



ABN 55 009 292 700

A N N U A L R E P O R T

2007 - 2008



MISSION

“To increase interest and participation by Western Australians in science and technology.”

Scitech Discovery Centre is a not-for-profit organisation supported by the people of Western Australia through Western Australian Government funding, admission revenue and sponsorship.



CHAIRMAN'S REPORT

At the 2006-2007 Annual General Meeting of Scitech Discovery Centre, I had the honour of reporting a record year of results: visitation had increased, excellent financial results were reported and Scitech's profile and achievements across Western Australia were also growing. Today, I am extremely pleased to report that 2007-2008 has surpassed our results of the previous year.

Our visitation to City West and through our outreach services achieved record levels with 356,143 Western Australians taking part in a Scitech science experience.

The 2007-2008 year has also been a critical year of planning and negotiating our future with the Western Australian Government. I am pleased to report that the Board's 2008-2013 Business and Operational Plan received the full support of the then Premier of Western Australia and Minister for Science, the Hon. Alan Carpenter MLA, who in November 2007 confirmed the State's support of Scitech for the next five years.

Along with a close working partnership with the State Government, Scitech's business partners remain a key alliance in expanding science messages to all areas of the State. In 2007-2008, this was particularly true in our extensive remote aboriginal education programs that touched the lives of over 1,500 aboriginals, their teachers and parents.

A clear highlight in 2007-2008 was Scitech's recognition by the Premier as Western Australia's first inductee into the Western Australian Science Hall of Fame. Scitech's services and programs were acknowledged as being a valuable community asset and the State has placed Scitech alongside the Western Australian Nobel Prize winners, Professor Barry Marshall and Dr Robin Warren. The Hall of Fame award is a fitting honour to the staff and volunteers who every day provide quality visitor experiences and stimulate an awareness and possible future involvement in science and technology.

I wish to acknowledge my fellow Directors and thank them for their collective wisdom, passion for Scitech and leadership in guiding Scitech to being the outstanding success that it is today.

I believe the foundations have been laid for Scitech to continue to grow and play an important role in the economic and social future of Western Australia. I wish my successor, Dr Erica Smyth and her Board every success in the future.

Mr Peter West
Former Chairman
Scitech Board of Directors
July 2008

SCITECH DISCOVERY CENTRE

DIRECTORS' REPORT

Your directors submit the Financial Report of the company for the year ended 30 June 2008.

DIRECTORS

The names of directors in office during the year ended 30 June 2008 and up to the date of this report are:

Mr Peter West (retired 24 July 2008)	Dr Erica Smyth
Professor George Stewart (retired 31 January 2008)	Mr Peter Viney
Mr Denis Thompson (retired 24 July 2008)	Professor Mark Hackling
Mr Peter Lalor	Clinical Prof Fiona Wood
Professor Leonie Rennie	Mr David Axworthy (appointed 18 January 2008)
Dr Debra Turner (resigned 1 February 2008)	Mr Colin Beckett (appointed 16 February 2008)
Mr Phillip Jenkins	Professor Robyn Owens (appointed 20 February 2008)
Ms Christine Cook (resigned 18 January 2008)	Mr Ken Steinke (appointed 4 March 2008)

COMPANY SECRETARY

The name of the Company Secretary in office during the year ended 30 June 2008 and up to the date of this report is:

Mr Gary Foxton

EXECUTIVE GROUP

The names of the corporate executive group for the same period are:

Mr Alan Brien	Chief Executive Officer
Mr Gary Foxton	Director Business & Finance
Mr Andrew Hannah	Director Science Programs
Mr Malcolm Moore	Director Sponsorships
Mr Paul Nicholls	Director Science Partnerships
Miss Sarah Bugg	Manager Executive Projects
Mr Denham Dunstall	Director Exhibition Design & Development
Ms Denise Kirkpatrick	Director Outreach Programs
Ms Pepita Bulloch	Director Communications and Marketing

PRINCIPAL ACTIVITY

The principal activity of the company was the operation of an interactive science and technology centre. This activity remained unchanged from the previous year.

OPERATING RESULTS

The net loss of the company for the year amounted to \$910,658 (2006/2007 net profit \$558,445).

SCITECH DISCOVERY CENTRE

DIRECTORS' REPORT (Continued)

FINANCIAL POSITION

The net assets of the company fell back from \$1,924,625 as at 30 June 2007 to \$1,013,966 as at 30 June 2008. This reduction is attributable to the following factors:

- a decrease in Cash and cash equivalents evidencing the consumption of cash reserves from previous years;
- an increase in Trade Payables at year end prior to the receipt of the new funding installment from the State; and
- a reduction in Deferred Income as a result of income recognition processes applying to capital grants.

The company's financial position continues to reflect the objectives outlined in the 2003-2008 Business Plan it provided to the State Government of Western Australia in May 2003. That plan foresaw a scenario in which Scitech achieved its goals and objectives and drew its cash reserves down to a relatively low level at the end of that five year funding agreement on 30 June 2008 before having them replenished in July 2008 as part of a new five year funding arrangement with the State.

The Directors are confident that with the ongoing support of the State and an adherence to the recommendations set out in the 2007 mid term review of its performance and operations, that Scitech will once again be well placed to engage more Western Australians in science.

REVIEW OF OPERATIONS

In June 2003, the Scitech Board of Directors and the Minister for Science entered into a five year funding agreement for the delivery of science and technology programs across Western Australia.

