



ANNUAL REPORT





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

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

The 63rd Annual General Meeting of
The Spastic Centre will be held at 4.00pm
on Monday, 29 November 2010 at
The Spastic Centre Head Office Terrey Hills,
321 Mona Vale Road, Terrey Hills NSW 2084.

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

REGISTERED OFFICE

321 Mona Vale Road
Terrey Hills NSW 2084

T (02) 9479 7200

F (02) 9479 7293

E contact@tscnsw.org.au

W www.TheSpasticCentre.com.au

CP HELPLINE

T 1300 30 29 20

E cphelpline@tscnsw.org.au

BANKERS

Commonwealth Bank of Australia
48 Martin Place, Sydney NSW 2000

AUDITORS

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



Aquability:

Improves water confidence, mobility and fitness.



A young girl with brown hair, wearing a blue wetsuit, is smiling broadly at the camera. She is leaning on the edge of a swimming pool. Behind her, a white sign is held up, displaying the handwritten text "Thanks for stretching my muscles". The background shows the interior of a swimming pool with blue lane markers and a wooden structure.

Thanks for
stretching my
muscles

REPORT BY THE PRESIDENT AND CEO

As part of our desire to 'do better' as an organisation, during the year we sat down with respected Aboriginal elders, Uncle Wes from Mt Druitt and Aunty Norma from Liverpool to share lunch and yarn about how we could do a better job for Aboriginal people.

We learned a great deal – to listen deeply, be flexible and adaptable and to step outside our own timetables. Above all we need to foster trust and be there for the long haul, a commitment we are keen to keep.

We know that all families want this same commitment. And this is what we aspire to – a service that is sensitive to the uniqueness of all families' needs and the reality that cerebral palsy is a life-long journey.

We earnestly hope that we meet the mark and that families who come to us find us welcoming, reassuring and with the skills and knowledge to make a difference for them and their sons and daughters. How we respond to parents, children, young persons or adults with a disability will always be the most important measure of our effectiveness as a service organisation. It is at the heart of who we are.

Making a difference to families requires staff and resources that can target what they want and need.

Those who support us have also respectfully listened. Our strong relationships and alliances with governments and with the corporate sector have resulted in funding that is creating new possibilities.

In late June, Ageing, Disability and Home Care, now part of the NSW Department of Human Services, allocated \$1 million over two years to a range of innovative programs. These funds will allow us to employ an Intensive Family Support worker specifically for the Aboriginal community in the Hunter region. It will also fund an Emerging Adults program for a small group of young people with disabilities making that significant transition in their life. It will support the continuation of the SportFitz program which works to build both fitness and social connection for young people and adults.

As well, the popular Relax and Recharge respite program will be funded for a further two years, giving over 100 families a break from caring responsibilities; and families in

rural and regional centres will at last have the support of a psychologist, a service much needed.

Our services need bricks and mortar and this year saw the opening of our renovated Sargents Kids Quarters in Orange. The Sargents Pies Charitable Foundation continued its extraordinary generosity with another donation of \$1.5 million for rural services. This brings Sargents' contribution to over \$6 million in six years - breathtaking in its generosity and immense in its impact on our country families and therapy teams.

With these funds, work has commenced on renovations to the heritage East Maitland Post Office building that will become our service site for the Upper Hunter and Lower Mid North Coast. Development Applications for our new sites at Alstonville (Far North Coast) and Tuggerah (Central Coast) have been submitted to the local council. We are also well underway with the purchase of land in Armidale (New England) for a purpose built therapy centre. Sargents, we salute you!

Upgrades and renovations were carried out at the Wallsend Houses and Venee Burges Hostel over the past 12 months, enhancing these facilities for our residents.

We were able to purchase over \$500,000 worth of equipment for children with cerebral palsy, making a world of difference to many families. We hope that the future will bring more certainty in meeting such essential needs.

Our strong participation in the campaign for a National Disability Insurance Scheme continues and we look forward to engaging many of our clients and families in the grass roots campaign that is to come.

Professor Nadia Badawi commenced as the Inaugural Macquarie Group Foundation Chair of Cerebral Palsy in October 2009. Research grants of \$1.6 million were awarded to researchers nationally and internationally, bringing the total commitment from the Cerebral Palsy Foundation since 2006 to \$3.2 million. Promoting and supporting the best research in prevention, cure and intervention remains a key goal in better understanding, managing and containing the impact of cerebral palsy now and into tomorrow.

The total income for The Spastic Centre in the financial year was \$66.9 million (previous year: \$65.9 million). Spending on direct services for children, adults and their families rose by \$1.7 million.

Our funding from government totalled \$42,142,000 this year. We highly value our partnerships with government, and particularly thank the Federal Government's Department of Families, Housing and Community Services and Indigenous Affairs; Department of Education, Employment and Workplace Relations; the NSW State Government's departments of Ageing, Disability and Home Care; Department of Health; and Department of Education and Training.

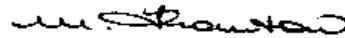
We acknowledge the outstanding support of our corporate and individual donors who often combine generous financial contribution with meaningful volunteering. Our loyal corporate supporters and our growing band of over 1,000 volunteers continue to extend our circles of support and influence.

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

Our members of the Board of Directors continue to invest thousands of voluntary hours in our cause and in the stewardship of our organisation. Their commitment to good governance and standards is second to none.

We extend our sincere appreciation to the members of the Cerebral Palsy Foundation's Council of Governors for their energy, resolve and resourcefulness.

Ahead of us we have an organisation with the new name of Cerebral Palsy Alliance. We believe this will serve us well as we continue to shape services that are contemporary and meaningful. As we monitor our efforts and our effectiveness, we will listen deeply. Ultimately, what really matters, is how we respond to what clients and families believe can make the most difference in their lives.



Marelle Thornton AM
President



Rob White
Chief Executive Officer





Community Access Services (CAS):

Develops skills to promote independence in all areas of life.



2009 – 2010 HIGHLIGHTS

Our Services

The **Relax and Recharge Respite** program, generously supported by Westfield, provided over 40 families with flexible respite. In response to this pilot program, Ageing, Disability and Home Care (ADHC) approved fixed term funding for a further two years.

A **Summer Adventure Camp** was held in Jindabyne for young adults with activities including canoeing, fishing, hiking, bobsledding and camping.

MyTime, the federally funded network of support groups, was expanded to our rural sites. This has significantly enhanced our family support services in rural locations.

The **Just Like You!** disability awareness program reached 2,500 children in NSW with support from Cadia Mines in Orange, the Kirby Foundation, the Grevillea Group and Westfield Community Grants.

In the **Parent to Parent** program, 12 trained parent volunteers were matched with other parents across the state to provide supportive contact. Approximately half the volunteers were from rural areas where isolated parents greatly benefit from the program.

Funding for a further two years was approved by Ageing, Disability and Home Care (ADHC) for the **SportFitz** program. Aristocrat made a \$150,000 donation to the program. A new gym group was offered, giving an additional 70 clients access to the program.

ADHC approved funding for a worker in **Intensive Family Support** for the next two years to support Aboriginal families in the Hunter.

As part of ADHC's **Stronger Together** initiative, a further \$2.9 million was released as a non recurrent grant over three years. This funding will enhance therapy services and help target the waiting lists across NSW.

Sargents Kids Quarters at Orange reopened in May following renovations.

Work commenced on the renovations to our new Sargents Kids Quarters at the old East Maitland Post Office.

The **Lifestyle Apartments** at Granville were opened by The Hon. David Borger, MP, Minister for Housing. This high quality construction is a benchmark for the next generation of supported accommodation facilities.

Renovations were completed at our Wallsend Houses and Venee Burges

Hostel, enhancing these facilities for residents.

