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ANNUAL REPORT 2006 07





Patron

His Excellency Dr. Ken Michael,
Governor of Western Australia



Vice Patron

Mr Peter Holland

Senses Foundation wishes to
acknowledge the clients and
families who agreed for their
photographs to be used in support
of Senses Foundation in this
Annual Report.

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Board of Directors



President

James Thom MBA AFAIM AICD

James Thom joined the Senses Foundation Board in 2003. James is a senior public servant in the Department for Planning and Infrastructure. He has a deep knowledge of government and the interface with the not-for-profit sector, having managed policy and strategy development, funding programs and service delivery at both State and Federal levels. James Thom has three sons, one of whom has a disability.



Vice President and Corporate Committee Chairman

Rick Matich AMP (UWA) AIBF (Fin)

During 34 years service with Westpac Banking Corporation, Rick Matich served in a number of senior management and executive positions in Western Australia and New South Wales. Rick is a Director of Matich Marine and a business and financial services consultant. Rick Matich joined the Senses Foundation Board in 2001.



Commercial Committee Chairman

Craig Billings

Craig Billings is the General Manager of Marketforce Retail. Craig is highly regarded as one of the industry's leading strategic retail thinkers, and is renowned for his hands on approach in developing innovative communication strategies and value added initiatives for the Agency's clients. Craig Billings joined the Senses Foundation Board in 2005.



Client Services Committee Chairman

Anne Bourke

Anne is the Executive Director of the Child and Youth Health Services, Women's and Children's Health Service in the West Australian Health Department. Anne Bourke was appointed to the Board of Senses Foundation in June 2006.



Bill Cutler

Bill Cutler joined the Senses Foundation Board in January 2005. Bill has a working background of 42 years in banking, including offshore postings in Fiji, Hong Kong, Singapore and London. Bill has held the positions of Deputy Chief Manager London, and Head of Banking Operations Perth.

Bill Cutler is a member of the Corporate Committee of the Board.



John Groppoli

After serving as partner since 1987, John Groppoli now acts as a Consultant with Deacons and is Managing Director of Milner's Pty Ltd. Recognised for his expertise in franchising, John also has significant experience in corporate governance, transactional structuring, documentation and negotiation skills.

John Groppoli is a member of the Corporate Committee of the Board.



Sue Rowell

Sue Rowell was originally qualified in Social Work and for the ten years before her retirement, was the Director of Allied Health across Princess Margaret Hospital and King Edward Memorial Hospitals. Sue continues to be active professionally in Social Work, Allied health and community organisations. She is a member of the Mount Lawley Rotary Club and will be the District Governor of Rotary international District 9450 in 2008 – 2009. Sue joined the Board in April 2007. Sue Rowell is a member of the Client Services Committee of the Board.

Michael Oosterhof resigned March 2007

Erwin Roberts resigned March 2007

Tracey Cross resigned March 2007

President's Report



I find myself in the President's role at a very significant time in the evolution of Senses Foundation. Over recent years we have changed significantly.

We were an institutional provider, where clients attended classes or therapy, worked in sheltered workshops and lived in sheltered accommodation on one large site. In short, our clients came to us. Whereas we are now a 21st century knowledge-based organisation, housed in a fairly modest suite of modern offices and our professional staff go out to attend to our clients on an individual basis at their place of living or working. Increasingly, we are reliant on modern

information communications and technology so that our staff have access to the office wherever they are.

As the organisation has changed in response to its operating environment, so has our governance structure. Senses has benefited from the endeavours of many talented people at staff level and at Board level over its more than hundred year history. Each generation has passed the torch to the next.

At this time, I would like to acknowledge the service of three Board members who left us during the year.

Michael Oosterhof, our immediate Past President, was initially co-opted onto the Board in 2001, having been "captured" at one of our golf days. Michael subsequently became President from 2002 to 2007 and proved to be the right man in the right place at the right time as far as Senses was concerned. Michael's intellect and knowledge of the property industry came to the fore as the Board navigated difficult decisions about various loss-making business operations and the future of the Maylands site, which was also a significant drain on resources. He led us adroitly through the complex process of sale and purchase of our new premises. Michael also led the Board through development of our first Strategic Plan; a document that affirms our new directions. The

Board agreed to recognise Michael's enormous contribution to Senses by naming one of the meeting rooms in the new building The Michael Oosterhof Room.

Erwin Roberts also joined the Board in 2001 and we reluctantly accepted his resignation in April 2007. Erwin was another great contributor to Senses Foundation. We benefited mightily from his town planning skills and his business acumen. Erwin served as Chair of the Commercial Committee and in that capacity led a fresh approach to Senses marketing strategy. Erwin also chaired our golf day committee, which this year raised more than \$130,000.

Tracey Cross was elected in 1997 and provided valuable insight to the work of the Client Services Committee for several years until her departure in 2007. Tracey's term included the amalgamation of the two organizations to form Senses Foundation and the organisation's strategic shift to community based service provision.

The Board deeply appreciates the contributions of these three people to the advancement of Senses Foundation.

On the other side of the ledger, the Board has welcomed two new members in Anne Bourke and Sue Rowell. Each has a particular skill set that matches these times as we advance in our new strategic direction.

I would like to pay tribute to the tireless efforts of our Chief Executive Officer, Debbie Karasinski, and all Senses staff throughout this year. It has been a particularly challenging time, with packing up and moving to Burswood and then the incredible demands of mounting the 14th Deafblind International World Conference, whilst throughout maintaining our services to our clients. And, in fact, the evidence of this annual report is that Senses client services and the activities that support them through commercial and corporate action have actually increased and improved. On behalf of the Board, a hearty "well-done" to all!

Finally, to my fellow Board members, my sincere appreciation for their support to me through my first year in the President's chair. We share a collective commitment to the aims and values of Senses Foundation.

James Thom
PRESIDENT

Chief Executive Officer's Report

Throughout the year, I regularly reported to the Board on the five priorities which we had set ourselves in July 2006. It is now my pleasure to report to Members, clients and families, and supporters of Senses Foundation on these priorities.

Priority 1: To identify the number, location, level of disability and needs of people who are blind with additional disabilities and deafblind throughout Western Australia.

We started the financial year unaware of the number of people in Western Australia who are blind with additional disabilities or deafblind. We were not aware of their location or their age; whether they live in the community or in institutions or whether their needs were being effectively met. We felt it was extremely difficult to develop services without having a full understanding of our target population and their needs, and almost impossible to seek Government funding for services without being able to identify the recipient of those services.

As we end this financial year, I am delighted to be able to report that we now know the answers to most of the questions we posed.