The 2007-2008 financial year was the fifth and final year of this agreement. The Scitech Board and Executive are pleased to provide a review of Scitech's 2007-2008 operations. The Board is pleased to report that it has fulfilled all the contractual requirements of the agreement and accomplished the objectives of the 2003-2008 Business Plan.

In 2007-2008, Scitech achieved outstanding success in all aspects of its operations. This success was recognised by the Premier of Western Australia with Scitech being the inaugural inductee into the Western Australia Science Hall of Fame. At the annual Premier's Science Awards dinner, Scitech and Nobel Prize winners Professor Barry Marshall and Dr Robin Warren were jointly recognised for their excellence and service to Western Australian science.

In reviewing the operations and achievements of Scitech, it is appropriate to briefly share the key outcomes over 2007-2008. This month by month account demonstrates the strength, passion and commitment of Scitech staff and volunteers in the delivery of world class services to the Western Australian community.

SCITECH DISCOVERY CENTRE

DIRECTORS' REPORT (Continued)

REVIEW OF OPERATIONS (continued)

July 2007	<ul style="list-style-type: none">Record July visitations with 35,034 visitors (3.6% up on 2006)
August 2007	<ul style="list-style-type: none">Scitech's inaugural Science @ Parliament eventScitech organises record National Science Week programs with over 110 events and 3,751 participantsPlanning and formulation of the 2008-2013 Business and Operational PlanScitech, in partnership with the Association of Technological Sciences and Engineering, presented the ATSE Eminent Speaker Series attended by 460 students
September 2007	<ul style="list-style-type: none">Scitech and Questacon in partnership receive a \$350,000 Federal grant to develop Square Kilometer Array (SKA) education materialNew Icon exhibit: <i>Kinetic Contraption</i> opens to the publicGeraldton Science Awareness Festival attracts over 2,600 high school students
October 2007	<ul style="list-style-type: none">Scitech hosts Premier's Science Awards dinner attracting over 270 of the State's leading scientistsScitech wins the Prime Minister's Business Partnership Awards with Rio Tinto
November 2007	<ul style="list-style-type: none"><i>Nerdstock</i> is a happening thing at Scitech with over 931 young people (18 – 35's) being cool with scienceScitech recognises 20 years service from our longest serving employees, Kevin Quadros and Denham DunstallScitech Outreach commences a three week tour of the Western Desert, starting in Alice Springs and travels 5317 km reaching 10 remote aboriginal communities
December 2007	<ul style="list-style-type: none">Scitech works with the Chief Scientist of Western Australia on the <i>Brilliant Science</i> WA concept and assists with regional talks for women in science in AlbanyMid Term Report on the Aboriginal Education Program highlights that over 1300 students and teachers are now receiving science engagement strategies
January 2008	<ul style="list-style-type: none">Over 40,000 people experience Scitech's new exhibition: <i>Amazing Backyard Adventures</i> over the summer holidays
February 2008	<ul style="list-style-type: none"><i>Toddler Week</i> a huge success that results in record visitation: over 18,700 people attend in just five days. This is the largest attendance at Scitech for February ever, with attendance double the February average
March 2008	<ul style="list-style-type: none">Scitech coordinates <i>Brilliant Science</i> WA, a month long celebration of science events, regional science events, media profile and the second Science @ Parliament event.The second ever Western Australian conference for science communication in informal learning environments is hosted by Scitech
April 2008	<ul style="list-style-type: none">Scitech's <i>Speed</i> exhibition opens for a 12 month season in Heureka Science Centre in Vaanta, FinlandApril school holidays attract nearly 21,000 people, an increase of 39% on equivalent 2006 attendanceCSIRO Lab works with <i>Biogenius</i> 2008 finalists
May 2008	<ul style="list-style-type: none">Horizon the Planetarium hosts the Australian Planetarium Society Conference with over 176 members attending the three day eventPremier appoints working group to report on relocation options for ScitechThe Department of Education and Training confirms financial support for appointment of one Professional Learning staff member to Scitech
June 2008	<ul style="list-style-type: none">Scitech staff attend 5th <i>World Science Centre Congress</i> in Toronto and deliver five plenary papers

SCITECH DISCOVERY CENTRE

DIRECTORS' REPORT (Continued)

REVIEW OF OPERATIONS (continued)

Conclusion

The 2007-2008 year has been outstanding with record visitation of 245,980 people at City West. This represents a growth of 7.6% on the 2006-2007 records.

Scitech's objective is to provide equitable access for all Western Australians to world class science experiences. In 2007-2008, Scitech's Aboriginal Education Program reached over 2100 students and teachers in remote communities across the State. The routine feedback and research funding of this program confirm the educational importance of this joint Federal and State Government funded initiative.

Scitech wishes to acknowledge the close working partnership with the Premier and the Chief Scientist of Western Australia and officers of the Department of Industry and Resources and the ongoing support of the Department of Education and Training. These close collaborations with the Western Australian Government ensure that Scitech is able to reach and impact a large number of Western Australians every year.

In 2003, the Scitech Board and Executive articulated a very clear business plan for the growth and re-invention of Scitech over a five year period. Through the wisdom and leadership of the Board and the strong drive and passion of my Executive, staff and volunteers, Scitech has achieved its five year business goals and maintained its record of strong financial performance.