The **Boccia** World Championships in Portugal saw three of our athletes compete. Boccia athletes also represented Australia in Hong Kong at the third Asia Pacific Games. Both single competitors and teams reached the quarter finals.

Our open employment service, **SEDS**, achieved a very high national rating from its funding body, Department of Education, Employment and Workplace Relations (DEEWR). This was an exceptional result given the global financial challenges. SEDS also extended its reach into rural and regional areas by supporting adults to gain employment in the Central West, Hunter and Central Coast regions.



Summer Adventure Camp

Packforce, our supported employment service, again retained national accreditation for ISO 9001/2000 for its business and support services. In collaboration with other sector partners, Packforce launched the Alliance First cooperative. The aim of Alliance First is to compete with private companies for large contracts that will maintain employment for people with a disability.

The Spastic Centre is an active partner in the cross-sector working party, Futures Alliance. This group, consisting of representatives from 15 advocacy, aged, disability and consumer agencies, focuses on the promotion and awareness of the needs of ageing people with a disability. It has developed a blueprint which outlines the necessary legislative and funding changes required to be enacted by state and federal governments.

The Spastic Centre has provided submissions and representation to state and federal parliamentary enquiries into Gaming, PADP, the Productivity Commission enquiry into Disability Care and Support Needs, and the Department of Education's services for students with disabilities.

Our Volunteers

At the NSW 'Volunteer of the Year' award presentations at Parliament House, Sydney, The Spastic Centre's nominee, Nigel Dearinger won the inaugural NSW Employee Volunteer of the Year award. Nigel is a volunteer from ING for the **Ignition Mentoring** program.

More than 55 volunteers from **Macquarie Group** and **ING Direct** assisted with a children's Christmas party at Terrey Hills.

KPMG volunteers supported a 'Welcome Back to School' family picnic day in the South West region for over 100 guests.

Corporate volunteering remained very strong with over 130 volunteers from

American Express, Coal Loader, CBA, Westfield, Medtronics, ING and KPMG supporting our families and services.



Westfield Volunteers

Our Partnerships

The Variety Club donated a van to Grevillea Respite House, providing a great boost to the programs run during the school holidays.

Sargents Pies Charitable Foundation continued its extraordinary generosity, investing a further \$1.5 million in our rural services. This takes their contribution to over \$6 million in six years. The new funds will be used to purchase land and construct purpose built therapy and family support centres in the Central Coast, Far North Coast and New England regions.

ClubsACT has been in partnership with The Spastic Centre for 10 years, resulting in over \$1.3 million of funding for services in the ACT. ClubsACT will continue its support for a further three years to 2013.

The **Trust Company of Australia** donated \$30,000 for Cerebral Palsy Awareness Week activities and a further \$27,000 for cerebral palsy research.

Representations were made to Bill Shorten, MP, to discuss the need for better state and federal collaboration and funding for people with a disability who are ageing.

The Spastic Centre built and continues to host the **National Disability**

Insurance Scheme website, designed to direct supporters to take action to promote the scheme. We are taking leadership in NSW in the campaign for the scheme.

In Fiji, in partnership with **Australian Volunteers International**, our staff provided training to 19 disability workers caring for people with cerebral palsy. Equipment clinics for children were also conducted.

Our Messages

Our new **Intranet** was launched, enhancing communication and information sharing across the organisation.

An **Evidence Based Clinical Decision Making Wiki** was launched on the Intranet. This is a comprehensive resource to support staff with information about prognosis and prevalence of cerebral palsy. With this knowledge, staff can make better decisions about assessment and interventions.

A series of factsheets were created to form a **Transition Toolkit** to support young people to make a successful transition into adult life. Topics include health, friendships, transport, driving, self-esteem, technology and moving out of home, all of which have been published on our website.

The **You Be The Difference** website captured The stories of people with cerebral palsy, and was launched for National Cerebral Palsy Awareness Week.

Thirty six **Parent Education Seminars** were delivered across the state, to 257 families, providing information about coping skills and managing challenging behaviours.

Fifty pre-loaded iPods and 1,000 CDs with information on cerebral palsy were distributed to families. These **ParentWise Podcasts** are also available on the Cerebral Palsy Foundation's website and are available free of charge on iTunes.

Our Research

Staff presented papers on intervention and prevention of cerebral palsy at the Australasian Academy of Cerebral Palsy and Developmental Disability conference in Christchurch, New Zealand.

Dr Iona Novak presented on the Australian Cerebral Palsy Register and Designing Effective Home programs for children with cerebral palsy at the American Academy of Cerebral Palsy and Developmental Medicine (AAPDM) conference in Arizona.

The inaugural Annual Report for the **Australian Cerebral Palsy Register** was published. This is an important information resource on cerebral palsy.

Consultations were held with Aboriginal elders and community representatives from Sydney's west and south-west on how The Spastic Centre can improve service access for Aboriginal people.

Renate Cowan presented The Spastic Centre's **Professor Henry J. Cowan Memorial Scholarships** to three therapy students at the University of Sydney at an impressive awards ceremony.

Research conducted by the University of New South Wales on the effectiveness of Intensive Family Support services was completed. Families surveyed at the conclusion of services and again after three months showed significant improvements in wellbeing and positive family functioning.

Funding was granted from **The Balnaves Foundation** for a cerebral palsy research program. The grant was for \$450,000 over three years.

Research grants totalling \$1.6 million were awarded to researchers nationally and internationally, bringing the total commitment from the Cerebral Palsy Foundation since 2006 to \$3.2 million.



Ignition Mentoring:
Provides encouragement, guidance, support and friendship.



2009 – 2010 Highlights (continued)

Justin Gallagher raised more than \$85,000 for the Cerebral Palsy Foundation when he completed the Comrades Marathon in South Africa. Through the sales of his diary of the event he continues to raise more money nearing his goal of \$100,000.

Professor Alastair MacLennan from the University of Adelaide, Associate Professor Eve Blair of the Telethon Institute for Child Health, WA, Professor James Blackburn from the University of Virginia and Professor Michael Msall from the University of Chicago were the featured researchers who presented at the 2009/10 series of research briefings held by the Cerebral Palsy Institute.

Professor Nadia Badawi was appointed **Macquarie Group Foundation Chair of Cerebral Palsy** in October 2009. Professor Badawi is Medical Director, The Grace Centre for Newborn Care, the Children's Hospital at Westmead; a Consultant Neonatologist, The Children's Hospital at Westmead, Royal Alexandra Hospital for Children; and a Clinical Associate Professor in Paediatrics, Discipline of Paediatrics and Child Health, The University of Sydney. Professor Badawi is also an Honorary Research Fellow, the Telethon Institute for Child Health Research, Western Australia.



20/twenty Challenge –
Alex Graham with the Coca-Cola Team

Our Supporters

Our thanks are extended to our donors who gave generously to our four mail appeals across the year, raising over \$1 million. Our tax appeal featured Nicholas Esposito, a bright young man who has cerebral palsy. Over 6,000 donors supported our appeal to raise funds for essential equipment pieces such as sleep and toileting aids.

Over 6,600 donors have now joined our monthly giving program. All funds raised from their donations are directed to provide therapy services in their local area of NSW and the ACT. Combined, these committed donors gave \$1,191,000.

The annual **CBD Golf Escape!** raised a record breaking \$625,000, which included a generous donation of \$60,000 from Variety. We thank our dedicated committee, sponsors and attendees.

Another record was broken at the 2010 **Might And Power Gala Race Day**; \$340,000 was raised and 700 guests attended. All funds go to services for children with disabilities within rural NSW. Sincere thanks to Nick Moraitis AM, who works hard every year to see that this event continues to reach new heights.

Our **20/twenty Challenge** raised a staggering \$546,000, thanks to the efforts of participants and the dedicated committee. Our thanks also to **Macquarie Group Foundation** for matching donations up to \$250,000.

