

Annual Report 2020





Hassiba, CPA client, with her sister Mary

Contents

President and CEO Report	2
Directors' Report	10
Directors' Declaration	18
Declaration by Chief Executive Officer	19
Cerebral Palsy Alliance and its Controlled Entities Consolidated Statement of Financial Position	20
Cerebral Palsy Alliance and its Controlled Entities Consolidated Statement of Comprehensive Income	21
Cerebral Palsy Alliance and its Controlled Entities Consolidated Statement of Changes in Equity	22
Cerebral Palsy Alliance and its Controlled Entities Consolidated Statement of Cash Flows	23
Notes to and forming part of The Financial Statements	24
Lead Auditor's Independence Declaration	44
Independent Auditor's Report	45



Paul Masi, President



Rob White, CEO

President and CEO Report

Despite a very challenging year across the globe we remain optimistic about our future and steadfast in our mission to create an inclusive society for people with cerebral palsy and other disabilities, and their families.



Delivering on our promise to our 6000+ clients

We are proud to have reached significant milestones over the year.

One of our biggest achievements being the transition of 35 clients from Venue Burges Hostel into seven new purpose built houses in Northern Sydney. This has been a life changing experience for many of these long term residents.

In parallel we worked with the staff from Stockton to move 106 residents into 24 new homes in the Newcastle, Sydney and Central Coast regions.

For our therapy and lifestyles services we expanded our footprint across NSW with the purchase of new premises in Erina & Wollongong, due to open in 2021 and we launched CPA@home enabling services to be delivered directly into clients' homes.

CPA@home allowed us to stay engaged with our clients, with the first client engagement content being delivered on 9 April, just 2 weeks into COVID lockdown restrictions. High quality content was delivered weekly and CPA@home enabled the transition of over 1300 clients to Telepractice services.



Clockwise from top:

1. Chloe, CPA client
2. Barry, CPA client
3. CPA Supported Independent Living
4. Harry, CPA client, Telepractice



Delivering on research and influence

We continue to make great advancements with our global research agenda.

We hosted the “Stem Cells for the Brain: Are We Letting Australians Down?” Forum, a free public event, held at the Seymour Centre, Sydney on 4 March 2020. The forum offered the latest information on stem cell therapies, while also helping launch a call-to-action to enable the use and access of umbilical cord blood for cerebral palsy:

<https://www.change.org/p/australian-federal-government-release-umbilical-cord-blood-treatments-to-australians-in-need>.

We are now actively working to improve Australian stem cell policy, and transforming access to safe and effective stem cell therapies.

Additionally, two of our team members were listed as named investigators on PREMSTEM, a \$14 million research project funded by the European Union’s prestigious Horizon 2020 research and innovation program. PREMSTEM aims to develop a stem cell therapy for neuroprotection in those born preterm.

Other notable achievements include:

- One of our Senior Research Fellows being accredited as a General Movements Trust Tutor. The Precht’s General Movement Assessment is a key assessment tool enabling the early identification of children with CP/at risk of CP at approximately 3 months of age. We are excited for the opportunities this presents, enabling us to train hospital staff across the region to ensure we are identifying those at risk of cerebral palsy early, and therefore providing opportunities for early intervention.

- The follow up to the acclaimed (2013) Traffic Light Paper – State of the Evidence Traffic Lights 2019: Systematic Review of Interventions for Preventing and Treating Children with Cerebral Palsy being published in Paediatric Neurology this year.
- Building greater awareness of cytomegalovirus (CMV) by educating midwives, developing new information resources, and establishing the Australasian Congenital CMV Register (ACMVR).
- Continuing to grow CP Quest. CP Quest consists of people living with CP and their families who are interested in supporting and funding CP research. This year they have been involved in ten new projects as research partners and continue to work on advisory committees for the CP Registers and the Stem Cell reference group. We sincerely thank the 70 members who contribute to improving the quality of our CP research.
- Our researchers attending and presenting at the following conferences:
 - AusACPDM Conference, held in Perth, Australia.
 - ICPGC Genomics workshop at AACPD, held in Los Angeles, USA.
 - The 4th World CP Register and Surveillance Congress, held in Los Angeles, USA.

Aaryan,
CPA client

Delivering on innovation

Technology

Our Ainsworth Chair of Technology helped lead the setup of the new School of Biomedical Engineering at Sydney University and continues to promote engineering innovations for people with significant disabilities by leading research projects focused on developing and commercialising unique methods of predicting outcomes of preterm infants and supporting human communication and movement from neural implants to soft robots.

Remarkable

The Remarkable team established the Global Alliance for Assistive Technology with CPA bringing together organisations from Australia, UK, Ireland, Nairobi, India, China, US, Canada and New Zealand to grow the emerging technology innovation sector.

In Australia Remarkable supported a further 7 startups and 18 entrepreneurs to take the total number of startups supported in the last 5 years to 32 and the number of entrepreneurs to 80.



Leon, CPA client

Delivering on fundraising

FY20 was a challenging but positive year for CPA fundraising. The bushfire emergency followed by COVID created an unprecedented environment for fundraising. Despite the cancellation of 'live' events and face to face fundraising, we raised \$35 million through fundraising.

Pre COVID, the STEPtember 2019 campaign raised \$7.1 million in Australia with over 80,000 participants and the annual Escape event, held the weekend before the national lockdown, raised a record \$1.28 million.

In response to COVID we launched an emergency appeal and raised more than \$1 million to furnish over 400 CPA families with the technology to access Telepractice services during lock down.

Other programs supported by fundraising this year included Babies at Risk, youth programs, rural service delivery, Remarkable, Early Detection Clinic, and global CP research.

Delivering on policy and advocacy

March 2020 saw the launch of the Australian and New Zealand Cerebral Palsy Strategy, developed collaboratively by people with CP, their families, practitioners and organisations involved in supporting people with CP, across Australia and New Zealand (including CPA, Ability First Australia, Cerebral Palsy Australia, The Cerebral Palsy Society of New Zealand and AusACPDM).

The Strategy identifies priorities and success indicators for cerebral palsy under 4 key goal areas:

- Inclusion and Engagement;
- Health and Well-being,
- Intervention and Disability Support;
- Prevention and Cure.

The Strategy will help drive many of CPA's strategic objectives, including the best available evidence-based services and supports, global influence, policy and social impact, and research.

We continue to play a significant role in helping to shape the National Disability Insurance Scheme (NDIS), especially in improving outcomes for participants and supporting the National Disability Insurance Agency (NDIA) to create solutions for sustainable markets.

World Cerebral Palsy Day was held on 6 October 2019, and included participants from more than 153 countries. Through social media the campaign reached 8.5 million people with nearly 6,000 social media posts, 315 news stories published and reaching 304 million people.

We held two campaigns in 2019 – Go Green 4 CP and CP Move As One. Go Green 4 CP was an awareness building campaign, encouraging people to petition landmarks to light up in green. We started this in 2018, with 21 landmarks taking on the challenge. In 2019, we increased this 13 fold, with 275 landmarks lighting up in countries all around the world.

We also ran CP Move As One in partnership with the Cerebral Palsy International Sports and Recreation Association (CPISRA), and aimed to get people doing something active at 1pm on World CP Day. This campaign reached more than 1.1 million people.

Delivering on Information Technology

The year began with the development of a comprehensive Technology and Business Systems Strategy and Roadmap outlining our objectives of secure, scalable, cloud based technology to deliver great experiences to our clients, donors and employees.

We have continued our investment in our Client Management System, with the successful integration of Client and Employee Incidents into our Salesforce CRM system. And we are currently

working towards the implementation of Workday as our cloud based, software-as-a-service Human Resources Information System (HRIS) with Phase 1 to be complete late 2020.

