



ANNUAL REPORT

2004 – 2005

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introduction

This Report conveys information about the activities of the Company, with particular reference to:

- Administration
- Financial position
- Research outreach
- Trends in the development of the Company.

This Report covers the year from 1st July 2004 to 30th June 2005.

the company

SPINALCURE AUSTRALIA, founded in 1994, is a Company Limited by Guarantee and Incorporated pursuant to the provisions of the Corporations Law.

The primary aim of Company is to end the permanence of paralysis caused by spinal cord injury, and to achieve this through:

- Promoting and funding research;
- Fostering co-operation between all disciplines engaged in central nervous system research, regeneration and direct relief;
- Monitoring progress of all research projects funded by or through the Company;
- Co-operation with international efforts in the field;
- Dissemination of information about developments in research.

The Australian Taxation Office has advised us that we have been endorsed as an income tax exempt charitable entity under Subdivision 50-B of the Income Tax Assessment Act 1997. We have also received advice from the Australian Taxation Office that we are endorsed as a deductible gift recipient under Subdivision 30-BA of the Income Tax Assessment Act 1997. In both cases the date of effect of the endorsement is 1st July 2000.



the board

A Board of Directors governs SPINALCURE AUSTRALIA. The Directors have overall responsibility for corporate governance and oversight of the company's research and funding objectives. This is achieved in accordance with the Constitution and relevant legislation, so as to provide optimum outcomes in the search for a cure for paralysis caused by spinal cord injury.

The Board comprises eleven non-executive directors and, at 30 June 2005 the Directors are:

Mr Gary F. Allsop

Professor Perry F. Bartlett
FAA

Mr A. David Cooper

Mr Perry R. Cross

Mr Frederick P.C. Kaad
OBE
Deputy Chairman

Ms Joanna M. Knott
MBA, BA (Hons)

Mr William A. Gibson
B.COM, FASCPA
Chairman

Mr David Prast

Mr Robert Turner

Associate Professor

John D. Yeo
AO, MB, MS, DPRM, FRACS,
FACRM, FAFRM

Mr Stewart Yesner

AM, BA (HONS) LAW
Founder

During the year under review, State Committees were operating in New South Wales, Queensland, Victoria and Western Australia. These Committees provide a focal point for the development of the Company, and fundraising activities at a State and local level.

scientific committee

The Scientific Committee performs a pivotal role in the peer-review and critical assessment of all research funding applications received by the Company. In addition, the Committee has the responsibility to monitor and obtain progress reports from all research institutes that subsequently receive funding by or through the auspices of the Company. The Committee, under the joint chairmanship of Associate Professor John Yeo and Professor Perry Bartlett, is charged with making recommendations to the Board with regard to funding of research. At 30th June 2005 the Committee comprised the following persons:

New South Wales

Assoc Prof John D. Yeo

AO MB MS DPRM FRACS FACRM FAFRM
North Shore Medical Centre.

Dr Sue Rutkowski MBBS

Director, North Shore Spinal Unit.

Dr Stella Engel MBBS DPRM FAFRM

Associate Director, Prince Henry Spinal Unit.

Queensland

Professor Perry F. Bartlett FAA

Federation Fellow
Foundation Chair of Molecular Neuroscience
University of Queensland.

South Australia

Dr Ida Llewellyn-Smith AB PHD

Principal Research Fellow,
Flinders University.
Dept of Medicine, Flinders
Medical Centre.

Dr Ruth Marshall

MBBS DPRM FACRM FAFRM (RACP)
Director, Orthopaedic, Amputee
& Spinal Injuries, Hampstead
Rehabilitation Centre.

Western Australia

Dr Byron Kakulas

AO MD(HONS) FRACP FROPATH FRCPA
Professor of Neuropathology,
Royal Perth Hospital.

Professor Alan Harvey MA PHD

School of Anatomy & Human
Biology, and Red's Spinal Cord
Research Laboratory, CTEC
The University of Western
Australia.

Professor Lyn Beazley MA PHD

Principal Research Fellow
NH&MRC, Chairman Medical &
Scientific Committee, ABF (WA)
Department of Zoology,
University of Western Australia.

Dr John Ker

MB BCH (HONS) FRCS FACRM FAFRM
Director, Sir George Bedbrook
Spinal Unit.

United Kingdom

Professor James W. Fawcett

FRCP, PHD, MRCP, MB, BA
Cambridge University Centre for
Brain Repair

Switzerland

Professor Mellita Schachner PHD

Inst. Fur Biosynthese Neuraler
Strukturen Zentrum F.
Molekulare Neurobiologie.

United States of America

Professor Fred Gage PHD

Dept of Neurosciences,
University of California, La Jolla.
Chairman, Scientific Committee,
Christopher Reeve Foundation.

Professor Dennis D. O'Leary PHD

Molecular Neurobiology
Laboratory, The Salk
Institute, California.

2004/2005

chairman's report

The reports covering research, fundraising and finance that follow reflect achievements which many charitable organisations would be pleased to claim. There is however one feature of SPINALCURE AUSTRALIA (SCA) which sets it apart from others in the field – except for our part-time office manager – all of the work is undertaken by volunteers.

People working for the cause without payment vary from those on our Board of Directors to special event organisers, website designers and hosts, field representatives and many others and we give thanks to them all.

I would like to make special mention of four of those who have provided the lead for that wonderful group of people:

1) Bob Turner

- Bob has continued to provide unstinting service to SCA in his role as Chief Executive Officer. Without his enthusiasm and expertise SCA would be much the poorer.

2) Joanna Knott

- Our representative on the Coalition for the Advancement of Medical Research Australia (CAMRA).
- Serves on the NSW Government's Spinal Cord Injury and Other Neurological Conditions Grants Assessment Committee.
- Provides marketing and fundraising services.

