



# Annual Report

2009-2010





# 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 2009 to 30th June 2010

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# 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 seven non-executive directors and, at 30 June 2010 the Directors are:

**Mr Stewart Yesner**

AM, BA (Hons) Law  
Founder

**Ms Joanna M. Knott**

OAM, MBA, BA (Hons)  
Chair

**Professor Perry F. Bartlett**

FAA

**Mr David D. Prast**

**Mr Gary F. Allsop**

**Dr Stella Engel**

MBBS DPRM FAFRM

**Mr Gabriel McDowell**

BA

During the year under review, State Committees were operating in New South Wales, Queensland and Victoria. 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 chairmanship of Professor Perry Bartlett is charged with making recommendations to the Board with regard to funding of research.

At 30th June 2010 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

AM MBBS FAFRM(RACP) MHA  
Past Director and Honorary Consultant,  
Royal North Shore Spinal Unit.

### Dr Stella Engel

MBBS DPRM FAFRM  
Director, Rehabilitation and Spinal Medicine, Prince  
Henry and Prince of Wales Hospitals.

## Queensland

### Professor Perry F. Bartlett

FAA  
Director  
Queensland Brain Institute  
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.

## Victoria

### Professor Mary Galea

PhD  
Professor of Clinical Physiotherapy  
Director, Rehabilitation Sciences Research Centre  
The University of Melbourne and  
Austin & Repatriation Medical 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.

### Professor Sarah Dunlop

PhD  
Professorial Fellow (Research)  
Senior Research Fellow, NH&MRC  
School of Animal Biology  
The University of Western Australia.

### Mr John Ker

MB Bch(Hons) FRCS FACRM FAFRM  
Director, Sir George Bedbrook Spinal Unit.

## Germany

### Professor Mellita Schachner-Camartin

PhD  
Institute of Biosynthesis, University of Hamburg.

## United Kingdom

### Professor James W. Fawcett

FRCP, PhD, MRCP, MB, BA  
Cambridge University Centre for Brain Repair.

## United States of America

### Professor Fred Gage

PhD  
Laboratory of Genetics at The Salk Institute, California.  
Chairman, Scientific Committee,  
Christopher & Dana Reeve Foundation.

### Professor Dennis D. O'Leary

PhD  
Molecular Neurobiology Laboratory,  
The Salk Institute, California.

# Chair's Report

The year saw change with the resignation of Bob Turner as Chair and previous CEO of SpinalCure. While naturally sad to see Bob leave, we feel very fortunate to have had someone of Bob's calibre at the helm for more than 12 years.

After two years as CEO, I have taken over from Bob as the Chair and Bill Gibson, Dave Cooper and Nick Rowley have stepped down as directors. David Prast has become our Acting CEO.

We are very appreciative for Dave Cooper's marketing input over the years and support through The Athlete's Foot and his introductions to pro bono advertising agency, BWM and auditors, FMK.

Without Nick Rowley, SCA's involvement with Christopher Reeve's visit would not have been possible. This led to enormous introductions and support from people and places previously unknown to SCA. His wise counsel will be missed.

Among Bill Gibson's contributions to SCA (other than his former role as Chair), have been the setting up of its first 'corporate' office in the administrative section of the famous Sydney Fish Market, our home for over 9 years. He and his family have been regular donors, not least with Bill's wife Geraldine's significant fundraising achievements as a runner in the City-to-Surf.

Bob Turner became SCA's (Hon) CEO - and later Chair - some 12 years ago after his retirement from a successful career culminating with the Smith Family as CEO. He oversaw our most successful period to date: the setting up of neuro-trauma funds in three states in Australia; the visit of (the late) Christopher Reeve to Australia; and an era of growing optimism and confidence in the possibility of breakthroughs leading to a cure.

During this time, as a result of personal approaches by Bob and other SCA Directors, we provided funds for two major research projects: NRMA Insurance supported Dr David Brown with a grant of \$300,000 and the Lisa Palmer bequest of \$650,000 for the QBI Consortium project.

We hope to continue to build on these significant achievements and one key event of the year was our participation in the **Frontiers in Spinal Cord Research Conference** at the Queensland Brain Institute (QBI).

QBI's conference in September, hosted by Professor Perry Bartlett, included some 26 speakers and over 100 delegates, eager to hear of developments in the research and treatment of people with spinal cord injuries.

It brought together an impressive group of scientists and clinicians to summarise the landscape with regard to enhancing recovery in the injured central nervous system cord.