Paula Dyke was commissioned by Senses

Foundation to undertake the research. Paula has over twenty years experience in the disability sector, and has undertaken several pieces of research, publishing a number of reports and articles in national and international journals. Currently Paula is working with the Telethon Institute for Child Health Research on a number of research projects.

Our research found a staggering 37,900 people in Western Australia who are either deafblind or vision impaired with additional disabilities. This was far more than we had expected and, while making clear our *raison d'être*, presents a significant challenge for us into the future.

Priority 2: To develop the services required under the Strategic Plan.

When we signed off on our Strategic Plan some three years ago, we undertook to

- assist the client to remain in accommodation of their choice either within their family; independent in the community or in supported accommodation.
- enable the client to participate and interact within their family and community.
- support the family of the client to remain intact.
- enable the client to have a life of purpose and meaning relevant to them.

We have made enormous strides in all of these areas as I trust this report demonstrates. In some services we have progressed from providing a limited service, for example in physiotherapy, occupational therapy and communication specialists, to providing a full time and comprehensive service. In others, for example in social work, sibling support, family support and counseling, we have progressed from providing no service at all, to providing a significant service. The challenge for us now is to provide similar services to those people newly identified through our research, particularly those in rural and remote Western Australia.

Priority 3: To market and promote the work of Senses Foundation.

Senses Foundation was being significantly disadvantaged by being almost unknown in the health and disability sector and completely unknown in the wider community. This was negatively impacting on our ability to raise funds in the community; interest corporates in sponsorship activities; be successful in Government applications for funding; find employees for Senses Foundation; and finally, identify our target population.

Again, we have made considerable progress in

this area. Our television advertisements, our bill boards, and our newspaper articles have all moved us one step closer to being recognised by the community as the primary service provider and advocate for people who are blind with additional disabilities and people who are deafblind.

Priority 4: To identify sustainable funding for Senses Foundation's operations.

Senses Foundation can only offer continuity of service to its clients, and secure staff who are appropriately qualified and experienced to provide quality services, if its income is recurrent and sustainable. Senses Foundation needed to find recurrent funding from its traditional funders and develop new relationships with alternate funders – both of which we have achieved this year.

We received new recurrent funding from the Disability Commission for our Specialist Communication Service, for our Alternatives to Employment Program and for individual clients in our Intensive Family Support program.

Our new sources of income came for the first time from the Department of Sport and Recreation and the Department of Local Government and Regional Development. This along with numerous project grants from

Government and Non Government sources enabled us to make the inroads we have, to meeting our Strategic Plan.

Priority 5: Ensure effectiveness and efficiency in the organisational infrastructure required to support income generation and service provision.

Senses Foundation needed to find ways to reduce its administrative costs whilst still ensuring the quality of its services, the training and supervision of its staff, and its legislative and regulatory requirements.

The development of a Corporate division within the organisation was the first step in this process and led, this year, to increased productivity and reduced costs for the administration, IT, and finance functions. The sale of the Maylands site and the move to Burswood was the second step, also completed this year, which has led to considerable cost savings in insurance, security and building maintenance. Finally, the fit-out design in the new Burswood offices, has reduced the need for some administrative functions and increased communication and cooperation across all areas of the organisation.

Thus, much as been achieved in what has been an exciting and extremely busy year. Although we have many challenges to face in the year ahead, the stage is now set to meet these challenges with enthusiasm and commitment and with a primary focus on our clients and their families. No man – or woman – is an island, and not much is achieved in isolation. This is most certainly true in relation to the leadership and management of Senses Foundation. I would like to acknowledge the considerable support and guidance I receive from the Board, in particular from James Thom, Senses Foundation President. I also acknowledge and thank the three Senior Managers, David Snape, Terry Hendricks and Elvira Edwards for their huge capacity for work and their commitment to our shared vision. And finally, I thank the Senses Foundation staff for their dedication, without which, none of our achievements would be possible.

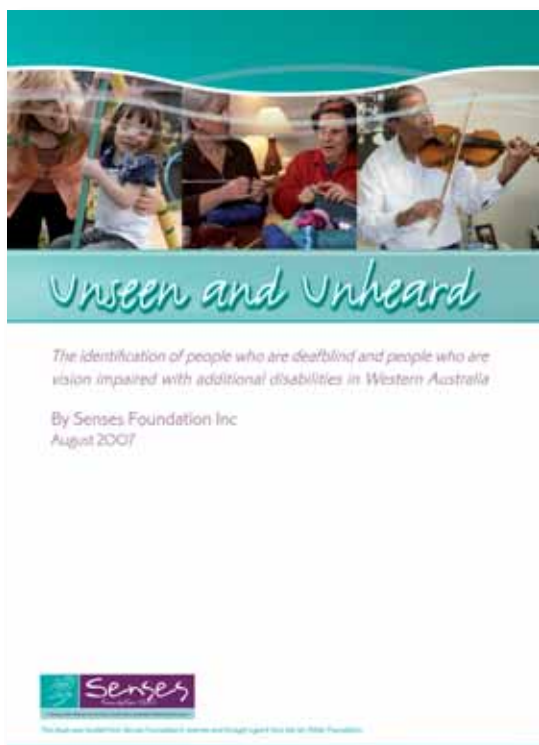


Debbie Karasinski
CHIEF EXECUTIVE OFFICER

Our Raison D'etre

During the year Senses Foundation, with funding from its own reserves and from the Ian Potter Foundation, commissioned a study to identify the number, location, age and level of disability of people who are blind with additional disabilities and people who are deafblind throughout Western Australia. The report of the study entitled "Unseen and Unheard" had the following findings.

A total of 37,900 people are either deafblind or vision impaired with additional disabilities in Western Australia.



Of these people;

- Almost half have a profound or severe disability,
- 8,800 are deafblind,
- 29,100 have a vision impairment and additional disabilities,
- 13,200 are under the age of 60.

Of the 8,800 people who are deafblind;

- 2,288 live in rural and remote Western Australia,
- Only 181 indicated that they are currently receiving any formal disability services.

Of the 29,100 who have a vision impairment and additional disabilities;

- 11,640 live in country Western Australia, with 4,656 living in remote WA,
- Only 714 are currently receiving any formal disability services.

Client Services – at a glance

During 2006/2007, 61,413 hours of service were provided to 115 clients.

- 49 people received 37,410 hours of service through Accommodation Services.
- 57 people received 19,454 hours of service through Community Services, and
- 119 people received 4,549 hours of service through Specialist Services.

