

Cerebral Palsy Alliance Annual Report 2013



Message from the President & CEO

This Annual Report celebrates not only another successful year for Cerebral Palsy Alliance but also the successful completion of our 2010-2013 Strategic Plan. This has been a valuable opportunity to reflect on our achievements and to recognise the commitment and ongoing support of our clients, families, staff, partners, volunteers and supporters in realising our goals.

It is from this reflection on another chapter in our organisation's history, that we also learn where we need to step up and where to focus our energies for the future.

This reflection has also been vital in the preparation and planning of our recently launched 2013-2016 Strategic Plan. In our planning for the three years ahead, we have anticipated many new possibilities and challenges, and the newly introduced *National Disability Insurance Scheme* has featured prominently. As the reform agenda set by *National Disability Insurance Scheme* starts to shift the environment to allow greater voice, choice and control in the availability of services and supports, we too must prepare for radical change. Our Strategic Plan 2013-2016 maps out how we will support our clients and their families to make the most of the opportunities that this change will bring.

As one of the first disability agencies chosen to transition clients to *National Disability Insurance Scheme* in the Newcastle LGA NSW, we have realised some of these changes quite quickly, while other changes will only have an impact as the full scheme takes effect.

This heralds a truly remarkable and momentous time for people with disability and their families.

Our goal of providing services to clients in rural and regional areas from strategically located, wholly-owned therapy centres across NSW and ACT also took another big step forward, thanks to the Sargents Pies Charitable Foundation. Construction of a brand new therapy centre will soon begin in Canberra on land donated by the ACT Government. A 'sod turning ceremony' occurred in mid-August and when this centre opens in early to mid 2014, it will mark the ninth site in our Sargents Pies Charitable Foundation rural network. This is a significant achievement and positions families and our organisation well as the new future in funding and delivering disability services unfolds over the coming years.

Building infrastructure for our clients where they need it most is of paramount importance and 2013 saw the opening of two new residential complexes in Narrabeena NSW. This was an important milestone and clients moving into their brand new homes are experiencing the amenity and ambience of a spacious, well appointed, world class environment where they can relax and enjoy their daily lifestyle. Planning is also well underway for upgraded facilities for our Community Access Services' clients in Sydney's north and for renovation and refurbishment of Venee Burges Hostel and our respite houses in Sydney's north and south regions.

Attracting health professionals to work in the disability sector will be crucial in meeting the future demands of people needing care. We are dedicated to supporting the education and placements of allied health and medical students by providing them with practical work experience and mentoring opportunities with experienced staff at Cerebral Palsy Alliance. In 2012 we partnered with the

University of Western Sydney and in early 2013 were thrilled to open the doors of a purpose-built Student Unit at the Fairfield City Marconi Centre, Prairiewood. The state of the art building, made possible with funding from Health Workforce Australia, features large training rooms equipped with interactive technology, video conferencing facilities and private assessment rooms.

Sport continues to be a significant part of who we are and has a huge benefit in the lives of our clients and families. We are proud to have hosted the Australian Paralympic Committee Talent Search, the Boccia Interschool Knockout Competition and the Junior Boccia NSW Titles. We have trialled our Come and Try Sport Days with much success and enthusiasm from participants; and we have also recruited more exercise physiologists to work with our clients to achieve their goals in strength and fitness programs, weight loss programs, healthy lifestyle education, task specific skill development and chronic disease management.

During the past year we have hit some very significant home runs in our research endeavours and in particular those that translate directly into the provision of services in assessment and therapy. Of significant note is the introduction of a new program for infants and children called CP Check-Up. This is a surveillance and follow-up program adapted from Sweden, where it has proven to reduce chronic pain in children born with cerebral palsy. CP Check-Up involves children attending regular assessments by Cerebral Palsy Alliance's therapy teams who record and analyse individual measurements and treatment history. These vital details are entered into an extensive cerebral palsy database. Experts can then access and analyse this data which help them identify any problems early and work with families to develop and prioritise goals and provide timely treatments.