Among our generous donors this year special mention must be made of Michael Masnada from Queensland, himself with a spinal injury and Robert Nicholson from NSW, whose late-sister Rosalind suffered a spinal cord injury at the age of just 17.

I'd like to thank all of our supporters including our honorary directors for their substantial contributions.

Finally to our outstanding Office Manager, Leah Mayne, who recently oversaw our office re-location to William Street in Sydney's eastern CBD, for always going the extra mile for the SCI cause.

Thank you all,

**Joanna Knott.**

# Frontiers Conference

Frontiers in Spinal Cord Research Conference – Queensland Brain Institute, 7–8 September 2009



Back Row: Prof Alan Harvey, Mohammad Soltani.

Middle Row: Prof Andrew Boyd, Prof Hideyuki Okano, A/Prof Yaobo Liu, Prof Alan Mackay-Sim, Dr Marc Ruitenber, Melinda Rockell, Prof David Adams, Prof Alun Davies, A/Prof Glen Davis, Prof Jack Kessler, Jamie Flynn, Dr Tim Geraghty, Dr Massimo Hilliard, Dr Meghan Thomas, A/Prof Janet Keast, Prof Brian Key, Mr Suparna Gangopadhyay, Dr Jana Vukovic, tbc, Dr Kirsty Dixon, Dr Martin Pearse.

Front Row: Joanna Knott, Sophie Tajouri, Dr Mark Spanevello, A/Prof Ann Turnley, Prof John Steeves, Prof Perry Bartlett, Prof Mary Galea, Prof Sarah Dunlop.

QBI's conference in September, hosted by Professor Perry Bartlett and supported by SpinalCure Australia, included some 26 speakers and over 100 delegates, eager to hear of developments in the research of and treatment of people with spinal cord injuries. Topics covered molecular studies, genetic and enzyme manipulations, stem cell transplantations and techniques for encouraging return of damaged nerve pathways, pain management and exercise rehabilitation.

The five international speakers were: Professor Yaobo Liu, from the Chinese Academy of Sciences in Beijing; Professor Masaya Nakamura, from the Department of Orthopaedic Surgery, Keio University in Tokyo, Japan; Professor John Kessler, from the North Western University School of Medicine, Chicago; Professor John Steeves, from the ICORD Organisation (International Collaboration on Repair Discoveries) in Vancouver; and Professor Hideyuki Okano, from the Department of Physiology, Keio University in Japan.

Delegate Professor John Yeo said "This Conference brought together a remarkable group of scientists and clinicians to summarise the landscape with regard to enhancing recovery in the injured central nervous system, particularly the spinal cord. The jigsaw is now larger with many more pieces than appeared necessary ten years ago..."

## International speakers

China's Professor Liu emphasised the importance of molecular mechanism underlying the path finding by descending axons in the developing spinal cord. His laboratory is studying the molecular mechanism underlying the axonal wiring of descending pathways in the developing spinal cord in order to facilitate and clarify the complexities of spinal cord connections in present and future research..

Tokyo's Professor Masaya Nakamura is investigating the hepatocyte growth factor, which may be one of the deficient factors resulting from damage to the central nervous system, in brain and spinal cord. He emphasised the importance of blood vessel development as well as axonal regrowth with functional

recovery after spinal cord injury. He reported that with the injection in the common marmoset animal into the fluid space around the spinal cord of recombinant human hepatocyte growth factor protein, reduced the damaged area and promoted functional recovery after spinal cord injury.

North Western University's Professor John Kessler presented a further paper on regulation of gliosis after spinal cord injury. The formation of glial scar after spinal cord injury is a major impediment to potential



SCA supporter Michael Masnada also visited Perry Bartlett's QBI Labs

Pictured at QBI: (front) Michael Masnada with (l-r) hydro-therapist Julie Harrison, former SCA Chair & CEO Bob Turner, and QBI's Director, Professor Perry Bartlett.

regeneration of axons that have to try and grow through this barrier. Understanding the mechanisms underlying gliosis will therefore be essential for devising new therapeutic approaches.

Professor Kessler emphasised that, since all the elements of both signalling systems are present in progenitor cells (early cells) in the spinal cord and brain, interactions between these two important systems will regulate the generation of astrocytes during the development as well as after injury.