Mr Alan Brien
Chief Executive Officer
July 2008

SCITECH DISCOVERY CENTRE

DIRECTORS' REPORT (Continued)

MEETINGS OF DIRECTORS

The number of meetings of the company's Board of Directors held during the year ended 30 June 2008 and the number of meetings attended by each director were:

	Full Meeting Of Directors
<u>Numbers of Meetings Held</u>	<u>7</u>
Mr P West	6
Mr D Thompson	4
Prof G Stewart (retired 31 January 2008 – 5 meetings held whilst a Director)	3
Mr P Lalor	6
Prof L Rennie	5
Dr D Turner (resigned 1 February 2008 – 5 meetings held whilst a Director)	3
Mr P Jenkins	3
Ms C Cook (resigned 18 January 2008 – 4 meetings whilst a Director)	2
Ms E Smyth	6
Mr P Viney	5
Professor M Hackling	4
Professor F Wood	5
Mr D Axworthy (appointed 18 January 2008 – 3 meetings held whilst a Director)	3
Mr Colin Beckett (appointed 16 February 2008 – 2 meetings held whilst a Director)	2
Professor Robyn Owens (appointed 20 February 2008 – 2 meetings held whilst a Director)	2
Mr Ken Steinke (appointed 4 March 2008 – 2 meetings held whilst a Director)	2

SCITECH DISCOVERY CENTRE

DIRECTORS' REPORT (Continued)

INFORMATION ON DIRECTORS AS AT 30 JUNE 2008

Mr Denis Thompson

Experience: Board Member since 24 March 1999
Former Managing Director West Australian Newspaper Holdings Ltd
Member of Committee Development Council
Director of:

- Co-operative Bulk Handling Ltd (CBH Ltd)
- CBH Investments Pty Ltd
- Agra Corp Pty Ltd
- Grain Pool Pty Ltd

Mr Peter West

Qualification: BSc(Hons) (UWA)
Experience: Board Member since 19 May 1999
Chair of Board since 28 August 2006
Chair of:

- Dampier Port Authority
- Verve Energy

Former Executive Director of:

- BP Australia Pty Ltd

Mr Peter Lalor

Qualifications: LL.B
Experience: Board Member since 19 September 2001
Former Executive Chairman of:

- Sons of Gwalia Ltd

Former Director of:

- Gold Corporation

Chair of:

- The Minerals Institute Inc

Prof. Leonie Rennie

Qualifications: PhD BSc MEd (UWA)
Experience: Board Member since 8 March 2004
Professor of Science and Technology Education, Curtin University of Technology

Mr Phillip Jenkins

Experience: Board Member since 24 June 2004
Former Executive Director of:

- PIVoD Group Ltd

Former Director of:

- Perth Convention Bureau
- Radio 6RPH

Chair of:

- Apex Wheelchair Appeal

SCITECH DISCOVERY CENTRE

DIRECTORS' REPORT (Continued)

INFORMATION ON DIRECTORS AS AT 30 JUNE 2008 (Continued)

Dr Erica Smyth

Qualifications: BSc (Hons) (UWA), MSc (Applied) McGill Uni, FAICD
Experience: Board Member since 9 October 2006
Former General Manager External Affairs, Woodside Petroleum Ltd
Chair of:
- Nova Energy Ltd
- ScreenWest
Director of:
Centre for Sustainable Resource Processing
Leadership WA
Swan Care Group
Diabetics Research Foundation and Diabetes Australia

Mr Peter Viney

Qualification: BA (UWA)
Experience: Deputy Director General Department of Industry and Resources
Former State Manager (WA) Austrade

Prof. Mark Hackling

Qualification: BSc (Hons) Nottingham, Dip Ed (UWA), MSc (Applied) (Curtin), PhD (Murdoch)
Experience: Board Member since 10 May 2007
Professor of Science & Technology Education, Edith Cowan University

Prof. Fiona Wood

Qualification: FRACS FRCS AM
Experience: Board Member since 22 May 2007
Director and Co-Founder of
- Clinical Cell Culture
Chair and Co-Founder of:
- McComb Research Foundation
Director of:
- Burns Service of Western Australia

Mr David Axworthy

Qualification: BSc (Hons) (UWA), Dip Ed (UWA), Registered Psychologist
Experience: Board Member 2 November 2005 to 30 June 2007 and since 18 January 2008
Director of Standards and Moderation, Department of Education and Training

Mr Colin Beckett

Qualification: MA Cantab (Engineering)
Experience: Board Member since 16 February 2008
Chairman of:
- Australian Petroleum Producers and Explorers Association
Member of:
- Institution of Civil Engineers
- Society of Petroleum Engineers
General Manager:
- Greater Gorgon Area, Chevron Australia

SCITECH DISCOVERY CENTRE

DIRECTORS' REPORT (Continued)

INFORMATION ON DIRECTORS AS AT 30 JUNE 2008 (continued)

Prof. Robyn Owens

Qualification: BSc UWA, MSc, DPhil Oxon, FACS

Experience: Board Member since 20 February 2008

Pro Vice-Chancellor (Research and Research Training) , UWA

Dean of the Graduate Research School, UWA

Chair of:

- Board Graduate Research School and the Scholarships Committee, UWA

Member of:

- ARC Federation Fellowships Selection Advisory Committee

Former Member of:

- Governing Board of the Bushfire, CRC

- WA Science Council

Mr Ken Steinke

Qualification: B Bus, MBA

Experience: Board Member since 4 March 2008

Former CEO:

- APN NZ National Publishing

Director of:

- The Newspaper Works

- The Bell Shakespeare Company

- Pacific Area Newspaper Publishers Association (former President)

CEO and Managing Director of:

- The West Australian Newspapers Limited

Mr Gary Foxton

Qualification: BBus (Curtin), CPA

Experience: Company Secretary since 1 February 1992

SCITECH DISCOVERY CENTRE

DIRECTORS' REPORT (Continued)

ENVIRONMENTAL REGULATION

The operations of the company are not subject to any significant environmental regulations under either Commonwealth or State legislation.