Innovation is a vital part of Cerebral Palsy Alliance's operations and this is what fuelled our inaugural World CP Day in 2012. We rallied disability organisations from 28 countries – including the



USA, Canada, India and The Netherlands – to come together for the first time in support of the 17 million people around the world living with cerebral palsy. The purpose of the campaign was to help change the world for people living with cerebral palsy by asking them, or people close to them, to post an idea online which had the potential to make their lives easier. The winner was a man in Turkey who had the idea of a solar-powered wheelchair. His idea was taken up and designed by a team at the University of Virginia School of Engineering (USA). Led by

Professor Gupta, the team was awarded \$20,000 in prize money for creating a working prototype.

This was innovation and international collaboration at its best, led by an Australian organisation - Cerebral Palsy Alliance.

We have had a year of record highs in fundraising, donor acquisition and partnering with some amazing organisations and individuals who give their time tirelessly and with passion and who are motivated to help and

continue helping. We collectively raised over \$22.1 million. These funds are used to respond directly to the essential needs of our clients and for capital works such as our new centres in Charlestown and Armidale this year; and to support important research projects that address many of the questions around cerebral palsy as well as the best intervention and prevention strategies.

Our total income for the financial year was \$77.1 million.

Our funding from government totalled \$46.3 million. We highly value our partnerships with government, and particularly thank the

Australian Government's Department of Families, Housing and Community Services and Indigenous Affairs; Department of Education, Employment and Workplace Relations; the NSW State Government's Departments of Ageing, Disability and Home Care; Department of Health; and the NSW Department of Education and Communities.

With deep gratitude we acknowledge the outstanding support of our corporate, foundation, community and individual donors who often combine generous financial contributions with meaningful volunteering and advocacy. Our loyal corporate supporters and our band of over 1000 volunteers continue to extend our circles of support and influence. Our appreciation goes to The Hon. John Dowd AO, Goodwill Ambassador, and The Hon. Margaret Reid AO, our patron in the ACT, for their wisdom, guidance and loyalty.

We extend sincere thanks to all members of the Council of Governors of the Research Foundation of Cerebral Palsy Alliance for their commitment to attracting support for and advancing the best and most meaningful cerebral palsy research.

The passion, purpose and expertise of our 1000 strong staff members are second to none. On behalf of members and clients, we salute their professionalism and performance in striving for the very best for people with cerebral palsy, their families and carers.

We gratefully acknowledge our Board of Directors. They continue to invest thousands of volunteer hours on behalf of members and clients in the stewardship of our organisation. Good governance is increasingly complex and demanding but as always, their commitment to our purpose continues to drive their giving. In particular, we acknowledge the very significant contributions of Dr Neroli Best and Mr Brian Williamson who left the Board in 2013 after serving as Directors for nineteen years and ten years respectively. Their service will remain an important legacy.

As we head towards 2014 and beyond, we are committed to ensuring Cerebral Palsy Alliance continues to show leadership and excellence in providing customer centred experiences. We know that the new future holds many risks and challenges and know that they are not to be underestimated. We are positioned for the longer term and prepared for the transition from traditional models of funding and supports. There may well be opportunities to expand our reach and influence as the new order in disability service provision unfolds, but we will not change our values or our purpose.

We continue to be inspired by those we serve and are committed to their full participation in all aspects of community life.

Marelle Thornton AM / Rob White

Cerebral Palsy Alliance Directors' Report

30 June 2013

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 2013 and the auditor's report thereon.

THE BOARD OF DIRECTORS

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

MARELLE THORNTON AM, DipTeach, FAICD

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

Mrs Thornton is the President of Cerebral Palsy Alliance, Chairman of the Board of Directors, Chairman of the Nominations and Governance Committee, Chairman of the Human Resources Committee and a member of the Finance and Audit Committee, Community Relations, Fundraising and Marketing Committee, and the Services Committee. She also serves as a board representative to the Enterprise Risk Management Committee.

Mrs Thornton is a retired primary school teacher.

MARK B. BRYANT OAM, MA, FCA, MAICD

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

Mr Bryant is the Vice-President of Cerebral Palsy Alliance, Chairman of the Finance and Audit Committee and a member of the Community Relations, Fundraising and Marketing Committee, and the Nominations and Governance Committee.

Mr Bryant has over 36 years of experience in public accounting.

CAIN BECKETT BEc, MIntS, FAICD

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

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

In July 2011 Mr Beckett was appointed for a four year term as Chairman of the Disability Council of NSW, the official disability advisory body to the NSW Government. In 2013 Mr Beckett was also appointed as a member of the National People with Disabilities and Carers Council.