Delivering on Financial Performance

After a 20 year process we received title to the land at Allambie Heights, a site we have occupied for more than 55 years and over which we held a 90 year lease. This transfer allows us to invest in enhanced infrastructure both at Allambie Heights and across NSW.

Revenue reached \$202 million, on a like for like basis with prior years, and a surplus of \$7 million, increasing to \$266 million and \$71 million respectively as a result of the realisation of title to the Allambie Heights land, one off COVID support and changes in accounting treatment.

Delivering on our promise to Employees

Our reputation as a leading disability service provider depends on the high calibre of our employees.

Over the year our workforce grew by more than 25%, to 2300.

We continue to be committed to cultivating a professional, engaged and highly trained workforce, by investing in learning and developing and creating a positive supportive culture where staff feel valued.



World CP Day

Our sincere thanks

We acknowledge the continued dedicated support and commitment of our corporates, trusts, foundations, community and individual donors who not only showed generosity through their financial contributions to Cerebral Palsy Alliance, but who also provided meaningful volunteering and advocacy.

Our sincere thanks are extended to The Hon. John Dowd AO QC, Goodwill Ambassador and The Hon. Margaret Reid AO, our ACT patron for their loyalty and guidance over many years.

We thank the Council of Governors of the Cerebral Palsy Alliance Research Foundation for their incredible support and commitment throughout the year.

We acknowledge the 2,300 incredibly talented and dedicated staff, and our 1,000 passionate volunteers, all of whom make such a difference in the lives of people living with disability and their families. We are incredibly proud of their resilience and flexibility during these unprecedented and challenging times. We are also so grateful to our clients for their unwavering support and loyalty over the past year.

Finally, we thank all members of our Board of Directors who have been so generous and committed in giving their time and expertise to lead the stewardship of our organisation.

P. Masi R. White

Paul Masi / Rob White



Harry, CPA client

What our clients are saying

- “Great and friendly staff, very welcoming and accepting. Staff understood my needs and when we spoke about my therapy they really cared and helped me.” – Therapy Croudace Bay
- “We are extremely happy with the support offered by CPA, the team even secured funding to cover our 2nd child while his NDIS plan came through. I just wish we had found you sooner.” – Therapy Penshurst
- “I feel like all of the team, including the office administrator have a genuine interest for my son which for a parent is so comforting. A wonderful team ... who are truly invested in their professional roles to achieve the best outcomes for the children.” – Therapy Nowra
- “I’m very happy with the service provided by CPA, East Maitland. The therapists genuinely care about their clients and families and are always striving for the best possible outcome for the individual. The staff are always friendly, caring and on hand to answer questions. Well done everyone!” – Therapy East Maitland
- “I am extremely impressed with the care and professionalism found within the team at Tuggerah. Even when discussing sensitive topics or informing us of things that are happening that could affect us it is always done with the utmost professional attitude and there is a genuine and honest care for our feelings and well-being.” – Therapy Tuggerah
- “Since joining CPA my life has gotten so much easier. They have made the biggest difference in my kids and my life. Our family is now not in the dark when it comes to thinking about the future and raising a child with a disability.” – Therapy Croudace Bay
- “I have always found the staff at CPA to be engaging, enthusiastic and helpful. It is always a positive experience for me. I don’t know what I would do without them.” – Youth N&E Sydney

Our performance



Directors' Report

30 June 2020

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 2020 and the auditor's report for this period.

The Directors of the Company during the year and at the date of this report were:

Paul Masi BEc, MAICD

Paul has been a Director since March 2013. He is the President of the Company, Chair of the Board of Directors and a member of the Finance and Audit Committee, the Services and Marketing Committee, the Property Committee and the People, Culture & Organisational Development Committee.

Paul is a Non-Executive Director of Shaw and Partners Ltd, Argus Property Partners and GTK Pty Ltd, Chair of Greenwich Capital Partners Pty Ltd, and holds Board appointments with The Girls and Boys Brigade and Chairs The Girls and Boys Brigade Foundation.

Paul was Chief Executive Officer and Managing Director of Austock Group from March 2010 to March 2012. Formerly he was Country Head and Chief Executive Officer of Bank of America Merrill Lynch in Australia.

Andrew Buchanan PSM, MAICD, AIMM

Andrew has been a Director since August 2010. He is Vice-President of the Company, Chair of the Research Committee and Chair of the Fundraising Committee.

In 2011, after eight years in the role, Andrew retired as Chair of the Disability Council of NSW, the official disability advisory body to the NSW Government. He has more than 40 years' experience in broadcasting, communications and media, having spent his career at the ABC.

Andrew is the Principal of AB Communicates where he advises on communications and media. He also manages his winery at Queens Pinch Vineyard in Mudgee.

Stuart Comino B. Com, Executive MBA, CA, GAICD

Stuart has been a Director since September 2017. He is Chair of the Finance and Audit Committee and Chair of the Property Committee.

Stuart is Finance Director for Stryker South Pacific, the ANZ division of a leading global medical technology company. Previously, he has held senior positions in finance and general management with Coca-Cola Amatil (CCA) over a 26 year career, including CFO for CCA's Australian and Indonesian businesses. Prior to his extensive career at CCA, Stuart held various roles at Coopers and Lybrand.

Stuart holds a Bachelor of Commerce degree from UNSW, an Executive MBA from The Australian Graduate School of Management, is a member of the Institute of Chartered Accountants Australia and New Zealand, and a graduate of the Australian Institute of Company Directors.

Stuart's brother Peter had cerebral palsy and benefited during his life from the services provided by the Company. Stuart has a passion to ensure that people with cerebral palsy have the best possible quality of life through access to the life changing equipment and services provided by the Company. He is committed to supporting the Company achieve its mission, particularly through helping to raise funds for vital research into the cause, treatment and prevention of cerebral palsy.

Kathryn Dent MLLR LLB (Hons), GAICD, CAHRI, Accredited Specialist in Employment and Industrial Law (Law Soc of NSW)

Kathryn has been a Director since August 2013. She is Chair of the People, Culture and Organisational Development Committee.

Kathryn was admitted as a lawyer in 1994. She has practised exclusively in workplace relations law for over 20 years.

Kathryn is a Director of People + Culture Strategies, a specialist labour and employment law firm and management consulting business. She has a particular interest in workforce development and human resources management in the disability sector.

Johanna Garvin

Johanna has been a Director since August 2018. She is a member of the Research Committee.

Johanna is currently employed at Create NSW as a Communications Officer in its Strategic Communications Unit. Johanna supports the team to promote the work of the organisation, to showcase the strength of NSW's creative industries, and to develop the organisation as a leader in creating awareness and opportunities for diverse groups.

Johanna holds a Bachelor of Communications and Media at the University of Notre Dame Australia. In 2018 Johanna was the first Australian to complete seven marathons, on seven continents, in seven days in a wheelchair for the World Marathon Challenge. Johanna undertook this challenge to raise both funding and awareness for the Company.

Robert Miller AM, FAICD, FAMI

Bob has been a Director since May 1999. He is a member of the Fundraising Committee, the Services and Marketing Committee, the People, Culture and Organisational Development Committee, and the Finance and Audit Committee.

Bob is the Principal of Australia Street Consulting Pty Ltd which advises the automotive industry, advertising agencies and others on marketing. Previously, Bob was General Manager – Marketing, Toyota Australia.

Hiam Sakakini BA SOCIOLOGY, DIP. CHANGE MANAGEMENT, GAICD

Hiam has been a Director since June 2017. She is a member of the Research Committee, and the People, Culture and Organisational Development Committee.

Hiam is also a mentor for current and past startups within the Remarkable Accelerator program.

Hiam has been working with several Fortune 500 companies over the past 14+ years. Her most recent employment has been with Google where she spent ten years building internal business units and then shifted into the heart of the People & Culture strategy team focusing on navigating change through building stellar leadership teams. Taking that experience Hiam has founded a Culture Change consulting practice, The Culture Equation.