NON-AUDIT SERVICES

During the financial year, no amounts were paid or payable to the auditor for non audit services. Details of amounts paid to the auditor for audit services are set out in note 4.

INSURANCE OF DIRECTORS & OFFICERS

During the financial year, the company paid premiums of \$6,669 to indemnify its directors and officers against costs and expenses which could arise out of liability claims relating to wrongful acts.

AUDITOR INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 35 of the financial report.

Signed in accordance with a resolution of the Board of Directors made on 25th September 2008.

Erica Smyth
Chairman of the Board

Dated this 25th day of September 2008
at Perth, Western Australia

SCITECH DISCOVERY CENTRE

DIRECTORS' DECLARATION

The directors of Scitech Discovery Centre declare that:

- (a) the financial statements and the additional disclosures included in the Annual Report, designated as audited, of the Company are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2008 and of its performance, as represented by the results of its operations and cash flows, for the year ended on that date;
- (b) In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (c) The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Erica Smyth
Chairman of the Board

Dated this 25th day of September 2008
at Perth, Western Australia

SCITECH DISCOVERY CENTRE

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 \$	2007 \$
Revenue from continuing operations	3	10,778,277	9,509,147
Employee benefits expense		(5,109,677)	(4,134,857)
Depreciation & amortisation expense	4	(1,914,210)	(1,585,864)
Lease expense		(631,402)	(614,195)
Asset impairment loss		(246,293)	(8,150)
Marketing expense		(1,102,932)	(850,259)
Public program expense		(532,813)	(488,900)
Educational program expense		(1,301,847)	(761,827)
Exhibit and exhibition expense		182,117	325,681
Administration expense		<u>(1,031,878)</u>	<u>(832,331)</u>
Profit/(Loss) from continuing operations before income tax expense		(910,658)	558,445
Income tax expense	1(c)	<u>-</u>	<u>-</u>
Net Profit/(Loss) from continuing operations after income tax expense		<u>\$(910,658)</u>	<u>\$558,445</u>

The above Income Statement should be read in conjunction with the accompanying notes.

SCITECH DISCOVERY CENTRE

BALANCE SHEET AS AT 30 JUNE 2008

	Notes	2008	2007
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		761,314	2,791,590
Trade and other receivables	6	523,227	343,164
Inventories	7	57,107	66,664
		-----	-----
TOTAL CURRENT ASSETS		1,341,648	3,201,418
		-----	-----
NON-CURRENT ASSETS			
Property, plant and equipment	8	6,567,256	6,683,857
		-----	-----
TOTAL NON-CURRENT ASSETS		6,567,256	6,683,857
		-----	-----
TOTAL ASSETS		7,908,904	9,885,275
		-----	-----
CURRENT LIABILITIES			
Trade and other payables	9	1,700,580	1,195,110
		-----	-----
TOTAL CURRENT LIABILITIES		1,700,580	1,195,110
		-----	-----
NON-CURRENT LIABILITIES			
Provisions	10	102,947	95,125
Deferred income	11	5,091,411	6,670,415
		-----	-----
TOTAL NON-CURRENT LIABILITIES		5,194,358	6,765,540
		-----	-----
TOTAL LIABILITIES		6,894,938	7,960,650
		-----	-----
NET ASSETS		1,013,966	1,924,625
		=====	=====
EQUITY			
Retained profits		1,013,966	1,924,625
		-----	-----
TOTAL EQUITY		1,013,966	1,924,625
		=====	=====

The above Balance Sheet should be read in conjunction with the accompanying notes.

SCITECH DISCOVERY CENTRE

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2008

	2008	2007
	\$	\$
Total equity at the beginning of the financial year	1,924,625	1,366,180
Net profit/(loss) after income tax expense for the year	(910,658)	558,445
Total equity at the end of the financial year	1,013,966	1,924,625

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

SCITECH DISCOVERY CENTRE

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$ Inflows (Outflows)	2007 \$ Inflows (Outflows)
Cashflows from operating activities		
Receipts from admissions	1,522,353	1,425,761
Receipts from exhibition rentals	394,586	571,332
Receipts from sponsors	1,214,564	1,123,937
Receipts from merchandise sales	352,932	338,635
Receipts from education programs	288,341	311,369
Receipts from Scitrekker memberships	186,655	145,485
Receipts from marketing functions	193,805	169,216
Receipts from sale of commercial exhibits	0	2,047
Receipts from other operating activities	74,473	113,682
Receipts from government	4,286,916	5,255,770
Interest received	270,631	303,636
Payments to suppliers and employees	(8,771,630)	(6,991,867)
	-----	-----
Net cash inflow from operating activities (Note 15(i))	13,626	2,769,003
Cashflows from investing activities		
Payment for property, plant and equipment	(2,043,902)	(1,890,789)
	-----	-----
Net cash outflow from investing activities	(2,043,902)	(1,890,789)
Net increase/(decrease) in cash and cash equivalents held	(2,030,276)	(878,214)
Cash and cash equivalents at the beginning of the financial year	2,791,590	1,913,376
	-----	-----
Cash and cash equivalents at the end of the financial year	761,314	2,791,590
	=====	=====
Cash and cash equivalents at the end of the financial year is comprised of:		
Cash on hand	13,330	13,330
Cash on deposit	747,984	2,778,260
	-----	-----
	761,314	2,791,590
	=====	=====

Financing Arrangements - Note 15(ii)

This Statement of Cash Flows should be read in conjunction with the accompanying notes.

