



Cerebral Palsy ALLIANCE

Formerly known as The Spastic Centre



ANNUAL REPORT

Jarrad struggles with things we take for granted like swallowing and moving freely. He was diagnosed with cerebral palsy at six months old. His body was stiff, and he could hardly move his arms and legs. Jarrad has been receiving therapy from Cerebral Palsy Alliance since he was diagnosed six years now. We're trying to help him do as much as he can for himself. I'd love for him to have an electric wheelchair in the future. That way he can be more independent, and not have to rely so much on other people to do what he wants to do.

Rosemary, Jarrad's mum.



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President and CEO

REPORT

The first step to fully appreciate the life-long journey that is cerebral palsy, is to visit a neonatal intensive care unit. Here, the profound mix of anxiety and hope is all pervasive, as parents focus entirely on the precious, fragile lives of their children. Some of these parents will need our services.

Another step in appreciating the journey is to be standing alongside the parents of a baby or toddler when the words 'cerebral palsy' are first mentioned and to feel their anticipation and uncertainty about what the future might hold for their little one and for them. We know these parents will need our services.

And now, for all these children and their families, there is more to offer than ever before.

As we enter an era of greater certainty and more equity with funding, a child born with cerebral palsy today will have a future supported firstly by Better Start early intervention funding, and later, in all likelihood, a National Disability Insurance Scheme (NDIS). At last the tables are turning and families can look to a future for their son or daughter with constructive optimism and choice about services tailored to suit their child.

To position Cerebral Palsy Alliance for the future, on 8 February 2011 our new name took effect with the aim of achieving a stronger profile, clarity of purpose and an unambiguous focus on cerebral palsy. Our mission and purpose are unchanged. We remain galvanised in our collective purpose to support people with cerebral palsy and their families, and to draw on and to create the best evidence-based practice to do so. In serving our clients today we must also look to their future.

As an organisation we are deeply gratified that the energy and resource that we devoted to the campaign for a NDIS are reaping rewards that will be realised for our clients. Launch sites for the scheme are expected to begin in 2014 with full implementation by 2018-19. We have always placed a high value on an individualised approach to the needs of our clients. In the future our clients will truly be in the driver's seat, shaping their own services with individualised funding packages. For now, we continue to rely on our funders and supporters in order to deliver our vital services.

The NSW Government recently announced Stronger Together II, with over \$2 billion additional funding for NSW over the next five years. This will enhance therapy, family supports, family and person centred approaches, transition to work, community participation and supported living programs.

Over the last financial year we spent over \$48 million on services across NSW and the ACT supporting more than 4,200 people with disabilities and their families. With some new one-

off money from Ageing, Disability and Home Care (ADHC), we were able to offer new pilot projects such as an Intensive Family Support program specifically for the Aboriginal community in the Hunter region; continue the SportFitz program which works to build both fitness and social connection; and extend the Relax and Recharge Respite program giving over 120 families a much needed break. ADHC also gave \$966,667 as part of a three year grant to Cerebral Palsy Alliance to provide an extra 168 people with therapy across NSW.

From our fundraising efforts we contributed in excess of \$14 million towards our many programs, services and infrastructure. This included purchasing \$865,000 worth of equipment for children and adults with cerebral palsy, making a world of difference to many families.

Our rural network continues to grow with the incredible ongoing support of Sargents Pies Charitable Foundation. We saw the opening of our new Sargents Centre in East Maitland, which will serve the Upper Hunter and Lower Mid North Coast. Later this year we will open our new Sargents Centre in Tuggerah (Central Coast). Our new Sargents Centre in Alstonville (Far North Coast) will open in early 2012.

Sargents Foundation has continued its extraordinary generosity with another donation of \$600,000 for rural services which will fund a new, purpose-built therapy centre in Armidale to service the New England area. This brings Sargents' contribution to over \$6.6 million in seven years.

We continued with our upgrades and renovations at Venee Burges (VB) Hostel over the past 12 months. We are happy to report that in the recent announcement by the NSW Government of Stronger Together II, money will be made available through its Large Residential Centre Closure funds to allow a major transition to a new state-of-the-art accommodation complex for the VB residents on the Allambie site in 2015-16.

We are pleased to report that a major \$12 million rehousing project is underway at Narraweena for 20 of our Northern Beaches' residents. This project will support adults to live in purpose-built, modern and independent accommodation. Cerebral Palsy Alliance will contribute over \$220,000 to furnish and equip the apartments.

Cerebral Palsy Alliance's influence continues to grow in supporting and training other service providers and students. Action Pact, our Registered Training Organisation (RTO) division provided training to over 1,600 participants from 53 organisations. More than 346 modules of in-service training were delivered to Cerebral Palsy Alliance staff members. In addition, ADHC has provided us with a significant one-off

funding grant to develop an online learning portal for university students.

To mark the critical importance of continuous learning and professional development for the sector at large, Premier Barry O'Farrell recently announced ADHC will provide \$1.5 million towards our Learning Centre within our new building at Allambie Heights.

Through the Health Workforce Australia initiative, our partnership with University of Western Sydney continues to grow with the creation of a multi-disciplinary student education hub to be located at our Fairfield City Marconi Centre at Prairiewood as a centre of excellence in allied health clinical education in disability practice. This partnership will provide funding for capital infrastructure and recurrent funding for clinical educators of over \$1 million.

Our total revenue for the financial year was \$81.8 million (previous year: \$68.0 million). This increase in revenue is due mainly to insurance payments for the rebuilding of our Allambie Heights site and two much welcomed, one-off generous bequests.

Our funding from government totalled \$42,937,000 this year. We highly value our partnerships with government, and particularly thank the Federal Government's Department of Families, Housing and Community Services and Indigenous Affairs; Department of Education, Employment and Workplace Relations; the NSW State Government's Department of Ageing, Disability and Home Care; Department of Health; and Department of Education and Training.

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

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

We extend sincere appreciation to all members of the Council of Governors of the Research Foundation of Cerebral Palsy Alliance for their personal and professional endeavours in highlighting the need for, and advancing the best and most meaningful cerebral palsy research.

On behalf of members and clients, we recognise and congratulate more than 1,000 staff members of our organisation who strive to provide the very best for people

with cerebral palsy, their families and carers. Their collective passion, purpose and expertise are second to none.

We gratefully acknowledge the members of the Board of Directors who continue to invest thousands of voluntary hours on behalf of members and clients in the stewardship of our organisation. Good governance is increasingly complex and demanding but as always, their commitment to our mission continues to drive their giving.

We believe we can now look to a future where every Australian child with cerebral palsy will have far greater certainty and choice. The child born with cerebral palsy today will be welcomed to Cerebral Palsy Alliance, and will reap the benefits of our strength and resilience that are the fabric of support and care, woven over so many years of experience and service.



Marelle Thornton AM
President



Rob White
Chief Executive Officer



Services to our CLIENTS

This year we provided services to 4,282 children and adults with cerebral palsy and other disabilities, and their families. We have over 1,000 dedicated staff working across 70 sites. We also enjoy

the support of over 1,000 volunteers, who give an estimated \$1 million worth of their time each year. Our programs are based on targeted therapy, early intervention, accommodation, respite,

family support and inclusive activities through the wide range of services listed below.

THIS YEAR WE WORKED WITH...

Program	Children and Adults
Aquability	194
Community Access Services	165
Dental Program	174
Emerge Leadership	21
Family Support - Hunter & Central Coast	354
Family Support - North & East Sydney	344
Family Support - Rural NSW	134
Family Support - South & West Sydney	541
Intensive Family Support Options	192
My Time- Parent Support Groups	187
Open Employment Support - SEDS	279
Respite - Self Directed (Relax and Recharge)	135
Respite- Centre Based	115
Respite- Older Carer Flexible	31
SportFitz	148
Supported Employment - Packforce	165
Supported Accommodation - Community	95
Supported Accommodation - Hostel	31
Technology - Assistive Communication	240
Technology - Seating	124
Technology - Workshop	219
Therapy Services - Hunter & Central Coast	616
Therapy Services - North & East Sydney	812
Therapy Services - Rural NSW	811
Therapy Services - South & West Sydney	655
Transition to Work Program	28
Youth Mentoring	21

Maddie is amazing. She always smiles, no matter what she's going through. Maddie is a 15 year old twin, born 11 weeks early. She has severe cerebral palsy and is unable to walk, speak or feed herself. She's been receiving therapy at Cerebral Palsy Alliance for 13 years now. Maddie just loves social interaction, loves being with people.

Maree, **Maddie's mum.**



Highlights

2010 – 2011

REBRAND

We are delighted that the rebrand of our new name **Cerebral Palsy Alliance** was so warmly embraced by staff, clients and supporters. We are proud of our long history and look forward to strengthening our existing and new alliances over the coming years.

SERVICES

We took a significant step towards a long held ambition to make our services more accessible to Aboriginal communities by appointing a new **Aboriginal Project Officer**.

With the generous support of **Sargents Pies Charitable Foundation**, East Maitland's former Post Office (circa 1876) was revitalised and upgraded. **The Newcastle Permanent Charitable Foundation** also provided funds to fit-out the site.

Sargents Pies Charitable Foundation has also generously supported our new Tuggerah, Ballina and Armidale sites for rural children and their families. Their support has transformed the experience of rural families living with cerebral palsy.

The Just Like You! Disability Awareness Program for children expanded into the ACT and Armidale areas, extending our reach a further 65%. Over the year we worked with 58 schools and 4,124 children in Greater Sydney, the Hunter, ACT, Armidale and Orange.