The **26th Col Crawford Family Golf Day** was held during November 2009 and raised an outstanding \$163,000.

The **Italian Affair Committee** held their 22nd annual event and donated \$100,000 to The Spastic Centre from the proceeds.

The **Cerebral Palsy Challenge**, a new event launched during 2010, attracted 600 participants who raised \$140,000. The event was launched in conjunction with Variety and participants undertook a 10 week challenge to monitor their physical activity levels. Feedback was extremely positive and the event will continue in 2011.

ING and its employees donated \$224,500 across the year. Through their fundraising initiatives The Spastic Centre will now be able to fund conductive education services for teenagers.

The **HSBC Waratahs** continued their strong partnership with The Spastic Centre and raised over \$150,000 throughout the season.

A generous donation of \$200,000 was made by **Caliburn**, a Sydney based corporate advisory firm.

Thanks go to **Newcastle Permanent Charitable Foundation** which provided financial support for our new site in East Maitland with a grant of \$40,000.

Thanks are extended also to the **Australian Chinese Charity Foundation, James N. Kirby Foundation, Rita Hogan Foundation** and **The Honda Foundation**.



Volunteering:

My association with
The Spastic Centre goes
back 45 years. I have found
my own life enriched by
helping many children.



Grahame Ellis





Conductive Education:

Enhances a child's emotional well being, as well as their physical, cognitive and social skills.





you
are
making
a
mile



Packforce:

Provides
employment
opportunities
for people
with a
disability.



SERVICES AT A GLANCE

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: 3.2 Full Time Equivalent (FTE)

Sites: 1 (Allambie Heights)

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 plus 20 volunteer dentists

Sites: 1 (Allambie Heights) plus outreach (Orange)

Community Access Services

People who have severe and multiple disabilities access 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: 70.5 FTE

Sites: 8 (Manly, Boccia CAS, Allambie Heights, St Ives, Sefton, Marsfield, Liverpool, Wallsend)

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: 16.8 FTE

Sites: 2 (Chatswood, Parramatta) and outreach across Sydney

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 (Chatswood, Parramatta)

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: 19.7 FTE

Sites: 2 (Frenchs Forest, Wetherill Park)

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: 104.6 FTE

Sites: 17 (Allambie Heights, Ryde, Penshurst, Prairiewood, Kingswood, Newcastle, Tuggerah, Singleton, Raymond Terrace, Orange, Dubbo, Armidale, Ballina, Moruya, Nowra, Wagga Wagga and Spence, ACT)

Conductive Education

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

Staff: 2.0 FTE

Sites: 2 (Allambie Heights, Ryde)

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 (St Ives, Dee Why, Castle Hill, Chester Hill)

Respite Services – Older Carers

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

Staff: 4 coordinators plus a team of direct care staff

Sites: (SW Sydney, NE Sydney, Hunter, 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 (Orange, Dubbo)

Respite Services – Relax and Recharge

Individual funding packages are 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

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: 25.7 FTE

Sites: 4 (Allambie Heights, Prairiewood, Kingswood, Newcastle)

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 (Prairiewood)

SportFitz

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

Staff: 2 FTE

Sites: 2 (Allambie Heights, Prairiewood)

Ignition Mentoring Program

Through this corporate 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 plus volunteers

Sites: 2 (Sydney, Newcastle)

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 (Allambie Heights, Penshurst, Prairiewood, Campbelltown, Newcastle, Central Coast)

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 plus team of direct care staff

Sites: 23 (across Sydney and Newcastle)

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 provides evaluation and teaching services for families, educators and professionals. TASC also has a technical workshop onsite 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 (Allambie Heights)

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 (an orthotist and a physiotherapist) runs regular clinics providing assessment, fitting and training programs for children.

Staff: 2 FTE

Sites: State wide service with outreach to ACT and NZ

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: 5.2 FTE

Sites: State-wide service

MyTime Program

This service offers parent groups and peer support.

Staff: 1 FTE

Sites: 6 (2 groups in Newcastle, and in Sydney and 3 in rural NSW)



“

Therapy:
Allows children
to reach their full
potential.

”

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 2010 and the auditor's report thereon. The Directors of the Company at any time during or since the end of the financial year are:

THE BOARD OF DIRECTORS



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 a member of the Finance and Audit Committee, the Services Committee, the Human Resources Committee, and the Nominations & Governance 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.



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 the 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 Nominations and Governance Committee. He also serves as a board representative to the Enterprise Risk Management Committee. Mr Bryant is a Director of The Cerebral Palsy Foundation Pty Ltd. Mr Bryant has over 30 years of experience in public accounting.



Andrew Buchanan *PSM, MAICD, AIMM*

Mr Buchanan has been a member of the Board of Directors since August 2010. Mr Buchanan has recently retired after 8 years as Chairman of the Disability Council (NSW), the official advisory body to the NSW Government. Mr Buchanan has 40 years' experience in broadcasting, communications and media, having spent his career at the ABC and now operates his own communications & media consultancy, AB Communicates, and manages his winery at Queens Pinch Vineyard in Mudgee.



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 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 an Investigations 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 and the Finance and Audit Committee. He also serves as a board representative 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 OAM

Mr Morgan was appointed to the Board of Directors in November 1991. Mr Morgan was a member of the Services Committee and was 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

Professor Nossar was appointed to the Board of Directors in June 2006, having previously served as a director from December 1995 until December 2002. Professor Nossar was a member of the Research Committee. Professor Nossar was 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. Professor Nossar retired as a Director of The Spastic Centre and its controlled entities on 17 February 2010.



John Sintras GAICD

Mr Sintras has been a member of the Board of Directors since August 2009. Mr Sintras is a member of the Finance and Audit Committee, and the Community Relations, Fundraising and Marketing Committee. Mr Sintras has a young daughter with cerebral palsy and served as a Governor on the Council of The Cerebral Palsy Foundation, a wholly owned entity of The Spastic Centre. 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 the 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 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 was the Chairman of the Services Committee, a member of the Human Resources Committee and a board representative to the Enterprise Risk Management Committee. Dr Way is the Chief Executive Officer of Community Connections Australia, a non government organisation providing a range of in-home support services to maintain people in their homes. She has worked extensively in the disability arena at service provision and policy levels and has been a long-time member of the NSW State Committee of National Disability Services (NDS) and the Accommodation Sub Committee. Dr Way retired as a Director of The Spastic Centre and its controlled entities on 12 September 2010.



Peter Whitfield BSc, MAICD

Mr Whitfield was appointed to the Board of Directors in November 1997. He 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 8 years as a money-market trader. Mr Whitfield left the finance industry to pursue his own business interests and 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), 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 owner of the specialist law firm - Williamson Legal - 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	Mr R. Miller
Dr N. Best	Mr J. Sintras
Mr A. Buchanan	Mrs M. Thornton AM
Mr M. B. Bryant OAM	Mr B. Williamson
Mr A. Johnston	

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.

THE BOARD OF DIRECTORS' MEETINGS

Board Members	Board of Directors Meetings		Finance and Audit Committee Meetings		Human Resources Committee Meetings		Services Committee Meetings		Community Relations, Fundraising and Marketing Committee Meetings		Research 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
Mr C. Beckett	8	8	5	4	2	2	3	2	1	1	7	7	3	3
Dr N. Best	8	8					3	1			7	4		
Mr M. B. Bryant OAM	8	7	5	5					3	3			3	3
Mr A. Johnston	7	6			2	1	2	2			6	5		
Mr R. Miller	8	7	5	3					3	1				
Mr J. Morgan OAM	1	1					1	1						
Mr J. Sintras	7	4	4	3					2	1				
Prof. V. Nossar	5	4									6	1		
Mrs M. A. Thornton AM	8	8	5	4	4	3	3	2	3	3			3	3
Dr R. Way	8	4			4	3	3	3						
Mr P. Whitfield	1	1	1	0					1	1				
Mr B. Williamson	8	8			4	4								

Mr Peter Whitfield resigned from the Board of Directors on 19 August 2009.