3) David Prast

- Our representative on the International Campaign for Cures of spinal cord injury Paralysis (ICCP). David has met his own travel and accommodation costs, and those of his carer, when attending a number of overseas conferences.
- Key instigator of the Western Australian Neurotrauma Research Program.

4) Gary Allsop

- Key campaigner for the Victorian State Government to fund \$63 million to spinal cord injury research and rehabilitation.
- Leading fundraiser for SPINALCURE AUSTRALIA.

RESEARCH GRANTS 2004/2005

Projects Directly Funded by SPINALCURE AUSTRALIA

Funds totally \$307,200 were provided for Australian spinal cord research. The main institutes and researchers were:

1 University of Melbourne

Dr Yona Goldshmit was awarded a Senior Research Fellowship valued at \$100,000 p.a. for a three year term. Her research involves pioneering work on the role of the molecule EphA4 the primary cause of the failure of the damaged axons to regrow in the spinal cord.

2 University of Western Australia

Dr Giles Plant was granted \$60,000 for his laboratory where his work on Lentiviral vector mediated delivery of neurotrophins

by olfactory ensheathing glia to repair the contused rat spinal cord is carried out. The laboratory known as Red's Laboratory is the beneficiary of generous financial support from Eileen Bond, her family and friends.

3 Queensland Brain Institute

Dr Natalie Bull received the second annual payment of \$40,000 part of the post-doctoral fellowship awarded to her in 2003/2004. Her work involves the isolation and characterization of adult human neural stem cells.

4 Prince of Wales Medical Research Institute

Dr Yaschodhinie Wanigasekara-Mohotti received the second annual payment of \$40,000 part of her post-doctoral fellowship awarded in 2003/2004.

Dr Wanigasekara-Mohotti is investigating the mechanisms of aberrant sensory afferent neuron sprouting causing autonomic nervous system dysfunction after spinal cord injury. The laboratory, under the direction of principal researchers Prof. Janet Keast, was relocated mid-year to the North Sydney Campus of The University of Sydney.

5 Woodside Energy Ltd

Woodside Energy Ltd again provided \$23,000 for neural research. Three outstanding researchers at the University of Western Australia received the Woodside Neurotrauma Excellence Awards of \$10,000. They were:

- a) **Dr Michelle Byrnes,
Psychology UWA and the
Centre for Neuromuscular
and Neurological Disorders
(\$4,000)**

“The role of brain plasticity in recovery from aphasia and stuttering and the influence of speech therapy”

b) Ying Hu, School of Anatomy & Human Biology, UWA (\$3,000)

“Lenti-viral-mediated transfer of CNTF to Schwann cells within reconstructed peripheral nerve grafts enhances adult retinal ganglion cell survival and axonal regeneration”

c) Kevin Park, School of Anatomy & Human Biology, UWA (\$3,000)

“Cellular mechanisms associated with spontaneous and ciliary neurotrophic factor/cAMP-induced survival and axonal regeneration of adult retinal ganglion cells”

To acknowledge Simone Leaver, School of Anatomy & Human Biology, UWA project and application (\$500)

“Regeneration of injured retinal ganglion cells in vivo and in vitro”

Five Research Vacation Scholarships of \$2,500 were also awarded. The recipients were:

a) Grant Ferguson School of Animal Biology Supervisors: Dr Carolyn King, Prof Lyn Beazley

Research interest: The mechanism of a potentially therapeutic molecule that appears to keep nerve cells alive when they would otherwise die following trauma and stimulate neuro-regeneration of damaged tissue in the brain.

Achievements: Developed the necessary techniques for studying the action of this molecule in a peripheral nerve model; investigated means of analysing and quantifying the neural regeneration anticipated with this molecule.

b) Waleed Farid - School of Animal Biology Supervisors: Dr Carolyn King, Professor Sarah Dunlop

Research interest: The effects of naltrexone (a treatment for opioid addiction) on the development of the fetal brain. In young pregnant women treated with naltrexone, it is possible that the brains of the unborn babies could be adversely affected by this treatment.

Achievements: Analysed rat brains and prepared them for measuring protein localisation and expression; gained understanding of the opioid system and developed skills to measure developmental neural alterations resulting from a maternally administered substance.

c) Sophie Callander - School of Anatomy & Human Biology Supervisors: Dr Giles Plant, Dr Marc Ruitenberg

Research interest: The biology of olfactory ensheathing glia (OEG) cells and the potential for transplanting these cells to the injured spinal cord to stimulate regeneration.

Achievements: Established a method to prepare a tissue culture of OEG cells taken from the nasal cavity mucosal tissue; developed a protocol to ensure the tissue culture is unaffected by infection; obtained the skills needed to compare cell phenotypes to OEG cells taken from the olfactory bulb (within the brain).

d) Robin Cash - School of Anatomy & Human Biology Supervisor: Dr Giles Plant

Research interest: The extent to which olfactory ensheathing glia (OEG) cells are effective in causing adult stem cells to differentiate into fully-fledged nerve cells. If OEG cells are capable of this, revolutionary methods of facilitating recovery from spinal cord injury could be developed.

Achievements: Obtained skills in creating co-cultures of OEG and stem cells; learned testing techniques to determine whether stem cells were developing into neuronal cells.

e) Graeme Matich - School of Biochemistry Supervisor: Dr Peter Arthur

Research interest: The damage to nerve cells that occurs with oxygen starvation following stroke and traumatic brain injury. This work involves investigating ways to protect cells from such damage and to prevent the programmed cell death that follows stroke and head injury.

Achievements: Graeme was involved in a project that used a peptide inhibitor of a signalling pathway to achieve 90% protection of cultured neurons against a necrotic insult. The protective mechanism was found to be mediated by the mitochondria. A manuscript on this work is now being written.