Hiam is passionate about helping organisations to thrive through times of change and ambiguity.

John Sintras GAICD

John has been a Director since June 2018. He is a member of the Fundraising Committee and Services and Marketing Committee.

John was previously a member of the Board from August 2009 until his resignation in January 2016 following his decision to relocate to New York where he was employed as President of Global Business Development and Product Innovation at IPG Mediabrands. During his period in New York, John served as one of the founding Directors on the Cerebral Palsy Alliance Research Foundation Inc.

In early 2018, John returned to Sydney, and commenced as Chief Audience and Content Officer at SBS, Australia's multicultural and Indigenous broadcaster, where he had end-to-end oversight of SBS's Audience and Content strategy – specifically its brands, marketing approach, audience engagement and analytics.

John is currently Managing Partner at management consultancy *discidium*, which he co-founded in early 2020, in addition to serving as Chief Growth Officer for neobank startup *Alex*.

Leanne Wallace B App Sc (Hons), MBA, GAICD

Leanne has been a Director since May 2016. She is Chair of the Services and Marketing Committee and a member of the People, Culture and Organisational Development Committee.

Leanne is a Senior Adviser at Nous Group with a focus on consultancy services for government.

Prior to joining Nous in 2009, Leanne worked for over 30 years in the NSW public sector including being appointed as Deputy Director General, Public Sector Workforce Office with the NSW Department of Premier & Cabinet and Director, Primary and Community Health for NSW Health.

In 2014 Leanne was awarded a National Fellow of the Institute of Public Administration Australia.

Leanne is Chair of the Board for Jannawi Family Services and a Board Director for Jannawi Connections.

Jacqui Wisemantel MAICD

Jacqui has been a Director since November 2014. She is a member of the Fundraising Committee, the Services and Marketing Committee, the Finance and Audit Committee and the Property Committee.

Jacqui is currently a Director at WiseHart Events and for the past 25 years has worked in the media, marketing and communications sectors, specialising in event production, fundraising, project management and public relations.

Jacqui’s daughter Lara has cerebral palsy and has lived experience of the services provided by Cerebral Palsy Alliance. Jacqui is passionate about fundraising, education and promoting the services and work of the Company and for those living with cerebral palsy.

Company Secretary

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

Emma Rudd UNSW BCom/LLB, UNSW LLM, MAICD

Emma was appointed Company Secretary of the Company, its subsidiaries, and all Board Committees on 2 September 2019 when she started in the position of General Counsel.

Emma was admitted as a solicitor in 1999. Prior to joining the Company, Emma practised in the Corporate team of Herbert Smith Freehills for over 15 years.

Marika White MAICD, GIA

Marika resigned as Company Secretary on 6 September 2019.

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 of Directors’ Meetings		Finance and Audit Committee Meetings		People, Culture & Organisational Development Committee Meetings		Services and Marketing Committee Meetings		Fundraising Committee Meetings		Research Committee Meetings		Nominations & Governance Committee Meetings*		Property Committee Meetings	
Board Members	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	Number eligible to attend	Number attended
Paul Masi	10	10	3	3	4	4	3	3					1	1	4	4
Andrew Buchanan	10	9							2	2	5	5	1	1		
Stuart Comino	10	9	3	3											4	4
Kathryn Dent	10	10			4	4							1	1		
Johanna Garvin	10	8									5	2	1	1		
Bob Miller	10	5	3	1	4	1	3	1	2	0						
Hiam Sakakini	10	8			4	1					5	4				
John Sintras	10	10					3	3	1	1						
Leanne Wallace	10	8			2	2	3	3								
Jacqui Wisemantel	10	9	3	1			3	2	2	2					4	4

*The Nominations and Governance Committee was discontinued in March 2020.

Board Committees

The agenda for each Committee meeting is prepared in conjunction with the Chair of the relevant Committee. 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.

Details of the purpose and function of these Board Committees follow.

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.

People, Culture & Organisational Development Committee

The People, Culture & Organisational Development 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 and Marketing Committee

The Services and Marketing Committee reviews, advises and makes recommendations to the Board on the nature and scope of service practice and delivery within the Company and considers matters related to the marketing activities of the organisation.

The Committee also consults with stakeholders about effective service delivery.

Fundraising Committee

The Fundraising Committee considers matters related to 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 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.

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.

The Nominations and Governance Committee was discontinued in March 2020.

Property Committee

The Property Committee assists the Board in fulfilling its responsibilities in regard to maximising the opportunity in the utilisation and management of the land and property owned by the Company.

The Committee also advises and makes recommendations regarding appropriate controls to provide assurance and safeguards around the operational risks related to the management of the Company’s property interests.

Ethics Committee

A decision was made in December 2019 to disband the Cerebral Palsy Alliance Ethics Committee, with no new ethics applications being accepted. Paperwork has now been submitted to the National Health and Medical Research Council to finalise the closure.

Governance

The Company and its controlled entities are 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 Constitution limits 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.

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, including access to the full suite of Australian Institute of Company Director courses.

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.

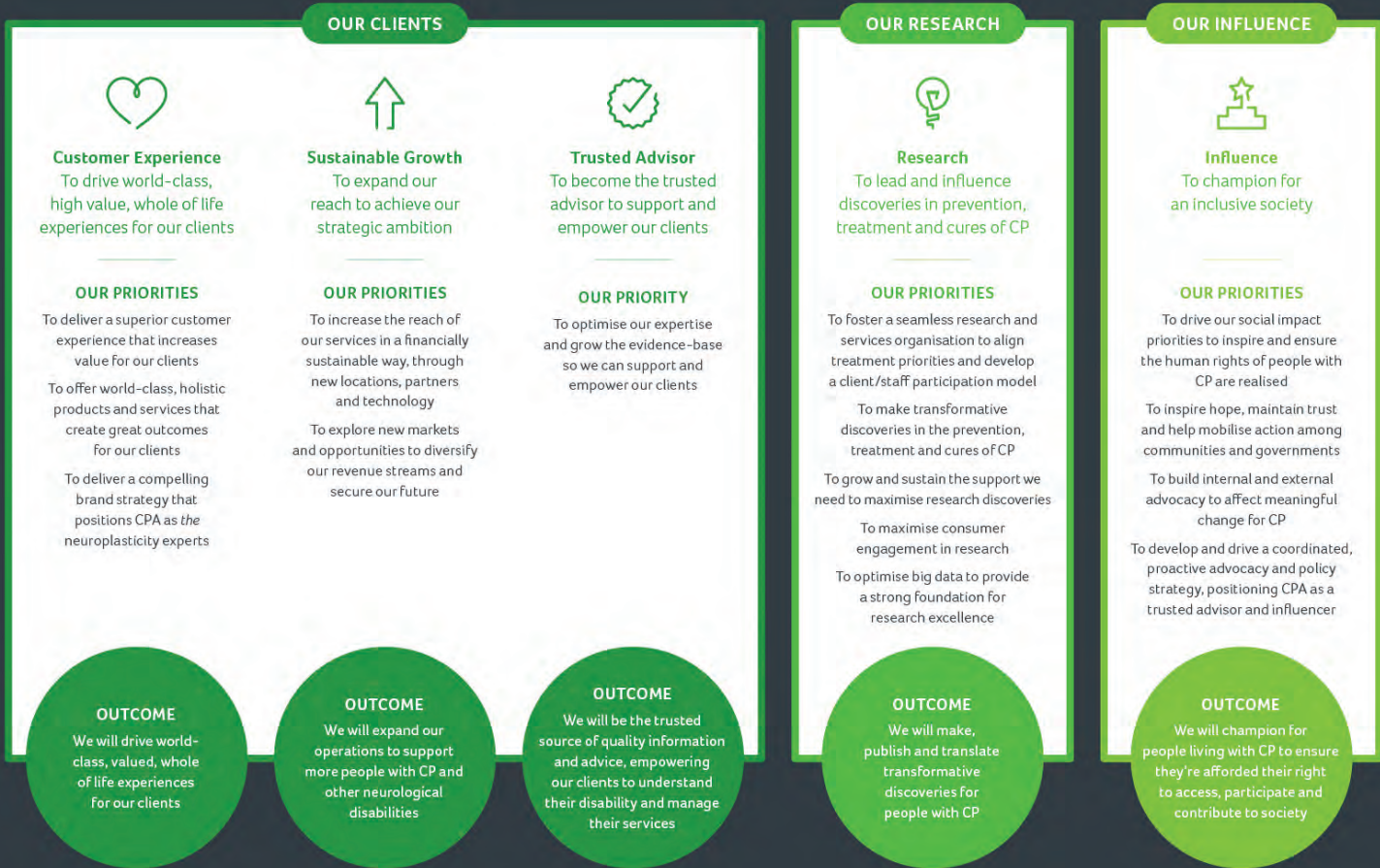
The long-term objective of the Company is an inclusive society for people with cerebral palsy and their families.