SCITECH DISCOVERY CENTRE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general-purpose financial report, which has been prepared in accordance with the Corporations Act 2001, Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

This financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS).

(a) Acquisitions of Assets

The cost method of accounting is used for all acquisitions of assets. Cost is determined as the fair value of the assets given up at the date of acquisition plus incidental costs to the acquisition.

The Company adopts a policy of expensing individual assets purchased for less than \$1,500.

(b) Depreciation and Amortisation

Asset additions are depreciated from the beginning of the month of their purchase or from the beginning of the month in which construction is completed.

(c) Income Tax

The company is exempt from income tax under the provisions of Division 50-5 of the Income Tax Assessment Act 1997.

(d) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(e) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is based on the first-in, first-out principle of inventory management.

(f) Significant accounting judgement, estimates and assumptions

(i) Significant accounting judgement

In the process of applying the Company's policies, management has made the following judgements, apart from those involving estimates, which have the most significant effect on the amounts recognised in the financial statements:

Impairment of property, plant and equipment

The Company determines whether property, plant and equipment are impaired whenever indicators of impairment exist. This requires an estimate of the recoverable amount of the property, plant and equipment. The assumptions used in this estimation of recoverable amount and the carrying amount are detailed in Note 8 below.

SCITECH DISCOVERY CENTRE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

(g) **Non-current assets constructed by the company**

The cost of non-current assets constructed by the company includes the cost of all materials and direct labour used in construction and a provision for salary oncosts and overheads.

(h) **Employee entitlements**

(i) *Wages and Salaries and Annual Leave*

Liabilities for wages and salaries and annual leave are recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

(ii) *Long Service Leave*

A liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

As at the 30 June 2008, the number of full-time equivalent employees was 92.20.

(i) **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria are met before revenue is recognised.

(i) *Sale of goods*

Revenue is recognised when the significant risks and rewards of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods or provision of the service to the customer.

(ii) *Interest*

Revenue is recognised as the interest accrued (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(iii) *Sponsorships*

Cash sponsorships are brought to account as income in the period in which they are due. Sponsorships received in forms other than cash are valued at the current market rate of those goods or services.

(j) **Segment reporting**

A segment is a distinguishable component of the entity that is engaged either in providing products (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

SCITECH DISCOVERY CENTRE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

(k) Government grants

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase or construction of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the income statement over the expected lives of the related assets.

(l) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised as income on a straight line basis over the lease term.

Finance leases

Leases which effectively transfer substantially all of the risks and rewards incidental to ownership of the leased item to the Company are capitalised at the present value of the minimum lease payments and disclosed as property, plant and equipment under lease. A lease liability of equal value is also recognised.

Capitalised lease assets are depreciated over the shorter of the estimated useful life of the assets and the lease term. Minimum lease payments are allocated between interest expense and reduction of the lease liability with the interest expense calculated using the interest rate implicit in the lease and recognised directly in net profit.

(m) Impairment of assets

At reporting date, management assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, management makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less cost to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

SCITECH DISCOVERY CENTRE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

(n) Cash and cash equivalents

Cash and short-term deposits in the Balance Sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(o) Property and plant and equipment

Property, plant and equipment and leasehold improvements are carried at cost less accumulated depreciation and any impairment in value.

(i) *Depreciation & Amortisation*

Depreciation is calculated on a straight –line basis over the estimated useful life of the asset as follows:

- Exhibits – 5 years
- Plant and equipment – 2 to 5 years
- Leasehold improvements – 10 years
- Capitalised Development Costs – 3 Years

The assets' residual values, useful lives and amortisation method are reviewed, and adjusted if appropriate, at each financial year end.

(ii) *Impairment*

The carrying values of property and plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The impairment losses are recognised in the Income Statement.

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

An item of property and plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Income Statement in the year the item is derecognised.

SCITECH DISCOVERY CENTRE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

(iii) *Revaluations*

Following initial recognition at cost, property and plant and equipment are carried at revalued amounts, which represent the fair value at the date of the revaluation less any subsequent accumulated depreciation and any subsequent impairment losses. Fair value is determined by reference to market-based evidence, being the amount at which the asset could be exchanged between knowledgeable parties as an arm's length transaction.

(p) **Trade and other receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for doubtful debts. Trade receivables are due for settlement no more than 120 days from the date of recognition for land development and resale debtors and no more than 30 days for other debtors.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the Income Statement.

(q) **Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Balance Sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(r) **Fair value estimation**

The nominal value less estimated credit adjustments of trade and other current receivables and payables are assumed to approximate their fair values.