The Department of Housing has started building two new homes for 20 residents who currently live in Cerebral Palsy Alliance managed houses on the Northern Beaches. Everyone is very excited and looking forward to moving in.

Phil Waugh and the entire Waratahs' team visited McLeod House to help raise community awareness about cerebral palsy.

Over 50 families attended the 10 year celebration of the **ING Conductive Education Program** with Don Koch CEO of ING Direct.

With the support of **KPMG**, South West hosted a **Christmas Family Celebration** evening, with over 100 clients and families celebrating the festive season around a 'Grease' rock & roll theme.

Thanks to the support of **The Wests Group** via Community Development Support Expenditure (CDSE), we have been able to professionally publish and launch a fantastic new resource, 'Building Futures Creating Connections'. The resource consists of information useful at different stages of adult life and covers major life topics such as home, health, and independence.

We ran a successful program of events in three rural sites to support the creation of informal networks between families funded by **The Baxter Charitable Trust through Perpetual**.

Our **Boccia team** won the State Shield at the Nationals - putting NSW at the

top. We also ran the first junior titles at Avalon - a vision of the future.

This year, our supported employment service, now known as **Packforce**, celebrated their 50th Anniversary.

We celebrated the contribution of long serving volunteer **Rev Grahame Ellis** who retired after eight years helping with the Conductive Education program. Grahame has been volunteering for over 47 years. He continues to serve on our Ethics Committee.

ADVOCACY

We are also proud of the hard work of staff and clients who joined the nationwide effort to raise awareness around the **National Disability Insurance Scheme**. The scheme, now with bipartisan support, will transform the face of disability services. It will not only provide more funding, but also more choice for people living with disability.



Phil Waugh and Zell Goldman

SUPPORTERS AND PARTNERS

We are most grateful to all our supporters. Truly every dollar counts. We've been impressed by the generosity and loyalty of our donors during this year of financial difficulties, especially those who have committed to support us in the long term through monthly donations.

We ran a number of successful fundraising events including an amazing **CBD Golf Escape** raising \$1.1million. Our **20/twenty Challenge** tested the metal of 34 teams and raised \$441,000, while the **Myer Might And Power Race Day** raised an impressive \$324,000.

During the year we created a special appeal to raise funds for the new building at Allambie Heights. We'd like to thank all our very generous supporters who have made this possible especially the **NSW Government** for their support of \$1.5m, **Aristocrat, Waratahs, Dee Why RSL, Dick Smith** and a number of donors who wish to remain anonymous.

As part of this appeal we held our first ever Radiothon. Thanks to the support of listeners and staff of **2UE**, and a great team of **UBank** volunteers we raised \$458,000.

After 10 years of amazing sponsorship, ACT's major sponsor **ClubsACT** has once again agreed to fund us for a further three years. **Community CPS Australia** funded the very successful 'Snow Camp' in Jindabyne this year. **Capital Chemist** has provided further funding for furniture in the refurbished (**Westfield**) treatment room in Canberra. **Westfield Woden and Belconnen** raised \$10,000 from their GiveAbility Day.

A fundraising dinner, '**Gabby Robberds- A Night to Remember**' was held at the Canberra Southern Cross Club raising \$122,000 in memory of three year old Gabby, who passed away



Team Lala of the 20/twenty Challenge

in June 2010. Our sincere thanks to Craig Robberds, Gabby's extended family and their supporters.

We thank all our partners large and small. In particular we want to thank **ING Direct** and the **ING Foundation** for their support of our youth mentoring programs and conductive education; **Westfield** who generously donated \$50,000 from their golf day which provided critical funding for Cerebral Palsy Alliance's Relax and Recharge Respite program; **Myer** for their amazing sponsorship of our Might and Power Race Day; **ANZ** for their support of our youth mentoring, and **Clayton Utz** for over 500 hours of pro bono support.

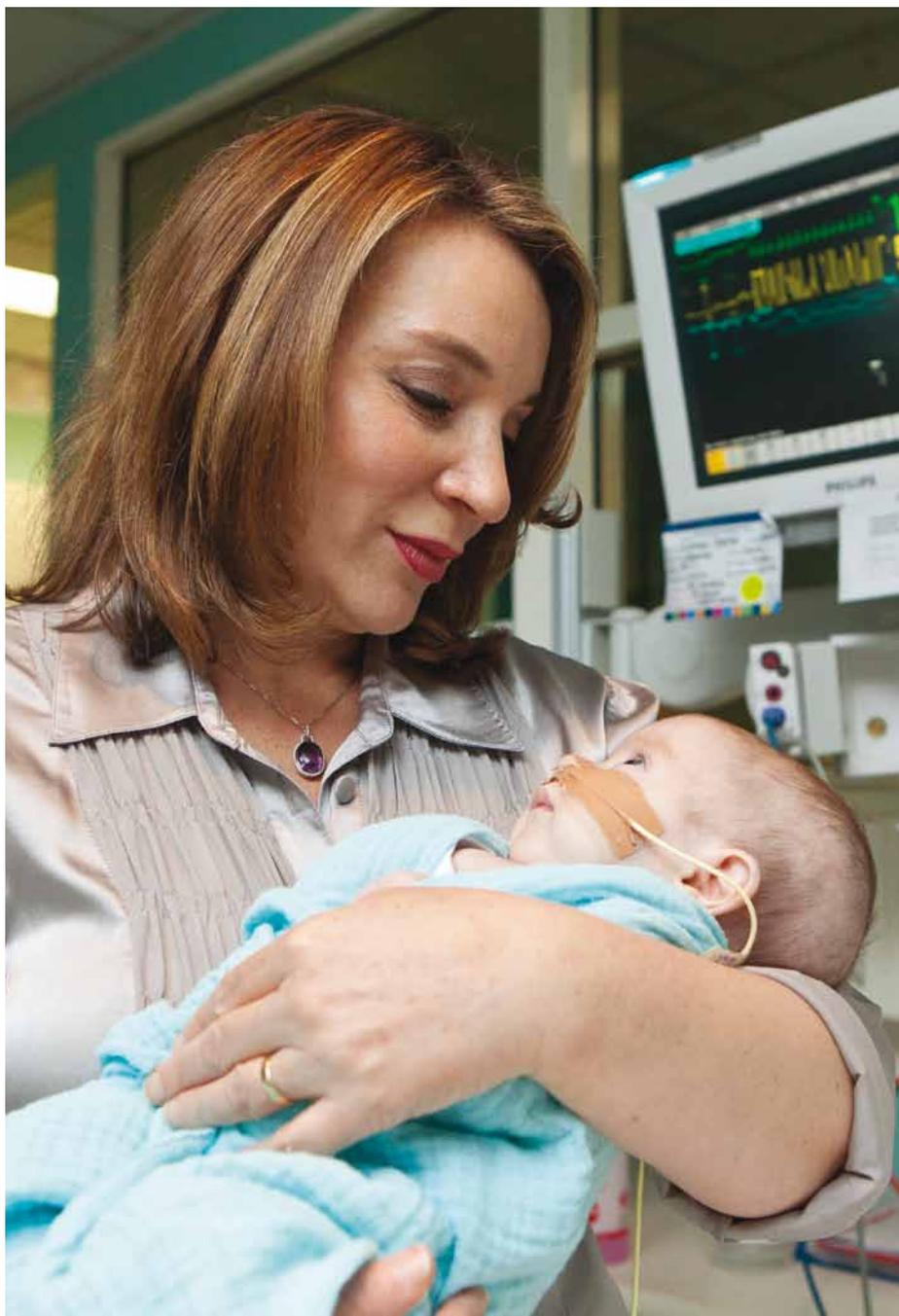
The **Orange Country Council** celebrated the 50th anniversary of their iconic baby photo competition. The event attracted hundreds of entries and raised \$12,500. We thank the Orange Council and all our other country Councils for their tireless efforts to raise funds and awareness within their local communities.

St George Foundation has continued their amazing support to many families through grants for equipment.

Trust Company continued their stalwart support with two grants – one towards 'Making it Real' – a new video series for children, teenagers and adults with cerebral palsy, and the other towards one of our researchers.

We would also like to thank the **RSLs and Clubs** who provided grants to us through the CDSE scheme for local projects and equipment needed by our teams.

Thanks go to the **Australian Chinese Charity Foundation, Black Horse Foundation, Coca-Cola Community Grants, Dancler Trust, Freedman Foundation, Glen Rocky Foundation, James N Kirby Foundation, John Maclean Foundation, Marian and EH Flack Trust, Mazda Foundation, Rita Hogan Foundation and Tudor Foundation.**



Professor Nadia Badawi, Macquarie Group Foundation Chair of Cerebral Palsy

RESEARCH

Our efforts towards the prevention and cure of cerebral palsy are yielding results, as we create new opportunities and connections. We believe a breakthrough is possible; together we can make it happen.

This year we awarded **14 research grants worth \$1.631 million** to national and international research

bodies who join us in our goal to prevent and cure cerebral palsy. This brings the Research Foundation's total funding from 2006 to \$4.9 million.

Our researchers presented at a number of conferences including the Perinatal Society of Australia and New Zealand Annual Conference, American Academy of Cerebral Palsy and Developmental Medicine and published findings

in journals such as the prestigious International Journal of Paediatrics.