In May 2019 the Board approved the new Strategic Plan for 2019-2022, mapping out how the Group will continue to invest in services, research, people, processes and infrastructure to enable it to achieve its strategic objectives.

The 2019-2022 Strategic Plan articulates the following:

Our Strategic Plan

Under our three strategic pillars – Our Clients, Research and Influence – are the five key objectives and their associated priorities that will allow us to deliver on our strategy over the next three years.



Our Enablers



Operating and Financial Review

The surplus of the Group for the financial year was \$71,073,000 (2019: surplus of \$6,343,000). The Company and each of its controlled entities are exempt from Income Tax.

Capital grants of \$8,977,000 for the construction of group homes for the Venee Burges Hostel devolution and Other income, \$39,077,000 in respect of recognition of the freehold title to Allambie Heights land and \$15,882,000 in relation to JobKeeper and other COVID – 19 support subsidies, significantly contributed to the FY20 position.

State of Affairs

Over the financial year, as part of the devolution of services by the State Government in the Hunter region of New South Wales, Cerebral Palsy Alliance is now providing services to over 100 new clients in 24 new group homes. Clients transitioned to their new homes throughout the year, with the final clients moving in early August 2020. In addition to over 90 employees transferring from the State Government, a further 355 new employees were recruited to provide services to these clients.

On 31 October 2019 the State Government transferred title to the land at Allambie Heights, over which Cerebral Palsy Alliance, since December 2006, held a lease for a period of up to 90 years. Conditions of the transfer ensure Cerebral Palsy Alliance will be able to maintain and enhance its provision of services to people with cerebral palsy and the Property Committee is reviewing options available to optimise the value of this asset for our clients.

The COVID-19 pandemic lead the Group to form a COVID-19 response Executive group and a Board Subcommittee comprising the Chairs of each of the Board Subcommittees to monitor the impact of the pandemic on clients and staff as well as on the financial position and operations of the Group. State Government health orders impacted particularly service delivery in Individual and family support, Employment and Community Access Services and where possible services were delivered through telehealth services, redirected to in home accommodation services

and staff set up to work remotely. Fundraising activities were curtailed or suspended and in the case of a number of events, cancelled.

The Group was able to access the JobKeeper subsidy, a cash advance from the National Disability Insurance Agency, cash boosts from the ATO and to negotiate favourable rental arrangements for Employment services sites.

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 in 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.

Subsequent Events

As at the date of this report, the future impact of COVID-19 on the domestic economy and the impact on Cerebral Palsy Alliance remains uncertain. Cerebral Palsy Alliance has and continues to monitor this situation.

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 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 Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 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 2020.

Members

As at 30 June 2020 there were 245 members (2019: 253 members) of the Company.

In accordance with the Company's Constitution, 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 five categories of members: Members with a Disability; Support Members; Honorary Life Members; Invited Members; and Associate Members.

Signed in accordance with a resolution of the Directors:



P. Masi
Director
Sydney
23 September 2020



S. Comino
Director
Sydney
23 September 2020

Directors’ Declaration

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 20 to 43 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - (i) giving a true and fair view of the Group’s financial position as at 30 June 2020 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirement and the Australian Charities and Not-for-profits Commission Regulation 2013; the Charitable Fundraising Act (NSW) 1991 and the Charitable Collections Act (WA) 1946 and Regulations;
- (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; and
- (c) there are reasonable grounds to believe that the Company and the Group entities identified in Note 24 will be able to meet any obligations or liabilities to which they are, or may become subject to, by the virtue of the Deed of Cross Guarantee between the Company and those Group entities pursuant to *ASIC Corporations (Wholly owned Companies) Instrument 2016/785*.

Signed in accordance with a resolution of the directors:

P. Masi	S. Comino
Director	Director
Sydney	Sydney
23 September 2020	23 September 2020

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 consolidated financial statements give a true and fair view of all income and expenditure of Cerebral Palsy Alliance and its controlled entities with respect to fundraising appeal activities for the financial year ended 30 June 2020;
- (b) the consolidated statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeals conducted by the organisation as at 30 June 2020;
- (c) the provisions of the Charitable Fundraising (NSW) Act 1991, the Charitable Collections Act (WA) 1946 and Regulations and the conditions attached to the authority have been complied with for the financial year ended 30 June 2020; and
- (d) the internal controls exercised by Cerebral Palsy Alliance are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.



Rob White
Chief Executive Officer
Sydney
23 September 2020

Consolidated Statement of Financial Position

as at 30 June 2020

	NOTE	2020 \$'000	2019 \$'000
ASSETS			
Cash and cash equivalents	10	47,656	46,624
Trade and other receivables	11	16,689	9,577
Inventories		214	164
Investments	12	17,441	5,359
TOTAL CURRENT ASSETS		82,000	61,724
Investments	12	25,827	27,702
Property, plant and equipment	13	104,650	45,104
Intangible assets		-	1
Right-of-use assets	3	7,056	-
TOTAL NON-CURRENT ASSETS		137,533	72,807
TOTAL ASSETS		219,533	134,531
LIABILITIES			
Trade and other payables	14	25,002	12,862
Government funding received in advance		2,149	18,981
Employee benefits	15	26,783	21,093
Lease liabilities	3	1,059	-
TOTAL CURRENT LIABILITIES		54,993	52,936
Trade and other payables	14	8,500	-
Government funding received in advance		-	18,038
Employee benefits	15	1,757	1,656
Employee benefits - Defined Benefits	15	2,819	208
Lease liabilities	3	6,184	-
TOTAL NON-CURRENT LIABILITIES		19,260	19,902
TOTAL LIABILITIES		74,253	72,838
NET ASSETS		145,280	61,693
EQUITY			
General funds		148,352	58,935
Fair value reserve	16	(253)	2,966
Defined benefit reserve		(2,819)	(208)
TOTAL EQUITY		145,280	61,693

The notes on pages 24 to 43 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2020

	NOTE	2020 \$'000	2019 \$'000
Revenue from government funding	5	19,708	15,737
Revenue from fundraising and bequests		35,861	32,034
Revenue from rendering of services		143,573	117,705
Revenue from sale of goods		935	1,042
Accommodation services expenses		(100,805)	(76,971)
Individual and family support expenses		(28,177)	(26,342)
Employment services expenses		(4,756)	(4,213)
Community access service expenses		(14,601)	(11,055)
Technical services expenses		(1,588)	(1,063)
Community education and information		(6,537)	(7,081)
Research grants and expenses		(6,377)	(8,068)
Fundraising expenses		(9,027)	(9,778)
Cost of goods sold		(480)	(465)
Gross surplus		27,729	21,482
Rental income		52	62
Capital grants		8,977	-
Other Income	6	54,959	-
Other Expenses	8	(22,218)	(17,790)
Gain on sale of property, plant and equipment		87	547
Results from operating activities		69,586	4,301
Finance income		1,750	2,058
Finance costs		(263)	(16)
Net finance income	9	1,487	2,042
Surplus before income tax		71,073	6,343
Income tax expense	2(m)	-	-
Surplus for the year after income tax		71,073	6,343
Other comprehensive income			
Net change in fair value of other investments	9	(755)	696
Defined benefit plan actuarial loss	15	(2,611)	(208)
Total other comprehensive income, after income tax		(3,366)	488
Total comprehensive income for the year		67,707	6,831