Vancouver's Professor John Steeves discussed a number of recent scientific discoveries and technological developments which promised superior treatment strategies to enhance functional recovery and improve the quality of life after spinal cord injury. He presented the framework within which optimal translation process and challenges to conducting spinal cord injury clinical trials must be in place and observed in order for an appropriate assessment of these trials to be made and not lead to misleading conclusions and optimism. His paper summarised at least twelve different clinical research projects using various substances including: methylprednisolone, embryonic stem cells and stem cell implants using bone marrow as well as the use of Schwann cells which are found in peripheral nerves. As yet, none of these experimental therapies have yet been proven using accepted scientific method in humans.

Finally, Professor Hideyuki Okano summarised the regeneration of the damaged central nervous system using embryonic cells and induced pluripotent stem cells in experimental animals such as the rat and the marmoset. His work has given some important clues to help in understanding the establishment of regenerative processes for damaged central nervous system neurons but requires further research in the near future.

## United States' Largest Stem Cell Research Building Opens at Stanford



(Assoc) Professor Giles Plant at his new laboratory in the US  
Credit: Jamie Hansen

Giles Plant, PhD (pictured above) recently re-located from Perth's SCA supported 'Red's Spinal Cord Research Laboratory, at the University of Western Australia, to American's largest stem cell research facility at Stanford's School of Medicine with the goal of fostering collaboration between top scientists and physicians and translating scientific discoveries into medical cures.

Located in the heart of Stanford's medical center, the Lorry I. Lokey Stem Cell Research Building is designed to be a "hub of interaction" for stem cell-related research across specialties and with the doctors who can potentially implement them as therapies and treatments.

"This [building] is the story of the 7 million voters who saw the potential of technology to reduce human suffering," said Robert Klein, chairman of the California Institute for Regenerative Medicine board, (CIRM). He was referring to the passage of the \$3 billion California Stem Cell Research and Cures Initiative in 2004, which established CIRM.

In addition to attracting new researchers from around the world, the building's allure has helped retain leading figures like Irving Weissman, director of Stanford's Institute of Stem Cell Biology and Regenerative Medicine.

## Neurotrauma Projects 2009/2010

### Victorian Neurotrauma Initiative (VNI)

In February 2009, the Victorian Neurotrauma Initiative (VNI) announced \$14.6 million in funding for three large multidisciplinary programmes of research in SCI. Each of these programs has the potential to make tangible differences for people living with the consequences of a SCI. These programs are now one year into their five years of funding:

#### **Spinal Cord Injury and Physical Activity (SCIPA): Intensive Exercise from Acute Care to the Community**

SCIPA is a unique, multidisciplinary, multi-centre program of research comprising four integrated and innovative projects: SCIPA Hands-On, SCIPA Full-On, SCIPA Com and SCIPA Switch-On. SCIPA's vision is to promote neurological recovery, maintain health and wellness, and optimise independence following SCI. A group of leading Australian and international researchers are taking an innovative approach to investigate the role of exercise in restoration of function following SCI and prevention of secondary complications through shaping nervous system activity. Projects use randomised control trials to compare exercise programmes including functional electrical stimulation (FES).

[www.scipa.unimelb.edu.au](http://www.scipa.unimelb.edu.au)

### The Autonomic Nervous System in Spinal Cord Injury

This research programme combines unique clinical and preclinical approaches to develop novel treatments for autonomic nervous system (ANS) dysfunction in patients with SCI. The programme is focused on understanding and treating bowel, blood pressure and bladder disorders associated with SCI patients. The programme has almost completed its first year of operation and has achieved significant progress across all its research areas including animal models and preparation for human research studies.

[www.sciautonomic.com](http://www.sciautonomic.com)

### Sleep Health in Quadriplegia (SHiQ)

The SHiQ program addresses how the sleep of people with quadriplegia can be assessed, managed and improved. In collaboration with national and international organisations, participant recruitment and planning has begun. The melatonin project, looking at whether the supplement improves sleep and quality of life, is being carried out in participants' homes.

### NSW Spinal Cord Injury and Related Conditions Fund

Three new projects received funding during the 2009/10 period. These were:

#### **Neuropathic Pain after SCI, Dr Sylvia Gustin,**

Effects of transcranial direct current stimulation of the motor cortex on neuropathic pain following spinal cord injury

#### **Neuropathic Pain, Dr Gila Moalem-Taylor**

Immunomodulation of neuropathic pain due to peripheral nerve injury or spinal cord injury

#### **Rehabilitation to improve hand function after SCI, Dr Penelope McNulty**

Neurophysiological assessment of recovery and potential recovery of hand function in quadriplegia after spinal cord injury

# Projects funded by/through SpinalCure Australia

## **\$100,000 Neural Plasticity and Regeneration Group**

**The Garvan Institute of Medical Research, Sydney**

Titled: The role of inflammation in neurogenesis in spinal cord injury and related conditions.