(s) **Foreign currency translation**

Transactions in foreign currency are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at balance date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Income Statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

SCITECH DISCOVERY CENTRE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

(t) New accounting standards and interpretations

Certain new accounting standards have been published that are not mandatory for 30 June 2008 reporting periods. The Company has not applied any of the following in preparing this financial report:

Affected Standard	Nature of Change to Accounting Policy	Application *
AASB 8: Operating Segments and AASB 2007 - 3 Amendments to Australian Accounting Standards arising from AASB 8	No impact on accounting policy or amounts recognized in the financial statements but will require change to disclosures in relation to 'management approach' of segment reporting.	1 January 2009
AASB 101: Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101	Introduces a statement of comprehensive income and makes changes to the statement of changes in equity but will not affect any of the amounts recognised in the financial statements.	1 January 2009

* Applicable to reporting periods commencing on or after the given date.

(u) Going Concern

As at 30 June 2008 the Company had a working capital deficiency of \$358,932 (2007: surplus \$2,006,308).

The Company signed a five year funding agreement with, and received its first funding installment of \$7,713,000 from, the State on 15 August 2008 and therefore the Directors have deemed it appropriate that these financial statements be prepared on a going concern basis.

SCITECH DISCOVERY CENTRE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2. FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The main risks the Company is exposed to through its financial instruments are credit risk, interest rate risk and liquidity risk.

(b) Credit Risk

Credit Risk refers to the risk that a third party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with credit worthy customers with a sound financial background as a means of mitigating the risk of financial loss from defaults. The Company measures credit risk on a fair value basis.

The Company does not have any significant credit risk exposure to a single third party or any group of entities having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk.

Financial assets that are neither past due nor impaired are as follows:

	2008 \$	2007 \$
Trade receivables - counterparties without external credit rating -		
Existing customers with no defaults in past	62,723	56,101
New customers (less than 6 months)	15,942	14,258
Existing customers with some defaults in the past	-	-
	<hr/> 78,665	<hr/> 70,359
Cash and cash equivalents		
'Aa1' Moody's rating	<hr/> 761,314	<hr/> 2,791,590

(c) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

SCITECH DISCOVERY CENTRE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2. FINANCIAL RISK MANAGEMENT (cont...)

2008	Floating interest rate	Non-interest bearing	Total
Financial assets			
Cash	761,314	-	761,314
Trade and other receivables	-	523,227	523,227
Financial liabilities			
Trade and other payables	-	1,700,580	1,700,580
	<u>761,314</u>	<u>2,223,807</u>	<u>2,985,121</u>

Weighted average interest rate 6.84%

2007	Floating interest rate	Non-interest bearing	Total
Financial assets			
Cash	2,791,590	-	2,791,590
Trade and other receivables	-	343,164	343,164
Financial liabilities			
Trade and other payables	-	1,195,110	1,195,110
	<u>2,791,590</u>	<u>1,538,274</u>	<u>4,329,864</u>

Weighted average interest rate 6.22%

Sensitivity analysis relating to interest rate risk has not been disclosed as any impact is not considered material to the profit or loss of the Company.

(d) Fair Value Estimation

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

(e) Liquidity Risk

Prudent liquidity risk management implies maintaining appropriate cash to ensure that the Company is operating with sufficient cash supplies whilst maximising its investment return on surplus funds.

Management monitors rolling forecasts of the Company's liquidity on the basis of anticipated cash flow. Forecast liquidity reserves for the twelve month period ending 30 June 2009 are as follows:

SCITECH DISCOVERY CENTRE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2. FINANCIAL RISK MANAGEMENT (cont...)

Opening Balance for the Period	\$748,000
Cash Inflows from Activities	\$11,826,000
Cash Outflows from Activities	\$12,324,000
Closing Balance for the Period	\$250,000

Longer term liquidity forecasts are primarily geared to the timing of State funding installments set down in the Five Year Funding Agreement signed by the Company and by the State on 15 August 2008.

Maturities of financial liabilities

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 6 months	6-12 months	1-2 years	Over 2 years	Total contractual cash flows	Carrying amount
2008						
Trade and other payables	1,700,580	-	-	-	1,700,580	1,700,580
2007						
Trade and other payables	1,195,110	-	-	-	1,195,110	1,195,110

SCITECH DISCOVERY CENTRE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
3. REVENUE		
Revenue from continuing operations		
Admissions	1,528,059	1,428,316
Exhibition rental	425,612	481,104
Sponsorships - cash	1,056,876	1,170,839
- non cash	406,946	316,216
Merchandise sales	352,932	338,635
Education programs	296,651	310,084
Scitrekker memberships	186,655	145,485
Marketing functions	194,425	168,013
State government funding (note a)	5,461,114	4,612,029
Federal government funding (note b)	523,903	121,108
Interest received	270,631	303,636
Other operating revenue	74,473	113,682
	-----	-----
TOTAL REVENUE	10,778,277	9,509,147
	=====	=====

(a) State government grants

State government grants totalling \$5,461,114 (2007 \$4,612,029) for operational and capital works support were recognised as income during the financial year. No unfulfilled conditions or other contingencies attach to these grants and no other form of assistance was received from the State during 2007-2008.

(b) Federal government grants

Federal government grants totalling \$523,903 (2007 \$121,108) were recognised as income during the financial year. No unfulfilled conditions or other contingencies attach to these grants and no other form of assistance was received from the Federal government during the year.