The notes on pages 24 to 43 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2020

	NOTE	General Funds \$'000	Fair Value Reserve \$'000	Defined Benefit Reserve \$'000	Total Equity \$'000
Balance at 1 July 2018		51,633	3,228	-	54,861
Surplus for the year		6,344	-	-	6,344
Other comprehensive income					
Net change in fair value of investments	9	-	696	-	696
Actuarial loss on defined benefit superannuation plans	15	-	-	(208)	(208)
Total other comprehensive income for the year		-	696	(208)	488
Total comprehensive income for the year		6,344	696	(208)	6,832
Transfer of gain on sale of investments classified as fair value through other comprehensive income		958	(958)	-	-
Balance at 30 June 2019		58,935	2,966	(208)	61,693
Balance at 1 July 2019		58,935	2,966	(208)	61,693
Initial application of AASB 15 and AASB 1058**	3	15,880	-	-	15,880
Adjusted balance at 1 July 2019		74,815	2,966	(208)	77,573
Surplus for the year		71,073	-	-	71,073
Other comprehensive income					
Net change in fair value of investments	9	-	(755)	-	(755)
Actuarial loss on defined benefit superannuation plans	15	-	-	(2,611)	(2,611)
Total other comprehensive expense for the year		-	(755)	(2,611)	(3,366)
Total comprehensive income for the year		71,073	(755)	(2,611)	67,707
Transfer of gain on sale of investments classified as fair value through other comprehensive income		2,464	(2,464)	-	-
Balance at 30 June 2020		148,352	(253)	(2,819)	145,280

** The Group has initially applied AASB 15 and AASB 1058 at 1 July 2019, using the cumulative effect method (without practical expedients) with the effect of initially applying these standards recognised in retained earnings at the date of the initial application. See note 3.

The notes on pages 24 to 43 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended 30 June 2020

	NOTE	2020 \$'000	2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		190,106	184,678
Cash receipts – JobKeeper		10,875	-
Cash payments to suppliers and employees		(184,965)	(159,895)
Interest paid**	3	(251)	-
Net cash from operating activities		15,765	24,783
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		668	344
Distributions from trusts, dividends & imputation credits		199	152
Investment in bank deposits	12	(10,215)	-
Acquisition of property, plant and equipment	13	(15,205)	(4,977)
Proceeds from sale of property, plant and equipment		145	930
Net cash used in investing activities		(24,408)	(3,551)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash receipts – Other COVID-19 support	14	10,798	-
Financing costs	9	(12)	(16)
Payment of lease liabilities**	3	(1,111)	-
Net cash used in financing activities		9,675	(16)
Net increase in cash and cash equivalents		1,032	21,216
Cash and cash equivalents at the beginning of the financial year		46,624	25,408
Cash and cash equivalents at the end of the financial year		47,656	46,624

**The Group has classified:

- Cash payments for the principal portion of lease payments as financing activities.

- Cash payments for the interest portion as operating activities consistent with the presentation of interest payments on bank loans.

- Short-term lease payments, payments for leases of low value assets and variable lease payments not included in the measurement of the lease liability within operating activities.

The notes on pages 24 to 43 are an integral part of these consolidated financial statements.



Chloe, CPA client

Notes to and forming part of
The Financial Statements
for the year ended 30 June 2020

1. Basis of Preparation	25
2. Significant Accounting Policies	26
3. Changes in Significant Accounting Policies	31
4. Determination of Fair Values	35
5. Government Funding	35
6. Other Income	35
7. Remuneration of Auditors	36
8. Other Expenses	36
9. Finance Income and Finance Costs	37
10. Cash and Cash Equivalents	37
11. Trade and Other Receivables	38
12. Investments	38
13. Property, Plant and Equipment	39
14. Trade and Other Payables	39
15. Employee Benefits	40
16. Fair Value Reserve	40
17. Financing Facilities	40
18. Capital and Other Expenditure Commitments	40
19. Contingent Liabilities	40
20. Related Party Information	41
21. Right-Of-Use Assets Measured At Cost	41
22. Members' Guarantee	41
23. Company Details	42
24. Consolidated Entities/ Deed of Cross Guarantee	42
25. Income And Expenditure – Fundraising Appeals	43
26. Subsequent Events	43

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

1. Basis of Preparation

Reporting entity

Cerebral Palsy Alliance (“the Company”) is a company limited by guarantee and is domiciled in Australia. The address of the Company’s registered office is 187 Allambie Road, Allambie Heights, NSW 2100. The consolidated financial statements as at and for the year ended 30 June 2020 comprise the financial statements of the Company and its controlled entities (together referred to as the “Group”). The Group is a not-for-profit entity.

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, 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 23 September 2020.

a) Statement of compliance

The consolidated financial statements are Tier 2 general purpose financial statements which have 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 Australian Charities and Not-for-profits Commission Act 2012 and other legislation.

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 a going concern basis with financial assets being measured at fair value.

Notes 2b) (ii) and 4 below identify the financial assets and the methods used to measure fair values.

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 Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191 and in accordance with that instrument, all financial information has been rounded to the nearest thousand dollars unless otherwise stated.

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.

e) Impact of COVID-19

The Group met the revenue reduction criteria to be eligible for the JobKeeper scheme and this support began in April 2020 and will continue until the end of September 2020. The Group does not expect to qualify for any further JobKeeper support at this stage. Refer to note 6 for details on the JobKeeper subsidies received during the period.

Other COVID-19 support received by the Group included a cash advance from the NDIA to assist with cash flow received in April 2020 and repayable in financial year 2021 (note 14), funding received from other government departments relating to general COVID-19 support (note 6) and rent reductions and deferrals on some properties.

Management regularly monitor cash flow forecasts, including the anticipated potential ongoing impacts of COVID-19, to ensure adequate cash is available to meet operational requirements. Taking into consideration cash flow forecasts and available cash on hand, management have determined that there are

e) Impact of COVID-19 (continued)

reasonable grounds to believe that Cerebral Palsy Alliance will be able to pay its debts as and when they become due and payable and consider the going concern basis of preparation to be appropriate for this financial report.

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.

This is the first set of the Group's annual financial statements in which AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-profit entities* and AASB 16 *Leases* have been applied. Changes to significant accounting policies are described in note 3.

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.

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

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 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 de-recognises a financial liability when its contractual obligations are discharged or cancelled or expire.

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

The Group initially recognises financial assets on the 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 in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

On initial recognition, the Group classifies its financial assets as subsequently measured at either amortised cost or fair value, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets subsequently measured at amortised cost

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

- the asset is held within a business model with an objective to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

Financial assets subsequently 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 subsequently measured at fair value

Financial assets other than those classified as financial assets measured at amortised cost are subsequently measured at fair value with all changes in fair value recognised in surplus or deficit, except in the case of some investments, as indicated in the following paragraph.

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

In the remainder of these Notes:

- Financial assets whose subsequent changes in fair value are recorded through surplus or deficit are referred to as "Financial assets at fair value through surplus or deficit"; and
- Financial assets whose subsequent changes in fair value are recorded through other comprehensive income are referred to as "Financial assets at fair value through other comprehensive income".

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.

Parts of an item of property, plant and equipment that have different useful lives are accounted for separately.