The Balnaves Cerebral Palsy Research Program, funded by the **Balnaves Foundation** continues to support our efforts in the early diagnosis of children with cerebral palsy and to involve them early in treatment programs.

Star Scientific Foundation stepped up to fund the '**Creating a Roadmap**' program studying the causal pathways for babies born at term who go on to develop cerebral palsy. This is the first time this group has been studied in such detail.

We were pleased to launch the early intervention program **CP UP** which hopes to reduce the incidence of secondary conditions such as hip displacement in children. This program was supported by **Allergan** and **Eagle Boys**.

Eagle Boys has joined in a three year partnership to help raise \$210,000 for research and equipment; \$150,000 towards a researcher, and \$60,000 allocated to equipment and facilities.

Avant continue their amazing support of our research program including the ongoing support of Professor Caroline Crowther's work to produce the first clinical guidelines for the use of magnesium sulphate as a prevention strategy for cerebral palsy.

Our thanks also goes to the **Trust Company, Grevillia Group, Roth Charitable Foundation** and **MLC Foundation**.

Even at 14 years of age, Sophie has great insight into other people's feelings. Her teachers at school say she is amazingly resilient and keeps on going, despite the fact that she needs physical assistance in every part of her life. Although she's had eye, ear and leg operations, she knows that there are other people who have more severe cerebral palsy. So she takes it as it comes. We've been coming to Cerebral Palsy Alliance ever since Sophie was 1 year old.

Jenny, **Sophie's mum.**



We didn't know anything about cerebral palsy until Rachel was diagnosed seven years ago. We've been going to Cerebral Palsy Alliance for six years. The therapists have helped us to communicate with Rachel. Fortunately she has clear facial expressions, and uses her eyes a lot to communicate. She has an infectious smile, loves life and brings a lot of joy to our family. In her own way, Rachel is perfect.

René, **Rachel's mum.**



Nicholas is 13 and is thrilled to have started high school, be in a normal class and make new friends. He wishes he could walk. When he watches his friends play soccer and football, he would like to play too. Nicholas recently achieved something he never thought he could. He went rock climbing with a school group and climbed all the way to the top of the rock. Nicholas has been receiving therapy from Cerebral Palsy Alliance for the last 7 years. He is happy, friendly and brave, and he makes friends easily by just being himself.

Maria, **Nicholas'** mum.



CEREBRAL PALSY ALLIANCE Directors' Report

30 JUNE 2011

The Directors present their report together with the financial report of Cerebral Palsy Alliance ('the Company') and the group, being the Company and its controlled entities, for the year ended 30 June 2011 and the auditor's report thereon.

THE BOARD OF DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are:



MARELLE THORNTON AM, DipTeach, MAICD

Mrs Thornton has been a member of the Board of Directors since October 1983.

Mrs Thornton is the President of Cerebral Palsy Alliance, Chairman of the Board of Directors, Chairman of the Nominations and Governance Committee, and a member of the Finance and Audit Committee, the Human Resources Committee, Community Relations, Fundraising and Marketing Committee, and the Services Committee.

Mrs Thornton is a retired primary school teacher.



MARK B. BRYANT OAM, MA, FCA, MAICD

Mr Bryant has been a member of the Board of Directors since December 1997.

Mr Bryant is the Vice-President of Cerebral Palsy Alliance, Chairman of the Finance and Audit Committee and a member of the Community Relations, Fundraising and Marketing Committee, and the Nominations and Governance Committee. He also serves as a board representative to the Enterprise Risk Management Committee.

Mr Bryant has over 30 years of experience in public accounting.



CAIN BECKETT BEc, MIntS, GAICD

Mr Beckett has been a member of the Board of Directors since November 2003.

Mr Beckett is a member of the Finance and Audit Committee, the Services Committee, and the Nominations and Governance Committee.

In July 2011 Mr Beckett resigned as Chairman of the Research Committee and the Ethics Committee, and as a member of the Human Resources Committee, to allow him to allocate time in respect of his recent appointment as Chairman of the Disability Council of NSW.

Mr Beckett is a member of the senior leadership team of Perpetual Corporate Trust, and for over 12 years prior to this was a successful management and technology consultant.



NEROLI BEST MBBS, FANZCA, MAICD

Dr Best has been a member of the Board of Directors since June 1994.

Dr Best is the Chairman of the Research Committee, and a member of the Ethics Committee and the Services Committee.

Dr Best is a medical practitioner specialising in anaesthesiology and holds appointments at Royal North Shore, Mater Misericordiae and North Shore Private Hospitals.



ANDREW BUCHANAN PSM, MAICD, AIMM

Mr Buchanan has been a member of the Board of Directors since August 2010.

Mr Buchanan is the Chairman of the Ethics Committee, and a member of the Research Committee and the Community Relations, Fundraising and Marketing Committee.

Mr Buchanan recently retired after eight years as Chairman of the Disability Council of NSW, the official disability advisory body to the NSW Government.

Mr Buchanan has 40 years experience in broadcasting, communications and media, having spent his career at the ABC and now operates his own communications and media consultancy AB Communicates, and manages his winery at Queens Pinch Vineyard in Mudgee.



ALEXANDRA GREEN AAICD

Miss Green has been a member of the Board of Directors since August 2011.

Miss Green is a Mechanical Engineering student at the University of New South Wales and will complete her undergraduate degree by November 2012.

Miss Green is also an Australian representative for both Para-cycling and adaptive rowing and aims to represent Australia at the Paralympics for Cycling for either London 2012 or Rio 2016.



ADAM JOHNSTON BA/LLB, Dip. Legal Practice

Mr Johnston was appointed to the Board in August 2009.

Mr Johnston studied politics and law at Macquarie University, is an active advocate for disability service development, and has served on numerous council and local community committees.

Mr Johnston resigned as a Director of Cerebral Palsy Alliance and its controlled entities on 16 March 2011.



ROBERT (BOB) G. MILLER MAICD

Mr Miller has been a member of the Board of Directors since May 1999.

Mr Miller is a member of the Community Relations, Fundraising and Marketing Committee, the Services Committee, and the Finance and Audit Committee. He also serves as a board representative to the Enterprise Risk Management Committee.

Mr Miller is the Principal of Australia Street Consulting Pty Ltd where he advises the automotive industry, advertising agencies, telecommunications companies and others on marketing. He was previously General Manager - Marketing, Toyota Australia for 15 years.

Mr Miller is an Adjunct Professor, teaching postgraduate students in Macquarie University's Faculty of Business and Economics, and the Macquarie Graduate School of Management.



MICHELLE NOORT RN, CCC, MHSc, Crt Public Sector Management

Ms Noort has been a member of the Board of Directors since February 2011.

Ms Noort is Chairman of the Services Committee.

Ms Noort has worked in the public health sector for over 30 years across NSW, Victoria and South Australia. Ms Noort is currently the Director of Operations, Planning and Performance, Illawarra Shoalhaven Local Health District.

Directors' Report (continued)



JOHN SINTRAS GAICD

Mr Sintras has been a member of the Board of Directors since August 2009.

Mr Sintras is Chairman of the Community Relations, Fundraising and Marketing Committee, and a member of the Finance and Audit Committee.

Mr Sintras has a young daughter with cerebral palsy and served as a Governor on the Council of Governors of The Cerebral Palsy Foundation, a wholly-owned entity of Cerebral Palsy Alliance.

Mr Sintras is the Chief Executive Officer of the Starcom MediaVest Group, one of Australia's leading media communications agencies.



ROBIN WAY M Mgt, PhD

Dr Way was appointed to the Board in November 1995.

Dr Way is the Chief Executive Officer of Community Connections Australia, a non government organisation providing a range of in-home support services to maintain people in their homes.

Dr Way retired as a Director of Cerebral Palsy Alliance and its controlled entities on 12 September 2010.



BRIAN WILLIAMSON Dip Law (SAB), M. Com (Deakin), Adv Diploma AICD, Accredited Specialist in Employment & Industrial Law (Law Soc of NSW), MAICD

Mr Williamson has been a member of the Board of Directors since December 2002.

Mr Williamson is the Chairman of the Human Resources Committee and is a board representative on the Enterprise Risk Management Committee.

Mr Williamson is the founder and owner of the specialist law firm, WilliamsonLegal, which deals with all aspects of workplace law and specialises in acting for employers. In 1994, Mr Williamson was one of the first five solicitors in NSW to become an Accredited Specialist in Employment & Industrial Law with the Law Society of NSW.

The following Directors are all in office at the date of this report:

Mr C. Beckett

Dr N. Best

Mr M. B. Bryant OAM

Mr A. Buchanan

Miss A. Green

Mr R. Miller

Ms M. Noort

Mr J. Sintras

Mrs M. Thornton AM

Mr B. Williamson

Company Secretary

The Company Secretary at the end of the financial year is:

Anthony Cannon BA (Econ), FCIS, CPA, MAICD, M. Mgt, M. Bus Law

Mr Cannon has been employed by Cerebral Palsy Alliance since 1988. In 1996 Mr Cannon was appointed Company Secretary to the Board and all Board Committees. Mr Cannon is also the General Manager, Compliance.