Mr John Morgan resigned from the Board of Directors on 20 August 2009.

Mr John Sintras joined the Board of Directors on 20 August 2009.

Mr Adam Johnston joined the Board of Directors on 21 August 2009.

Professor Victor Nossar resigned from the Board of Directors on 17 February 2010.

Dr Robin Way resigned from the Board of Directors on 12 September 2010.

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 is 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.

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 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 and 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.

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.

Nominations and 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.

Ethics Committee

The Spastic Centre has an Ethics Committee which ensures full and appropriate consideration is given to any potential risks, harms and benefits associated with participation in a research study. The Committee 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.

The Ethics Committee is not designated as a Committee of the Board.

Governance

The Company and its controlled entities operate as companies limited by guarantee with the exception of The 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 is eligible to be elected to the Board, if correctly nominated.

The Articles of Association limit the number of Directors to a minimum of five and a maximum of ten. Half of the Directors retire each year but may seek re-election.

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 organisation, current issues, the corporate strategy and the expectations of the Company concerning performance of Directors.

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

Principal activities and objectives

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.

The activities of the Company and its controlled entities are directed as follows:

The Spastic Centre's Mission Statement

The Spastic Centre
For people with cerebral palsy
Building Futures

The Spastic Centre's objective:

The Spastic Centre's long-term objective is an inclusive society for people with cerebral palsy and their families.

Our focus is:

- Developing world-class services that connect and engage people with their communities
- Maintaining a robust and agile organisation
- Supporting research activities in intervention, prevention, and cure
- Adopting an organisational framework for a changing future.

The 2010-2013 Strategic Plan articulates the following twenty-one outcomes:

The Spastic Centre will:

1. Adopt service models that foster client/family involvement in planning, choice and service funding arrangements
2. Improve service timelines for therapy and family supports
3. Enhance digital solutions to inform, connect and engage
4. Strengthen the wellbeing and resilience of individuals and families
5. Plan and deliver support for clients with multiple health and disability needs

6. Provide assistive equipment for mobility, communication and daily living in a timely way
7. Provide cultural competence for staff in the delivery of services to diverse communities
8. Recruit the right people in the right places at the right time
9. Provide financial information systems that lift our performance, efficiency and capacity
10. Develop sustainable and profitable fundraising programs
11. Create greater efficiency in non-core capabilities
12. Provide international leadership in the cerebral palsy research community
13. Develop good business practices and integrated infrastructure support for the Cerebral Palsy Institute
14. Develop a strong and focussed Cerebral Palsy Institute
15. Support the introduction of a National Disability Insurance Scheme
16. Maximise the use of the Allambie Heights site
17. Develop growth and diversification opportunities
18. Develop global efforts that shape solutions in local communities
19. Develop best practice in corporate governance
20. Promote greater awareness and understanding of cerebral palsy and its impact; and
21. Develop a well respected and recognised cerebral palsy brand.

Company performance is regularly measured against the following Key Performance Indicators:

- A range of financial indicators
- Investment returns compared to benchmarks
- Client activity performance including client numbers, client outputs and unit costs

- Staffing measures including the number of staff, full time equivalents, recruitment and retention rate, satisfaction rating
- Occupational Health and Safety measures including the number and type of incidents and lost time injuries
- Fundraising performance and cost of fundraising ratio
- Client Satisfaction measures including compliments and complaints, and satisfaction surveys
- Government income to cover direct cost and contribute appropriately to overheads.

Change of name

At an Extraordinary General Meeting of the Company held on 31 August 2010 the members approved a special resolution to change the name of the Company from The Spastic Centre of New South Wales to **Cerebral Palsy Alliance**. The change will take effect from 8 February 2011.

Operating and Financial Review

The operating surplus of the consolidated entity for the financial year was \$4,239,000 (2008-2009: \$743,000).

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.

Events Subsequent to Balance Date

Subsequent to the year-end, the consolidated entity has received confirmation of a bequest estimated at \$5 million. No amounts have been recognised as revenue in relation to this bequest during the year ended 30 June 2010.

Other than the above and the change of name, 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 to their members.

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 Company has been granted authority to raise funds in NSW under the provisions of the Charitable Fundraising Act 1991.

The Company 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 Company is a deductible gift recipient as defined in the Income Tax Assessment Act. Donations of \$2.00 or more are tax deductible in Australia.

Directors' Benefits

Since the end of the previous financial year, no Director received or became entitled to receive remuneration.

The Board members of the Company provide their time and expertise on an entirely voluntary basis and receive no fees, salaries or benefits for the work that 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 off

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 25 and forms part of the Directors' Report for the financial year ended 30 June 2010.

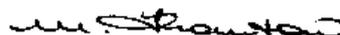
Members

As at 30 June 2010 there were 399 members (2009: 431 members) of the Company.

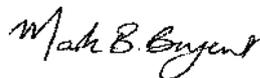
In accordance with the Company's Memorandum and Articles of Association, each member of the Company has a maximum liability of \$20 in the event of the Company being wound up while he/she is a member (or within one year after he/she ceases to be a member) for payment of the debts and liabilities of the Company contracted before he/she ceased to be a member.

There are four categories of members: Members with a Disability; Support Members; Honorary Life Members; Invited Members.

The Directors' Report was authorised for issue by the Directors at Sydney on 15 September 2010.



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 2010 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
15 September 2010

David Sinclair
Partner

THE SPASTIC CENTRE OF NEW SOUTH WALES DIRECTORS' DECLARATION

- 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 28 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 2010 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
15 September 2010

M. B. Bryant OAM
Director
Terrey Hills
15 September 2010

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 2010;
- (b) the Statements of Comprehensive Income gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2010;
- (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 2010; 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
15 September 2010

INDEPENDENT AUDITOR'S REPORT

to the members of The Spastic Centre of New South Wales

We have audited the accompanying financial report of The Spastic Centre of New South Wales for the financial year ended 30 June 2010, which comprises the statements of financial position as at 30 June 2010 and the statements of comprehensive income, statements of changes in equity and statements of cash flows 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 the 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 judgment, including the assessment of the risks of material misstatements 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 evaluations 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

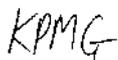
2010 and of their performance for the year ended on that date; and

- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Auditor's opinion pursuant to the Charitable Fundraising (New South Wales) 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 2010;
- b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2009 to 30 June 2010, 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 2009 to 30 June 2010 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
Sydney
15 September 2010



David Sinclair
Partner



STATEMENTS OF FINANCIAL POSITION

The Spastic Centre of New South Wales and its controlled entities Statements of Financial Position as at 30 June 2010

	NOTE	CONSOLIDATED		THE COMPANY	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
ASSETS					
Cash and cash equivalents	8	18,625	18,226	12,199	12,760
Trade and other receivables	9	2,984	3,819	5,900	4,193
Inventories	10	643	419	643	419
TOTAL CURRENT ASSETS		22,252	22,464	18,742	17,372
Other investments	11	16,435	13,385	6,363	6,022
Property, plant and equipment	12	14,280	13,274	14,280	13,274
Intangible assets	13	239	318	239	318
TOTAL NON-CURRENT ASSETS		30,954	26,977	20,882	19,614
TOTAL ASSETS		53,206	49,441	39,624	36,986
LIABILITIES					
Trade and other payables	14	9,853	10,537	14,054	14,330
Employee benefits	15	5,759	5,325	2,095	1,958
TOTAL CURRENT LIABILITIES		15,612	15,862	16,149	16,288
Employee benefits	16	936	771	347	328
TOTAL NON-CURRENT LIABILITIES		936	771	347	328
TOTAL LIABILITIES		16,548	16,633	16,496	16,616
NET ASSETS		36,658	32,808	23,128	20,370
EQUITY					
General funds		37,133	32,894	23,246	20,408
Fair value reserve	17	(475)	(86)	(118)	(38)
TOTAL EQUITY		36,658	32,808	23,128	20,370