Neurogenesis persists in distinct regions of the adult brain and is regulated by experience-dependent processes including learning, exercise, environmental enrichment and stress. Emerging evidence suggests that neurogenesis may be impaired in neurodegenerative disorders and this might contribute to the pathogenesis of these chronic neurodegenerative disorders.

Aims: To determine if FGF-2 regulates neurogenesis through the anti-inflammatory actions of activin A after injury in the central nervous system.

## **\$5000 Red's Spinal Cord Research Laboratory**

**The University of Western Australia**

Funds raised directly by the Lions Club of Mandurah.

Titled: Isolation, purification by magnetic cell sorting and phenotypic analysis of lamina propria olfactory ensheathing glia: A comparison to olfactory bulb isolated ensheathing glia.

Olfactory ensheathing glia are a unique cell type that reside in both the central and peripheral olfactory system. They have been shown to facilitate functional recovery and to promote axonal sparing in several models of spinal cord injury.

## **\$3000 The Spinal Cord Injury Network**

The Spinal Cord Injury Network is committed to improving recovery after injury, minimising disability and maximising quality of life through three goals. These are (i) to provide leadership for spinal cord injury research and treatment strategies (ii) to facilitate more effective clinical trials in spinal cord injury and (iii) to improve translation of basic and clinical research into evidence-based practice.

By improving communication and collaboration, the Spinal Cord Injury Network seeks to build greater capability in researching and treating spinal cord injury [www.spinalnetwork.org.au](http://www.spinalnetwork.org.au)

# Fundraising and Community Support



Pictured: (L-R) Kelly McCann and sister, Carol McKane.

## 11th Golf Day 2009 Kelly McCann and Macarthur Lions Golf Day

In the middle of a global financial crisis, the Macarthur Lions excelled with fundraising and sponsorship in a field new for most of them. With this in mind, the Lions successfully launched the 11th annual charity golf day at Camden NSW raising \$27,400 gross.

We sincerely appreciate the valued work of the Macarthur Lions, the guidance and direction from Robert McCann and the professional expertise from the Camden Lakeside Golf Resort.

### Major Sponsors:

Liverpool Catholic Club  
Gledhill Constructions  
Radio C91.3 FM

For a full list of Gold Hole Sponsors, see page 27.

## Lions Club of Mandurah, WA

In support of research at the University of Western Australia's Red's Spinal Cord Research Laboratory, the Mandurah Lions held their popular quiz night raising \$3500. Since 1999 the Lions Club of Mandurah have raised \$52,557.

## Perth's 12km City2Surf Fun Run



Pictured: Carey & Michael Long

In August 2009 Carey Long ran in the 12km City2Surf fun run and raised \$1100. Carey is the wife of PGA golfer Michael Long who became our patron after breaking his neck in the surf in WA back in December 1999.

## The Sun-Herald City2Surf, Sydney

It has now been nine years that Geraldine Gibson has entered City2Surf, a 14km marathon from Sydney city to Bondi Beach. She raised \$7770 this year from her generous sponsors, reaching a total of \$65,553 over the full period.

# Financial Report

for the year ended 30 June 2010

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## Independence Declaration

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

I declare that, to the best of my knowledge and belief, during the 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.

FLEMING MOYNIHAN & KAY  
Chartered Accountants  
Darren A Kay



27 September 2010

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

# Statement of Comprehensive Income

	Note	2010 \$	2009 \$
Revenues from Ordinary Activities	2	537,081	244,724
Employee Benefits Expense		25,367	25,043
Depreciation Expense		891	1,406
Fundraising Expenses	2	-	6,756
Research Grants		108,000	3,999
Administration Expenses		41,198	26,870
Sponsorship		53,000	
Other Expenses from Ordinary Activities		16,833	7,560
<b>Profit /(loss) Before Income Tax Expense</b>		<b>291,792</b>	<b>173,090</b>
Income Tax Expense		-	-
<b>Profit/(Loss) Attributable to Members of the Entity</b>		<b>291,792</b>	<b>173,090</b>