Directors' Report (continued)

THE BOARD OF DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year were:

Board Members	Board of Directors Meetings		Finance and Audit Committee Meetings		Human Resources Committee Meetings		Services Committee Meetings		Community Relations, Fundraising and Marketing Committee Meetings		Research Committee Meetings		Nominations and Governance Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr C. Beckett	9	9	5	4	3	3	4	4	-	-	4	2	3	3
Dr N. Best	9	8	-	-	-	-	4	4	-	-	4	4	-	-
Mr M. B. Bryant OAM	9	8	5	5	-	-	-	-	4	4	-	-	3	3
Mr A Buchanan (1)	8	6	-	-	-	-	-	-	3	2	-	-	-	-
Mr A. Johnston (4)	7	7	-	-	-	-	3	3	-	-	3	2	-	-
Mr R. Miller	9	8	5	3	-	-	1	1	4	2	-	-	-	-
Ms M. Noort (3)	4	3	-	-	-	-	2	2	-	-	-	-	-	-
Mr J. Sintras	9	6	5	3	-	-	-	-	4	4	-	-	-	-
Mrs M. A. Thornton AM	9	9	5	5	3	3	4	4	4	4	-	-	3	3
Dr R. Way (2)	2	1	-	-	1	0	1	1	-	-	-	-	-	-
Mr B. Williamson	9	8	-	-	3	3	-	-	-	-	-	-	-	-

(1) Mr Andrew Buchanan joined the Board of Directors on 18 August 2010.

(2) Dr Robin Way retired from the Board of Directors on 12 September 2010.

(3) Ms Michelle Noort joined the Board of Directors on 16 February 2011.

(4) Mr Adam Johnston resigned from the Board of Directors on 16 March 2011.

BOARD COMMITTEES

The agendas for Committee meetings are prepared in conjunction with the Chairs of the relevant Committees. Papers and submissions are distributed to Committee members in advance and each Committee is free to invite members of management or others to attend meetings, or take external advice, when considered appropriate.

The purpose and function of these Board Committees are described below.

Finance and Audit Committee

The Finance and Audit Committee enhances the credibility, objectivity and accountability of the Company by assisting the Board in discharging its responsibilities in relation to financial management, monitoring and controlling risk, internal control systems and reporting financial information.

The Committee also provides a forum for communication between the Board, senior financial management and the external auditors.

Human Resources Committee

The Human Resources Committee advises and makes recommendations to the Board on the development, implementation and review of policies in the Human Resources and Industrial Relations areas, including any references from the Board in respect of Human Resources management and Industrial Relations.

Services Committee

The Services Committee reviews, advises and makes recommendations to the Board on the nature and scope of service practice and delivery within Cerebral Palsy Alliance.

The Committee also consults widely with stakeholders through client and family forums about effective service delivery so that issues of duty of care, legal liability and service quality are brought to the Board's attention.

Directors' Report (continued)

Community Relations, Fundraising and Marketing Committee

The Community Relations, Fundraising and Marketing Committee considers matters related to the image and profile of the organisation - its cause and its clients, community and corporate partnerships and programs and opportunities for increasing funds from both existing and new fundraising ventures.

The Committee also advises and makes recommendations on the financial viability, ethics and legal aspects of existing and proposed fundraising and marketing programs.

Research Committee

The Research Committee considers all submissions regarding research in terms of the effective use of organisational resources, applicability to people with cerebral palsy and the alignment to priorities within its research agenda.

Approved research projects are referred to the Ethics Committee for consideration and ethical approval. All recommendations of the Ethics Committee in respect of research proposals are made to the Board.

Nominations and Governance Committee

The Nominations and Governance Committee assists the Board in fulfilling its governance responsibilities for matters of succession planning and appointments to the Board and senior management, formulating Directors' induction programs, assessing Board and Director performance and reviewing and assessing Committee membership.

ETHICS COMMITTEE

Cerebral Palsy Alliance has an Ethics Committee which ensures full and appropriate consideration is given to any potential risks, harms and benefits associated with participation in a research study. The Committee may propose changes to the study that will manage / minimise risks and improve the understanding of potential harms and benefits so that participants are able to provide informed consent.

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

GOVERNANCE

The Company and its controlled entities operate as companies limited by guarantee with the exception of The Cerebral Palsy Foundation Pty Ltd which is a proprietary limited company. The Company is governed by Directors who are elected by the members in a general meeting. Any member of the Company is eligible to be elected to the Board, if correctly nominated.

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

Resolution requirements for general meetings are in accordance with the Corporations Act 2001.

DIRECTOR EDUCATION

The Company has a formal process to educate new Directors about the nature of the organisation, current issues, the corporate strategy and the expectations of the Company concerning performance of Directors.

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

PRINCIPAL ACTIVITIES AND OBJECTIVES

The principal activities of the Company and its controlled entities are to provide access to a range of services and facilities to children and adults with cerebral palsy and their families in NSW and the ACT and, where applicable, to people with other disabilities who can benefit from the services.

There were no significant changes in the nature of the activities of the group during the year.

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

Cerebral Palsy Alliance's Mission Statement

*Cerebral Palsy Alliance –
For people with cerebral palsy
Building Futures*

Cerebral Palsy Alliance's Objective

The long term objective of Cerebral Palsy Alliance is an inclusive society for people with cerebral palsy and their families.

Our focus is:

- Developing world-class services that connect and engage people with their communities
- Maintaining a robust and agile organisation

Directors' Report (continued)

- Supporting research activities in intervention, prevention, and cure
- Adopting an organisational framework for a changing future.

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

Cerebral Palsy Alliance will:

1. Adopt service models that foster client/family involvement in planning, choice and service funding arrangements
2. Improve service timelines for therapy and family supports
3. Enhance digital solutions to inform, connect and engage
4. Strengthen the wellbeing and resilience of individuals and families
5. Plan and deliver support for clients with multiple health and disability needs
6. Provide assistive equipment for mobility, communication and daily living in a timely way
7. Provide cultural competence for staff in the delivery of services to diverse communities
8. Recruit the right people in the right places at the right time
9. Provide financial information systems that lift our performance, efficiency and capacity
10. Develop sustainable and profitable fundraising programs
11. Create greater efficiency in non-core capabilities
12. Provide international leadership in the cerebral palsy research community
13. Develop good business practices and integrated infrastructure support for the Research Institute
14. Develop a strong and focussed Research Institute
15. Support the introduction of a National Disability Insurance Scheme
16. Maximise the use of the Allambie Heights site
17. Develop growth and diversification opportunities
18. Develop global efforts that shape solutions in local communities
19. Develop best practice in corporate governance
20. Promote greater awareness and understanding of cerebral palsy and its impact
21. Develop a well respected and recognised cerebral palsy brand.

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

- Client activity performance including client numbers, client outputs and unit costs
- Client satisfaction measures including compliments and complaints, and satisfaction surveys
- Staffing measures including the number of staff, full time equivalents, recruitment and retention rate, satisfaction rating
- Occupational Health and Safety measures including the number and type of incidents and lost time injuries
- A range of financial indicators
- Investment returns compared to benchmarks
- Fundraising performance and cost of fundraising ratio
- Government income to cover direct cost and contribute appropriately to overheads.

OPERATING AND FINANCIAL REVIEW

The surplus of the group for the financial year was \$14,318,000 (2009-2010: \$4,239,000). The Company and each of its controlled entities are exempt from Income Tax.

STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the group that occurred during the financial year under review that are not otherwise disclosed in this report or the financial statements.

ENVIRONMENTAL REGULATIONS

The group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. The Board believes that the group has adequate systems in place for the management of its environmental requirements.

Directors' Report (continued)

SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the group, the results of those operations, or the state of affairs of the group, in future financial years.

DIVIDENDS

The Company and its controlled entities are prohibited by their Constitutions from paying dividends to its members.

LIKELY DEVELOPMENTS

The Directors do not believe it likely that there will be any material changes in the operations of the group for the next twelve months.

TAX DEDUCTIBILITY OF DONATIONS

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

DIRECTORS' BENEFITS

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

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

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability of any person who is or has been an officer or auditor of the Company.

Since the end of the previous financial year, the Company has paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts. These insurance contracts insure against liability (subject to specific exclusions) for persons who are or have been directors or executive officers of the Company.

The Directors have not included details of the nature of the liabilities covered nor the amount of the premium paid in respect of the directors' and officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

ROUNDING OFF

The Company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise stated.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration is set out on page 44 and forms part of the Directors' Report for the financial year ended 30 June 2011.

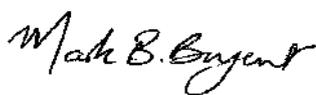
MEMBERS

As at 30 June 2011 there were 390 members (2010: 399 members) of the Company.

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

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

The Directors' Report was authorised for issue by the Directors at Terrey Hills on 21 September 2011.



M. B. Bryant, OAM
Director



J. Sintras
Director

CEREBRAL PALSY ALLIANCE DIRECTORS' DECLARATION

1. In the opinion of the directors of Cerebral Palsy Alliance (the Company):
 - (a) the consolidated financial statements and notes that are set out on pages 22 to 42 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the group's financial position as at 30 June 2011 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. There are reasonable grounds to believe that the Company and the group entities identified in note 23 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Class Order 98/1418.

Signed in accordance with a resolution of the directors:



M.B. Bryant OAM

Director

Terrey Hills

21 September 2011



J. Sintras

Director

Terrey Hills

21 September 2011

CEREBRAL PALSY ALLIANCE

DECLARATION BY CHIEF EXECUTIVE OFFICER

IN RESPECT OF FUNDRAISING APPEALS

I, Rob White, Chief Executive Officer of Cerebral Palsy Alliance, declare in my opinion that:

- (a) the financial report gives a true and fair view of all income and expenditure of Cerebral Palsy Alliance with respect to fundraising appeal activities for the financial year ended 30 June 2011;
- (b) the statement of comprehensive income gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2011;
- (c) the provisions of the Charitable Fundraising (NSW) Act 1991 and Regulations and the conditions attached to the authority have been complied with for the financial year ended 30 June 2011; and
- (d) the internal controls exercised by Cerebral Palsy Alliance are appropriate and effective in accounting for all income received and applied from any fundraising appeals.