THE NOTES ON PAGES 32 to 49 ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

STATEMENTS OF COMPREHENSIVE INCOME

The Spastic Centre of New South Wales and its controlled entities Statements of Comprehensive Income for the year ended 30 June 2010

	NOTE	CONSOLIDATED		THE COMPANY	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Revenue from government funding	5	42,142	40,921	42,142	40,921
Revenue from fundraising and bequests		16,424	16,771	15,018	15,538
Revenue from rendering of services		4,024	3,872	4,005	3,872
Revenue from sale of goods		1,144	624	1,142	624
Accommodation expenses		(15,477)	(15,470)	(15,477)	(15,470)
Individual and family support expenses		(19,314)	(18,440)	(19,314)	(18,440)
Employment services expenses		(5,850)	(5,311)	(5,850)	(5,311)
Community access service expenses		(4,997)	(5,163)	(4,997)	(5,163)
Fundraising expenses		(4,385)	(4,046)	(4,385)	(4,046)
Community education and information		(3,175)	(2,929)	(3,175)	(2,929)
Technical services expenses		(1,641)	(1,543)	(1,641)	(1,543)
Cost of goods sold		(792)	(448)	(792)	(448)
Gross surplus		8,103	8,838	6,676	7,605
Grants received from The Cerebral Palsy Foundation	21	-	-	1,380	808
Insurance claim - fire	30	1,244	1,748	1,244	1,748
Rental income		53	65	53	65
Administration expenses		(8,099)	(7,875)	(7,985)	(7,805)
Donation to The Cerebral Palsy Foundation	7	-	-	-	(678)
Fire expenses	30	(303)	(1,125)	(303)	(1,125)
Results from operating activities		998	1,651	1,065	618
Financial income - interest		855	702	560	590
Financial income - distributions from trusts and dividends		790	1,162	414	536
Gain on sale of property, plant and equipment		311	134	311	134
Realised gain/(loss) on sale of other investments		1,575	(1,469)	756	(659)
Impairment loss on other investments		(284)	(1,431)	(262)	(627)
Financial expenses	7	(6)	(6)	(6)	(6)
Net finance income/(costs)		3,241	(908)	1,773	(32)
Surplus before income tax		4,239	743	2,838	586
Income tax expense	2(n)	-	-	-	-
Surplus for the year after income tax		4,239	743	2,838	586
Other comprehensive income					
Net change in fair value of other investments		(389)	534	(80)	200
Other comprehensive income net of income tax		(389)	534	(80)	200
Total comprehensive income for the year		3,850	1,277	2,758	786

THE NOTES ON PAGES 32 to 49 ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

STATEMENTS OF CHANGES IN EQUITY

The Spastic Centre of New South Wales and its controlled entities Statements of changes in Equity for the year ended 30 June 2010

	CONSOLIDATED			THE COMPANY		
	General Funds \$'000	Fair Value Reserve \$'000	Total Equity \$'000	General Funds \$'000	Fair Value Reserve \$'000	Total Equity \$'000
Balance at 1 July 2008	32,151	(620)	31,531	19,822	(238)	19,584
Total comprehensive income for the year						
Operating surplus for the year	743	-	743	586	-	586
Other comprehensive income:						
Net change in fair value of other investments	-	534	534	-	200	200
Total other comprehensive income	-	534	534	-	200	200
Total comprehensive income for the year	743	534	1,277	586	200	786
Balance at 30 June 2009	32,894	(86)	32,808	20,408	(38)	20,370
Balance at 1 July 2009	32,894	(86)	32,808	20,408	(38)	20,370
Total comprehensive income for the year						
Operating surplus for the year	4,239	-	4,239	2,838	-	2,838
Other comprehensive income:						
Net change in fair value of other investments	-	(389)	(389)	-	(80)	(80)
Total other comprehensive income	-	(389)	(389)	-	(80)	(80)
Total comprehensive income for the year	4,239	(389)	3,850	2,838	(80)	2,758
Balance at 30 June 2010	37,133	(475)	36,658	23,246	(118)	23,128

THE NOTES ON PAGES 32 to 49 ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

STATEMENTS OF CASH FLOW

The Spastic Centre of New South Wales and its controlled entities Statements of Cash Flows for the year ended 30 June 2010

	NOTE	CONSOLIDATED		THE COMPANY	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts in the course of operations		71,551	70,503	69,298	68,663
Cash payments to suppliers and employees		(68,453)	(63,601)	(68,710)	(66,824)
Net cash from operating activities	26	3,098	6,902	588	1,839
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received		855	702	560	590
Distributions from trusts and dividends		790	1,162	414	536
Acquisition of property, plant and equipment	12	(3,565)	(4,127)	(3,565)	(4,127)
Acquisition of intangible assets	13	(8)	(156)	(8)	(156)
Net purchase of other investments		(2,148)	(442)	73	-
Proceeds from sale of property, plant and equipment		1,383	1,264	1,383	1,264
Net cash used in investing activities		(2,693)	(1,597)	(1,143)	(1,893)
CASH FLOWS FROM FINANCING ACTIVITIES					
Financing costs		(6)	(6)	(6)	(6)
Net cash used in financing activities		(6)	(6)	(6)	(6)
Net increase/(decrease) in cash and cash equivalents		399	5,299	(561)	(60)
Cash and cash equivalents at the beginning of the financial year		18,226	12,927	12,760	12,820
Cash and cash equivalents at the end of the financial year	8	18,625	18,226	12,199	12,760

THE NOTES ON PAGES 32 to 49 ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

FINANCIAL NOTES

The Spastic Centre of New South Wales and its controlled entities Notes to and forming part of the Financial Statements for the year ended 30 June 2010

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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 as at and for the year ended 30 June 2010 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 15 September 2010.

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 Statements of Comprehensive Income are not appropriate. The word 'Surplus' has been substituted for the terms "Profit" in the prescribed format of the Statements of Comprehensive Income.

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 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 in conformity with AASBs 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.

Financial Notes (continued)

1. BASIS OF PREPARATION (continued)

d) Use of estimates and judgements (continued)

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 note 25 - financial instruments.

e) Change in accounting policy

Starting as of 1 July 2009, the consolidated entity has changed its accounting policy in relation to the presentation of financial statements. Refer to note 2(m).

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

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2010, but have not been applied in preparing this financial report.

- AASB 9 *Financial Instruments* includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 *Financial Instruments*. AASB 9 will become mandatory for the consolidated entity's 30 June 2014 financial statements. Retrospective application is generally required although there are exceptions, particularly if the standard is adopted for the year ending 30 June 2012 or earlier. The consolidated entity has not yet determined the potential impact of the standard.
- AASB 2009-5 *Further amendments to Australian Accounting Standards* arising from the Annual Improvements Process affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the consolidated entity's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.

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) Financial instruments

Non-derivative financial assets

The consolidated entity initially recognises loans and receivables on the date that they originated. All other financial assets are recognised initially on the trade date at which the consolidated entity becomes party to the contractual provision of the instrument.

The consolidated entity derecognises a financial asset when

the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when and only when, the consolidated entity has a legal right to offset the amounts and intends either to settle on a net basis to realise the asset and settle the liability.

The consolidated entity has the following non-derivative financial assets: loans and receivables and available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transactions costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost less any impairment losses.

Loans and receivables comprise trade and other receivables. Cash and cash equivalents comprise cash balances and call deposits which are available on call. 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.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and are not classified in any of the other categories of financial assets as defined under AASB 139 *Financial Instruments: Recognition and Measurement*. The consolidated entity's investments in equity and other 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 in other comprehensive income and presented within equity in the fair value reserve.