# Statement of Financial Position

	Note	2010 \$	2009 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,232,965	941,897
Other Assets	4	-	28,000
Receivables	5	1,251	-
<b>TOTAL CURRENT ASSETS</b>		<b>1,234,216</b>	<b>969,897</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	6	1,776	2,340
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,776</b>	<b>2,340</b>
<b>TOTAL ASSETS</b>		<b>1,235,992</b>	<b>972,237</b>
<b>CURRENT LIABILITIES</b>			
Payables	7	1,612	1,649
Borrowings	8	-	28,000
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,612</b>	<b>29,649</b>
<b>TOTAL LIABILITIES</b>		<b>1,612</b>	<b>29,649</b>
<b>NET ASSETS</b>		<b>1,234,380</b>	<b>942,588</b>
<b>EQUITY</b>			
Retained earnings		1,234,380	942,588
<b>TOTAL EQUITY</b>		<b>1,234,380</b>	<b>942,588</b>

## Statement of Changes in Equity

	Issued Capital	Retained Earnings	Total
	\$	\$	\$
<b>At 1 July 2009</b>	-	769,498	769,498
<b>Total income and tax expense for the period recognised directly in equity</b>			
Profit/(loss) after tax for the year	-	173,090	173,090
<b>At 30 June 2010</b>	-	942,588	942,588
<b>Total income and tax expense for the period recognised directly in equity</b>			
Profit/(loss) after tax for the year	-	291,792	291,792
<b>At 30 June 2010</b>	-	1,234,380	1,234,380

## Statement of Cash Flows

	Note	2010 \$	2009 \$
<b>Cash Flows From Operating Activities</b>			
Receipts from donors and supporters		496,937	195,028
Payments to suppliers and employee		(134,673)	(66,227)
Payments for research grants		(108,000)	(3,999)
Interest received		35,893	49,695
<b>Net cash provided by/(used in) operating activities</b>	10	290,157	174,497
<b>Cash Flows From Investing Activities</b>			
Payments from plant and equipment		(2,089)	-
Redemption of term deposit		28,000	500,000
<b>Net cash used by investing activities</b>		25,911	500,000
<b>Cash Flows From Financing Activities</b>			
Repayment of Borrowings		(25,000)	-
<b>Net cash used by financing activities</b>		(25,000)	-
Net increase/(decrease) in cash held		291,068	674,497
Cash at beginning of year		941,897	267,400
<b>Cash Assets At End Of Year</b>	10(a)	1,232,965	941,897

# Notes to and forming part of the Financial Statements

## NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are for Spinal Cure Australia as an individual entity, incorporated and domiciled in Australia. Spinal Cure Australia is a company limited by guarantee.

### Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

### (a) Revenue Recognition

#### *Donations and Fundraising*

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

#### *Bequests*

Bequest revenue is recognised as it is received.

#### *Interest Revenue*

Interest revenue is recognised as it is received.

### (b) 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.

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

### (c) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

### (d) Plant and Equipment

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

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

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

### Depreciation

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

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

Office Equipment	37.5%
Pooled Assets	18.75 – 37.5%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

### (e) Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at banks including at call deposits with maturity dates of 90 days or less.

### (f) Financial Instruments

#### Recognition

Financial instruments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

#### Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

#### Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

#### Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's lengths transactions, reference to similar instruments and option pricing models.

### (g) Adoption of New and Revised Accounting Standards

During the current year the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of Spinal Cure Australia.

## Notes to and forming part of the Financial Statements (continued)

### AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the company's financial statements.

#### Disclosure impact

**Terminology changes** — The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

**Reporting changes in equity** — The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

**Statement of comprehensive income** — The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The company's financial statements now contain a statement of comprehensive income.

**Other comprehensive income** — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

### (h) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the company follows:

- AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The company has not yet determined any potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends

in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;

- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.

- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the company.

- AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the company.

- AASB 2009-8: Amendments to Australian Accounting Standards — Group Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).

These amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence these two Interpretations are superseded by the amendments. These amendments are not expected to impact the company.

- AASB 2009-9: Amendments to Australian Accounting Standards — Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).

These amendments specify requirements for entities using the full cost method in place of retrospective application of Australian Accounting Standards for oil and gas assets and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the company.

- AASB 2009-10: Amendments to Australian Accounting Standards — Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010).

The amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. The amendments are not expected to impact the company.

## Notes to and forming part of the Financial Statements (continued)

- AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the company.