Rob White

Chief Executive Officer

Terrey Hills

21 September 2011

CEREBRAL PALSY ALLIANCE AND ITS CONTROLLED ENTITIES CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

	NOTE	2011 \$'000	2010 \$'000
ASSETS			
Cash and cash equivalents	8	9,063	18,625
Trade and other receivables	9	2,572	2,984
Inventories	10	281	643
Investments	11	22,853	-
TOTAL CURRENT ASSETS		34,769	22,252
Investments	11	13,677	16,435
Property, plant and equipment	12	18,103	14,280
Intangible assets	13	374	239
TOTAL NON-CURRENT ASSETS		32,154	30,954
TOTAL ASSETS		66,923	53,206
LIABILITIES			
Trade and other payables	14	8,254	9,853
Employee benefits	15	6,009	5,759
TOTAL CURRENT LIABILITIES		14,263	15,612
Employee benefits	15	966	936
TOTAL NON-CURRENT LIABILITIES		966	936
TOTAL LIABILITIES		15,229	16,548
NET ASSETS		51,694	36,658
EQUITY			
General funds		51,410	37,133
Fair value reserve	16	284	(475)
TOTAL EQUITY		51,694	36,658

THE NOTES ON PAGES 26 to 42 ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

CEREBRAL PALSY ALLIANCE AND ITS CONTROLLED ENTITIES CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2011

	NOTE	2011 \$'000	2010 \$'000
Revenue from government funding	4	42,937	42,142
Revenue from fundraising and bequests	25	22,246	16,424
Revenue from rendering of services		3,661	4,024
Revenue from sale of goods		2,788	1,144
Accommodation expenses		(15,560)	(15,477)
Individual and family support expenses		(19,075)	(18,465)
Employment services expenses		(5,641)	(5,850)
Community access service expenses		(5,275)	(5,268)
Technical services expenses		(2,579)	(1,964)
Community education and information		(3,468)	(3,175)
Research grants and expenses		(1,467)	(1,000)
Fundraising expenses		(4,759)	(4,385)
Cost of goods sold		(1,374)	(792)
Gross surplus		12,434	7,358
Insurance claim – fire	27	7,172	1,244
Rental income		51	53
Other expenses		(8,104)	(7,354)
Fire expenses	27	(173)	(303)
Gain on sale of property, plant and equipment		189	311
Results from operating activities		11,569	1,309
Net finance income	7	2,749	2,930
Surplus before income tax		14,318	4,239
Income tax expense	2(m)	-	-
Surplus for the year after income tax		14,318	4,239
Other comprehensive income			
Net change in fair value of investments	7	718	(389)
Other comprehensive income, net of income tax		718	(389)
Total comprehensive income for the year		15,036	3,850

THE NOTES ON PAGES 26 to 42 ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

CEREBRAL PALSY ALLIANCE AND ITS CONTROLLED ENTITIES CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2011

	NOTE	General funds \$'000	Fair value reserve \$'000	Total equity \$'000
Balance at 1 July 2009		32,894	(86)	32,808
Surplus for the year		4,239	-	4,239
<i>Other comprehensive income</i>				
Net change in fair value of investments	7	-	(389)	(389)
Total other comprehensive income		-	(389)	(389)
Total comprehensive income for the year		4,239	(389)	3,850
Balance at 30 June 2010		37,133	(475)	36,658
Balance at 1 July 2010		37,133	(475)	36,658
Impact of change in accounting policy	29	(41)	41	-
Restated balance at 1 July 2010		37,092	(434)	36,658
Surplus for the year		14,318	-	14,318
<i>Other comprehensive income</i>				
Net change in fair value of investments	7	-	718	718
Total other comprehensive income		-	718	718
Total comprehensive income for the year		14,318	718	15,036
Balance at 30 June 2011		51,410	284	51,694

THE NOTES ON PAGES 26 to 42 ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

CEREBRAL PALSY ALLIANCE AND ITS CONTROLLED ENTITIES CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2011

	NOTE	2011 \$'000	2010 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		84,943	71,551
Cash payments to suppliers and employees		(73,052)	(68,453)
Net cash from operating activities		11,891	3,098
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,483	855
Distributions from trusts and dividends		1,065	790
Acquisition of property, plant and equipment		(5,710)	(3,565)
Acquisition of intangible assets	13	(242)	(8)
Net purchase of investments		(19,172)	(2,148)
Proceeds from sale of property, plant and equipment		1,127	1,383
Net cash used in investing activities		(21,449)	(2,693)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing costs		(4)	(6)
Net cash used in financing activities		(4)	(6)
Net (decrease)/increase in cash and cash equivalents		(9,562)	399
Cash and cash equivalents at the beginning of the financial year		18,625	18,226
Cash and cash equivalents at the end of the financial year	8	9,063	18,625

THE NOTES ON PAGES 26 to 42 ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

CEREBRAL PALSY ALLIANCE AND ITS CONTROLLED ENTITIES NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

1. BASIS OF PREPARATION
2. SIGNIFICANT ACCOUNTING POLICIES
3. DETERMINATION OF FAIR VALUES
4. GOVERNMENT FUNDING
5. REMUNERATION OF AUDITORS
6. EXPENSES
7. FINANCE INCOME AND FINANCE COSTS
8. CASH AND CASH EQUIVALENTS
9. TRADE AND OTHER RECEIVABLES
10. INVENTORIES
11. INVESTMENTS
12. PROPERTY, PLANT AND EQUIPMENT
13. INTANGIBLE ASSETS
14. TRADE AND OTHER PAYABLES
15. EMPLOYEE BENEFITS
16. FAIR VALUE RESERVE
17. FINANCING FACILITIES
18. OPERATING LEASES
19. CONTINGENT LIABILITIES
20. RELATED PARTY INFORMATION
21. MEMBERS' GUARANTEE
22. COMPANY DETAILS
23. CONSOLIDATED ENTITIES / DEED OF CROSS GUARANTEE
24. PARENT ENTITY DISCLOSURES
25. FUNDRAISING APPEALS CONDUCTED DURING THE FINANCIAL YEAR
26. SUBSEQUENT EVENTS
27. FIRE AND INSURANCE CLAIM
28. CAPITAL AND OTHER EXPENDITURE COMMITMENTS
29. CLASSIFICATION OF FINANCIAL ASSETS ON THE DATE OF INITIAL APPLICATION OF AASB 9

1. BASIS OF PREPARATION

Reporting entity

Cerebral Palsy Alliance (formerly The Spastic Centre of New South Wales) ('the Company') is a company limited by guarantee and is domiciled in Australia. The address of the Company's registered office is 321 Mona Vale Road, Terrey Hills, NSW 2084. The consolidated financial statements as at and for the year ended 30 June 2011 comprise the financial statements of the Company and its controlled entities (together referred to as the 'group').

The principal activities of the group are to provide access to a range of services and facilities to children and adults with cerebral palsy and their families in NSW and the ACT and, where applicable, to other people with disabilities who can benefit from the services.

The financial report was authorised for issue by the Board of Directors on 21 September 2011.

a) Statement of compliance

The group early adopted AASB 1053 *Application of Tiers of Australian Accounting Standards and AASB 2010-02 Amendments to Australian Standards arising from Reduced Disclosure Requirements* for the financial year beginning on 1 July 2010 to prepare Tier 2 general purpose financial statements.

The consolidated financial report is a Tier 2 general purpose financial report which has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB-RDRs) (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

In the opinion of the Directors, having regard to the not-for-profit nature of the group's business, the terms used in the prescribed format of the Statement of Comprehensive Income are not appropriate. 'Profit or Loss' in the prescribed format of the Statement of Comprehensive Income has been substituted by 'Surplus or Deficit'.

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial assets designated at fair value through profit or loss (surplus or deficit) and financial assets designated at fair value through other comprehensive income (previously classified as available-for-sale financial assets) which are measured at fair value.

The methods used to measure fair values are discussed further in note 3.

c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars which is the group's functional currency.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that class order, all financial information has been rounded to the nearest thousand unless otherwise stated.

Notes to and forming part of the Financial Statements for the year ended 30 June 2011 (continued)

1. BASIS OF PREPARATION (CONTINUED)

d) Use of estimates and judgements

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate was revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 29.

e) Change in accounting policy

Starting as of 1 July 2010, the group has changed its accounting policy in the following areas:

i) Reduced Disclosure Requirements

The group early adopted AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-02 *Amendments to Australian Standards arising from Reduced Disclosure Requirements*. This has resulted in reduced disclosures in the financial statements. Comparative information has been re-presented or removed so that it also conforms to the new disclosure requirements. Since the change in accounting policy only affects presentation, there is no impact on comprehensive income.

ii) Removal of parent entity financial statements

The group has applied amendments to the Corporations Act (2001) that remove the requirement for the entity to lodge parent entity financial statements. Parent entity financial statements have been replaced by the parent entity disclosures in note 24.

iii) Non-derivative financial assets

The group has early adopted AASB 9 *Financial Instruments (2009)* with a date of initial application of 1 July 2010. AASB 9 requires that the group classifies its financial assets at either amortised cost or fair value depending on the group's business model for managing its financial assets and the contractual cash flow characteristics of the financial assets. These changes in accounting policy are applied from 1 July 2010 without restatement of prior periods.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and by all entities comprised within the group, except as explained in note 1(e).

a) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to

obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. In the Company's financial statements, investments in subsidiaries are carried at cost.

Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

b) Financial instruments

The group has no derivative financial assets or liabilities.

(i) Non-derivative financial liabilities

The group initially recognises financial liabilities on the date at which it becomes a party to the contractual provisions of the instrument. The group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

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

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

(ii) Non-derivative financial assets – change of policy

On 1 July 2010, the group elected to early adopt AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Standards arising from AASB 9*. The group elected not to apply the standard retrospectively.

AASB 9 requires that an entity classify its financial assets as subsequently measured at either amortised cost or fair value depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

(iii) Non-derivative financial assets – new policy from 1 July 2010

The group initially recognises financial assets on the trade date at which the group becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. The group subsequently measures financial assets at either fair value or amortised cost.

The group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest

Notes to and forming part of the Financial Statements for the year ended 30 June 2011 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Financial instruments (continued)

in transferred financial assets that is created or retained by the group is recognised as a separate asset or liability.

Financial assets measured at amortised cost

A financial asset is subsequently measured at amortised cost using the effective interest method and net of any impairment loss.

Financial assets measured at amortised cost comprise cash and cash equivalents and trade and other receivables. All changes in value are recognised in surplus or deficit.

Financial assets measured at fair value

Financial assets other than those subsequently measured at amortised cost are subsequently measured at fair value. All changes in fair value recognised in surplus or deficit except as indicated in the following paragraph.

For investments in equity instruments not held for trading, the group may elect at initial recognition to recognise changes in fair value in other comprehensive income. For instruments measured at fair value through other comprehensive income, changes in fair value, including realised gains and losses are never reclassified to surplus or deficit. Dividends earned from such investments are recognised in surplus or deficit unless the dividends clearly represent a recovery of part of the cost of investment.

Financial assets measured at fair value comprise investments.

(iv) Non-derivative financial assets – previous accounting policy

The group initially recognised loans and receivables on the date that they were originated. All other financial assets were recognised initially on the trade date at which the group becomes a party to the contractual provisions of the instrument.

Loans and receivables

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

Loans and receivables comprise trade and other receivables.

Available-for-sale financial assets

Available-for-sale financial assets were non-derivative financial assets that were designated as available-for-sale and that were not classified in any of the other categories of financial assets as specified under AASB 139 *Financial Instruments: Recognition and Measurement*. Subsequent to initial recognition, they were measured at fair value and changes therein, other than impairment losses were recognised in other comprehensive income and presented within equity in the fair value reserve in equity. When an investment was derecognised, the cumulative gain or loss in equity was transferred to surplus or deficit.

Available-for-sale financial assets comprised investments.

(v) Non-derivative financial assets - impact of change in accounting policy

Refer note 29.

c) Inventories

Inventories are valued at the lower of cost and net realisable value, with net realisable value being the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Cost is based on the first-in first-out principle and includes expenditure incurred in bringing inventories to their existing location and condition.

d) Property, plant and equipment Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The value of in-kind donations is determined by independent valuation at the time of the donation. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds of disposal with the carrying amount of property, plant and equipment and are recognised net within surplus or deficit.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as incurred.

Depreciation and amortisation

Items of property, plant and equipment, including buildings, leasehold improvements and motor vehicles, but excluding freehold land, are depreciated over their estimated useful lives using the straight-line method. Assets are depreciated from the date of acquisition.

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

In respect of assets under construction depreciation commences from the date the asset is ready for use. Depreciation rates used

Notes to and forming part of the Financial Statements for the year ended 30 June 2011 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Property, plant and equipment (continued)

for each class of asset, for the current and previous years, are as follows:

	2011	2010
Buildings	4%	4%
Crown Land Improvements	4%	4%
Plant and Equipment	15-25%	15-25%
Motor Vehicles	15-20%	15-20%

The residual value, the useful life and the depreciation method applied to an asset are reassessed at the reporting date.

e) Intangible assets

Intangible assets acquired by the group that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in surplus or deficit as incurred.

Amortisation

Amortisation is calculated over the cost of the asset, or another amount substituted for cost, less its residual value. Amortisation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of the intangible assets from the date they are available for use. The estimated useful life of computer software for the current and comparative periods is 3 years.

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

f) Leased assets

Leases under the terms of which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the group's statement of financial position.

g) Employee benefits

Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as a personnel expense in surplus or deficit when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Short-term benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the group expects to pay as at reporting date including related on-costs, such as workers' compensation insurance and superannuation. Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services are expensed based on the net marginal cost to the group as the benefits are taken by the employees.

Long-term service benefits

The group's net obligation in respect of long-term service benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wages and salary rates including related on-costs and expected settlement dates.

h) Revenue and income

Government funding

Income from non-reciprocal grants is recognised when the group obtains control of the grant or the right to receive the grant; it is probable that the economic benefits comprising the grant will flow to the group; and the amount of grant can be measured reliably.

Government grants which are reciprocal in nature (those grants which are received on the condition that specified services are delivered or conditions are fulfilled and have to be returned if the group fails to meet the attached conditions) are initially recognised as deferred revenue (liability), with revenue recognised as the services are performed or conditions are fulfilled.

Fundraising and bequests

Income from non-reciprocal donations is recognised when the group obtains control of the donation or the right to receive the donation; it is probable that the economic benefits comprising the donation will flow to the group; and the amount of donation can be measured reliably.

Donations which are reciprocal in nature (those donations which are received on the condition that specified services are delivered, or conditions are fulfilled and have to be returned if the group fails to meet the attached conditions) are initially recognised as deferred revenue (a liability) with revenue recognised as the services are performed or conditions are fulfilled.

Revenue from bequests of shares or other property is recognised at fair value, being the market value of the asset received at the date on which the group becomes legally entitled to the asset.

Notes to and forming part of the Financial Statements for the year ended 30 June 2011 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Revenue and income (continued)

Rendering of services

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

Sale of goods

Revenue from the sale of goods in the ordinary course of activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts or volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Financial income

Finance income comprises interest income on funds invested, distributions from trusts, dividends, gains on disposal of financial assets and changes in fair value of financial assets.

Interest income is recognised as it accrues in surplus or deficit, using the effective interest method. Dividends and distributions from trusts are recognised on the date that the group's right to receive payment is established.

Rental income

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

i) Volunteer workers

No monetary value has been attributed to the valuable services provided by the many volunteer workers.

j) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to the ATO is classified as operating cash flows.

k) Impairment

(i) Financial assets

Financial assets at amortised cost

A financial asset at amortised cost is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset at amortised cost is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that these financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the group on terms that the group would not consider otherwise or indications that a debtor or issuer will enter bankruptcy.

The group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics. In assessing collective impairment the group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in surplus or deficit and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

Previous accounting policy in respect of available-for-sale financial assets (prior to 1 July 2010)

Available-for-sale financial assets were assessed at each reporting date to determine whether there was objective evidence that they were impaired. These assets were considered impaired if objective evidence indicated that a loss event had occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that could be estimated reliably. Objective evidence that these financial assets were impaired could have included disappearance of an active market for a security and a significant or prolonged decline in fair value below cost. Impairment losses on available-for-sale financial assets that were disposed were recognised by transferring the cumulative loss that had been recognised in other comprehensive income, and presented in the fair value reserve in equity, to surplus

Notes to and forming part of the Financial Statements for the year ended 30 June 2011 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Impairment (continued)

(i) Financial assets (continued)

or deficit. The cumulative loss that was removed from other comprehensive income and recognised in surplus or deficit was the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in surplus or deficit. Changes in impairment provisions attributable to time value were reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale financial asset increased and the increase could be related objectively to an event occurring after the impairment loss was recognised in surplus or deficit, then the impairment loss was reversed, with the amount of the reversal recognised in surplus or deficit. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security was recognised in other comprehensive income.

Effect of new accounting policy in respect of financial assets measured at fair value (from 1 July 2010)

Impairment assessment is not required to be carried out for financial assets at fair value when the requirements of AASB 9 are applied, as all changes in fair value are either recognised in surplus or deficit or other comprehensive income (depending upon the classification).

(ii) Non-financial assets

The carrying amounts of the group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

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

Impairment losses are recognised in surplus or deficit.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

l) Expenses

Operating lease payments

The group has entered into leases of properties, motor vehicles and office equipment as disclosed in note 18. Management has determined that all the risks and rewards of ownership of these premises, vehicles and equipment remain with the lessor and has therefore classified the leases as operating leases.

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

Financial expenses

Financial expenses represent interest relating to interest-bearing liabilities and bank overdraft fees. Financial expenses are recognised using the effective interest rate method.

m) Income Tax

No income tax is payable by the group as Section 50-5 of the Income Tax Assessment Act 1997 exempts recognised Charitable Institutions from Income Tax. Cerebral Palsy Alliance and its controlled entities are deductible gift recipients as defined in the Income Tax Assessment Act.