Projects funded from State Governments which were the result of SPINALCURE AUSTRALIA'S initiatives

1. Western Australian Neurotrauma Research Program (NRP)

The Road Safety Council has committed another year's funding (\$500,000) to the Neurotrauma Research Program (NRP) for brain and spinal cord research. This is the sixth year that the Council's Road Trauma Trust Fund (its revenue coming from red light and speeding fines) has supported local neuroscience aimed at reducing the impact

of road crashes causing paralysis and other life-long disabilities.

When the NRP Management Committee invited expressions of interest from the neurotrauma research community, a total of eighteen research proposals were submitted. Five international neurotrauma experts assessed this round of applications and were impressed with the very high standard of research. The NRP is able to support ten neurotrauma projects that the independent assessors ranked highest in their scientific review. Unfortunately eight promising projects will not proceed, unless the investigators can obtain alternative sources of funding – always a challenge in this highly competitive field.

The following projects have been funded by the NRP:

a) Dr Mel Ziman, Professor Lyn Beazley, Dr Roger Barker, Dr Meghan Thomas (\$60,000)

Matching the developmental transcription factor profiles of transplanted cells and host injured brain regions is crucial for successful cell transplant therapies.

This collaborative research between scientists in Perth and the Cambridge Centre for Brain Repair (UK) aims to improve cell transplantation to repair neurotrauma. The team recently demonstrated that the transcription factor Pax7, crucial for brain development, is re-expressed in adult brain regions after injury. It will now determine whether recovery is better if transplanted stem and host cells both express Pax7.

b) Dr Giles Plant, Dr Stuart Hodgetts, Associate Professor Paul Simmons, Dr David Haylock, Dr Marc Ruitenber (\$77,000)

Human Stromal Cell Transplants for Spinal Cord Injury

Even partial restoration of damaged fibres in the cord following a spinal cord injury (SCI) could result in major improvements in limb function, increasing the injured person's independence and reducing the reliance on carers. Using transplanted human bone-marrow-stromal-stem-cells (hBMSCs) as a transplantation therapy for SCI, we will analyse the impact of these cells, which are isolated from adult human SCI patients, to reduce tissue degeneration and promote regeneration

of nerve pathways. The therapeutic potential of hBMSCs, together with scar-reducing compounds, will be assessed in chronic SCI both behaviourally (functional recovery) and anatomically, to see if this enhances the level of spinal cord repair.

c) Dr Cui Qi and Professor Alan Harvey (\$40,000)

Gene Silencing of Axon-growth Inhibitory Molecules in Promoting Axon Regeneration of Central Nervous System Neurons

Because of limited intrinsic potential for the regeneration of injured nerve fibers in the adult central nervous system (CNS), traumatic injury always results in long-lasting functional impairments. The main reasons for this regrowth failure are the presence of growth inhibitory molecules in the CNS and lack of the specific factors to support their growth. The aims of this study are to firstly investigate whether (and to what extent), gene silencing of the growth inhibitory molecules can promote nerve fibre regeneration after injury, and secondly, whether synergistic effects can be obtained after combined application of gene silencing and the

supply of appropriate growth factors.

d) Associate Professor Gary Thickbroom, Dr Dylan Edwards, Professor Frank Mastaglia (\$53,000)

Can interventional brain stimulation improve motor performance after stroke?

There is presently a resurgence of interest in the use of noninvasive brain stimulation to modulate brain plasticity, and thus potentially to improve functional recovery after injury to the brain. On the basis that it is likely that adaptive changes in the motor cortex of the unaffected hemisphere contributes to motor recovery after stroke, this group will compare two brain stimulation methods that can increase cortical excitation or inhibition, to determine whether, when applied to the unaffected motor cortex, they can facilitate motor function after stroke.

e) Professor Alan Harvey and Professor Don Robertson (\$55,000)

The effect of long-term expression of virally introduced genes on the phenotype of genetically modified neurons

Trauma to the adult central nervous system causes disruption of nerve

pathways and death of associated cells, resulting in long-lasting functional deficits. Therapeutic strategies are needed to ensure the viability of affected cells and to promote the regeneration of damaged pathways. One promising strategy is to use modified viruses to introduce growth-promoting genes into injured nerve cells. Importantly however, the long-term effect of such genetic modifications on transduced cells has not been studied. Professors Harvey and Robertson will therefore analyse how sustained expression of virally-introduced growth-promoting genes affects cell morphology and the expression of host genes in retinal nerve cells in the eye.

f) Dr Peter Arthur, Dr Marie Bogoyevitch (\$55,000)

Improving the effectiveness of a neuroprotective agent able to prevent delayed neuronal death following trauma

Injury to the brain or spinal cord triggers, for the survivors of the initial ordeal, delayed death of nerve cells over the following hours and days. If this delayed cell death could be prevented, then the quality of life for the survivors could be

improved. This could mean the difference between retaining the ability to walk, talk and control bodily functions or be confined to a wheelchair or require 24 hour nursing care. This team aims to enhance the effectiveness of a promising neuroprotective agent that prevents delayed nerve cell death.

g) Professor Sarah Dunlop, Dr Jenny Rodger, Professor Lyn Beazley (\$50,000)

Delaying the onset of training after neurotrauma: do you still get recovery?

One of the most exciting recent advances in neurotrauma research is the recognition that the adult CNS has a capacity for repair and that appropriate neural activity, produced via relevant experience or specific training, is essential to ensure useful recovery. Rehabilitation for SCI injury using exercise training often starts long after the injury, if at all, and we do not yet know the critical window for training. In a lizard model of neurotrauma, training restores vision after injury to the optic nerve. The current project asks how soon after injury must training start to restore useful function.

h) Dr Carolyn King, Professor Lyn Beazley, Associate Professor Adrian West, Dr Roger Chung (\$50,000)

Investigation of neuroprotection and neuroregeneration by MT when administration is delayed relative to axotomy

Therapeutic strategies to reduce nerve cell death following neurotrauma and to enhance regeneration are urgently needed. Recently this team demonstrated that a particular metal-binding protein, that exists naturally in the human body, prevents the death of injured central nerve cells and promotes regeneration of their fibres. This project uses the visual system to test whether the molecule (which can't be named at this point because of patent issues!) retains these properties if administration is delayed relative to the injury. The research will indicate the likely 'therapeutic time window' for enhancing survival of injured nerve cells and promoting regeneration of nerve tracts.

i) Ms Michelle Nunn, Ms Carolyn Knight, Ms Justine Mitchell Occupational Therapists (\$3,000)

Does the Cognitive Assessment of Minnesota (CAM) accurately predict functional outcomes of patients with

cognitive deficits following an acquired brain injury?