- AASB 2009–13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

This Standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This Interpretation is not expected to impact the company.

- AASB 2009–14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

- AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing from 1 July 2010).

This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the company.

The company does not anticipate early adoption of any of the above Australian Accounting Standards.

## Notes to and forming part of the Financial Statements (continued)

	Note	2010 \$	2009 \$
<b>NOTE 2 – REVENUE FROM ORDINARY ACTIVITIES</b>			
Revenue from fundraising activities	2a	28,405	90,480
Donations received			
- general		465,007	76,197
- bequest		7,776	28,351
<b>OTHER REVENUES</b>			
From operating activities			
Interest		35,893	49,696
<b>TOTAL REVENUE FROM ORDINARY ACTIVITIES</b>		<b>537,081</b>	<b>244,724</b>

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

R & K McCann Charity Golf Day			
Income		-	28,257
Expenditure		-	(6,361)
Profit		-	21,896
G Allsop Walk in My Shoes			
Income		-	574
Expenditure		-	-
Profit		-	574
City to Surf			
Income		7,770	7,120
Expenditure		-	-
Profit		7,770	7,120
M O'Brien Sydney – Toowoomba 21 Days			
Income		-	36,840
Expenditure		-	(395)
Profit		-	36,445
Run to Walk			
Income		-	4,293
Expenditure		-	-
Profit		-	4,293
Lions Club Mandurrah Quiz Night			
Income		3,500	5,000
Expenditure		-	-
Profit		3,500	5,000
Macarthur Lions Golf Day			
Income		14,675	-
Expenditure		-	-
Profit		14,675	-
Other fundraising events			
Income		2,460	8,396

	Note	2010 \$	2009 \$
Expenditure		-	-
Profit		2,460	8,396
Summary of Fundraising Income			
Income		28,405	90,480
Expenditure	0%	-	(6,756) 7.5%
Profit	100%	28,405	83,724 92.5%

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

	2010 \$	2009 \$
<b>NOTE 3 – CASH ASSETS</b>		
Cash at bank	240,716	360,737
Cash on deposit	992,249	581,160
	<b>1,232,965</b>	<b>941,897</b>

Cash on deposits that will not mature within 90 days are classified as other assets.

### NOTE 4 – OTHER ASSETS

Cash on deposit	-	28,000
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### NOTE 5 – RECEIVABLES

Sundry Receivables	1,251	-
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The company does not have any trade receivables, and does not have any material credit risk exposure to any single receivable or group of receivables.

## Notes to and forming part of the Financial Statements (continued)

	2010	2009
	\$	\$
<b>NOTE 6 – PLANT AND EQUIPMENT</b>		
Furniture & Fittings - at Cost	10,499	10,499
Less Provision for Depreciation	(10,499)	(10,499)
	-	-
Office Equipment – at Cost	1,454	15,554
Less Provision for Depreciation	(345)	(13,530)
	1,109	2,024
Pooled Assets	667	316
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>1,776</b>	<b>2,340</b>

**RECONCILIATION**

Reconciliations of the carrying amounts for each class of plant and equipment are set out below:

	Office Equipment	Pooled Assets	Total
	\$	\$	\$
<b>2009</b>			
Balance at the beginning of the year	3,240	506	3,746
Additions at cost	-	-	-
Additions at fair value	-	-	-
Disposals	-	-	-
Revaluation increment	-	-	-
Depreciation expense	(1,215)	(191)	(1,406)
Carrying amount at end of year	2,025	315	2,340
<b>2010</b>			
Balance at the beginning of the year	2,025	315	2,340
Additions at cost	1,454	635	2,089
Additions at fair value	-	-	-
Disposals	(1,744)	(18)	(1,762)
Depreciation expense	(626)	(265)	(891)
Carrying amount at end of year	1,109	667	1,776

**NOTE 7 – PAYABLES**

	Note	2010	2009
		\$	\$
Sundry payables		-	37
CAMRA	8a	1,612	1,612
		<b>1,612</b>	<b>1,649</b>

**NOTE 7a – CAMRA**

CAMRA stands for the Coalition for the Advancement of Medical Research 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.