3. DETERMINATION OF FAIR VALUES

A number of the group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

Financial assets measured at fair value

The fair value of these financial assets is determined by reference to their quoted closing bid price or net asset value at the reporting date.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Notes to and forming part of the Financial Statements for the year ended 30 June 2011 (continued)

CONSOLIDATED	
2011 \$'000	2010 \$'000

7. FINANCE INCOME AND FINANCE COSTS (CONTINUED)

Recognised in other comprehensive income

Net change in fair value of financial assets at fair value through other comprehensive income	718	-
Net change in fair value of available-for-sale financial assets	-	(389)
Finance income recognised in other comprehensive income	718	(389)

8. CASH AND CASH EQUIVALENTS

Cash at bank and in hand	1,010	3,256
Short-term bank deposits	8,053	15,369
Total cash and cash equivalents	9,063	18,625

The carrying amount of cash and cash equivalents as at the statement of financial position date was equal to the fair value.

Cash and cash equivalents include amounts included in the Research Foundation (a division of Cerebral Palsy Alliance), see note 11.

9. TRADE AND OTHER RECEIVABLES

Current

Trade receivables	935	2,186
Other receivables	553	231
Prepaid expenses	649	505
Accrued income	435	62
Total trade and other receivables	2,572	2,984

The carrying amount of trade and other receivables as at the statement of financial position date was equal to the fair value.

Trade receivables are shown net of impairment losses of \$16,000 (2010:\$18,000)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Balance at 1 July	18	35
Impairment loss reversed	(2)	(17)
Balance at 30 June	16	18

10. INVENTORIES

Non-manufacturing stores

	281	643
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During the year ended 30 June 2011 the write-down of inventories to net realisable value amounted to \$155,000 (2010: \$110,000). The write-down was in recognition of the closing of the group's Technability sales operations. The write-down is included in cost of goods sold.

11. INVESTMENTS

Current

Financial assets at fair value through surplus or deficit	22,853	-
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Non-Current

Financial assets at fair value through surplus or deficit	3,335	-
Financial assets at fair value through other comprehensive income	10,342	-
Available-for-sale financial assets	-	16,435
Total non-current investments	13,677	16,435

The carrying amount of investments as at the statement of financial position date was equal to the fair value.

The fair values of investments are based on quoted prices (unadjusted) in active markets for identical assets.

Details of the reclassification of financial assets as at 1 July 2010 are disclosed in note 29.

Notes to and forming part of the Financial Statements for the year ended 30 June 2011 (continued)

11. INVESTMENTS (CONTINUED)

Research Foundation Funds

Included in amounts above and in cash and cash equivalents (note 8) are the following amounts that, at 30 June 2011, were held separately in the Research Foundation (a division of Cerebral Palsy Alliance).

At 30 June 2010 these assets were held in Cerebral Palsy Foundation, a trust which is wholly controlled by Cerebral Palsy Alliance – see note 20.

	CONSOLIDATED	
	2011 \$'000	2010 \$'000
Current		
Cash and cash equivalents	1,189	6,426
Financial assets at fair value through surplus or deficit	6,178	-
Non-Current		
Financial assets at fair value through surplus or deficit	1,983	-
Financial assets at fair value through other comprehensive income	8,757	-
Available-for-sale financial assets	-	10,072
Total Research Foundation funds	18,107	16,498

The funds are held to generate cash flows that fund research into the causes, prevention and cure of cerebral palsy.

	Freehold Land \$'000	Buildings \$'000	Improvements to Crown Land \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Capital Works in Progress \$'000	Total \$'000
12. PROPERTY, PLANT AND EQUIPMENT							
Cost							
At 1 July 2010	3,918	7,843	1,719	1,577	4,126	895	20,078
Acquisitions	14	-	-	85	1,704	4,512	6,315
Transfers	659	955	-	-	-	(1,614)	-
Disposals	-	-	-	-	(1,579)	-	(1,579)
At 30 June 2011	4,591	8,798	1,719	1,662	4,251	3,793	24,814
Depreciation and impairment losses							
At 1 July 2010	-	3,002	1,158	629	1,009	-	5,798
Depreciation charge for the year	-	314	69	333	838	-	1,554
Disposals	-	-	-	-	(641)	-	(641)
At 30 June 2011	-	3,316	1,227	962	1,206	-	6,711
Carrying amounts							
At 1 July 2010	3,918	4,841	561	948	3,117	895	14,280
At 30 June 2011	4,591	5,482	492	700	3,045	3,793	18,103

Notes to and forming part of the Financial Statements for the year ended 30 June 2011 (continued)

	CONSOLIDATED	
	2011 \$'000	2010 \$'000
13. INTANGIBLE ASSETS		
Computer software		
Cost		
At 1 July 2010	479	471
Acquisitions	242	8
At 30 June 2011	721	479
Accumulated amortisation		
At 1 July 2010	240	153
Amortisation charge for the year	107	87
At 30 June 2011	347	240
Carrying amount		
At 1 July 2010	239	318
At 30 June 2011	374	239

Amortisation charge is included within other expenses in the statement of comprehensive income.

14. TRADE AND OTHER PAYABLES

Trade payables	589	319
Government funding received in advance	5,075	6,750
Other creditors and accruals	2,058	2,096
Deferred revenue	532	688
Total trade and other payables	8,254	9,853

The carrying amount of trade and other payables as at the statement of financial position date was equal to the fair value.

15. EMPLOYEE BENEFITS

Current

Salaries and wages accrued	1,451	1,235
Liability for annual leave	2,571	2,406
Liability for long service leave	1,987	2,118
Total employee benefits – current	6,009	5,759

Non-Current

Liability for long service leave	966	936
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16. FAIR VALUE RESERVE

As at 30 June 2011, the fair value reserve recorded the cumulative net changes in fair value of financial assets designated at fair value through other comprehensive income.

As at 30 June 2010, the fair value reserve recorded the cumulative net changes in fair value (other than impairment losses) of available-for-sale financial assets.

17. FINANCING FACILITIES

The group has access to a bank overdraft (all unused as at the reporting date) of \$500,000 (2010: \$500,000). The bank overdraft facility is secured by a floating charge over the assets of the group.

Notes to and forming part of the Financial Statements for the year ended 30 June 2011 (continued)

20. RELATED PARTY INFORMATION (CONTINUED)

Key management personnel compensation

The key management personnel compensation is as follows:

Short-term benefits

Long-term benefits

CONSOLIDATED	
\$	\$
1,491,692	1,342,020
42,422	32,930
1,534,114	1,374,950

Payments to defined contribution superannuation funds in respect of key management personnel amounted to \$96,000 (2010 \$106,000). These have been classified under short-term benefits.

21. MEMBERS' GUARANTEE

In accordance with the Company's Memorandum and Articles of Association each member of the Company has a maximum liability of \$20 in the event of the Company being wound up while he/she is a member (or within one year after he/she ceases to be a member) for payment of the debts and liabilities of the Company contracted before he/she ceased to be a member. As at 30 June 2011, there were 390 members (2010: 399).

22. COMPANY DETAILS

Cerebral Palsy Alliance and its controlled entities are incorporated and domiciled in Australia. The companies are limited by guarantee and exempted under Section 150 (1) of the Corporations Act 2001 from using the word 'Limited' with the exception of The Cerebral Palsy Foundation Pty Ltd.

Change of name

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

23. CONSOLIDATED ENTITIES / DEED OF CROSS GUARANTEE

Particulars in relation to the ultimate parent entity and controlled entities:

Ultimate parent entity

Cerebral Palsy Alliance

Subsidiaries subject to Deed of Cross Guarantee

Cerebral Palsy Alliance - Accommodation South	The CP Institute
Cerebral Palsy Alliance - Accommodation North	United Cerebral Palsy Australia
Cerebral Palsy Alliance - Accommodation Hunter	The Australian Cerebral Palsy Register
Cerebral Palsy Alliance - Therapy Services	The Australian CP Register
Cerebral Palsy Alliance - Community Access Services	The CP Foundation
Cerebral Palsy Alliance - Venee Burges House	International CP Foundation
The Cerebral Palsy Institute	CP Research Foundation

Subsidiaries not subject to Deed of Cross Guarantee

The Cerebral Palsy Foundation Pty Ltd

The Cerebral Palsy Foundation Pty Ltd acts as the trustee for The Cerebral Palsy Foundation.

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998 the wholly-owned subsidiaries listed above are relieved from the Corporations Act 2001 requirements for preparation, audit, and lodgement of financial reports, and directors report.

It is a condition of the Class Order that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also been given similar guarantees in the event that the Company is wound up.

The consolidated statement of comprehensive income and consolidated statement of financial position, comprising the Company and subsidiaries that are party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, at 30 June 2011 are set out below.