Client Services focused on:

The Individual Client

- Communication Specialist Services were increased.
- Occupational Therapy and Physiotherapy services were increased to full-time.
- A number of children were supported to attend community educational programs.
- The Alternatives to Employment Program was increased by 300%.
- Some clients were supported to move into accommodation of their choice.
- A support group for people with Usher Syndrome was developed.

The Family

- Respite hours and holiday respite were increased.

- An Intensive Family Support service was developed.
- The flexibility of respite was increased to be centered around family needs and wants.
- Families were provided with opportunities to meet and support each other.
- Siblings were given the opportunity to get together, be supported and have fun.
- Families were given a break on weekends.
- Professional counseling was offered to families and clients.

Partnering, networking and consultancy

- A consultancy service was provided to a range of generic service providers.
- Other agencies were trained in the specific requirements of our clients.
- 15 agencies were provided with information about the access needs of people who are deafblind.

Excellence in service provision

- 4 Senses Foundation Support Workers were nominated for the NDS Support Worker Awards.
- A Certificate of High Commendation was received from the Minister for Disability Services for excellent service provision in accommodation services.



Accommodation Services

Forty nine clients received 37,410 hours of service through Accommodation Services in the 2006/2007 financial year.

A new model of service provision was implemented in the Accommodation Service during the year which recognises the importance of involving clients in decisions affecting their daily lives. It also acknowledges the value of direct support workers who deliver the services on a day to day basis.

Employees working directly with clients know them well. They understand their personal aspirations and capabilities and are in the best position to appreciate what is really important to each client. They can recognise and encourage each person to achieve their potential and at the same time see ways for them to gain as much independence as possible. These issues were considered to be so important that the new structure was specifically designed to take them into account.

These principles will ensure better informed and more responsive decisions are made and will allow for more discretion to be exercised at the local level.

Achievements for Clients

- Two clients purchased their apartments in the community and are enjoying their new found independence with minimal support from carers.
- Two clients living together made the decision to separate and live alone, enhancing their confidence and capacity to be self sufficient.
- Two clients with moderate support needs enjoyed a holiday at the Gold Coast with support from Senses Foundation staff.
- A client who is deafblind was successfully relocated to a unit within walking distance of a shopping area that he is familiar with and can negotiate by himself.
- A client was assisted to attend a National 'Bocce' competition in Victoria. He won the competition!
- Three clients completed an over night 'bush walk' on the Bibulmin Track with the support of Senses Foundation staff. A unique experience enjoyed by all!



Community Services

Fifty seven clients received 19,454 hours of service through Community Services. This was provided in the following programs

- Disability Aged Care – 10,386 hours of service provided to 16 clients.
 - Respite Services and Intensive Family Support – 3,067 hours of service provided to 17 families.
 - Alternatives to Employment and Post School Options – 3,000 hours of service to 14 clients.
 - Recreation - 358 hours of service to 9 clients.
- Accommodation and Respite Services came together to care for a client in order that the family carer could have a much needed and very valuable break from their caring role over a long week end and a week end.
 - Aromatherapy, hand massage and a variety of relaxation techniques were provided through the Disability Aged Care Service for a client with the early stages of dementia, to enable relaxation and a good night's sleep.
 - A number of clients in the Disability Aged Care service had their first holiday in many years at the Karri Valley Resort, supported by Disability Aged Care staff.
 - Three clients walked 2.8 km along the Bibulmin Track as part of the Recreation Program, spending the night in one of the huts and then walking on a further 3.5 km the next day.

Achievements for Clients

- The Respite Service provided a dedicated support worker for a client, enabling his parents to attend a family function over a weekend, that was very important to them.
- The Respite Service supported a family with a very young baby, by providing care to the client and the siblings, including the baby. This enabled the parents to attend the evening meal and meet with other parents at a workshop run by the Senses Foundation Social Worker.



Specialist Services

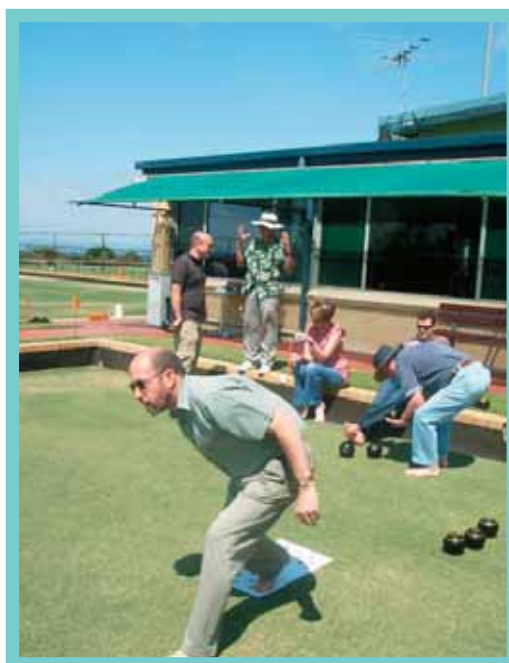
One hundred and nineteen clients received 4,549 hours of service through Specialist Services. This was provided in the following programs:

- Early Childhood Service.
- Specialist Communication.
- Professional Services, including Occupational Therapy, Social Work and Physiotherapy.

Achievements for Clients

- A support network was developed for people with Usher Syndrome and their families including the establishment of an on-line support.
- Parents were supported to develop coping mechanisms for their role as primary carer.
- Communication facilitators assisted children who are deafblind to attend recreational activities.
- A training package was developed for service providers who support the ageing population with sensory losses.
- 25 parents were supported with a Parent Retreat at the Rendezvous Hotel and another at the Vines Resort.
- 7 mums enjoyed a 'Parisian Morning Tea' at the Leaf Merchant Teahouse.

- 13 parents enjoyed a Christmas Dinner at Fraser's Restaurant.
- Siblings were supported with sibling family fun days for siblings to meet and develop rapport with other brothers and sisters of a child with a disability.
- A 'sibshop' was conducted by a Clinical Psychologist.
- A 'Planning Ahead' workshop was held to address the older siblings and carers of adults with a disability.
- Six extended families of clients enjoyed a Visit to the Zoo.
- 3 dads participated in a Dads Lawn Bowls afternoon.



14th Deafblind International World Conference



The preparation for the 14th Deafblind International World Conference was a major focus for the year. As at 30th June 2007, 394 registrations had been received, with delegates coming from 52 countries.

Key Note addresses will be made by Ray Kurzwell, "Technology and Disability: Where have we come from and where are we headed?"; Bill Kimberling and Claes Moller "Genetics and Deafblindness – Where have we been and where are we going?"; and Paul Hart, "Happiness as the Key to Success – But What is Success? Health, wealth or wisdom?".