Mr Beckett is a member of the senior leadership team of Perpetual Corporate Trust, and for over 13 years prior to this was a successful management and technology consultant.

NEROLI BEST MBBS, FANZCA, MAICD

Dr Best was a member of the Board of Directors from June 1994 until her resignation in March 2013.

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

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

ANDREW BUCHANAN PSM, MAICD, AIMM

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

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

Mr Buchanan retired in 2011 after eight years as Chairman of the Disability Council of NSW, the official disability advisory body to the NSW Government.

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

KATHRYN DENT MLLR LLB (Hons) Accredited Specialist in Employment and Industrial Law (Law Soc of NSW)

Ms Dent has been a member of the Board of Directors since August 2013 and has a particular interest in workforce development and human resources management in the disability sector.

Ms Dent is a director of People + Culture Strategies, a specialist workplace relations law firm which acts predominantly for employers and Ms Dent is accredited as a specialist in Employment and Industrial Law by the Law Society of NSW.

Ms Dent was admitted as a lawyer in 1994 but has practised exclusively in workplace relations law for over 14 years and for nine of those has held a partnership position.

ALEXANDRA GREEN GAICD, Mechanical Engineering student and Paralympian

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

Miss Green is a member of the Human Resources Committee, the Research Committee and the Ethics Committee.

Miss Green is a Mechanical Engineering student at the University of New South Wales and aims to complete her undergraduate degree by the end of 2013.

Miss Green is also an Australian representative for both Para-cycling and adaptive rowing. She is the 2012 World Champion for the C4 Individual Pursuit and achieved a bronze medal at the 2012 London Paralympic Games.

PAUL MASI MAICD

Mr Masi has been a member of the Board of Directors since March 2013. Mr Masi is a member of the Finance and Audit Committee and previously served as a Governor on the Council of Governors of The Cerebral Palsy Foundation, a wholly-owned entity of Cerebral Palsy Alliance.

Mr Masi is also a Non-Executive Director of Shaw Stockbroking and The Girls and Boys Brigade, and an advisor to the board of Eminence Capital. During his executive career he was the Chief Executive Officer and Managing Director of Austock Group from March 2010 to March 2012. Prior to Austock he was Country Head and Chief Executive Officer of Bank of America Merrill Lynch in Australia. Mr Masi joined Merrill Lynch in Australia in 2000 and was Country Co-Head and Head of Australasian Equities before moving to Hong Kong in 2003 as Head of Asia Pacific Region Equity Markets and Equity Trading.

Directors' Report (continued)

ROBERT (BOB) G. MILLER AM, MAICD, FAMI

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

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

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

Mr Miller is an Adjunct Professor, teaching postgraduate students in Macquarie University's Faculty of Business and Economics and sits on the Dean of that faculty's Industry Advisory Committee.

MICHELLE NOORT RN, CCC, MHSc, CRT Public Sector Management, MAICD

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

Ms Noort is Chairman of the Services Committee.

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

JOHN SINTRAS GAICD

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

Mr Sintras is Chairman of the Community Relations, Fundraising and Marketing Committee, and a member of the Finance and Audit Committee. Mr Sintras previously served as a Governor on the Council of Governors of The Cerebral Palsy Foundation, a wholly-owned entity of Cerebral Palsy Alliance.

Mr Sintras has a daughter with cerebral palsy.

Mr Sintras is Chairman of Starcom MediaVest Group Australia, and Director, Global Experience Product. As Chairman, John leads and inspires SMG Australia's team of communications specialists and is also charged with driving performance and innovation for its clients. In his dual role as Director Global Experience Product, John leads SMG's Global Product Committee, inspiring over 7000 employees around the world by driving innovation, creativity, assessment and the continued development of the agency's global product.

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

Mr Williamson was a member of the Board of Directors from December 2002 until his resignation in June 2013.

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

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

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

Mr Cain Beckett	Mr Mark Bryant OAM	Mr Andrew Buchanan	Ms Kathryn Dent
Ms Alexandra Green	Mr Paul Masi	Mr Robert Miller AM	Ms Michelle Noort
Mr John Sintras	Mrs Marelle Thornton AM		

Company Secretary

The company secretary at the end of the financial year was:

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

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

THE BOARD OF DIRECTORS' MEETINGS

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

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

Dr Neroli Best resigned from the Board of Directors on 13 March 2013.