When an investment is derecognised, the cumulative gain or loss in equity is transferred to surplus or deficit.

Non-derivative financial liabilities

The consolidated entity initially recognises financial liabilities on the date at which it becomes a party to the contractual provisions of the instrument. The consolidated entity derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the consolidated entity has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The consolidated entity has the following non-derivative financial liabilities: trade and other payables. These financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

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 inventories to their existing location and condition.

Financial Notes (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Property, plant and equipment

Recognition and measurement

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.

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 and are recognised net within other income in surplus or deficit.

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 surplus or deficit 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.

Depreciation is calculated on the depreciable amount, which is the cost of the asset, or other amount substituted for cost, less its residual value.

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:

	2010	2009
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 that have finite useful lives 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 surplus or deficit as incurred.

Amortisation

Amortisation is calculated over the cost of the asset, or another amount substituted for cost, less its residual value. Amortisation is recognised in surplus or deficit 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.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

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 surplus or deficit 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

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.

Government grants which are reciprocal in nature (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.

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.

Financial Notes (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Revenue and Income (continued)

Rendering of services

Revenue from rendering of services is recognised in proportion to the stage of completion of the transaction at reporting date. The stage of completion is assessed by reference to work performed.

Sale of goods

Revenue from the sale of goods in the ordinary course of activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts or volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the 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 with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Financial income

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income and gains on disposal of financial assets. Interest income is recognised as it accrues in surplus or deficit, using the effective interest method.

Dividend income is recognised on the date that the consolidated entity's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Rental income

Rental income is recognised in surplus or deficit on a straight line basis over the terms 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 statement of financial position.

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 is recoverable from, or payable to the ATO is classified as operating cash flows.

k) Impairment

Financial assets (including receivables)

Financial assets are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of the asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by debtors or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The consolidated entity considers evidence of impairment for receivables at both a

specific asset and collective level.

In assessing collective impairment the consolidated entity uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgements as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

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. Losses are recognised in surplus or deficit and reflected in an allowance account against receivables.

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income, and presented in the fair value reserve in equity, to surplus or deficit. The cumulative loss that is removed from other comprehensive income and recognised in surplus or deficit is the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in surplus or deficit.

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 surplus or deficit. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

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, the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of its value in use and its fair value less costs to sell. As the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of the asset. Depreciated replacement cost is defined as the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

Impairment losses are recognised in surplus or deficit.

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 Notes (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Expenses (continued)

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) Presentation of financial statements

The consolidated entity applies revised AASB 101 *Presentation of Financial Statements (2007)* from 1 July 2009. As a result all owner changes in equity are presented in the statement of changes in equity, whereas all non-owner changes in equity are presented in the statements of comprehensive income.

Comparative information has been re-presented so that it also is in conformity with the revised standard. This change in accounting policy only impacts presentation aspects.

n) 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 closing bid price or net asset value 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.

Risk management framework

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, cash and cash equivalents and investments. 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 Company 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.

The consolidated entity limits its exposure to credit risk in relation to investments by investing with counterparties which have a high credit rating. The consolidated entity limits its exposure to credit risk in relation to cash and cash equivalents by investing in independently credit rated Australian authorised financial institutions' call and term deposits.

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 as they fall due. 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. Neither the Company nor the consolidated entity is 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. The consolidated entity uses fund managers and has strict investment allocation and investment strategy policies to ensure diversification of portfolio. Reports prepared by the fund managers are regularly reviewed by the Finance and Audit Committee.

Equity price risk

The primary goal of the consolidated entity's investment strategy is to maximise investment returns. Management is assisted by external advisors in this regard.

Financial Notes (continued)

	CONSOLIDATED		THE COMPANY	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
5. GOVERNMENT FUNDING				
The following government support is included under Government funding:				
Commonwealth Government				
Department of Family, Housing and Community Services and Indigenous Affairs	2,383	2,808	2,383	2,808
Department of Education, Employment and Workplace Relations	2,073	2,011	2,073	2,011
	4,456	4,819	4,456	4,819
NSW Government				
NSW Department of Human Services, Ageing, Disability and Home Care	36,611	34,991	36,611	34,991
Health Department	667	729	667	729
Department of Education and Training	408	382	408	382
	37,686	36,102	37,686	36,102
Total government funding	42,142	40,921	42,142	40,921

6. REMUNERATION OF AUDITORS

Audit services:				
Auditors of the Company - KPMG Australia				
Audit of the financial report	111,300	102,200	99,200	92,400
Other regulatory audit services	14,100	15,900	14,100	15,900
	125,400	118,100	113,300	108,300
Other services:				
Auditors of the Company - KPMG Australia				
Other assurance services	8,100	20,000	8,100	20,000

7. EXPENSES

Expenses include the following items:				
Depreciation of property, plant and equipment	1,487	1,346	1,487	1,346
Reversal of impairment loss - trade and other receivables	(17)	(18)	(17)	(18)
Employee benefits expense (includes payments to defined contribution superannuation funds of \$3,249,000 (2009: \$2,930,000))	6,582	6,187	6,582	6,187
Rental expense on operating leases	1,677	1,635	1,677	1,635
Financial expenses - interest and fee expense	6	6	6	6
Donation to The Cerebral Palsy Foundation	-	-	-	678

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

Financial Notes (continued)

	CONSOLIDATED		THE COMPANY	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
8. CASH AND CASH EQUIVALENTS				
Cash at bank and in hand	3,256	2,522	2,659	2,329
Short-term bank deposits	15,369	15,704	9,540	10,431
Total cash and cash equivalents	18,625	18,226	12,199	12,760
9. TRADE AND OTHER RECEIVABLES				
Current				
Trade receivables	2,186	2,378	2,186	2,345
Other receivables	231	975	146	856
Prepaid insurance	505	466	505	466
Accrued income	62	-	22	-
Receivables from wholly-owned subsidiaries	-	-	3,041	526
Total trade and other receivables	2,984	3,819	5,900	4,193
Trade receivables are shown net of impairment losses of \$18,000 (2009: \$35,000).				
Other receivables in the Company include franking credits recoverable from the ATO amounting to \$74,000 (2009: \$100,000).				
10. INVENTORIES				
Non-manufacturing stores	643	419	643	419
11. OTHER INVESTMENTS				
Available-for-sale financial assets	16,435	13,385	6,363	6,022

Sensitivity analysis - equity price risk

At the reporting date, there is a significant concentration of market 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 \$164,000 (2009: \$134,000).

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						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Freehold Land	Buildings	Improvements to Crown Land	Plant and Equipment	Motor Vehicles	Capital Works in Progress	Total
12. PROPERTY, PLANT AND EQUIPMENT							
Cost							
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
At 1 July 2009	3,401	7,632	1,259	1,379	4,167	585	18,423
Acquisitions	517	211	460	198	1,869	310	3,565
Disposals	-	-	-	-	(1,910)	-	(1,910)
At 30 June 2010	3,918	7,843	1,719	1,577	4,126	895	20,078
Depreciation and impairment losses							
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
At 1 July 2009	-	2,697	1,108	326	1,018	-	5,149
Depreciation charge for the year	-	305	50	303	829	-	1,487
Disposals	-	-	-	-	(838)	-	(838)
At 30 June 2010	-	3,002	1,158	629	1,009	-	5,798
Carrying amounts							
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
At 1 July 2009	3,401	4,935	151	1,053	3,149	585	13,274
At 30 June 2010	3,918	4,841	561	948	3,117	895	14,280

	CONSOLIDATED		THE COMPANY	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
13. INTANGIBLE ASSETS				
Computer Software				
Cost				
At 1 July	471	315	471	315
Acquisitions	8	156	8	156
At 30 June	479	471	479	471
Accumulated amortisation				
At 1 July	153	-	153	-
Amortisation charge for the year	87	153	87	153
At 30 June	240	153	240	153
Carrying amount				
At 1 July	318	315	318	315
At 30 June	239	318	239	318

14. TRADE AND OTHER PAYABLES

Current				
Trade payables	319	1,859	319	1,859
Government funding received in advance	6,750	6,314	6,750	6,314
Other creditors and accruals	2,096	1,485	1,752	1,400
Deferred revenue	688	879	688	879
Payables to wholly-owned subsidiaries	-	-	4,545	3,878
Total trade and other payables	9,853	10,537	14,054	14,330

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

15. EMPLOYEE BENEFITS - CURRENT

Salaries and wages accrued	1,235	1,027	349	293
Liability for long service leave	2,118	1,860	937	869
Liability for annual leave	2,406	2,438	809	796
Total employee benefits – current	5,759	5,325	2,095	1,958

16. EMPLOYEE BENEFITS - NON-CURRENT

Liability for long service leave	936	771	347	328
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17. FAIR VALUE 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 surplus or deficit.