His Excellency Dr Ken Michael, the Governor of Western Australia, will open the conference at an Opening Ceremony where delegates will experience a little of Australia".

Human Rights and Equal Opportunity Commission, Graeme Innes will address delegates at the Gala Banquet.

Senses Foundation gratefully acknowledges the following Conference Sponsors.

The West Australian State Government
Lotterywest
The Disability Services Commission
Linneys
Humanware
Nabs
The Association for the Blind
Cochlear

Commercial Services – at a glance

- Direct Mail Campaigns reached and exceeded its target of \$100, 000.
- A Senses Foundation television advertisement was developed and aired continuously throughout the year with donated airtime valued at well over \$100,000.
- Our Billboard was displayed continuously throughout the Perth metropolitan area.
- Pamphlets covering all Client Services programs were developed and circulated.
- Senses Foundation advertisements and editorials were printed continuously in Community Newspapers, with a minimum of 5 and a maximum of 9 community newspapers carrying an advertisement in the same month.
- A Corporate Information Package, was developed and is being used successfully to introduce Senses Foundation to new supporters and potential supporters.
- The Walter Padbury Circle was developed to acknowledge people who advise Senses Foundation that they plan to leave a bequest to the Foundation.
- The first Senses Foundation Lawn Bowls Day was held at the Mosman Park Lawn Bowls Club producing a small profit and lots of potential for an ongoing fundraising activity.
- The Senses Foundation website was revised to meet Vision Australia standards for low vision.




AUSTRALIAN STEEL INSTITUTE

Date 23/02/2007

PAY: Senses Foundation (Inc)

THE SUM OF: Thirty one thousand dollars only \$31,000.00

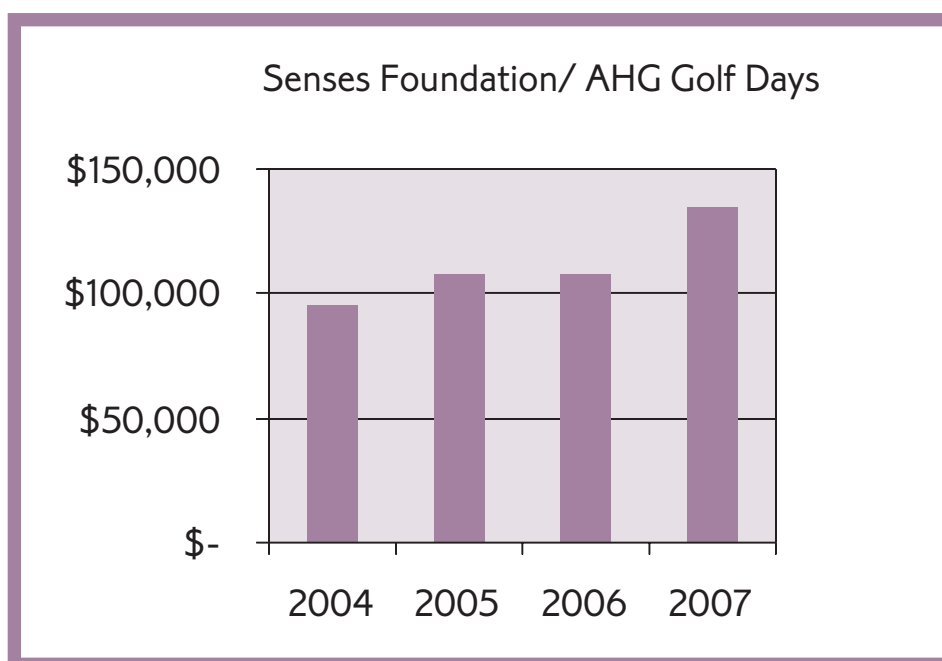

AUSTRALIAN STEEL INSTITUTE

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Senses Foundation and AHG Golf Day

The Annual Senses Foundation AHG Golf Day is the Foundation's main fundraising activity each year. This year the event returned to its traditional home, at the Royal Perth Golf Club, and was a record setting event, much enjoyed by everyone. It was the 13th running of this golf day,

and the 10th successively sponsored by AHG. The funds raised supported the Specialist Communication program, and the net amount raised was \$135,000. The results over the past few years show an ongoing improvement in funds raised.



Senses Foundation wishes to thank the following companies and individuals for the success of the day.

Gift Supporters

Accord Technologies (WA)
AHG
AI Distributor For Romax Products
Anthem Software / Adrian Floate
Austereo Pty Ltd 92.9
Australian Food Merchants
Barros Laboratories
Brinkhaus Jewellers
Bunnings Group Ltd
Channel Seven
Coco's Restaurant
David Milne Golf Academy
Dominos Pizza
Drummond Golf
Ferngrove Vineyards Ltd
Fletcher Jones
Fremantle Ports
Gage Roads Brewing Company
Garden City Shopping Centre
Herdsman Lake Tavern
Il Padrino Caffe Pizza Academy
Juan Rando Dance Academy
Just Spectacles and Sinico Pty Ltd
Justin Langer
Karrinyup Shopping Centre
Label 'N' Table
Mazzucchelli's
Mead Hospitality
Metropolitan Trophies
Newtons Menswear
Notre Dame School
of Physiotherapy
Optus Business Direct
Origin Spring Water

Parker and Co Menswear
Perth Mint
Perth Quality Limousines
Proton Promotions
Prouds Jewellers
Rivergods Paddle Adventures
Robert Hitchcock
Rottnest Fast Ferries
Rugby WA
Scoop Publishing
Serene Day Spa and Beauty
The Cut
The Melbourne Hotel
United Way
Val Jones
Valentine's Camera House Fremantle
Viva Life Photography
Wesco Electrics
West Australian Ballet
West Australian School
of Reflexology
West Australian Symphony
Orchestra
Western Australian Barista Academy

Team Sponsors

AAPT
AHG
AON Risk Services Australia Limited
Australia Post
Axis Financial Group Pty Ltd
Bdo Kendalls (WA) Pty Ltd
Bruce Mclean Architects
Castrol Australia Pty Limited
Commonwealth Bank
Computercorp Pty Ltd
Cooktown Construction Pty Ltd
Cossill and Webley Pty Ltd

Courier Australia
Deacons
Delphi Distributors
Eastcourt Property Group
Ernst and Young
Hardie Financial Corporation Pty Ltd
IBM Australia
Jardine Lloyd Thompson
Lwp Property Group Pty Ltd
Mack and Co
Monadelphous Group Limited
Oakvale Capital
Premium Corporation Pty Ltd
Reynolds and Reynolds
Rick Hart Group
Roberts Day
Sma Consultants Pty Ltd
St George Automotive Finance
Statewide Oil Distributors
Swann Insurance
The West Australian
WA Hino Sales and Service
Wesco Electrics Pty Ltd
Whelans Survey and Mapping Group
Pty Ltd

Special Acknowledgements

AHG Major Sponsor
BDO Kendalls Dinner Sponsor
Ferngrove Vineyards Ltd
Fremantle Ports
Vince Garreffa from Mondo Butchers
Robert Hitchcock Sculptor
Ron Olson Photographer

The Australian Steel Institute Golf Day

The third ASI Golf day in support of Senses Foundation was run in November 2006 at “the Vines”. It was a very successful event, enjoyed by all.