Current research identifies that the longer-term impact of cognitive and behavioural deficits following an acquired brain injury are the most limiting to functional performance and achievement of independence. Evidence suggests that cognitive ability significantly relates to functional performance, therefore cognitive impairment measured during acute recovery is prognostically important. In this project, participants with acquired brain injuries will be screened for cognitive deficits. If identified, the patient will be recruited to the study and will participate in a cognitive assessment using the CAM.

Predictive relationships between CAM scores and functional outcome measures will be examined. Outcomes collected will include discharge destination, functional independence as measured by the Functional Assessment Measure (FAM) and occupational performance as measured by the Assessment of Motor and Process Skills (AMPS). These assessments will be conducted 3 months following initial administration of the CAM.



j) Ms Melissa Nott, Dr Christine Chapparo - Occupational Therapists (\$2,000)

Using the Perceive, Recall, Plan and Perform system of task analysis to measure information processing in agitated clients following traumatic brain injury: A Reliability Study

The PRPP System of Task Analysis is an assessment used by occupational therapists to identify problems with cognitive information processing during performance of daily activities. This study will examine the reliability of the PRPP System of Task Analysis to assess cognitive deficits in agitated, brain injured adults. The study will involve videotaping of individuals with cognitive deficits, followed by assessment of these videos by trained occupational therapists to determine the level of functional recovery following TBI. The level of agreement between therapists observing each individual will be measured, in addition to the reliability of the test over repeated administration by the same therapist.

2. NSW Spinal Cord Injury and Other Neurological Conditions Research Grants Program

a) Program Grants

i) Professor Elspeth McLachlan, Co-Director of the Spinal Injuries Research Centre, Prince of Wales Medical Research Institute \$1.5 million

Development of an experimental program to understand the changes in nerve and muscle function after a spinal cord injury.

Findings will provide crucial information for the development of new drug treatments and improvement of existing therapies for people with spinal cord injury, in particular stimulation therapy which can prevent muscle wasting and help spinal cord injured people generate enough muscle power to bear weight, thereby increasing their degree of independence.

b) Project Grants

i) Dr Bryce Vissel, Garvan Institute for Medical Research \$400,000

Glutamate receptors as targets for treating spinal cord injury and neurological disease

Investigating the role of individual glutamate receptor subtypes in conditions including spinal cord injury, Huntington's disease and ALS. This may progress understanding of the degenerative mechanisms involved in

disease as well as designing therapeutic agents which can be directed against specific ionotropic glutamate subunits.

ii) Professor Iain Campbell, University of Sydney \$310,000

Signal transduction mechanisms in interleukin-6-induced inflammation and injury in the central nervous system

The project investigates the signalling mechanisms underlying IL-6 induced inflammation in the central nervous system. This will assist in elucidating the molecular and cellular mechanisms involved in tissue injury resulting from inflammation, potentially leading to therapeutic strategies directed at particular molecular targets within signalling pathways.

iii) Professor Elizabeth Burcher, University of New South Wales \$250,000

Receptor changes in the bladder following spinal cord injury

Investigation of receptor changes in the bladder following spinal cord injury and multiple sclerosis, with a view to establishing new therapies for bladder dysfunction that are better targeted and less invasive than current treatments.

**iv) Professor Max Bennett,
University of Sydney
\$250,000**

The role of astrocytes in nociceptor pain transmission in the spinal cord

The project investigates the role of ATP in the interactions between astrocytes and microglia and the different neurotransmitter and cytokine production. This should elucidate underlying mechanisms of pain induction, potentially leading to new approaches for treating pain associated with spinal and peripheral nerve injury.

v) Dr Matthew Kiernan, Prince of Wales Medical Research Institute \$175,000

Origins and patterns of neuronal degeneration in motor neurone disease

The project investigates the origin of degeneration that occurs during motor neurone disease, based on assessment of the physiological changes encountered in patients with evident manifestation of the disease. The tests proposed will further assist in monitoring changes in individuals without the disease, but with a high genetic predisposition to acquiring it.

c) Travel Scholarships

i) Mr Brett Graham, University of Newcastle

Travel Scholarship of \$8,340 to attend the Society for Neurosciences 35th Annual Meeting in Washington DC USA to present a poster presentation and attend symposia. Mr Graham will also visit the laboratories of Dr Troy Margrie and Professor Maria Fitzgerald with a view to collaboration. Mr Graham's area of research is mechanisms underlying the processing of pain signals in the spinal cord.

ii) Miss Jennica Winhammar, Royal North Shore Hospital

Travel Scholarship of \$4,200 to present findings of her research at the International ALS/MND Symposium in Dublin, Ireland. Ms Winhammar's research is investigating Motor Neurone Disease and the mechanisms that cause nocturnal hypoventilation.

iii) Dr Ostoja Vucic, Prince of Wales Hospital

Travel Scholarship of \$6,000 to present his research findings at the International ALS/MND Symposium and the International Alliance of ALS/MND Associations in Dublin, Ireland. Dr Vucic's research investigates the site where Motor Neurone Disease begins, and the way in which the loss of nerves within the brain, spinal cord and peripheral nerves evolve over time.



financial report

The financial results for the 2004/2005 year are an improvement on the results for the preceding year. Total income increased from \$327,262 in 2003/4 to \$1,178,414 in the year under review. This figure however includes two one-off items, the bequest from the Estate of the late-Lisa Palmer of \$657,774 and the transfer of funds from The Spinal Research Foundation of \$154,611.