18. FINANCING FACILITIES

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

	CONSOLIDATED		THE COMPANY	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Bank overdraft	500	500	500	500

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

19. OPERATING LEASES

Future operating lease commitments not provided for in the financial statements and payable:

	CONSOLIDATED		THE COMPANY	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
- not later than one year	1,999	1,407	1,999	1,407
- later than one year but not later than five years	2,188	1,794	2,188	1,794
- later than five years	16	16	16	16
Total operating leases	4,203	3,217	4,203	3,217

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)
Land	50 Years	Yes	None
Motor Vehicles	36 Months	Yes	None
IT Equipment	36 - 60 Months	Yes	None

20. CONTINGENT LIABILITIES

The Directors are of the opinion that provisions are not required in respect of the following contingent liabilities as the probability of an outflow of resources is remote or the amount is not capable of reliable measurement.

Bank guarantees

As at 30 June 2010, bank guarantees amounting to \$101,000 (2009: \$101,000) were in place (for both the consolidated entity and the Company) in connection with certain properties on operating lease. As at 30 June 2010, the bank guarantee facility of the consolidated entity and the Company has a maximum limit of \$200,000 (2009: \$200,000) of which \$99,000 (2009: \$99,000) was unused as at the reporting date.

Contingencies - litigation

From time to time, the consolidated entity is or may be a party to, or may be otherwise responsible for pending or threatened litigations and claims. Based on the information available as at the date of this report, the financial impact of meeting the present obligations relating to these litigations and claims for which an outflow is probable and can be measured reliably has been adequately provided for.

Deed of Cross Guarantee

Under the terms of the deed of cross guarantee entered into in accordance with ASIC Class Order (98/1418) the Company has undertaken to meet any shortfall which might arise on the winding up of the controlled entities which are party to the deed (refer note 28). As at the date of this report the controlled entities are not in liquidation nor is there any indication that the controlled entities will be wound up.

21. RELATED PARTY INFORMATION

Transactions with related parties

The Company provides administration services for the controlled entities, for which it is not reimbursed.

During the financial year, the Company received grants of \$1,380,000 (2009: \$808,000) from The Cerebral Palsy Foundation, a wholly-owned entity controlled by the Company, to contribute to the funding of marketing and public awareness, Cerebral Palsy Institute research and Cerebral Palsy Institute scholarships.

In the current financial year, the Company donated \$nil (2009: \$678,000) 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	
	2010 \$	2009 \$
Balances with entities within the wholly owned group		
The aggregate amounts receivable from or payable to wholly-owned controlled entities by the Company at balance date are:		
Receivables	3,040,731	526,423
Payables	4,544,739	3,878,489

Directors' compensation

The directors act in an honorary capacity and received no compensation for their services as directors. One director received compensation of \$nil (2009: \$6,535) in his capacity as an employee.

	CONSOLIDATED		THE COMPANY	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Key management personnel compensation				
The key management personnel compensation is as follows:				
Short-term benefits	1,342,020	1,279,268	1,342,020	1,279,268
Long-term benefits	32,930	16,776	32,930	16,776
	1,374,950	1,296,044	1,374,950	1,296,044

Payments to defined contribution superannuation funds in respect of key management personnel amounted to \$106,000 (2009 \$100,000). 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 wound up while he/she is a member (or within one year after he/she ceases to be a member) for payment of the debts and liabilities of the Company contracted before he/she ceased to be a member. As at 30 June 2010 there were 399 members (2009: 431).

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.

An Extraordinary General Meeting of the Company held on 31 August 2010 resolved to change the name of the Company from The Spastic Centre of New South Wales to Cerebral Palsy Alliance. The change will take effect from 8 February 2011.

Corporations Amendment (Corporate Reporting Reform) Act 2010 ("the Amendment Act") received the Royal Assent on 28 June 2010 and applies to the year ended 30 June 2010. Under the Amendment Act, separate financial statements of the Company are not required to be presented for the year ended 30 June 2010. However, as allowed under ASIC Class Order (CO10/654), the directors have elected to present the separate financial statements for the Company for the year ended 30 June 2010.

	CONSOLIDATED INTEREST HELD	
	2010 %	2009 %
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 Deed of 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 Deed of Cross Guarantee		
The Cerebral Palsy Foundation Pty Ltd	100	100

The Cerebral Palsy Foundation Pty Ltd acts as the trustee for The Cerebral Palsy Foundation. Refer to note 28 for details of the Deed of Cross Guarantee.

25. FINANCIAL INSTRUMENTS

Exposure to credit, impairment losses, liquidity risks and interest rate risks arises in the normal course of the Company's 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 (2009: 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	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Cash and cash equivalents	8	18,625	18,226	12,199	12,760
Trade and other receivables	9	2,984	3,819	5,900	4,193
Other investments	11	16,435	13,385	6,363	6,022
		38,044	35,430	24,462	22,975

	CONSOLIDATED			
	Gross 2010 \$'000	Impairment 2010 \$'000	Gross 2009 \$'000	Impairment 2009 \$'000
The ageing of the consolidated entities and the company's trade receivables at the reporting date was:				
Not past due	1,993	-	1,870	-
Past due 1-60 days	110	-	295	-
Past due more than 60 days	101	18	248	35
	2,204	18	2,413	35

	THE COMPANY			
	Gross 2010 \$'000	Impairment 2010 \$'000	Gross 2009 \$'000	Impairment 2009 \$'000
Not past due	1,993	-	1,837	-
Past due 1-60 days	110	-	295	-
Past due more than 60 days	101	18	248	35
	2,204	18	2,380	35

	CONSOLIDATED		THE COMPANY	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
The movement in the allowance for impairment in respect of trade receivables during the year was as follows:				
Balance at 1 July	35	53	35	53
Impairment loss reversed	(17)	(18)	(17)	(18)
Balance at 30 June	18	35	18	35

Based on historic default rates, the directors believe that no impairment allowance is necessary in respect of receivables not past due and receivable past due 1-60 days.

25. FINANCIAL INSTRUMENTS (continued)

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 2010 and 2009. They were all due to mature within six months.

Interest rate risk

At the reporting date, cash and cash equivalents of \$18,625,000 (2009:\$18,226,000) in the consolidated entity and \$12,199,000 (2009: \$12,760,000) 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 3.66% (2009: 4.69%). 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 \$234,000 (2009: \$149,000) and \$153,000 (2009: \$126,000) in the consolidated entity and the Company respectively. A decrease of one percent would have decreased the operating surplus by the same amount.