In one of the last ceremonies held at the old Heritage Building in Maylands, ASI presented a cheque for \$35,000 to Senses Foundation.

Bayswater Bingo

Bayswater Bingo continues to make a significant contribution to Senses Foundation’s income and provide hundreds of patrons with hours of fun and excitement



Thanks to our valued supporters

Senses Foundation gratefully acknowledges the following organisations for their continued support of both Senses Foundation and individual clients.

Deacons

Senses Foundation continues to be supported by Deacons who, as Senses Foundation lawyers, have contributed significantly to the work of Senses Foundation throughout the year.

Senses Foundation wishes to thank all Deacons partners and staff for their ongoing involvement in the work of the Foundation including the participation in fundraising activities.

Marketforce

Senses Foundation gratefully acknowledges the significant contribution of Marketforce to the Foundation's marketing and branding activities throughout the year.

The Western Australian Government has provided support through the following Departments:

- Disability Services Commission.
- Department of Housing and Works.
- Department of Education and Training.
- Department of Education and Training (NGCS).
- Department of Sport and Recreation.
- Department of Local Government and Regional Development.

Special acknowledgement is made of the \$100,000 grant from the Western Australian State Government to assist Senses Foundation to host the 14th Deafblind International World Conference.



Lotterywest for organisational and client grants.

Special acknowledgement is made of the grant of \$628,520 provided for the refit of the Senses Foundation Burswood Offices and the \$50,000 grant provided to assist Senses Foundation to host the 14th Deafblind International World Conference.

Gordon Reid Foundation for its contribution to funding recreation for clients.

Commonwealth Department of Health and Ageing for its contribution to clients who are ageing.

AUSAid for its contribution towards funding eight people from developing countries to attend the 14th Deafblind International World Conference.

Department for Family and Children's Services and Indigenous Affairs for its contribution towards funding Australians who are deafblind to attend the 14th Deafblind International World Conference.

Channel 7 Telethon for support of the families of clients.

Carers WA for support of the carers of clients.

NDS (formerly ACROD) for support through training grants.

Ian Potter Foundation for support of the research project to identify client need and the report "Unseen and Unheard".

Synergy for a series of fundraising activities run for Senses Foundation

Western Power for funding specialised equipment for a client.

Television stations in Western Australia for airing the Senses Foundation television advertisement as a community announcement.

AMF Bowling for running a fundraising activity for Senses Foundation

Bequests and Trusts

Senses Foundation gratefully acknowledges the funds it received through the following trusts and bequests.

Bequests

Mr A Dingli

Mr Alfred Humphries

Mr H J Leahy

Miss Vera Pearl Long

Mrs Margaret Emily Wheat

Mr L Wilkes

Mr Alfred Wilton

Trusts

Estate of Harold Redcliffe

Estate of William Balston

Marcus and Molly Stone Charitable Trust

Marjorie Helen Parsons Charitable Trust

Stan Perron Foundation

Teresa Way Awards

The Teresa Way Awards are presented annually and recognise a significant contribution to a person or people who are deafblind and their families through;

- A contribution to the Senses Foundation services for people who are deafblind,
- Being a positive role model for people who are deafblind

In 2007, the Teresa Way Awards will be presented at the 14th Deafblind International World Conference Banquet.

The 2007 recipients of the Award are;

Bayswater Waves

Bayswater Waves has offered exception support to people who are deafblind using their facility. All staff are accommodating, flexible and welcoming. Their attitude and approach is very positive and staff do not view deafblindness as a barrier to participation.

Julie Gore

Over the last two years, Julie Gore has volunteered her services through “pink pamperers” to provide hand massages and manicures for mums of clients at the regular morning teas run by the Senses Foundation Social Worker. Senses receives considerable positive feedback from women attending the morning teas and the support, camaraderie and feelings of being valued, that they provide.

Gold Leaves

The Gifting Tree was established in 1993 to recognise a contribution to Senses Foundation of a monetary or “in-kind” donation of \$1,500 or more.

Gold Leaf certificates were presented to the following companies and individuals, at the Senses Foundation 2007 Annual General Meeting.