Mr Paul Masi was appointed to the Board of Directors on 20 March 2013.

Mr Brian Williamson resigned from the Board of Directors on 19 June 2013.

Ms Kathryn Dent was appointed to the Board of Directors on 21 August 2013.

BOARD COMMITTEES

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

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

Finance and Audit Committee

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

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

Human Resources Committee

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

Services Committee

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

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

Community Relations, Fundraising and Marketing Committee

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

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

Research Committee

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

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

Nominations and Governance Committee

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

ETHICS COMMITTEE

Cerebral Palsy Alliance has an Ethics Committee which is a recognised National Health and Medical Research Council (NHMRC) Human Research Ethics Committee (HREC) and complies with the National Statement 2007. It ensures full and appropriate consideration is given to any potential risks, harms and benefits associated with participation in a research study. The Committee may propose changes to the study that will manage or minimise risks and improve the understanding of potential harms and benefits so that participants are able to provide informed consent.

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

GOVERNANCE

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

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

DIRECTOR EDUCATION

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

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

PRINCIPAL ACTIVITIES AND OBJECTIVES

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

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

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

Cerebral Palsy Alliance – Our Purpose

*For people with cerebral palsy,
building futures*

Cerebral Palsy Alliance's Objective

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

The 2013-2016 Strategic Plan articulates the following four key goals and eighteen outcomes:

Key goal 1 – A customer-focussed organisation ready for *National Disability Insurance Scheme*

1. An unrivalled customer experience
2. The right services in the right markets
3. Expanded opportunities for self-managed and self-directed lifestyle packages and transition support for clients and families
4. A lead provider in *National Disability Insurance Scheme* launch sites
5. World leading assistive technology solutions

Key goal 2 – Recognition as the authority on cerebral palsy

6. World class evidence-based services in cerebral palsy
7. Leadership in information and knowledge about cerebral palsy
8. Leadership in education about cerebral palsy
9. Effective advocacy for cerebral palsy
10. A recognised and respected brand

Key goal 3 – Leadership in research into prevention, management and cure of cerebral palsy

11. A research roadmap that provides direction for new discoveries
12. IMPACT for CP as the hub for research collaboration
13. Sustainable partnerships and infrastructure to support cerebral palsy research and our Research Foundation
14. A strong voice in the translation and adoption of evidence-based research

Key goal 4 – An innovative and productive organisation

15. Improved commercial acumen and governance structures
16. A work culture of inclusiveness, engagement and participation
17. An expansion of alliances and partnerships
18. A workforce driving creative solutions

OPERATING AND FINANCIAL REVIEW

The surplus of the group for the financial year was \$318,000 (2012: \$2,923,000). The Company and each of its controlled entities are exempt from Income Tax.

STATE OF AFFAIRS

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

ENVIRONMENTAL REGULATIONS

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

SUBSEQUENT EVENTS

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

DIVIDENDS

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

LIKELY DEVELOPMENTS

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

TAX DEDUCTIBILITY OF DONATIONS

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

DIRECTORS' BENEFITS

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

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

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

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

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

ROUNDING OFF

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

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration is set out on page 35 and forms part of the Directors' Report for the financial year ended 30 June 2013.

MEMBERS

As at 30 June 2013 there were 399 members (2012: 407 members) of the Company.

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

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

Signed in accordance with a resolution of the directors:



M. B. Bryant, OAM
Director
Allambie Heights
18 September 2013



P. Masi
Director
Allambie Heights
18 September 2013

Cerebral Palsy Alliance Directors' Declaration

- 1 In the opinion of the directors of Cerebral Palsy Alliance (the Company):
 - (a) the consolidated financial statements and notes that are set out on pages 14 to 34 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the group's financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements, the Corporations Regulations 2001, the Charitable Fundraising Act (NSW) 1991 and the Charitable Collections Act (WA) 1946; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 2 There are reasonable grounds to believe that the Company and the group entities identified in note 24 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Class Order 98/1418.