A direct comparison of other fundraising results shows an increase from \$327,262 to \$366,029 with a 12% improvement.

Expenditure on Research Grants rose from \$192,245 in 2003/4 to \$307,200 in 2004/5 with a 60% improvement.

Other expenses were contained with the exception of fundraising expenses which rose from \$27,593 to \$50,539. This increase reflects the increased activity in the area of special events which by their nature create a higher level of unavoidable expenses such as catering, green fees and the like.

The healthy cash position at the year end means that future commitments for research projects and post-doctoral fellowships are well covered.

estate of the late-lisa palmer

During the year SPINALCURE AUSTRALIA was approached by a firm of solicitors in Wagga Wagga NSW to see if we could administer and properly apply a specific bequest contained in the Will of one of their clients.

The Will was that of Lisa Palmer who had suffered from quadriplegia following a motor accident. Unfortunately Lisa had passed away having had an inoperable form of cancer. The Will had provided for a portion of her estate to be used for research into a cure for spinal cord injury.

As we were the major organisation working in this field, we were clearly the appropriate group to provide information to the executors of the estate.

Drawing upon a number of grant applications which had previously been peer-reviewed and funded by SPINALCURE AUSTRALIA we placed before the executors a recommendation that the bequest be used to fund a consortium from University of Melbourne and University of Queensland.

With the agreement of the executors the funds, some \$657,000 in total, will be applied over a four-year period to fund basic research and clinical trials.

The goal of this project is to determine the underlying mechanisms which cause a human molecule to prevent spinal cord repair following injury and then to develop therapeutics to promote axonal and functional repair.

fundraising and community support

Our support from the community was further improved during the financial year. Funds were raised by individual people and the business sector. Special events of particular note were:

City-to-Surf: August 2004

Our chairman's wife, Geraldine Gibson, once again proved that life starts after 40 by a stellar performance in the Annual City-to-Surf in Sydney. Geraldine finished the course in 131.26 mins – improving on her previous time of 132 minutes. Through sponsors and friends she raised a total of \$10,662.

6th Annual Robert and Kelly McCann Charity Golf Day: August 2004

This annual event held at the Camden Valley Golf Resort was a tremendous success grossing \$33,403. This takes the total raised over the six years of the event to \$178,152. The winning teams came from 1st O'Brien Constructions; 2nd Plumbers Supplies Co-op; 3rd Liverpool Catholic Club; Longest Drive- Scott Gibson; Nearest Drive - Bruce Fitch; Drive Drive Chip - CLM Excavations and Drive & Chip - M. Jensen.

Our sincere thanks to the Liverpool Catholic Club for their major sponsorships over the past five years. The supporters of the day were:

6th Annual Charity Golf Day Major Sponsor: Liverpool Catholic Club.

Gold Hole Sponsors: Carlton & United Beverages; CLM Excavations Pty Ltd; Colemans Fencing (Aust) Pty Ltd; Dalmore Stud; Garda Turner; GEMI Financial Services; Gledhill Constructions Pty Ltd; Global Road Equipment Pty Ltd; Ingleburn RSL Club; JAB Constructions Pty Ltd; Lanier (Australia) Pty Ltd; Linak Australia Pty Ltd; Mitchum Pty Ltd; Nursing Group NSW; O'Brien Constructions Pty Ltd; Para-Mobility; Plumbers Supplies Co-op Ltd; Public Trustee of NSW; Quick Plumbing Pty Ltd; Richard Cusbert Motor Repairs Pty Ltd; Smith Spratt Pty Ltd; The Athlete's Foot and Trio Plumbing.

Supporters: ASICS; Bidvest Australia Limited; Brooks; Bulldogs Rugby League Club Ltd; Campbelltown Catholic Club; Campbelltown Trophies; John Swire & Sons; Liverpool Smash Repairs; LNJ Catering & Consulting; McDonald's Family Restaurant; Mizuno; Nike (NSW) Australia Pty Ltd; NSW Sporting Goods Association; Paul's Warehouse; Penrith Rugby League Club Ltd; Reebok Australia Pty Ltd; Rockport Australia; Saucony and Sports Power.

Eileen Bond's House Party: September 2004

Eileen Bond has for the past four years personally supported the work of Dr Giles Plant's laboratory at the University of Western Australia. Reds Laboratory, as it is known, has benefitted from Eileen's generous annual contributions. On 12th September Eileen held a fundraising luncheon at her home in Perth. The event received considerable community support.

Particularly generous were the main sponsors: Mustard Catering; Motive Travel; Wise Wine Margaret River; Bonhams & Goodman; Wren Design Group; Moet & Chandon; Simon Johnson; Caudalie Paris; Qantas; Cable Beach Club Resort and Bunker Bay Quay West Resort.

The contributions from these sponsors, attendees and Eileen Bond's substantial financial backing resulted in \$100,577 being raised for the work being undertaken at Red's Laboratory.

8th Annual Perry Cross Charity Golf Day: 12th November 2004

The Annual Perry Cross Golf Day was held at the Palms Sanctuary Cove in Queensland.

The event was sponsored by: Bruce Lynton BMW; Bridgestone Australia Ltd; Broad Pollock & Co.; Cross's Carpets; Equitrust Limited; Heritage Building Society; Ibrox Park Nursery; Norco PAULS Milk and Ord Minnett.

Supporters included: Aussie Scott Vending; Barry Lea & Assoc; Birkbecks Jewellers; Delaney Lawyers; Gold Coast City Council; Gold Coast City Marina; Gold Coast Tourism Bureau; Ikin Store It; Le Mercier's; Metropolitan Linen Service; NIFSAN; OAS Computers Pty Ltd; PRD Nationwide; RACQ Insurance; Retail Food Group; Singapore Airlines; Tower Sealants; Vergola and Victoria's Carpets.