AHG

Anthem Software

Australian Steel Institute

BDO Kendalls (WA) Pty Ltd

Cedar Woods Properties Ltd

Channel Seven Telethon Trust

Collier Charitable Fund

Eastcourt Property Group

Estate of Alfred Wilton

Ferngrove Vineyards Ltd

Jeff and Anita Healy

Kim Robinson

Marcus and Molly Stone

Marjorie Helen Parsons

Mr William Isted

Mr A McGlew,

Mr and Mrs Phelan

Mr and Mrs Ralph Sarich

Mr G Tilbrook

Mr and Mrs Crossley

Mr Alfred Humphries

Mead Hospitality

Miss Vera Long

Mr Rick Hart

Mr Erwin Roberts

Mr Greg Allen

Mr Graham Hardie,

Mr Trevor Gosatti

Mrs Ivy Hopkins

Ms Isobel Currell

Robert Hitchcock

Stan Perron Foundation

Subiaco Investments Pty Ltd

The Ian Potter Foundation

Vince Garreffa

Wesco Electrics Pty Ltd

Corporate Services – at a glance

- The refit of the offices in Burswood and the move from Maylands to Burswood were completed on time and on budget.
- Staff Turnover reduced from 80% in 2002/03 to 28% in 2004/05 to 23% in 2006/07.
- The Senses Foundation Collective Workplace Agreement was registered offering employees competitive pay and conditions; paid parental leave, improved leave entitlements, wage adjustments linked directly to funding, and penalty and overtime rates.
- Staff training increased by over 25% with the increase predominately in Client Services.
- Senior Managers, Managers and the Training and Development Coordinator participated in two days' professional development focusing on leadership and the key skills and behaviors required to become effective leaders.
- Senses Foundation offered traineeships through the Department of Education and Training and, as a result;
 - One staff member completed the Disability Certificate Levels 3 and 4 and received their certificates.
 - Three staff members completed Disability Certificate Level 3.
 - One staff member is participating in Disability Certificate Levels 3 and 4.
- Senses Foundation funded two staff members to complete their Disability Certificate Level 4.
- Senses Foundation funded an 18 week course to staff, providing preliminary training in AUSLAN.
- Eighteen employees attended conferences and seminars in Australia and overseas.
- Senses Foundation maintained its excellent occupational health and safety record.
- Senses Foundation conducted regular inspections, emergency evacuation practices, reviews of policy and procedures and training of staff in critical areas such as medication, manual handling, fire emergency, hazard identification and challenging behaviors.
- A new accounting system, Sybiz 6, was installed.
- Three websites were managed – Senses Foundation, 14th Deafblind International World Conference and Bingo.
- Rostering software (Roster-On) was installed.



Senses Foundation (Inc)

Financial Statements

for the year ended 30 June 2007

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Income Statement for the year ended 30 June 2007

	Note	2007	2006
		\$000	\$000
Revenues from Ordinary Activities	2	7,560	6,733
Cost of bingo sales	3	(2,684)	(2,718)
Depreciation expenses	3	(102)	(73)
Salaries and employee benefits expense		(2,847)	(2,791)
Other expenses from ordinary activities	3	(1,279)	(1,092)
Surplus from Ordinary Activities		<u>648</u>	<u>59</u>

To be read in conjunction with the Notes to the Financial Statements

Balance Sheet as at 30 June 2007

	Note	2007 \$000	2006 \$000
CURRENT ASSETS			
Cash and cash equivalents		865	781
Trade and other receivables	4	356	4,401
Other current assets	5	73	82
TOTAL CURRENT ASSETS		<u>1,294</u>	<u>5,264</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	5,946	2,686
Financial assets	7	5,964	1,582
TOTAL NON-CURRENT ASSETS		<u>11,910</u>	<u>4,268</u>
TOTAL ASSETS		<u>13,204</u>	<u>9,532</u>
CURRENT LIABILITIES			
Trade and other payables	8	650	578
Short-term provisions	9	318	245
TOTAL CURRENT LIABILITIES		<u>968</u>	<u>823</u>
NON-CURRENT LIABILITIES			
Long-term provisions	9	230	272
TOTAL NON-CURRENT LIABILITIES		<u>230</u>	<u>272</u>
TOTAL LIABILITIES		<u>1,198</u>	<u>1,095</u>
NET ASSETS		<u>12,006</u>	<u>8,437</u>
EQUITY			
Accumulated funds		8,962	8,314
Reserves		3,044	123
TOTAL EQUITY		<u>12,006</u>	<u>8,437</u>

To be read in conjunction with the Notes to the Financial Statements

Statement of Changes in Equity as at 30 June 2007

	Accumulated funds	Asset revaluation reserve	Bequest reserve	Total
	\$	\$	\$	S
Opening balance at July 1 2005	8,255	-	38	8,293
Fair value accounting of available for sale financial assets taken directly to equity	-	85	-	85
Profit for the year	59	-	-	59
Balance at June 30 2006	8,314	85	38	8,437
Fair value accounting of available for sale financial assets taken directly to equity	-	2,921	-	2,921
Profit for the year	648			648
Balance at June 30 2007	8,962	3,006	38	12,006

To be read in conjunction with the Notes to the Financial Statements

Statement of Cash Flows for year ended 30 June 2007

	Note	2007 \$000	2006 \$000
Cash Flows from Operating Activities			
Receipts from customers		4,441	4,113
Subsidies from government		2,627	2,031
Interest received		183	485
Dividends received		115	58
Payments to suppliers and employees		(6,698)	(6,530)
Net Cash Flows (used in)/from Operating Activities	11 (A)	<u>668</u>	<u>157</u>
Cash Flows from Investing Activities			
Purchase of fixed assets		(743)	(2,656)
Purchase of investments		(4,100)	(1,745)
Proceeds from sale of fixed assets		4,259	927
Proceeds from sale of investments		-	580
Net Cash Flows from/(used in) Investing Activities		<u>(584)</u>	<u>(2,894)</u>
Net Increase/(Decrease) in Cash Held		84	(2,737)
Add Opening Cash Balances Brought Forward		<u>781</u>	<u>3,518</u>
Closing Cash Balances Carried Forward	11 (B)	<u><u>865</u></u>	<u><u>781</u></u>

To be read in conjunction with the Notes to the Financial Statements

Notes to and forming part of the Financial

1. Statement of Significant Accounting Policies

Basis of Accounting

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report of Senses Foundation (Inc) complies with all Australian equivalents to International Financial Reporting Standards (A-IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Foundation in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Reporting Basis and Conventions

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

Accounting Policies

Basis of Preparation of financial report

a) Rounding Off

Items in the Accounts and Notes thereto have

been rounded off to the nearest thousand dollars unless specifically stated otherwise.

b) Impairment of Assets

At each reporting date, the Foundation reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Foundation estimates the recoverable amount of the cash-generating unit to which the asset belongs.

c) Investments

Interests in listed and unlisted securities are initially brought to account at cost. Other securities are included at fair value at balance date. Unrealised gains/losses on securities held for short term investment are accounted for as set out in Note (k) (i) financial assets at fair value through profit or loss. Unrealised

Statements for year ended 30 June 2007

gains/losses on securities held for long term investment are accounted for as set out in Note 1 (k) (iii) available for sale financial assets

d) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and Equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Foundation to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that

will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Foundation includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Foundation 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.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Assets	Depreciation Rate
Buildings	2.5%
Plant and Equipment	20%
Furniture and Fittings	20%
Motor Vehicles	20%
Computer Equipment	40%
Leasehold Improvements	20%

The assets' 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 asset's 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 and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to the asset are transferred to retained earnings.

e) Bingo Income

Senses Foundation leases and manages the Bayswater Bingo Centre. All income from the Centre is brought to account as income of Senses Foundation.

f) Grants

All grants, both capital and revenue, received by Senses Foundation are brought to account as revenue.

g) Cash and Cash Equivalents

For purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

h) Income Tax

Under Section 50-5 of the Income Tax Assessment Act 1997 the income of Senses Foundation as a charitable institution is exempt from income tax.

i) 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 balance

sheet 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.

j) Comparative Figures

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

k) Financial Instruments

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

(i) *Financial assets at fair value through profit or loss*

This category has two sub-categories; financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated

by Management. The policy of Management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

(ii) *Loans and receivables*

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

(iii) *Available-for-sale financial assets*

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

l) Employee Benefits

(i) Wages, salaries and annual leave

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

(ii) Employee benefits payable later than one year

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(iii) Superannuation

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

(iv) Employee benefit on costs

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

(v) Long service leave

The Foundation was accruing for long service leave from the first day of employment of an employee with the Foundation.