Balance as start of year	1,612	1,648
Funds contributed	-	-
Less: Expenses	-	(36)
Balance at Year End	<b>1,612</b>	<b>1,612</b>

**NOTE 8 – BORROWINGS****CURRENT**

Loan – R Dittrich	-	28,000
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**NOTE 9 – AUDITORS REMUNERATION**

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

Nil	Nil
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## Notes to and forming part of the Financial Statements (continued)

	Note	2010 \$	2009 \$
<b>NOTE 10 – NOTES TO THE STATEMENTS OF CASH FLOWS</b>			
<b>(a) Reconciliation of Cash</b>			
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	<u>1,232,965</u>	<u>941,897</u>
<b>(b) Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities</b>			
Profit/(Loss) from ordinary activities after income tax		<b>291,792</b>	173,090
Add/(less): items classified as investing/financing activities		-	-
Add/(less): non cash items:			
Depreciation		<b>891</b>	1,406
Loss on disposal of plant & equipment		<b>1,762</b>	-
Donation in lieu of loan repayment		<b>(3,000)</b>	-
Net cash provided by operating activities before change in assets and liabilities		<b>291,445</b>	174,496
Change in assets and liabilities:			
(Increase)/decrease in receivables		<b>(1,251)</b>	-
(Decrease)/increase in payables		<b>(37)</b>	1
Net cash provided by/(used in) operating activities		<b>290,157</b>	174,497

## NOTE 11 – KEY MANAGEMENT PERSONNEL COMPENSATION

	Short-term Benefits	Post employment Benefits	Other Long-term Benefits	Total
	\$	\$	\$	\$
<b>2010</b>				
Total compensation	25,420	-	-	25,420
<b>2009</b>				
Total compensation	10,563	-	-	10,563

Short-term benefits relate to expense reimbursements as approved by the Chief Executive Officer and Chair.

## NOTE 12 – RELATED PARTY DISCLOSURES

### DIRECTORS

The names of each person who held the position of Director of the company during the past financial year:

	Meetings Attended:	Apologies:
Mr S Yesner	2/4	2/4
Ms J M Knott	4/4	-
Professor P F Bartlett	4/4	-
Mr R Turner (resigned 1/4/10)	3/3	-
Mr W A Gibson (resigned 18/11/09)	1/1	-
Mr A D Cooper (resigned 1/4/10)	2/3	1/3
Mr D Prast	4/4	-
Mr G F Allsop	4/4	-
Dr S Engel	2/4	2/4
Mr G McDowell	3/4	1/4
Mr N H Rowley (resigned 1/3/10)	2/3	1/3

## Notes to and forming part of the Financial Statements (continued)

### NOTE 13 – FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, accounts receivable and payable and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2010 \$	2009 \$
<b>Financial Assets</b>			
Cash and cash equivalents	3	1,232,965	941,897
Other Assets	4	-	28,000
Receivables	5	1,251	-
<b>Total Financial Assets</b>		<b>1,234,216</b>	<b>969,897</b>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
- Trade and other payables	7	1,612	1,649
- Borrowings	8	-	28,000
<b>Total Financial Liabilities</b>		<b>1,612</b>	<b>29,649</b>

### Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and equity price risk.

#### a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the company.

The company does not have any material credit risk exposure as its major source of revenue is the receipt of donations.

#### Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The company has no significant concentration of credit risk exposure to any single counterparty or group of counterparties. There are no Trade Receivables and Sundry Receivables is comprised of amounts owed by the Australian Taxation Office.

Credit risk related to balances with banks and other financial institutions is managed in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	Note	2010 \$	2009 \$
Cash and cash equivalents			
- AA rated	4	1,232,965	941,897
Other assets			
- AA rated	4	-	28,000

#### b) Liquidity Risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The company manages this risk through the following mechanisms:

- Maintaining a reputable credit profile;
- Managing credit risk related to financial assets, and
- Only investing surplus cash with major financial institutions.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

#### Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Total	
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
<b>Financial liabilities due for payment</b>						
Trade and other payables	1,612	1,649	-	-	1,612	1,649
Borrowings	-	28,000	-	-	-	28,000
Total expected outflows	<b>1,612</b>	<b>29,649</b>	<b>-</b>	<b>-</b>	<b>1,612</b>	<b>29,649</b>
<b>Financial Assets – cash flows realisable</b>						
Cash and cash equivalents	1,232,965	941,897	-	-	1,232,965	941,897
Receivables	1,251	-	-	-	1,251	-
Other assets	-	28,000	-	-	-	28,000
Total anticipated inflows	<b>1,234,216</b>	<b>969,897</b>	<b>-</b>	<b>-</b>	<b>1,234,216</b>	<b>969,897</b>
Net (outflow)/inflow on financial instruments	<b>1,232,604</b>	<b>940,248</b>	<b>-</b>	<b>-</b>	<b>1,232,604</b>	<b>940,248</b>

## Notes to and forming part of the Financial Statements (continued)

### **NOTE 14 – COMPANY LIMITED BY GUARANTEE**

Spinal Cure Australia Ltd is a company limited by guarantee with the liability of members limited to \$100 as set out in the Company's Constitution. As at 30 June 2010 there were 20 members.