Thanks to our sponsors, supporters, players and donors as \$12,783 was raised on the day.

Allens Arthur Robinson Trivia Night

The fifth Annual Trivia Night was held in the Sydney offices of Allens Arthur Robinson on 5th May 2005 and \$26,745 was raised for spinal cord research.

Sponsors included: Allens Arthur Robinson; AON; DEXTA; Jardine Lloyd Thompson; Liberty; Marsh and Willis.

Our thanks to the organising team- Frank Hoffmann (Chairman); Andrew Quartermaine of Jardine Lloyd Thompson; James Walker and Anna Magill of AON; Oscar Shub, Michael Rose, Nico Burmeister and Alison Brown of Allens Arthur Robinson.

FINANCIAL STATEMENTS

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independence declaration

for the year ended 30 June 2005

Auditor's Independence Declaration Under Section 307c of the Corporations Act 2001 to the Directors of Spinal Cure Australia

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2005 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.

FLEMING MOYNIHAN & KAY
Chartered Accountants
Darren A Kay

25 October 2005
Suite 16, Level 2 25
Solent Circuit
Baulkham Hills NSW 2153

The accompanying notes form part of the financial statements. These statements should be read in conjunction with the attached audit report of Fleming Moynihan & Kay.

statement of financial performance

for the year ended 30 June 2005

	NOTE	2005 \$	2004 \$
Revenues from Ordinary Activities	2	1,178,414	327,262
Employee Benefits Expense		21,221	19,070
Depreciation Expense		2,020	3,247
Fundraising Expenses	2	50,539	27,593
Research Grants		307,200	192,245
Administration Expenses		20,074	26,422
Other Expenses from Ordinary Activities		12,796	9,268
Profit from Ordinary Activities Before Income Tax Expense		764,564	49,417
Income Tax Expense Relating to Ordinary Activities		-	-
Net Profit from Ordinary Activities After Income Tax Expense	9	764,564	49,417

The accompanying notes form part of the financial statements. These statements should be read in conjunction with the attached audit report of Fleming Moynihan & Kay.

statement of financial position

for the year ended 30 June 2005

	NOTE	2005 \$	2004 \$
CURRENT ASSETS			
Cash Assets	3	1,113,025	346,903
Receivables	4	2,300	-
TOTAL CURRENT ASSETS		1,115,325	346,903
NON-CURRENT ASSETS			
Plant And Equipment	5	3,367	5,387
TOTAL NON-CURRENT ASSETS		3,367	5,387
TOTAL ASSETS		1,118,692	352,290
CURRENT LIABILITIES			
Payables	6	2,403	565
Borrowings	7	28,000	28,000
TOTAL CURRENT LIABILITIES		30,403	28,565
TOTAL LIABILITIES		30,403	28,565
NET ASSETS		1,088,289	323,725
MEMBERS' EQUITY			
Accumulated Profits	9	1,088,289	323,725

The accompanying notes form part of the financial statements. These statements should be read in conjunction with the attached audit report of Fleming Moynihan & Kay.

statement of cash flows

as at 30 June 2005

	NOTE	2005 \$	2004 \$
Cash Flows From Operating Activities			
Receipts from donors and supporters		1,150,115	318,299
Payments to suppliers and employee		(102,792)	(81,788)
Payments for research grants		(307,200)	(192,245)
Interest received		25,999	11,605
Net cash provided by/(used in) operating activities	10	766,122	55,871
Cash Flows From Investing Activities			
Net cash used by investing activities		-	-
Cash Flows From Financing Activities			
Net cash used by financing activities		-	-
Net increase in cash held		766,122	55,871
Cash at beginning of year		346,903	291,032
Cash Assets At End Of Year	3	1,113,025	346,903

The accompanying notes form part of the financial statements. These statements should be read in conjunction with the attached audit report of Fleming Moynihan & Kay.

notes

Notes to the financial statements for the year ended 30 June 2005

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of this financial report are:

(a) Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Auditing Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers Spinal Cure Australia, which is a charitable organisation, established and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

(b) Revenue Recognition

Donations and Fundraising

Donations and fundraising revenue are recognised when received by the Company.

Interest Revenue

Interest revenue is recognised as it is received.

(c) Goods and Services Tax (GST)

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

(d) Income Tax

The Company is exempt from paying income tax.

(e) Plant and Equipment

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

(f) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at banks including all call deposits with banks.

These notes should be read in conjunction with the attached audit report of Fleming Moynihan & Kay

notes (cont...)

Notes to the financial statements for the year ended 30 June 2005

	NOTE	2005 \$	2004 \$
NOTE 2 – REVENUE FROM ORDINARY ACTIVITIES			
Revenue from fundraising activities	2a	226,148	91,812
Donations received			
general		113,882	223,845
bequest	2b	657,774	-
The Spinal Research Foundation	2b	154,611	-
OTHER REVENUES			
From operating activities			
Interest		25,999	11,605
TOTAL REVENUE FROM ORDINARY ACTIVITIES		1,178,414	327,262

NOTE 2a - Further information on fundraising activities conducted during the year:

R & K McCann Charity Golf Day

Income	33,403
Expenditure	(8,561)
Profit	<u>24,842</u>

Trivia Night

Income	30,594
Expenditure	(3,849)
Profit	<u>26,745</u>

E Bond Fundraiser

Income	120,684
Expenditure	(20,107)
Profit	<u>100,577</u>

These notes should be read in conjunction with the attached audit report of Fleming Moynihan & Kay

	2005 \$	2004 \$	
NOTE 2 – REVENUE FROM ORDINARY ACTIVITIES (CONT...)			
NOTE 2a - Further information on fundraising activities conducted during the year:			
<u>P Cross Charity Golf Day</u>			
Income	30,805		
Expenditure	(18,022)		
Profit	<u>12,783</u>		
<u>City to Surf</u>			
Income	10,662		
Expenditure	-		
Profit	<u>10,662</u>		
<u>Summary of Fundraising Income</u>			
Income	226,148	91,812	
Expenditure	22.3% (50,539)	(27,593)	30.1%
Profit	77.7% <u>175,609</u>	<u>64,219</u>	69.9%

The net surplus from Fundraising Activities was used to fund the payment of research grants.