(vi) Change in accounting policy

During the year the Foundation changed its accounting policy in respect of accruing for long service leave to that statutorily applied under the Long Service Leave Act.

2. Revenue from Ordinary Activities

	2007	2006
	\$000	\$000
Revenue from bingo	3,412	3,432
Revenue from accommodation services	81	83
Revenue from donations & bequests	370	196
	<u>3,863</u>	<u>3,711</u>
Revenue from Grant		
Grant from Government	2,066	1,968
Grant from Lotterywest	534	-
Grant from Gordon Reid	27	22
	<u>2,627</u>	<u>1,990</u>
Total Revenues from Operating Activities	<u>6,490</u>	<u>5,701</u>
Revenues from Non-Operating Activities		
Rent	94	29
Interest	183	458
Dividends	421	139
Net gains from disposal of property	59	-
Net gains from disposal of investment	-	42
Other revenue	313	364
	<u>1,070</u>	<u>1,032</u>
Total Revenues from Non-Operating Activities	<u>1,070</u>	<u>1,032</u>
Total Revenues from Ordinary Activities	<u><u>7,560</u></u>	<u><u>6,733</u></u>

A grant of \$531,000 was received from Lotterywest during the year to refurbish the new premises. This amount has been brought to account as revenue, the specific expenditure is included in the assets at written down value.

3. Expenses and Losses

	2007	2006
	\$000	\$000
Bingo direct costs	2,224	2,247
Bingo transport and parking	441	451
Gaming taxes	19	20
Total Cost of Bingo Sales	2,684	2,718
Other Expenses		
Professional fees	38	13
Insurance	124	133
Rates, gas and electricity	92	39
Phone, postage, stationery and bank charges	86	52
Advertising	3	-
Vehicle expenses	26	21
Property costs	120	32
Other general expenses	663	746
Rental of premises	127	54
Net loss on disposal of assets	-	2
	1,279	1,092
Depreciation of Non-Current Assets		
Buildings	53	13
Furniture & Fittings	10	4
Computer Equipment	7	7
Motor Vehicle	22	25
Plant & Equipment	8	20
Leasehold Improvements	2	4
Total Depreciation of Non-Current Assets	102	73

4. Receivables

Debtors	45	8
Less provision for doubtful debts	-	(3)
Other debtors	306	4,392
Imputation credit	5	4
Total	356	4,401

Debtors are non-interest bearing and are on 14 or 30 day terms.

5. Other Current Assets

	2007	2006
	\$000	\$000
Prepayments	<u>73</u>	<u>82</u>

6. Property, Plant and Equipment

Freehold land at cost	-	550
Freehold land at independent valuation	1,750	-
Freehold buildings at cost	-	2,104
Freehold buildings at independent valuation	3,850	-
Accumulated depreciation	<u>(66)</u>	<u>(13)</u>
	<u>5,534</u>	<u>2,641</u>

The Foundation relocated to a new building during the year.

Plant and Equipment

Cost	1,083	1,127
Accumulated depreciation	<u>(671)</u>	<u>(1,082)</u>
	412	45

Total Property, Plant and Equipment

Cost	6,683	3,781
Accumulated depreciation	<u>(737)</u>	<u>(1,095)</u>
Total Written Down Amount	5,946	2,686

Reconciliation of net carrying amount

Land and building

Carrying amount at beginning of year	2,641	927
Revaluation/Additions	2,946	2,654
Disposals	-	(927)
Depreciation expense	<u>(53)</u>	<u>(13)</u>
	5,534	2,641

Plant and equipment

Carrying amount at beginning of year	45	103
Additions	437	237
Disposals/Write-off	(21)	(235)
Depreciation expense	<u>(49)</u>	<u>(60)</u>
Accumulated depreciation on disposals	-	-
	412	45

Total Net Carrying Amount at End of Year

	<u>5,946</u>	<u>2,686</u>
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7. Financial Assets

Name	Balance 30/6/06	Invested During Year	Revalued Balance 30/6/07	Gain/ (Loss)
Burns Beach Property Trust	67	-	79	12
MIR Absolute Return Fund	525	1,062	1,719	132
AXA Wholesale Australian Property Fund	312	1,093	1,460	55
Centro Direct Property Fund-International	81	763	847	3
Basis Capital Yield Fund	502	996	1,560	62
Select Gottex Market Neutral Fund	95	186	299	18
	<u>1,582</u>	<u>4,100</u>	<u>5,964</u>	<u>282</u>

8. Trade and Other Payables

	2007	2006
	\$000	\$000
Current		
Trade creditors	94	23
Other creditors	536	542
Goods and Services Tax	20	13
	<u>650</u>	<u>578</u>

Trade creditors are non-interest bearing and are normally settled in accordance with the terms of the relevant supplier. Other creditors are non-interest bearing and have an average term of 14 to 30 days. Included in other creditors is grant monies \$402,000 (2006: \$230,000) received in this financial year which relates to the following year.

9. Provisions

	2007	2006
	\$000	\$000
Current		
Provision for annual leave	257	200
Provision for long service leave	23	10
Provision for Homeswest property maintenance	38	34
Provision for FBT	-	1
	<u>318</u>	<u>245</u>
Non-Current		
Provision for long service leave	30	105
Provision for Government Funds	200	167
	<u>230</u>	<u>272</u>

Under the terms of an agreement between Homeswest and Senses Foundation whereby Homeswest houses are leased to clients of Senses Foundation, there is a requirement for Senses Foundation to provide from the rent proceeds an amount equal to 1% of the market value of each house (excluding land) for future maintenance. The amount set aside up to the end of financial year is \$38,000 (2006: \$34,000).

10. Bequests Reserve

Three bequests were received by Senses Foundation on the condition that the funds are invested at all times.