The value of in-kind donations is determined by independent valuation at the time of the donation.

Gains or 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 de-recognised.

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.

d) Property, plant and equipment (continued)

Depreciation rates used for each class of asset are as follows:

Buildings	4%
Crown Land Improvements	4%
Plant and Equipment	15-25%
Motor Vehicles	15-20%
Fixtures and Fittings	10%

Depreciation of an asset under construction begins from the date the asset is ready for use.

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

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 on 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 years is three years.

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

f) Leased assets

In accordance with AASB 16 – *Leases* the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligations to make lease payments.

g) Employee benefits

Defined contribution superannuation plans

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. The Group's obligations for contributions to defined contribution plans are recognised as an 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.

Defined benefit superannuation plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to surplus or deficit. Past service cost is recognised in surplus or deficit in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Group presents the first two components of defined benefit costs in 'accommodation services expenses' in surplus or deficit. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term benefits

Short-term employee benefits are expensed as the service is provided. A liability is recognised for the amount to be paid if the Group has a present legal or constructive obligation to pay an amount as a result of past service provided by the employee and the amount can be measured reliably.

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 and is discounted to determine its present value.

The discount rate is the yield at the reporting date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

h) Finance income

Finance income comprises interest income on funds invested, distributions from trusts, dividends, gains or losses 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 rate method. Dividends and distributions from trusts are recognised on the date that the Group's right to receive payment is established.

i) In-kind donations

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

The Group also receives donations in the form of in-kind goods and services. The value of goods and services received that can be quantified, and is considered material, is recognised at fair value in the financial statements. In the current year, the Group received goods in kind such as items donated for raffles and services in kind such as grounds maintenance and professional services. No monetary value has been attributed to these goods and services as they are not considered material to the Group.

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 components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are 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 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 has 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

k) Impairment (continued)

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 trade and other receivables at both specific asset and collective levels. All individually significant receivables are assessed for specific impairment. Any found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. This collective assessment groups together receivables with similar risk characteristics, and considers historical trends of default; the timing of recoveries; and the amount of losses incurred, adjusted for management's judgement about current economic and credit conditions.

An impairment loss in respect of a financial asset 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 also reflected in an allowance account against the asset. 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 is reversed through surplus or deficit.

Financial assets at fair value

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 (see note 2c), are reviewed at each reporting date for 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 to reflect the already consumed or expired 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**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. Changes In Significant Accounting Policies

The Group applied AASB 16 Leases from 1 July 2019 and has adopted AASB 15 Revenue from contracts with customers and AASB 1058 Income of Not-for-profit entities for the first time in the current year with a date of initial application of 1 July 2019.

AASB 16 – Leases

AASB 16 introduced a single, on balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligations to make lease payments.

The Group has applied AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for the year ended 30 June 2019 is not restated – i.e. it is presented, as previously reported, under AASB 117 Leases and related interpretations. The details of the changes in accounting policies are disclosed below.

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under AASB Interpretation 4 Determining whether an Arrangement contains a Lease. The Group now assesses whether a contract is or contains a lease based on the definition of a lease. Under AASB 16, a contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to AASB 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and AASB Interpretation 4 were not reassessed. Therefore, the definition of a lease under AASB 16 was applied only to contracts entered into or changed on or after 1 July 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. For leases of properties in which it is a lessee, the Group has elected to separate non-lease components and will account for the lease and non-lease components of a lease. The Group relied on the assessment of whether leases are onerous immediately before application of AASB 16 as an alternative to performing an impairment review.

As a lessee

The Group leases assets including items of property, motor vehicles and IT equipment. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying assets to the Group. Under AASB 16, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on balance sheet.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost and subsequently measured at cost less any accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability. The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities in the statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate for the portfolio of leases. Lease liabilities are presented in this note.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index rate, a change in the estimate of the amount expected to be payable under a residual guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (continued)

exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgment to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Previously, the Group classified property leases as operating leases under AASB 117. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Group applied this approach to all other leases.

The Group used the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117.

- Did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- Did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);
- Excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term.

As a lessor

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117.

Impact on financial statements**Impact on transition**

On transition to AASB 16, the Group recognised additional right-of-use assets and additional lease liabilities. There was no impact on retained earnings.

When measuring the lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average discount rate applied was 3.29%.

Operating lease commitment as at 30 June 2019 as disclosed in financial statements

Discount using the incremental borrowing rate at 1 July 2019

Recognition exemption for leases with less than 12 months of lease term at transition

Recognition exemption for leases of low value

Extension options reasonably certain to be exercised

Lease liabilities recognised at 1 July 2019

Set out on the next page are the carrying amounts of the Group's right-of-use assets related to leased properties that do not meet the definition of investment property and lease liabilities and the movements during the year.

	\$'000
Operating lease commitment as at 30 June 2019 as disclosed in financial statements	2,266
Discount using the incremental borrowing rate at 1 July 2019	(681)
Recognition exemption for leases with less than 12 months of lease term at transition	(87)
Recognition exemption for leases of low value	(640)
Extension options reasonably certain to be exercised	4,614
Lease liabilities recognised at 1 July 2019	5,472

Impact on financial statements (continued)

Right-of-use assets	Land and buildings \$'000	Motor vehicles \$'000	Other equipment \$'000	Total \$'000
At 1 July 2019	4,914	226	332	5,472
Additions	2,882	-	-	2,882
Depreciation expense	(1,070)	(107)	(121)	(1,298)
At 30 June 2020	6,726	119	211	7,056

Lease liabilities	Land and buildings \$'000	Motor vehicles \$'000	Other equipment \$'000	Total \$'000
At 1 July 2019	4,914	226	332	5,472
Additions	2,882	-	-	2,882
Interest Expense	236	6	9	251
Payments	(1,124)	(112)	(126)	(1,362)
At 30 June 2020	6,908	120	215	7,243

The Group recognised rent expense from short-term leases of \$52,000 and low-value assets of \$328,000 for the year ended 30 June 2020.

AASB 15 – Revenue from contracts with customers

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced AASB 118 Revenue, AASB 111 Construction Contracts and related interpretations. Under AASB 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

AASB 1058 establishes a framework for determining income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. It replaced AASB 1004 Contributions and related interpretations.

The Group has adopted AASB 15 and AASB 1058 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 July 2019). Accordingly, the information presented for 2019 has not been restated – i.e. it is presented, as previously reported, under AASB 118, AASB 111 and AASB 1004 and related interpretations. Additionally, the disclosure requirements in AASB 15 and AASB 1058 have not generally been applied to comparative information.

AASB 15 and AASB 1058 did not have a significant impact on the Group's accounting policies with respect to revenue streams, other than the change in revenue recognition in relation to Capital Grant funding discussed below. Capital Grant funding was previously deferred and recognised over the expected useful life of the assets funded by the Capital Grant. This change in revenue recognition approach has driven the majority of the Group's opening retained earnings adjustment related to AASB 15 and AASB 1058.

Revenue recognition policy**Revenue from contracts with customers (AASB 15)****Disability and other service revenue**

The Group recognises revenue from disability and other services over time as performance obligations are satisfied, which is as the services are rendered, primarily on a daily or weekly basis. Revenue arises from discretionary and

Impact on financial statements (continued)

non-discretionary services as agreed in contractual agreements with clients. Fees received in advance of services performed are recognised as contract liabilities and are included within Government funding received in advance.

Recurrent grants

Where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is recognised over time as the performance obligations to the grant agreement are fulfilled.

Nature of revenue and cash flows

Further detail on the nature of revenue and cash flows is included in the table below.