Signed in accordance with a resolution of the directors:



M. B. Bryant, OAM
Director
Allambie Heights
18 September 2013



P. Masi
Director
Allambie Heights
18 September 2013

Cerebral Palsy Alliance Declaration by Chief Executive Officer

IN RESPECT OF FUNDRAISING APPEALS

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

- (a) the financial report gives a true and fair view of all income and expenditure of Cerebral Palsy Alliance and its controlled entities with respect to fundraising appeal activities for the financial year ended 30 June 2013;
- (b) the 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 2013;
- (c) the provisions of the Charitable Fundraising (NSW) Act 1991 and Regulations and the conditions attached to the authority have been complied with for the financial year ended 30 June 2013; 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
Allambie Heights
18 September 2013

Cerebral Palsy Alliance and its Controlled Entities

Consolidated Statement of Financial Position

as at 30 June 2013

	NOTE	2013 \$'000	2012 \$'000
ASSETS			
Cash and cash equivalents	8	3,411	1,415
Trade and other receivables	9	3,248	2,826
Inventories	10	157	210
Investments	11	2,302	3,062
TOTAL CURRENT ASSETS		9,118	7,513
Investments	11	22,583	26,447
Property, plant and equipment	12	36,544	34,294
Intangible assets	13	1,087	870
TOTAL NON-CURRENT ASSETS		60,214	61,611
TOTAL ASSETS		69,332	69,124
LIABILITIES			
Trade and other payables	14	6,397	7,962
Employee benefits	15	6,894	6,921
TOTAL CURRENT LIABILITIES		13,291	14,883
Employee benefits	15	1,031	1,004
TOTAL NON-CURRENT LIABILITIES		1,031	1,004
TOTAL LIABILITIES		14,322	15,887
NET ASSETS		55,010	53,237
EQUITY			
General funds		54,691	54,255
Fair value reserve	16	319	(1,018)
TOTAL EQUITY		55,010	53,237

THE NOTES ON PAGES 18 TO 34 ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

Cerebral Palsy Alliance and its Controlled Entities Consolidated Statement of Comprehensive Income

For the year ended 30 June 2013

	NOTE	2013 \$'000	2012 \$'000
Revenue from government funding	4	46,289	48,040
Revenue from fundraising and bequests		22,059	17,538
Revenue from rendering of services		4,856	3,657
Revenue from sale of goods		1,299	2,515
Accommodation expenses		(16,005)	(16,543)
Individual and family support expenses		(20,576)	(20,940)
Employment services expenses		(6,437)	(6,006)
Community access service expenses		(6,534)	(5,526)
Technical services expenses		(1,828)	(1,910)
Community education and information		(5,049)	(3,549)
Research grants and expenses		(1,470)	(1,735)
Fundraising expenses		(6,973)	(4,901)
Cost of goods sold		(685)	(1,756)
Gross surplus		8,946	8,884
Insurance claim – fire		-	775
Rental income		38	47
Other expenses	6	(11,179)	(9,490)
Gain on sale of property, plant and equipment		360	237
Results from operating activities		(1,835)	453
Net finance income	7	2,153	2,470
Surplus before income tax		318	2,923
Income tax expense	2(m)	-	-
Surplus for the year after income tax		318	2,923
Other comprehensive income			
Items that will not be reclassified to surplus or deficit:			
Net increase/(decrease) in fair value of investments	7	1,455	(1,380)
Total other comprehensive income, after income tax		1,455	(1,380)
Total comprehensive income for the year		1,773	1,543

THE NOTES ON PAGES 18 TO 34 ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

Cerebral Palsy Alliance and its Controlled Entities Consolidated Statement of Changes in Equity

For the year ended 30 June 2013

	NOTE	General funds \$'000	Fair value reserve \$'000	Total equity \$'000
Balance at 1 July 2011		51,410	284	51,694
Surplus for the year		2,923	-	2,923
<i>Other comprehensive income</i>				
Net change in fair value of investments	7	-	(1,380)	(1,380)
Total other comprehensive income		-	(1,380)	(1,380)
Total comprehensive income for the year		2,923	(1,380)	1,543
Transfer of loss on sale of investments classified as fair value through other comprehensive income		(78)	78	-
Balance at 30 June 2012		54,255	(1,018)	53,237
Balance at 1 July 2012		54,255	(1,018)	53,237
Surplus for the year		318	-	318
<i>Other comprehensive income</i>				
Net change in fair value of investments	7	-	1,455	1,455
Total other comprehensive income for the year		-	1,455	1,455
Total comprehensive income for the year		318	1,455	1,773
Transfer of gain on sale of investments classified as fair value through other comprehensive income		118	(118)	-
Balance at 30 June 2013		54,691	319	55,010