### **NOTE 15 – FINANCIAL REPORTING BY SEGMENTS**

Spinal Cure Australia Ltd 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 Sydney NSW, Australia.

### **NOTE 16 – COMPANY DETAILS**

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

L3 Westfield Towers  
100 William Street  
East Sydney NSW 2011

# Directors' Declaration

1. In the opinion of the Directors of Spinal Cure Australia Ltd:
  - (a) the financial statements and notes, set out on pages 2 to 23, are in accordance with the Corporations Act 2001:
    - (i) give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the entity; and
    - (ii) comply with Australian Accounting Standards.
  - (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 18th day of October 2010.

Signed in accordance with a resolution of the directors:



Mr G McDowell  
Director



Ms J Knott  
Director

# Auditor's Report

We have audited the financial statements of Spinal Cure Australia Ltd for the financial year ended 30 June 2010 consisting of the comprehensive income statement, statement of financial position, statement of changes in equity, statement of cash flows, a summary of significant accounting policies, other explanatory notes and the Directors' declaration.

## 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 includes establishing and maintaining internal controls 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 statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Spinal Cure Australia on 27th September 2010 would be in the same terms if provided to the directors as at the date of this auditor's report.

## Additional scope pursuant to the Charitable Fundraising (NSW) Act 1991

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

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

The performance of our statutory audit included a review of internal controls for the purpose of determining the appropriate audit procedures to enable an opinion to be expressed on the financial report. This review is not a comprehensive review of all those systems or of the system taken as a whole and is not designed to uncover all weaknesses in those systems.

The audit opinion expressed in this report pursuant to the Charitable Fundraising (NSW) Act has been formed on the above basis.

## Qualification

Spinal Cure Australia Ltd 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 Ltd 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 Ltd 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 2010 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.

## Qualified audit opinion pursuant to the Charitable Fundraising (NSW) Act 1991

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation referred to in the qualification paragraph not existed:

- 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 Spinal Cure Australia Ltd will be able to pay its debts as and when they fall due.



Darren A Kay

Fleming Moynihan & Kay  
Baulkham Hills  
October 2010

# Valued Friends

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

Ahmad, Rehan  
 The Athlete's Foot  
 Ballyus Designs and Ballyus Propagators  
 Cameron, John T.  
 The Carlo & Roslyn Salteri Foundation  
 Cauchi, Dallas  
 D & R Stockfeeds  
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 Geddes, Beverley A.  
 Gibson, Geraldine  
 Gibson, W.A.  
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 Liverpool Catholic Club  
 Long, Carey  
 Masnada, Michael  
 Mayne, Leah  
 Prast, David D.  
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 Walters, Vera L.  
 Wiggly Tail Butchery  
 Wormald, Jo  
 Wormald, Nick

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 McCann, Kelly  
 McCann, Robert  
 Moloney, Will  
 Scarpino, Aldo  
 Shook, Sue-Ellen  
 Slechta, Joan  
 Smith, Joanne  
 Stefan, Therese  
 Wallace, Duncan (Mighty Media)  
 Woollam, Patricia

Kelly McCann and Macarthur Lions Golf Day  
 – Gold Hole Sponsors:

Argyle Inn Camden  
 The Athlete's Foot  
 Barcol Scaffolding and Maintenance  
 Bella Cleaning Service  
 Campbelltown Trophies  
 Canning-Dabelle  
 Carey Constructions  
 Castrol Australia  
 CLM Excavations  
 Dalmore Stud  
 Garda Turner  
 Harry Schwarz Consulting  
 Jeremy Mayne  
 John McDonald  
 Macarthur District Temporary Family Care  
 Macarthur Lions Club  
 Meehans Solicitors  
 Nursing Group  
 Panania Plumbing  
 Raffan Kelaher and Thomas  
 Rix Group  
 Trade West  
 Tri-City Trucks  
 Trio Plumbing  
 TRN Group

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