SCITECH DISCOVERY CENTRE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

4. NET PROFIT/(LOSS)

Net Profit/(Loss) includes the following specific expenses:-

	2008 \$	2007 \$
Amortisation of leasehold improvements	511,823	508,446
Depreciation of		
- exhibits	977,544	658,241
- plant & equipment	406,924	404,325
- motor vehicles	17,919	14,852
Total depreciation	1,402,387	1,077,418
Asset impairment losses	246,293	8,150
Transfer to provisions for		
- annual leave	7,881	23,962
- long service leave	55,692	(2,167)
	63,573	21,795

5. AUDITORS' REMUNERATION

Amounts due and receivable by the auditors for:-

Auditing services	13,500	12,000
-------------------	--------	--------

6. TRADE AND OTHER RECEIVABLES -CURRENT ASSETS

Trade receivables	78,665	70,359
Other receivables	444,562	272,805
	523,227	343,164

(a) Other receivables

These transactions refer primarily to anticipated refunds of GST paid and operating expense prepayments.

(b) Ageing of trade receivables past due not impaired

As at 30 June 2008 and 30 June 2007 there were no trade receivables past due not impaired.

(c) Ageing of impaired trade receivables

As at 30 June 2008 and 30 June 2007 there were no trade receivables impaired.

SCITECH DISCOVERY CENTRE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
7. INVENTORIES-CURRENT ASSETS		
Finished goods (Discovery Shop)	57,107 =====	66,664 =====
8. PROPERTY PLANT AND EQUIPMENT NON-CURRENT ASSETS		
Leasehold improvements at cost	5,227,906	5,150,174
Less: Accumulated amortisation	(2,649,949) -----	(2,138,126) -----
	2,577,957	3,012,048
Exhibits at cost	15,019,199	13,247,095
Less: Accumulated depreciation	(12,095,168) -----	(10,874,475) -----
	2,924,031	2,372,620
Plant and equipment at cost	4,288,048	4,037,619
Less: Accumulated depreciation	(3,650,422) -----	(3,240,354) -----
	637,626	797,265
Construction work in progress - exhibits	203,215 -----	443,737 -----
Motor vehicles at cost	357,340	173,181
Less: Accumulated depreciation	(132,913) -----	(114,994) -----
	224,427 -----	58,187 -----
Total cost of property, plant and equipment	25,095,708	23,051,806
Total accumulated depreciation & amortisation	(18,528,452)	(16,367,949)
Total property, plant and equipment	6,567,256 =====	6,683,857 =====

SCITECH DISCOVERY CENTRE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

8. PROPERTY PLANT AND EQUIPMENT NON-CURRENT ASSETS (cont...)

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

	Leasehold Improvements	Exhibits	Plant & Equipment
Carrying amount at 1 July 2007	3,012,048	2,372,620	797,265
Construction of assets	-	-	-
Assets transferred from work in progress	-	1,772,105	-
Additions	77,732	-	250,429
Work in progress transferred to exhibits	-	-	-
Work in progress expensed	-	-	-
Impairment charge	-	(243,149)	(3,144)
Depreciation/amortisation	(511,823)	(977,544)	(406,924)
Carrying amount at 30 June 2008	<u>2,577,957</u>	<u>2,924,032</u>	<u>637,626</u>

	Work in Progress	Motor Vehicles	Total
Carrying amount at 1 July 2007	443,737	58,187	6,683,857
Construction of assets	1,869,879	-	1,869,879
Assets transferred from work in progress	-	-	1,772,105
Additions	-	184,159	512,320
Work in progress transferred to exhibits	(1,675,127)	-	(1,675,127)
Work in progress expensed	(435,274)	-	(435,274)
Impairment charge (Note (a))	-	-	(246,293)
Depreciation/amortisation	-	(17,919)	(1,914,210)
Carrying amount at 30 June 2008	<u>203,215</u>	<u>224,427</u>	<u>6,567,257</u>

(a) Impairment charge

Recoverable amount was estimated for certain items of plant and equipment. An impairment loss of \$246,293 in total was recognised to reduce the carrying amount of certain of those assets to recoverable amount. The recoverable amount estimation was based on value in use.

SCITECH DISCOVERY CENTRE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

8. PROPERTY PLANT AND EQUIPMENT NON-CURRENT ASSETS (cont...)

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the 2006-2007 financial year are set out below

	Leasehold Improvements	Exhibits	Plant & Equipment
Carrying amount at 1 July 2006	3,499,496	1,871,128	918,022
Construction of assets	-	-	-
Assets transferred from work in progress	-	1,167,527	-
Additions	20,998	-	283,924
Work in progress transferred to exhibits	-	-	-
Work in progress expensed	-	-	-
Impairment charge	-	(7,794)	(356)
Depreciation/amortisation	(508,446)	(658,241)	(404,325)
Carrying amount at 30 June 2007	3,012,048	2,372,620	797,265

	Work in Progress	Motor Vehicles	Total
Carrying amount at 1 July 2006	25,397	73,039	6,387,082
Construction of assets	1,816,093	-	1,816,093
Assets transferred from work in progress	-	-	1,167,527
Additions	-	-	304,922
Work in progress transferred to exhibits	(1,167,527)	-	(1,167,527)
Work in progress expensed	(230,226)	-	(230,226)
Impairment charge (Note (a))	-	-	(8,150)
Depreciation/amortisation	-	(14,852)	(1,585,864)
Carrying amount at 30 June 2007	443,737	58,187	6,683,857

(a) Impairment charge

Recoverable amount was estimated for certain items of plant and equipment. An impairment loss of \$8,150 in total was recognised to reduce the carrying amount of certain of those assets to recoverable amount. The recoverable amount estimation was based on value in use.