Type of revenue	Description
Government funding	Recurrent grants are received from the State and Federal Government to deliver outcome based services on a range of programs to provide support to people with a disability. Revenue is recognised over time as performance obligations are met. Funding is usually received in advance with a contract liability recorded for unspent funds.
Rendering of services	Rendering of service revenue primarily consists of NDIS revenue. NDIS revenue reflects the Group's entitlement to revenue from the National Disability Insurance Agency (NDIA) for care or services provided to clients. Revenue is recognised over time as the services are provided. Funding claims are submitted to the NDIA and usually payable within 7 days of the services being performed.
Sale of goods	The Group also derives income from the sale of goods. Revenue related to the sale of these goods is recognised when the goods are transferred and a corresponding debtor is created.

Income of not-for-profit entities (AASB 1058)

Capital grants

Capital grants received under an enforceable agreement to enable the company to acquire or construct an item of property, plant and equipment to identified specifications which will be controlled by the Group are recognised as revenue as the entity satisfies the obligations under the agreement.

For construction projects, this is generally as the construction progresses in accordance with costs incurred.

For acquisition of assets, the revenue is recognised when the asset is acquired and controlled by the company.

Fundraising and bequests

Donations, bequests and legacies and funding agreements which are not enforceable and do not contain sufficiently specific performance obligations are recognised at their fair value when the asset is received. These assets are generally cash, but may be property which has been donated or sold to the Group at significantly below its fair value.

Once the asset has been recognised, the Group recognises any related liability amounts. Income is then recognised for any difference between the recorded asset and liability.

Volunteer services

No amounts are included in the financial report for services donated by volunteers.

4. 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 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.

5. Government Funding

The following government support is included under Government funding:

Commonwealth Government

NSW Government

Total government funding

CONSOLIDATED	
2020 \$'000	2019 \$'000
15,841	14,112
3,867	1,625
19,708	15,737

6. Other Income

Freehold title recognition relating to Allambie Heights land

JobKeeper receipts

Other COVID-19 support

Total other income

CONSOLIDATED	
2020 \$'000	2019 \$'000
39,077	-
15,371	-
511	-
54,959	-

7. Remuneration Of Auditors

AUDIT SERVICES

Auditors of the Company - KPMG Australia

OTHER SERVICES

Other services - KPMG

CONSOLIDATED	
2020 \$'000	2019 \$'000
142	162
46	37

8. Other Expenses

Other expenses relate to items which have not been allocated to specific functions and include the following items:

Wages and salaries

Depreciation

IT Equipment and leasing

Insurance

CONSOLIDATED	
2020 \$'000	2019 \$'000
12,045	8,476
1,083	971
1,630	1,672
622	679

Total expenses in the Consolidated Statement of Comprehensive Income include employee benefits expense of \$152,903,000 (2019: \$121,745,000).

9. Finance Income and Finance Costs

RECOGNISED IN SURPLUS OR DEFICIT

Interest income - Short term cash deposits

Interest income - Investments

Dividend and trust distribution income

Total finance income

Finance costs - borrowing costs

Finance costs - lease liability

Net finance income recognised in surplus or deficit

RECOGNISED IN OTHER COMPREHENSIVE INCOME

Net change in fair value of financial assets classified at fair value through other comprehensive income

Finance income recognised in other comprehensive income

CONSOLIDATED	
2020 \$'000	2019 \$'000
1,127	1,115
207	169
416	774
1,750	2,058
(12)	(16)
(251)	-
1,487	2,042
(755)	696
(755)	696

10. Cash and Cash Equivalents

Cash at bank and in hand

Short-term bank deposits

Total cash and cash equivalents

CONSOLIDATED	
2020 \$'000	2019 \$'000
2,162	2,905
45,494	43,719
47,656	46,624

The carrying amount of cash and cash equivalents as at 30 June 2020 and 2019 was equal to the fair value.

11. Trade and Other Receivables

	CONSOLIDATED	
	2020 \$'000	2019 \$'000
CURRENT		
Trade receivables	4,547	4,537
Other receivables	10,603	3,715
Prepaid expenses	1,539	1,325
Total trade and other receivables	16,689	9,577

The carrying amount of trade and other receivables as at 30 June 2020 and 2019 was equal to the fair value.

Trade receivables are shown net of impairment losses of \$996,000 (2019: \$1,024,000).

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

Balance at 1 July	1,024	505
Amounts written off	(132)	(239)
Amounts provided for during the year	104	758
Balance at 30 June	996	1,024

12. Investments

	CONSOLIDATED	
	2020 \$'000	2019 \$'000
CURRENT		
Bank Deposits	10,215	-
Financial assets at fair value through other comprehensive income	7,226	5,359
Total current investments	17,441	5,359
NON-CURRENT		
Financial assets at fair value through other comprehensive income	25,827	27,702
Total non-current investments	25,827	27,702

13. Property, Plant and Equipment

	Freehold Land \$'000	Buildings \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Capital Works in Progress \$'000	Total \$'000
COST						
At 1 July 2019	14,058	38,945	4,862	6,544	2,434	66,843
Acquisitions**	47,577	1,568	-	3,620	10,017	62,782
Transfers	-	742	-	-	(742)	-
Disposals	-	-	-	(392)	-	(392)
At 30 June 2020	61,635	41,255	4,862	9,772	11,709	129,233

DEPRECIATION AND IMPAIRMENT LOSSES

At 1 July 2019	-	14,476	4,149	3,113	-	21,738
Depreciation charge for the year	-	1,516	215	1,388	-	3,119
Disposals	-	-	-	(274)	-	(274)
At 30 June 2020	-	15,992	4,364	4,227	-	24,583

CARRYING AMOUNTS

At 1 July 2019	14,058	24,469	713	3,430	2,434	45,104
At 30 June 2020	61,635	25,263	498	5,545	11,709	104,650

** The Acquisitions total includes \$47,577,000 which relates to the non-cash freehold title transfer of land at Allambie Heights where the Group operates. The freehold title was transferred to the Group in October 2019.

14. Trade and Other Payables

	CONSOLIDATED	
	2020 \$'000	2019 \$'000
CURRENT		
Trade payables	1,308	1,104
Other creditors and accruals	22,070	5,675
Deferred revenue	1,624	6,083
Total trade and other payables - current	25,002	12,862
NON-CURRENT		
Other creditors and accruals	8,500	-
Total trade and other payables - non-current	8,500	-

The carrying amount of trade and other payables as at 30 June 2020 and 2019 was equal to the fair value. Included in Current Other creditors and accruals is \$10,798,000 cash advance from NDIA Covid-19 support. Included in Non-current Other creditors and accruals is a provision for \$8,500,000 in respect of a liability which arose upon the transfer of Allambie Land (note 6).

15. Employee Benefits

	CONSOLIDATED	
	2020 \$'000	2019 \$'000
CURRENT		
Salaries and wages accrued	5,522	4,580
Redundancy provision	850	-
Liability for annual leave	8,962	6,483
Liability for long service leave	11,449	10,030
Total employee benefits - current	26,783	21,093
NON-CURRENT		
Liability for long service leave	1,757	1,656
Recognised liability for defined benefit obligations	2,819	208
Total employee benefits - non-current	4,576	1,864

16. Fair Value Reserve

As at 30 June 2020, the fair value reserve recorded the cumulative net changes in fair value of financial assets at fair value through other comprehensive income.

17. Financing Facilities

The Group has access to a bank overdraft (unused as at the reporting date) of \$500,000 (2019: \$500,000). The bank overdraft facility is secured by a floating charge over the assets of the Group. The Group has access to a borrowing facility of \$5,500,000 (2019: \$5,500,000) secured by managed funds held within the investment portfolio (unused at date of reporting).

18. Capital And Other Expenditure Commitments

As at 30 June 2020 the Group had made contractual capital commitments and other expenditure commitments of \$2,188,000 (2019: \$2,047,000) which had been contracted for as at that date but not recognised as liabilities.

19. Contingent Liabilities

The Directors are of the opinion that provisions are not required in respect of the following contingent liabilities as the probability of an outflow of resources is remote or the amount is not capable of reliable measurement.