Notes to and forming part of the Financial Statements for the year ended 30 June 2011 (continued)

23. CONSOLIDATED ENTITIES / DEED OF CROSS GUARANTEE (CONTINUED)

	CONSOLIDATED	
	2011 \$'000	2010 \$'000
(i) Statement of comprehensive income and retained earnings		
Revenue from government funding	42,937	42,142
Revenue from fundraising and bequests	20,868	15,018
Revenue from rendering of services	3,661	4,005
Revenue from sale of goods	2,788	1,142
Other income	18,169	2,677
Financial expenses	(4)	(6)
Other income and expenses	(60,214)	(62,140)
Operating surplus	28,205	2,838
Other comprehensive income		
Net change in fair value of other investments	361	(80)
Total comprehensive income	28,566	2,758
General funds at beginning of the year	23,246	20,408
Impact of change in accounting policy	(41)	-
Restated balance at beginning of the year	23,205	20,408
General funds at end of the year	51,410	23,246
(ii) Statement of financial position		
CURRENT ASSETS		
Cash and cash equivalents	9,063	12,207
Trade and other receivables	2,572	5,900
Inventories	281	643
Investments	22,853	-
TOTAL CURRENT ASSETS	34,769	18,750
NON-CURRENT ASSETS		
Investments	13,677	6,363
Property, plant and equipment	18,103	14,280
Intangible assets	374	239
TOTAL NON-CURRENT ASSETS	32,154	20,882
TOTAL ASSETS	66,923	39,632
CURRENT LIABILITIES		
Trade and other payables	8,254	9,809
Employee benefits	6,009	5,759
TOTAL CURRENT LIABILITIES	14,263	15,568
NON-CURRENT LIABILITIES		
Employee benefits	966	936
TOTAL NON-CURRENT LIABILITIES	966	936
TOTAL LIABILITIES	15,229	16,504
NET ASSETS	51,694	23,128
EQUITY		
General funds	51,410	23,246
Fair value reserve	284	(118)
TOTAL EQUITY	51,694	23,128

Notes to and forming part of the Financial Statements for the year ended 30 June 2011 (continued)

24. PARENT ENTITY DISCLOSURES

As at, and throughout the financial year ended 30 June 2011, the parent entity of the group was Cerebral Palsy Alliance.

	2011 \$'000	2010 \$'000
Result of parent entity		
Surplus for the year	28,205	2,838
Other comprehensive income	361	(80)
Total comprehensive income for the year	28,566	2,758
Financial position of parent entity at year end		
Current assets	34,769	18,742
Total assets	66,923	39,624
Current liabilities	14,263	16,149
Total liabilities	15,229	16,496
Net assets	51,694	23,128
Total equity of the parent entity comprising of:		
General funds	51,410	23,246
Fair value reserve	284	(118)
Total equity	51,694	23,128

Parent entity contingencies

The directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required of the amount and is not capable of reliable measurement.

Parent entity guarantees in respect of the debts of its subsidiaries

The parent entity has entered into a Deed of Cross Guarantee with the effect that the group guarantees debts in respect of its subsidiaries.

Further details of the Deed of Cross Guarantee and the subsidiaries subject to the Deed are disclosed in note 23.

Notes to and forming part of the Financial Statements for the year ended 30 June 2011 (continued)

25. FUNDRAISING APPEALS CONDUCTED DURING THE FINANCIAL YEAR

Information to be furnished under the Charitable Fundraising (NSW) Act 1991

Fundraising appeals conducted during the financial year included mail appeals, telephone appeals, lotteries, money collections, and various other fundraising projects and receiving of indirectly solicited donations and unsolicited bequests.

	CONSOLIDATED	
	2011 \$'000	2010 \$'000
Results of fundraising appeals		
Gross proceeds from fundraising appeals	22,246	16,424
Less: Direct costs of fundraising appeals	4,759	4,385
Net surplus obtained from fundraising appeals	17,487	12,039
Application of net surplus obtained from fundraising appeals		
Distributions (expenditure on direct services)	50,943	47,834
Other expenses	8,104	7,354
Community education and information	3,468	3,175
Operating surplus	14,318	4,239
	76,833	62,602
The difference of \$59,346,000 (2010: \$50,563,000) between the \$17,487,000 net surplus (2010: \$12,039,000) available from fundraising appeals conducted and total direct expenditure of \$76,833,000 (2010: \$62,602,000) was provided from the following sources:		
Government grants and subsidies	42,937	42,142
Rendering of services	3,661	4,024
Sale of goods	2,788	1,144
Interest received or receivable	1,483	855
Insurance claim received: fire	7,172	1,244
Distributions from trusts and dividends	1,065	790
Rental income	51	53
Gain on sale of property, plant and equipment	189	311
	59,346	50,563

	2011 \$'000	2011 %	2010 \$'000	2010 %
Total cost of fundraising/ Gross revenue from fundraising	4,759 / 22,246		4,385 / 16,424	
		21		27
Net surplus from fundraising/ Gross revenue from fundraising	17,487 / 22,246		12,039 / 16,424	
		79		73
Total cost of services/ Total direct expenditure	50,943 / 62,515		47,834 / 58,363	
		81		82
Total cost of services/ Total income received	50,943 / 81,592		47,834 / 66,987	
		62		71

Notes to and forming part of the Financial Statements for the year ended 30 June 2011 (continued)

26. SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the group, the results of those operations, or the state of affairs of the group in future.

27. FIRE AND INSURANCE CLAIM

The head office of the Company, including its contents, was destroyed by fire on 16 December 2007. The group is adequately covered by insurance.

The head office has been relocated to Terrey Hills pending rebuilding. The new building is expected to be completed by February 2012 at an estimated cost of \$17.1 million.

As the insurance claim is yet to be finalised, only confirmed amounts receivable from the insurers have been brought to account. The group expects to finalise the claim during the year ending 30 June 2012. The group is advised that as at 30 June 2011, it is entitled to sums in addition to the amounts already brought to account. The amount still due is the subject of negotiations and has not been confirmed by the insurers.

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

The following amounts have been recognised in the surplus for the year:

Income	
Insurance claim received	
Total Insurance claim	
Expenses	
Fire expenses (buildings, contents, debris removal, site security etc)	
Total fire expenses	

CONSOLIDATED	
2011 \$'000	2010 \$'000
7,172	1,244
7,172	1,244
173	303
173	303

As at 30 June 2011 the Company has expended \$2,746,000 (2010: \$344,000) in the rebuild of the offices at Allambie Heights. These amounts are included in capital works in progress in property, plant and equipment (see note 12).

28. CAPITAL AND OTHER EXPENDITURE COMMITMENTS

As at 30 June 2011 the group had made contractual capital commitments and other expenditure commitments of \$14,009,000 (2010: \$nil) which had been contracted for as at that date. Of this, amounts already expended at 30 June 2011 are included in capital works in progress within property, plant and equipment (see note 12).

Notes to and forming part of the Financial Statements for the year ended 30 June 2011 (continued)

29. CLASSIFICATION OF FINANCIAL ASSETS ON THE DATE OF INITIAL APPLICATION OF AASB 9

The following table summarises the transitional classification and measurement adjustments to the group's financial assets on 1 July 2010, the group's date of initial application of AASB 9:

	Note	Original classification under AASB 139 \$'000	New classification under AASB 9 \$'000	Original carrying amount under AASB 139 \$'000	New carrying amount under AASB 9 \$'000
Trade and other receivables		Loans and receivables	Amortised cost	2,984	2,984
Cash and cash equivalents		Loans and receivables	Amortised cost	18,625	18,625
Investments	(a)	Available for sale	Fair value through surplus or deficit	-	7,569
Investments	(b)	Available for sale	Fair value through other comprehensive income	16,435	8,866

(a) These investments represent investment holdings that the group intends to manage on a fair value basis. Accordingly, the group has elected to recognise these investments at fair value through surplus or deficit.

(b) These investments represent investment holdings that the group intends to hold for long-term strategic purposes. Accordingly, the group has elected to recognise these investments at fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income

At 1 July 2010 the group designated certain of its investments in equity securities at fair value through other comprehensive income. This designation was chosen as the investments are expected to be held for the long term for strategic purposes. These investments are designated as available for sale in the 2010 comparative information.

The fair value of assets through other comprehensive income was \$10,342,000 (2010: \$8,866,000) with dividends and interest income recognised during the year of \$557,000 (2010: \$87,000).

As at 1 July 2010, fair value reserve of \$41,000 relating to financial assets classified as fair value through surplus or deficit was transferred to general funds. There were no other transfers during the year.

Reclassifications

There were no reclassifications of financial assets after the date of initial application of AASB 9 on 1 July 2010.



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Cerebral Palsy Alliance

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2011 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Kathy Ostin

Kathy Ostin
Partner

Sydney

21 September 2011

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.



Independent auditor's report to the members of Cerebral Palsy Alliance

We have audited the accompanying financial report of Cerebral Palsy Alliance (the Company), which comprises the consolidated statement of financial position as at 30 June 2011, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 29 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error.

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 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 of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards – Reduced Disclosure Requirements, a true and fair view which is consistent with our understanding of the group's financial position and of its performance.

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

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

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

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.



Independent auditor's report to the members of Cerebral Palsy Alliance (continued)

Independence

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

Auditor's opinion pursuant to the Corporations Act 2001

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

- (a) giving a true and fair view of the group's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Audit opinion pursuant to the Charitable Fundraising (NSW) Act 1991

In our opinion:

- (a) the financial report gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 30 June 2011;
- (b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2010 to 30 June 2011, in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations;
- (c) money received as a result of fundraising appeal activities conducted during the period from 1 July 2010 to 30 June 2011 has been properly accounted for and applied in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations; and
- (d) there are reasonable grounds to believe that Cerebral Palsy Alliance will be able to pay its debts as and when they fall due.

KPMG

KPMG

Kathy Ostin
Partner

Sydney

21 September 2011



Cerebral Palsy Alliance

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Hannah was born three months premature and diagnosed with cerebral palsy at three weeks of age. The doctors didn't give a promising prognosis, but Hannah has disproved their diagnosis. She's done it tough. Hannah is an intelligent, resilient 12 year old, with a bright personality. She has been with Cerebral Palsy Alliance since she was 12 weeks old.

Leanne, **Hannah's mum.**