SCITECH DISCOVERY CENTRE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
9. TRADE AND OTHER PAYABLES		
CURRENT LIABILITIES		
Trade payables	595,680	150,123
Other payables	423,914	363,024
Employee benefits	344,122	288,371
Revenue received in advance	336,864	393,592
	-----	-----
	1,700,580	1,195,110
	=====	=====
10. PROVISIONS		
NON-CURRENT LIABILITIES		
Employee benefits	102,947	95,125
	=====	=====
11. DEFERRED INCOME		
NON-CURRENT LIABILITIES		
State government funding	5,091,411	6,670,415
	=====	=====
12. EXPENDITURE COMMITMENTS		
(a) Operating lease commitments		
Payable - not later than one year	1,548,700	922,700
- later than one year but not later than two years	1,588,800	6,600
- later than two years but not later than five years	5,071,600	-
- later than five years	-	-
	-----	-----
	8,209,100	929,300
	=====	=====
<p>Estimates include City West lease rental commitments of \$250 per square metre per annum (2007 \$126 m2pa) for 4340.5 square metres and \$145 per square metre per annum (2007 \$73.16 m2pa) for 706 square metres as at 1 July 2008 escalating at 3% per annum. The balance relates to City West rates, taxes and variable outgoing charges and to the lease of corporate vehicles.</p>		
(b) Capital commitments		
estimated aggregate amounts of contracts for capital expenditure not provided for in the accounts:	1,778,800	1,746,000
	=====	=====

SCITECH DISCOVERY CENTRE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

13. LEGAL FORM

Scitech Discovery Centre is a public company limited by guarantee and incorporated under the Corporations Law of Western Australia. Its registered office is First Floor, City West, corner Railway Parade and Sutherland Street, West Perth, in the State of Western Australia. Its ABN is 55 009 292 700.

Every member of the company undertakes to contribute an amount to the assets of the company in the event of it being wound up, not exceeding \$100 per member. As at 30 June 2008, there were 28 members.

14. RELATED PARTIES

Board directors received no emolument from the company and no payments to superannuation funds for the provision of retirement benefits were made on their behalf.

Transactions with related parties

Director Erica Smyth is a director of Leadership WA. During the year an employee of the Company participated in a leadership training course provided by Leadership WA on commercial terms and conditions.

Aggregate amounts of each of the above types of transactions with Directors were as follows:

	2008	2007
	\$	\$
Training course costs paid	6,600	-

15. NOTES TO THE STATEMENT OF CASH FLOWS

i) Reconciliation of net cash inflows from operating activities to net profit/(loss) after income tax:-

Net profit/(loss) after income tax	(910,658)	558,445
Depreciation	1,402,387	1,077,418
Amortisation	511,823	508,446
Asset Impairment Losses	246,293	8,150
(Increase)/decrease in receivables and other	(180,064)	(15,904)
(Increase)/decrease in inventories	9,557	(79)
Increase/(decrease) in payables and other	505,470	356,436
Increase/(decrease) in provisions	7,822	6,959
Increase/(decrease) in deferred income	(1,579,004)	269,132
	-----	-----
Net cash inflow from operating activities	13,626	2,769,003
	=====	=====

ii) Financing arrangements

At reporting date there were no credit facilities available to the Company.

SCITECH DISCOVERY CENTRE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

16. SEGMENT INFORMATION

Business Segments

The company operates an interactive science and technology centre in West Perth, Western Australia as a single business segment without division by product or by service type. This is considered the primary reporting segment.

Geographical Segments

The company generates almost all its revenue from the operation of its centre in West Perth, Western Australia. The only source of income from locations outside of Western Australia during the 2007-2008 financial year related to exhibitions rented to science centre overseas and in other Australian states. These were not considered reportable segments.

17. SUBSEQUENT EVENTS

Since the end of the financial year, the Company has signed a five year funding agreement with the State of Western Australia which will see the Company receive from the State at least \$41,570,000 over the five year period ending 30 June 2013. The initial payment of \$7,713,000 was received on 15 August 2008.

Other than this there has been no matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCITECH DISCOVERY CENTRE

We have audited the accompanying financial report, being a special purpose financial report, of Scitech Discovery Centre, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, 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 and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also 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 report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

The financial report has been prepared for distribution to the members for the purpose of fulfilling the directors' financial reporting requirements under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

Independence

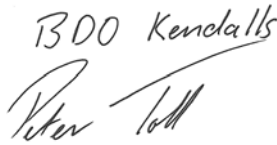
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion the financial report of Scitech Discovery Centre is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

BDO Kendalls Audit & Assurance (WA) Pty Ltd



Peter Toll
Director

Perth, Western Australia
Dated the 25th day of September 2008

25 September 2008

The Board of Directors
Scitech Discovery Centre
PO Box 1155
WEST PERTH WA 6872

Dear Board Members

**DECLARATION OF INDEPENDENCE BY PETER TOLL TO THE DIRECTORS OF SCITECH
DISCOVERY CENTRE**

As lead auditor of Scitech Discovery Centre for the year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Scitech Discovery Centre.



Peter Toll
Director



BDO Kendalls Audit & Assurance (WA) Pty Ltd
Perth, Western Australia