NOTE 2b – Special Donations

The entire bequest amount received from the Estate of the Late L Palmer has been placed into a high interest earning bank account and will be used to fund Spinal Research over the coming 4 years.

Upon winding up, The Spinal Research Foundation donated its cash assets to Spinal Cure Australia.

notes (cont...)

Notes to the financial statements for the year ended 30 June 2005

	NOTE	2005 \$	2004 \$
NOTE 3 – CASH ASSETS			
Cash at bank		1,084,569	318,903
Cash on deposit		28,456	28,000
		<u>1,113,025</u>	<u>346,903</u>
NOTE 4 – RECEIVABLES			
Sundry debtors		<u>2,300</u>	<u>-</u>
NOTE 5 - PLANT AND EQUIPMENT			
Furniture & Fittings - at Cost		10,499	10,499
Less Provision for Depreciation		(10,499)	(10,499)
		<u>-</u>	<u>-</u>
Office Equipment – at Cost		10,422	10,422
Less Provision for Depreciation		(7,261)	(5,364)
		<u>3,161</u>	<u>5,058</u>
Pooled Assets		<u>206</u>	<u>329</u>
TOTAL PLANT AND EQUIPMENT		<u>3,367</u>	<u>5,387</u>

These notes should be read in conjunction with the attached audit report of Fleming Moynihan & Kay

NOTE	2005 \$	2004 \$
NOTE 5 – PLANT AND EQUIPMENT (cont...)		
RECONCILIATION		
Reconciliations of the carrying amounts for each class of plant and equipment are set out below:		
FURNITURE AND FITTINGS		
Carrying amount at beginning of year	-	-
OFFICE EQUIPMENT		
Carrying amount at beginning of year	5,058	8,107
Additions	-	-
Depreciation	(1,897)	(3,049)
Carrying amount at end of year	<u>3,161</u>	<u>5,058</u>
POOLED ASSETS		
Carrying amount at beginning of year	329	527
Additions	-	-
Depreciation	(123)	(198)
Carrying amount at end of year	<u>206</u>	<u>329</u>
NOTE 6 – PAYABLES		
	-	565
Sundry Creditors	2,403	-
CAMRA	<u>2,403</u>	<u>565</u>

CAMRA stands for Campaign for Advancement of Medical Research in Australia.

Funds contributed will be used to lobby governments on issues relating to Spinal

Research. Any funds remaining (if any) upon cessation of the group will be returned to the contributors.

These notes should be read in conjunction with the attached audit report of Fleming Moynihan & Kay

notes (cont...)

Notes to the financial statements for the year ended 30 June 2005

	2005 \$	2004 \$
CAMRA		
Funds contributed - Spinal Cure Australia	2,000	
Motor Neurone Disease	2,000	
Less: Expenses	(1,597)	
Balance at 30 June 2005	<u>2,403</u>	

NOTE 7 – BORROWINGS

CURRENT

Loan – R Dittrich	<u>28,000</u>	<u>28,000</u>
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NOTE 8 – AUDITORS REMUNERATION

Amount received or due and receivable for audit services by auditors of the company

<u>Nil</u>	<u>Nil</u>
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NOTE 9 – RETAINED PROFITS

Retained profits at beginning of year	323,725	274,308
Net profit	<u>764,564</u>	<u>49,417</u>
Retained profits at end of year	<u>1,088,289</u>	<u>323,725</u>

These notes should be read in conjunction with the attached audit report of Fleming Moynihan & Kay

	NOTE	2005 \$	2004 \$
NOTE 10 – NOTES TO THE STATEMENTS OF CASH FLOWS			
(a) Reconciliation of Cash			
For the purposes of the statements of cash flows, cash includes cash on hand and at bank and short term deposits at call. Cash as at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statements of financial position as follows:			
Cash assets	3	1,113,025	346,903
(b) Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities			
Profit from ordinary activities after income tax		764,564	51,574
Add/(less): items classified as investing / financing activities		-	-
Add/(less): non cash items:			
Depreciation		2,020	3,247
Net cash provided by operating activities before change in assets and liabilities		766,584	54,821
Change in assets and liabilities:			
(Increase)/decrease in receivables		(2,300)	485
(Decrease)/increase in payables		1,838	565
Net cash provided by/(used in) operating activities		766,122	55,871

These notes should be read in conjunction with the attached audit report of Fleming Moynihan & Kay

notes (cont...)

Notes to the financial statements for the year ended 30 June 2005

	2005 \$	2004 \$
NOTE 11 – DIRECTORS REMUNERATION		
The number of Directors of the company who received remuneration as shown in the following bands were:		
\$0 - \$9,999	9	9

All Directors act in an honorary capacity. They receive no fees or remuneration of any kind.

NOTE 12 – RELATED PARTY DISCLOSURES DIRECTORS

The names of each person who held the position of Director of the company during all of the past two financial periods unless otherwise stated are:

Mr S Yesner

Ms J M Knott

Professor P F Bartlett

Mr R Turner

Mr W A Gibson

Mr A D Cooper

Mr D Prast

Mr G F Allsop

Mr P R Cross

Mr F P C Kaad

appointed 1 September 2004

Associate Professor J D Yeo

appointed 1 September 2004

NOTE 13 – COMPANY LIMITED BY GUARANTEE

Spinal Cure Australia is a company limited by guarantee with the liability of members limited to the amount set out in the Company's Constitution.