	2007	2006
	\$000	\$000
Ada Woodward bequest	30	30
Cookworthy bequest	3	3
Pauline Bosikovic bequest	5	5
	<u>38</u>	<u>38</u>

11(A) Reconciliation of the net surplus to the net cash flow from operating activities:

	2007	2006
	\$000	\$000
Net surplus	648	59
Adjustments to reconcile net result to the net cash flow from operating activities:		
Depreciation expense	102	73
Net (profit)/loss on sale of property, plant and equipment	(39)	0
Net (profit)/loss on sale of investments	-	(42)
Changes in assets and liabilities:		
(Increase)/Decrease in receivables and prepayments	(146)	(34)
Increase/(Decrease) in payables and accruals	108	92
Increase/(Decrease) in provision for employee entitlements	(5)	9
Net Cash Flows from Operating Activities	<u>668</u>	<u>157</u>

11(B) Reconciliation of Cash Balances:

Cash balance comprises:

Cash on hand	6	22
Cash at bank	97	109
Cash deposits	762	650
Cash Balance as per Statement of Cash Flows	<u>865</u>	<u>781</u>

11(C) Bank Overdraft

Senses Foundation has no bank overdraft facility.

12. Contingent Liabilities

No contingent liabilities exist at the balance sheet date.

13. Lease Commitments

Senses Foundation is committed to payment for rental of premises as follows:

	2007	2006
	\$000	\$000
- not later than one year	134	124
- later than one year and not later than two years	112	103

14. Auditors Remuneration

Amounts received or due and receivable by the auditors of Senses Foundation total \$30,200 (2006: \$27,500).

15. Segment Information

2007
\$000

2006
\$000

Senses Foundation operates in Western Australia.

(a) Revenue

Bingo	3,412	3,432
Accommodation	81	83
Grants	2,627	1,990
Other	1,440	1,228
	<u>7,560</u>	<u>6,733</u>

(b) Total Assets

13,204

9,532

16. Financial Instruments

(a) Interest Rate Risk

Instrument	Floating Rate		Fixed Rate Maturity		Non Interest Bearing		Total Carrying Amount		Weighted Av Effective Rate	
	\$000		\$000		\$000		\$000		%	
	2007	2006	2 Years or Less		2007	2006	2007	2006	2007	2006
Financial Assets										
Cash	97	131	-	-	6	-	103	131	0.7	0.70
Term Deposit	573	-	188	650	-	-	761	650	6.35	5.88
Receivables	-	-	4,200	356	201	-	356	4,401	-	7.00
Financial Assets	-	-	-	5,964	1,582	-	5,964	1,582	-	-
Total Fin. Assets	670	131	188	4,850	6,326	1,783	7,184	6,764	-	-
Financial Liabilities										
Trade Creditors	-	-	-	-	94	23	94	23	-	-
Other Creditors	-	-	-	-	556	555	556	555	-	-
Total Fin. Liabilities	-	-	-	-	650	578	650	578	-	-

16. Financial Instruments cont'd

b) Net Fair Values

The aggregate net fair value of financial assets and financial liabilities at balance date is the same as or approximates the balance sheet carrying amount.

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities traded on active liquid markets with standard terms and conditions are determined with reference to quoted market prices; and
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and
- The fair value of derivative instruments, included in hedged assets and liabilities, are calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments.

(c) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognise

financial asset is the recoverable amount as disclosed in the balance sheet and notes to the financial statements.

Senses Foundation does not have any material credit risk exposure to any single debtor or group of debtors under financial instrument entered into by the Foundation.

(d) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Management, who have built an appropriate liquidity risk management framework for the management of the Foundations's short, medium and long terms funding and liquidity management requirements. The Foundation manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

17. Related Party Transactions

The following members acted as members of the Board of Management of Senses Foundation during the year. Members of Board do not receive any remuneration or other benefits as the positions are honorary in nature.

17. Related Party Transactions *cont'd*

Mr J Thom – President
Mr R Matich – Vice President
Ms T Cross – Resigned 16th April 2007
Mr B Cutler
Mr E Roberts – Resigned 27th April 2007
Mr C Billings
Mr J Groppoli
Ms A Bourke
Mr M Oosterhof ex President –
Resigned 16th April 2007
Ms S Rowell

no adjustment has been made for possible impairment at year end. If, when all the facts are known, it transpires that the asset is impaired the asset will be required to be written down by the impairment amount and the resulting loss will reduce accumulated funds in the balance sheet by the same amount.

18. Subsequent Events

Investment in Basis Capital Yield Fund.

On July 17th 2007, Senses Foundation Inc was advised that Basis Capital Yield Fund had suspended applications and redemptions in and out of the Fund because of instability in some markets in which it invests. Senses Foundation Inc has an investment in the fund at a carrying amount of \$1,560,000 at June 30 2007 and the actions of Basic Capital Yield Fund indicate that this asset may be impaired.

There is at present insufficient information available to determine to what extent, if any, the carrying amount of the asset has been impaired and in these circumstances

Statement by Board of Management

In accordance with a resolution of the Board of Management of Senses Foundation (Inc), we state that:

(a) The accompanying Financial Statements comprising the Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows together with notes to and forming part of the Financial

Statements have been properly drawn up to give a true and fair view of the Foundation's financial position as at 30 June 2007 and of its performance for the year ended on that date.

(b) At the date of this statement, there are reasonable grounds to believe that Senses Foundation (Inc) will be able to pay its debts as and when they fall due and payable.

Dated: 5th Sept 2007

On behalf of the Board:



Rick Matich

Board Member

Chairman, Finance, Audit & Compliance Committee

To be read in conjunction with the Notes to the Financial Statements

Senses Foundation (Inc)

Independent Auditor's Report to the Members of Senses Foundation (Inc).

Report on the Financial Report

We have audited the accompanying financial report of Senses Foundation (Inc) (the Foundation) which comprises the income statement, balance sheet, statement of changes in equity and statement of cash flows for the year ended 30 June 2007, a summary of significant accounting policies and other explanatory notes and the statement by the Board of Management.

Board of Management's Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion:

The financial report of Senses Foundation (Inc) is in accordance with applicable accounting standards including:

- i. giving a true and fair view of the Foundation's financial position as at 30 June 2007 and of their performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and other mandatory professional reporting requirements in Australia.

Significant Uncertainty Regarding Carrying Value of Investment

Without qualification to the opinion expressed above we draw attention to Note 18 Subsequent Events and Note 7 Financial Assets which indicate that the Foundation's investment in Basis Capital Yield Fund may be impaired. There is insufficient information available to determine to what extent, if any, this asset may be impaired but if any impairment exists it will require a write down of the investment with the loss reducing accumulated funds by the same amount.



Mack & Co
Chartered Accountants
2nd Floor, 35 Havelock Street
West Perth WA 6005



N A Calder, Partner

SEPTEMBER 5 2007

Date

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