Fair values of financial assets and liabilities

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

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. prices) or identified (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	CONSOLIDATED			
	\$'000 Level 1	\$'000 Level 2	\$'000 Level 3	\$'000 Total
30 June 2010				
Available-for-sale financial assets	10,285	6,150	-	16,435
30 June 2009				
Available-for-sale financial assets	13,385	-	-	13,385
	COMPANY			
	\$'000 Level 1	\$'000 Level 2	\$'000 Level 3	\$'000 Total
30 June 2010				
Available-for-sale financial assets	5,218	1,145	-	6,363
30 June 2009				
Available-for-sale financial assets	6,022	-	-	6,022

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 statements of cash flows is the same as shown on the statements of financial position.

	NOTE	CONSOLIDATED		THE COMPANY	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Reconciliation of operating surplus from ordinary activities to net cash from operating activities:					
Operating surplus		4,239	743	2,838	586
<i>Add/(less) items classified as investing/ financing activities:</i>					
Realised gain/(loss) on sale of other investments		(1,575)	1,469	(756)	659
Gain on sale of property, plant and equipment		(311)	(134)	(311)	(134)
Interest received		(855)	(702)	(560)	(590)
Distributions from trusts and dividends		(790)	(1,162)	(414)	(536)
Interest and fee expense		6	6	6	6
<i>Add non-cash items:</i>					
Depreciation	7, 12	1,487	1,346	1,487	1,346
Amortisation - software	13	87	153	87	153
Impairment gain/(loss) on other investments		284	1,431	262	627
<i>Change in assets and liabilities:</i>					
Trade and other receivables	9	835	(644)	(1,707)	(638)
Inventories	10	(224)	(7)	(224)	(7)
Trade payables	14	(1,540)	(358)	(1,540)	(358)
Government funding received in advance	14	436	4,343	436	4,343
Other creditors and accruals	14	611	(72)	352	(68)
Deferred revenue	14	(191)	(286)	(191)	(286)
Payables to wholly-owned subsidiaries	14	-	-	667	(3,393)
Employee benefits	15,16	599	776	156	129
Net cash from operating activities		3,098	6,902	588	1,839

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	
	2010 \$'000	2009 \$'000
Results of fundraising appeals		
a) Gross proceeds from fundraising appeals	16,424	16,771
Less: Direct costs of fundraising appeals	4,385	4,046
Net surplus obtained from fundraising appeals	12,039	12,725
b) Application of net surplus obtained from fundraising appeals		
Distributions (expenditure on direct services)	47,089	50,406
Administration expenses	8,099	7,875
Community education and information	3,175	2,929
Operating surplus	4,239	743
	62,602	61,953
c) The difference of \$50,563,000 (2009: \$49,228,000) between the \$12,039,000 net surplus (2009: \$12,725,000) available from fundraising appeals conducted and total direct expenditure of \$62,602,000 (2008: \$61,953,000) was provided from the following sources.		
Government grants and subsidies	42,142	40,921
Rendering of services	4,024	3,872
Sale of goods	1,144	624
Interest received or receivable	855	702
Insurance claim received : fire	1,244	1,748
Distributions from trusts and dividends	790	1,162
Rental income	53	65
Gain on sale of property, plant and equipment	311	134
	50,563	49,228

	2010 \$'000	2010 %	2009 \$'000	2009 %
Total cost of fundraising/ Gross revenue from fundraising	4,385/ 16,424		4,046/ 16,771	
		27		24
Net surplus from fundraising/ Gross revenue from fundraising	12,039/ 16,424		12,725/ 16,771	
		73		76
Total cost of services/ Total direct expenditure	47,089/ 58,363		50,406/ 61,210	
		81		82
Total cost of services/ Total income received	47,089/ 66,987		50,406/ 65,999	
		70		76

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.

The companies listed below are subject to the Deed:	United Cerebral Palsy Australia
The Spastic Centre of New South Wales-Accommodation South	The Australian Cerebral Palsy Register
The Spastic Centre of New South Wales-Accommodation North	The Australian CP Register
The Spastic Centre of New South Wales-Accommodation Hunter	The CP Foundation
The Spastic Centre of New South Wales-Therapy Services	International CP Foundation
The Spastic Centre of New South Wales-Community Access Service	CP Research Foundation
The Spastic Centre of New South Wales-Venee Burges House	
The Cerebral Palsy Institute	
The CP Institute	

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.

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 2010 are set out below.

	2010 \$'000	2009 \$'000
(i) Statement of comprehensive income and retained earnings		
Revenue from government funding	42,142	40,921
Revenue from fundraising and bequests	15,018	15,538
Revenue from rendering of services	4,005	3,872
Revenue from sale of goods	1,142	624
Other income	2,677	2,621
Financial expenses	(6)	(6)
Other income and expenses	(62,140)	(62,984)
Operating surplus	2,838	586
Other comprehensive income		
Net change in fair value of other investments	(80)	200
Total comprehensive income	2,758	786
General funds at beginning of the year	20,408	19,822
General funds at end of the year	23,246	20,408
(ii) Statement of financial position		
CURRENT ASSETS		
Cash and cash equivalents	12,207	12,779
Trade and other receivables	5,900	4,192
Inventories	643	419
TOTAL CURRENT ASSETS	18,750	17,390
NON-CURRENT ASSETS		
Other financial assets	6,363	6,022
Property, plant and equipment	14,280	13,274
Intangible assets	239	318
TOTAL NON-CURRENT ASSETS	20,882	19,614
TOTAL ASSETS	39,632	37,004

28. DEED OF CROSS GUARANTEE (continued)

(ii) Statement of financial position (continued)	2010 \$'000	2009 \$'000
CURRENT LIABILITIES		
Trade and other payables	9,809	10,537
Employee benefits	5,759	5,326
TOTAL CURRENT LIABILITIES	15,568	15,863
NON-CURRENT LIABILITIES		
Employee benefits	936	771
TOTAL NON-CURRENT LIABILITIES	936	771
TOTAL LIABILITIES	16,504	16,634
NET ASSETS	23,128	20,370
EQUITY		
General funds	23,246	20,408
Fair value reserve	(118)	(38)
TOTAL EQUITY	23,128	20,370

29. EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to year end the consolidated entity has received confirmation of a bequest estimated at \$5 million. No amounts have been recognised as revenue in relation to this bequest during the year ended 30 June 2010.

An Extraordinary General Meeting of the Company held on 31 August 2010 resolved to change the name of the Company from The Spastic Centre of New South Wales to Cerebral Palsy Alliance. The change will take effect from 8 February 2011.

Other than the above, 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 Company, 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. The construction of the new building is expected to start in December 2010 and to be completed by December 2011 at an estimated cost of \$13.7 million.

As the insurance claim is yet to be finalised, only confirmed amounts receivable from the insurers have been brought to account. The Company expects to finalise the claim during the year ending 30 June 2011. The Company is advised that it is entitled to approximately \$8 million in addition to amounts already brought to account. This amount is the subject of negotiations and has not been confirmed by the insurers.

The difference between the cost of the building and the insurance proceeds arises because the new building will house considerably more extensive client operations than the former head office. The difference will be met by fundraising.

	2010 \$'000	2009 \$'000
The following amounts have been recognised in the surplus or deficit:		
Income		
Insurance claim received	1,244	992
Insurance claim receivable	-	756
Total insurance claim	1,244	1,748
Expenses		
Fire expenses (buildings, contents, debris removal, site security etc.)	303	1,125
Total fire expenses	303	1,125

31. CAPITAL AND OTHER EXPENDITURE COMMITMENTS

There were no material capital and other expenditure commitments at the reporting date (2009: \$nil) which had been contracted for as at that date but not recognised as liabilities.



The Spastic Centre of New South Wales, 321 Mona Vale Rd Terrey Hills NSW 2084 | PO Box 184 Brookvale NSW 2100
T 02 9479 7200 | F 02 9479 7293 | E contact@tscnsw.org.au | W www.TheSpasticCentre.com.au

CP Helpline T 1300 30 29 20 | E cphelpline@tscnsw.org.au