These notes should be read in conjunction with the attached audit report of Fleming Moynihan & Kay

NOTE 14 – FINANCIAL REPORTING BY SEGMENTS

Spinal Cure Australia operates in one industry. The principal activities of the company is receiving donations and fundraising income and the payment of research grants. The company operates predominately in one geographical area, being Pyrmont NSW, Australia.

NOTE 15 – COMPANY DETAILS

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

1st Floor

Sydney Fish Markets

Cnr Bank Street and Bridge Road

PYRMONT NSW 2009

directors declaration

Financial statements for the year ended 30 June 2005

1. In the opinion of the Directors of Spinal Cure Australia:

(a) the financial statements and notes, set out on pages 22 to 33:

(i) give a true and fair view of the financial position of the Company as at 30 June 2005 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and

(ii) comply with Accounting Standards in Australia.

(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.

(c) the statement of financial performance gives a true and fair view of all income and expenditure of the organisation with respect to fundraising appeals.

(d) the statement of financial performance gives a true and fair view of the state of affairs of the organisation with respect to fundraising appeals conducted by the organisation.

(e) the provisions of the Charitable Fundraising Act, the regulations under the Charitable Fundraising Act and the conditions attached to the authority have been complied with.

(f) the internal controls exercised by the organisation are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

Dated at Sydney this 24th day of October 2005.

Signed in accordance with a resolution of the directors:



Mr W. Gibson

Director



Ms J. Knott

Director

independent audit report

For the year ended 30 June 2005

Scope

We have audited the financial statements of Spinal Cure Australia for the financial year ended 30 June 2005 consisting of the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes and the Directors' declaration. The Directors are responsible for the financial statements. We have conducted an independent audit of the financial statements in order to express an opinion on them to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Qualification

Spinal Cure Australia has determined that it is not practicable to establish controls over the collection of donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to donations received had to be restricted to the amounts recorded in the financial records. We are therefore unable to express an opinion whether the donations Spinal Cure Australia obtained are complete.

Qualified Audit Opinion

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation on our audit procedures referred to in the qualification paragraph not existed, the financial report of Spinal Cure Australia is in accordance with:

- a) The Corporation's Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2005 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001;
- b) other mandatory professional reporting requirements in Australia.

Darren A Kay

Fleming Moynihan & Kay

Baulkham Hills

25 October 2005



detailed profit and loss statement

Spinal Cure Australia
Detailed Profit and Loss Statement for the year ended 30 June 2005

	NOTE	2005 \$	2004 \$
INCOME			
Donations Received		268,493	223,845
Fundraising Revenue	2	226,148	91,812
Interest Received		25,999	11,605
Bequest Received		657,774	-
TOTAL INCOME		1,178,414	327,262
EXPENSES			
Advertising & Promotion		3,970	868
Bank Charges		2,816	1,383
Conference & Sponsorship		565	1,130
Depreciation		2,020	3,247
Fundraising Expenses	2	50,539	27,593
General Expenses		2,536	3,884
Insurance		3,669	3,092
Postage & Courier		2,345	2,280
Printing & Stationery		2,229	7,479
Rent		2,000	2,000
Salaries		19,468	17,496
Repairs		910	-
Research Grants		307,200	192,245
Superannuation		1,752	1,575
Telephone		6,396	5,642
WA Expenses		5,435	7,931
TOTAL EXPENSES		413,850	277,845
NET OPERATING PROFIT		764,564	49,417

valued friends

The following individuals and organisations have made substantial gifts to SPINALCURE AUSTRALIA enabling us to maximise our funding of research projects. Without their generosity and kindness, our work would not be possible:

Abbruzzo, Leo	John Hughes' Skipper
Allens Arthur Robinson	Kerrin & James Moore
Anstee-Brook, C.	Laurance, J.A.
Aon Risk Services Australia Ltd	Laurance, Peter
Baker, Chris	Le Mercier's
Bennett, Andrew	Liberty International Underwriters
Bond, Eileen	Lisa D. Palmer
Bond, John	Litis, J.
Boyatzis, J.	Liverpool Catholic Club Limited
Bridgestone Australia	Marsh Pty Ltd
Briggs, Peter	Mayne, Jeremy
Broad Pollock & Co.	Mitchum Pty Ltd
Bruce Lynton BMW	Motive Travel
Burch, Amy	Norco PAULS Milk
Cameron, John T.	Norman Disney & Young
Chaney, Michael	Ord Minnett
Collica, Nicole	Packer, Mimi
Coppin, Brian	Pasqua, Jamie
Coppin, Eileen J.	Phillips, Geoffrey R.
Cross's Carpets Pty Ltd	Phillips, M. & T.J.
Dell, Graham	Prast, David
Dexta Corporation Limited	Protrust Pty Ltd
Equititrust Limited	Quick Plumbing
Farrell, Anthony	Richards, Denis
Farrell, Louise M.	Rose, Michael
Ferri, J.	Sassey Pty Ltd
Fewster, J.L.	Satterley, Nigel
Fish, Peter	Schaffer, John M.
Freedman, R.W.	Schwartz, David
Gibson, Geraldine	Shepherd, Fiona
Gibson, W.A.	Smith, Richard (Dick) H.
Gledhill Constructions Pty Ltd	Tabone, Dean
Gosling, M.	Tanner, Leslie
Hannon, Tracey	The Athlete's Foot
Hathaway, Sonia	The Cox Group Pty Ltd
Hawker, Michael	The Spinal Research Foundation
Heerey, Ed J.C.	Tomato & Other Colours
Heritage Building Society	Trio Plumbing
Hore, Jessica B.	White, Julie
Hughes, W.J.	Willis Australia Ltd
Ibrox Park Nursery	Woodside Energy Limited
Ikin, Alan	Wormald, Nick & Jo
Jardine Lloyd Thompson	

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