b>
b) Application of net surplus obtained from fundraising appeals		
Distributions (expenditure on direct services)	50,406	47,798
Administration expenses	7,875	7,499
Community education and information	2,929	2,744
Operating surplus	743	2,758
	<b>61,953</b>	<b>60,799</b>
c) The difference of \$49,228,000 (2008: \$49,791,000) between the \$12,725,000 net surplus (2008: \$11,008,000) available from fundraising appeals conducted and total direct expenditure of \$61,953,000 (2008: \$60,799,000) was provided from the following sources.		
Government grants and subsidies	40,921	41,167
Rendering of services	3,872	3,616
Sale of goods	624	678
Interest received or receivable	702	1,077
Insurance claim received: fire	1,748	1,793
Distributions from trusts and dividends	1,162	1,177
Rental income	65	155
Gain on sale of property, plant and equipment	134	128
	<b>49,228</b>	<b>49,791</b>

	2009 \$ '000	2009 %	2008 \$ '000	2008 %
Total cost of fundraising / gross revenue from fundraising	4,046 / 16,771	24	3,789 / 14,797	26
Net surplus from fundraising / gross revenue from fundraising	12,725 / 16,771	76	11,008 / 14,797	74
Total cost of services / total direct expenditure	50,406 / 61,210	82	47,798 / 58,041	82
Total cost of services / total income received	50,406 / 65,999	76	47,798 / 64,588	74

## 28. DEED OF CROSS GUARANTEE

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998 the wholly-owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit, and lodgement of financial reports, and directors' report.

It is a condition of the Class Order that the Company and each of the subsidiaries enter into a Deed Of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also been given similar guarantees in the event that the Company is wound up.

On 17 June 2009, the following additional companies became parties to the cross guarantee:

The CP Institute	The CP Foundation
United Cerebral Palsy Australia	International CP Foundation
The Australian Cerebral Palsy Register	CP Research Foundation
The Australian CP Register	

The subsidiaries subject to the Deed as at balance date are:

The Spastic Centre of New South Wales-Accommodation South	The CP Institute
The Spastic Centre of New South Wales-Accommodation North	United Cerebral Palsy Australia
The Spastic Centre of New South Wales-Accommodation Hunter	The Australian Cerebral Palsy Register
The Spastic Centre of New South Wales-Therapy Services	The Australian CP Register
The Spastic Centre of New South Wales-Community Access Service	The CP Foundation
The Spastic Centre of New South Wales-Venee Burges House	International CP Foundation
The Cerebral Palsy Institute	CP Research Foundation

The consolidated income statement and consolidated balance sheet, comprising the Company and subsidiaries that are party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, at 30 June 2009 are set out below.

	2009	2008
	\$'000	\$'000
<b>(i) Summarised income statement and retained general funds</b>		
Operating surplus/(deficit)	586	(1,579)
General funds at beginning of the year	19,822	21,401
General funds at end of the year	20,408	19,822
<b>(ii) Balance sheet</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	12,779	12,835
Trade and other receivables	4,192	3,555
Inventories	419	412
<b>TOTAL CURRENT ASSETS</b>	<b>17,390</b>	<b>16,802</b>
<b>NON-CURRENT ASSETS</b>		
Other financial assets	6,022	7,108
Property, plant and equipment	13,274	11,623
Intangible assets	318	315
<b>TOTAL NON-CURRENT ASSETS</b>	<b>19,614</b>	<b>19,046</b>
<b>TOTAL ASSETS</b>	<b>37,004</b>	<b>35,848</b>

## 28. DEED OF CROSS GUARANTEE (ii) Balance sheet (continued)

	2009 \$'000	2008 \$'000
<b>CURRENT LIABILITIES</b>		
Trade and other payables	10,537	10,944
Employee benefits	5,326	4,506
<b>TOTAL CURRENT LIABILITIES</b>	<b>15,863</b>	<b>15,450</b>
<b>NON-CURRENT LIABILITIES</b>		
Employee benefits	771	814
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>771</b>	<b>814</b>
<b>TOTAL LIABILITIES</b>	<b>16,634</b>	<b>16,264</b>
<b>NET ASSETS</b>	<b>20,370</b>	<b>19,584</b>
<b>EQUITY</b>		
General funds	20,408	19,822
Asset revaluation reserve	(38)	(238)
<b>TOTAL EQUITY</b>	<b>20,370</b>	<b>19,584</b>

## 29. EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

## 30. FIRE AND INSURANCE CLAIM

The head office of The Spastic Centre of New South Wales, including its contents, was destroyed by fire on 16 December 2007. The Centre is adequately covered by insurance. The head office has been relocated to Terrey Hills pending rebuilding.

As the insurance claim has yet to be finalised, confirmed amounts receivable from the insurers have been brought to account and have been classified as other receivables under note 9. It is anticipated that the insurance claim will be finalised during the year ending 30 June 2010.

	2009 \$'000	2008 \$'000
The following amounts have been recognised in the Income Statements.		
<b>Income</b>		
Insurance claim received	992	725
Insurance claim receivable	756	1,068
<b>Total Insurance Claim</b>	<b>1,748</b>	<b>1,793</b>
<b>Expense</b>		
Written down value of buildings destroyed	-	305
Impairment loss on property, plant and equipment	-	20
<b>Total impairment losses</b>	<b>-</b>	<b>325</b>
Fire Expenses (buildings, contents, debris removal, site security etc.)	1,125	1,534
<b>Total Insurance Expense</b>	<b>1,125</b>	<b>1,859</b>

## 31. CAPITAL AND OTHER EXPENDITURE COMMITMENTS

There were no material capital or other expenditure commitments at the reporting date (2008: \$nil) which had been contracted for as at that date but not recognised as liabilities.



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