Bank guarantees

As at 30 June 2020, the Group has bank guarantees amounting to \$145,225 (2019: \$158,453) in connection with certain properties on lease. As at 30 June 2020, the bank guarantee facility of the Group has a maximum limit of \$200,000 (2019: \$200,000) of which \$54,775 (2019: \$41,547) was unused as at the reporting date.

The bank guarantee is secured by a floating charge over the assets of the Group.

Contingencies – litigation

The Group has been involved in various claims incidental to the ordinary course of business. Where considered appropriate, legal advice has been obtained. The Group does not consider that the outcome of any such claims known to exist at the date of this report, either individually or in aggregate, is likely to have a material effect on its operations or financial position. The directors are of the opinion that provisions are not required in respect of any matters as it is not probable that a future sacrifice of economic benefits will be required, or the amount is not capable of reliable measurement.

Deed of Cross Guarantee

Under the terms of the deed of cross guarantee entered into in accordance with ASIC Class Order (98/1418) the Company has undertaken to meet any shortfall which might arise on the winding up of the controlled entities which are party to the deed (refer note 24). As at the date of this report the controlled entities are not in liquidation nor is there any indication that the controlled entities will be wound up.

20. Related Party Information

Directors' compensation

The directors act in an honorary capacity and received no compensation for their services as Directors.

	CONSOLIDATED	
	2020 \$'000	2019 \$'000
KEY MANAGEMENT PERSONNEL COMPENSATION		
The key management personnel compensation is as follows:		
Short-term benefits	3,157	3,284
Long-term benefits	99	67
	3,256	3,351

Payments to defined contribution superannuation funds in respect of key management personnel amounted to \$220,000 (2019 \$237,893). These have been classified under short-term benefits.

21. Right-Of-Use Assets Measured At Cost

The Group has chosen to measure right-of-use assets at cost where there are significantly below market terms and conditions principally to enable the Group to further its objectives. The Group leases seven properties at significantly below market terms and conditions with the lease payment being \$1 per annum, payable on demand. All of the properties are used for service delivery across several areas of the Group's operations.

22. Members' Guarantee

In accordance with the Company's Constitution 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 2020 there were 245 members (2019: 253 members) of the Company.

23. 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.

24. Consolidated Entities/ Deed Of Cross Guarantee

Particulars in relation to controlled entities all of which are incorporated in Australia

Ultimate parent entity

Cerebral Palsy Alliance

Subsidiaries subject to Deed of Cross Guarantee

Cerebral Palsy Alliance – Accommodation South

Cerebral Palsy Alliance – Accommodation North

Cerebral Palsy Alliance – Accommodation Hunter

Cerebral Palsy Alliance – Therapy Services

Cerebral Palsy Alliance – Casual Relief Services

Cerebral Palsy Alliance – Venee Burges House

The Cerebral Palsy Institute

The CP Institute

United Cerebral Palsy Australia

The Australian Cerebral Palsy Register

The Australian CP Register

The CP Foundation

International CP Foundation

CP Research Foundation

Cerebral Palsy Alliance – Accommodation Northern Sydney

Cerebral Palsy Alliance – ECEI

The Cerebral Palsy Foundation Pty Ltd

Each of the subsidiaries are wholly owned.

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

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’ reports.

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

Accordingly, the consolidated statement of financial position and consolidated statement of comprehensive income presented on pages 20 and 21 of the financial statements represent the consolidated results of the Group Entities after eliminating all transactions between parties to the Deed of Cross Guarantee.

The entities listed below are not registered with the Australian Charities and Not-for-profits Commission (ACNC) however the financial information relating to the non-registered entities is immaterial for the ACNC reporting group overall.

Cerebral Palsy Alliance – ECEI
The Cerebral Palsy Foundation Pty Ltd

25. Income And Expenditure – Fundraising Appeals

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, receiving of indirectly solicited donations, unsolicited bequests and various other fundraising projects.

	CONSOLIDATED	
	2020 \$'000	2019 \$'000
RESULTS OF FUNDRAISING APPEALS		
Gross proceeds from fundraising appeals	35,861	32,034
Less: Direct costs of fundraising appeals	(9,027)	(9,778)
Net surplus obtained from fundraising appeals	26,834	22,256
APPLICATION OF NET SURPLUS OBTAINED FROM FUNDRAISING APPEALS		
Distributions (expenditure on direct services)	157,047	128,193
Other expenses	22,218	17,790
Community education and information	6,537	7,081
Operating surplus	71,073	6,343
Total	256,875	159,407
The shortfall of \$230,041,000 (2019: \$137,151,000) between the \$26,384,000 net surplus (2019: \$22,256,000) available from fundraising appeals conducted and total application of net surplus of \$256,875,000 (2019: \$159,407,000) was provided from the following sources:		
Government funding	19,708	15,737
Rendering of services	143,573	117,705
Sale of goods	935	1,042
Interest received or receivable	1,334	1,284
Distributions from trusts and dividends	416	774
Rental income	52	62
Capital Grants	8,977	-
Other Income	54,959	-
Gain on sale of property, plant and equipment	87	547
Total sources of differences	230,041	137,151

26. Subsequent Events

As at the date of this report, the future impact of COVID-19 on the domestic economy and the impact on Cerebral Palsy Alliance remains uncertain. Cerebral Palsy Alliance has and continues to monitor this situation.

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.



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

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 2020 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Daniel Robinson

Partner

Sydney

23 September 2020

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.

Liability limited by a scheme approved under Professional Standards Legislation.



Independent Auditor's Report

To the members of Cerebral Palsy Alliance

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report**, of the Cerebral Palsy Alliance (the Group).

In our opinion, the accompanying **Financial Report** of the Group is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2020, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- i. Consolidated statement of financial position as at 30 June 2020.
- ii. Consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Directors' declaration.
- v. Declaration by the Chief Executive Officer in respect of fundraising appeals of the Group.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

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.

Liability limited by a scheme approved under Professional Standards Legislation.

Other information

Other Information is financial and non-financial information in Group's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosures Requirements and the ACNC.
- ii. Preparing the Financial Report in accordance with Section 24(2) of the Charitable Fundraising (NSW) Act 1991 and Regulations and with Section 15(1) and 15(2) of the WA Charitable Collections Act 1946 and Regulations 1947.
- iii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- iv. Assessing the Group's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- i. Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the Audit 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 registered Group's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Group to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors of the registered Group regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In addition we have:

- i. Obtained an understanding of the internal control structure for fundraising appeal activities.
- ii. Examined on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Acts and Regulations.

We have not audited on a continuous basis the accounting records relied upon for reporting on fundraising appeal activities. These do not necessarily reflect accounting adjustments after the event or normal year-end financial adjustments required for the preparation of Financial Report such as accruals, prepayments, provisioning and valuations.



Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion:

- i. the Financial Report gives a true and fair view of the Group's financial result of fundraising appeal activities for the financial year ended 30 June 2020 ;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2019 to 30 June 2020, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- iii. money received as a result of fundraising appeal activities conducted during the period from 1 July 2019 to 30 June 2020 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- iv. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

Opinion pursuant to the Charitable Collections Act (WA) 1946 and Charitable Collections Regulations (WA) 1947

In our opinion, the Group has complied, in all material respects, with the requirements of the *Charitable Collections Act (WA) 1946* and *Charitable Collections Regulations (WA) 1947* for the year ended 30 June 2020.

KPMG

Daniel Robinson

Partner

Sydney

23 September 2020



Cerebral Palsy Alliance

187 Allambie Road
Allambie Heights, NSW 2100
PO Box 6427 Frenchs Forest NSW 2086

T 61 2 9975 8000

F 61 2 9451 5209

E info@cerebralpalsy.org.au

cerebralpalsy.org.au