THE NOTES ON PAGES 18 TO 34 ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

Cerebral Palsy Alliance and its Controlled Entities Consolidated Statement of Cash Flows

For the year ended 30 June 2013

	NOTE	2013 \$'000	2012 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		81,805	77,886
Cash payments to suppliers and employees		(83,155)	(76,042)
Net cash (used in) / from operating activities		(1,350)	1,844
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		348	1,302
Distributions from trusts and dividends		1,669	1,451
Acquisition of property, plant and equipment	12	(5,886)	(18,110)
Acquisition of intangible assets	13	(488)	(659)
Net sale of investments		6,224	5,641
Proceeds from sale of property, plant and equipment		1,488	886
Net cash from / (used in) investing activities		3,355	(9,489)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing costs		(9)	(3)
Net cash used in financing activities		(9)	(3)
Net increase / (decrease) in cash and cash equivalents		1,996	(7,648)
Cash and cash equivalents at the beginning of the financial year		1,415	9,063
Cash and cash equivalents at the end of the financial year	8	3,411	1,415

THE NOTES ON PAGES 18 TO 34 ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2013

1. BASIS OF PREPARATION	19
2. SIGNIFICANT ACCOUNTING POLICIES.....	20
3. DETERMINATION OF FAIR VALUES.....	25
4. GOVERNMENT FUNDING.....	26
5. REMUNERATION OF AUDITORS	26
6. EXPENSES	26
7. FINANCE INCOME AND FINANCE COSTS	27
8. CASH AND CASH EQUIVALENTS	27
9. TRADE AND OTHER RECEIVABLES.....	28
10. INVENTORIES	28
11. INVESTMENTS	28
12. PROPERTY, PLANT AND EQUIPMENT.....	29
13. INTANGIBLE ASSETS	30
14. TRADE AND OTHER PAYABLES.....	30
15. EMPLOYEE BENEFITS.....	31
16. FAIR VALUE RESERVE.....	31
17. FINANCING FACILITIES.....	31
18. OPERATING LEASES.....	31
19. CAPITAL AND OTHER EXPENDITURE COMMITMENTS	32
20. CONTINGENT LIABILITIES.....	32
21. RELATED PARTY INFORMATION	32
22. MEMBERS' GUARANTEE.....	32
23. COMPANY DETAILS.....	33
24. CONSOLIDATED ENTITIES / DEED OF CROSS GUARANTEE	33
25. PARENT ENTITY DISCLOSURES	34
26. SUBSEQUENT EVENTS	34
27. ECONOMIC DEPENDENCY	34

1. BASIS OF PREPARATION

Reporting entity

Cerebral Palsy Alliance (formerly The Spastic Centre of New South Wales) ('the Company') is a company limited by guarantee and is domiciled in Australia. The address of the Company's registered office is 187 Allambie Road, Allambie Heights, NSW 2100. The consolidated financial statements as at and for the year ended 30 June 2013 comprise the financial statements of the Company and its controlled entities (together referred to as the "group").

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

The financial report was authorised for issue by the Board of Directors on 18 September 2013.

a) Statement of compliance

The group early adopted AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-02 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements for the financial year beginning on 1 July 2010 to prepare Tier 2 general purpose financial statements. The group also early adopted AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements for the financial year beginning 1 July 2012.

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 Corporations Act 2001.

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

The group has also early adopted AASB 9 Financial Instruments (2009) with a date of initial application of 1 July 2010. AASB 9 requires that the group classifies its financial assets at either amortised cost or fair value depending on the group's business model for managing its financial assets and the contractual cash flow characteristics of the financial assets.

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial assets that are measured at fair value.

Notes 2b) (ii) and 3 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 Class Order 98/100 dated 10 July 1998 and in accordance with that class order, all financial information has been rounded to the nearest thousand unless otherwise stated.

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) Changes in accounting policy

From 1 July 2012 the Group applied amendments to AASB 101 Presentation of Financial Statements outlined in AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income. The change in accounting policy relates to disclosures and has had no impact on net surplus or deficit. The changes have been applied retrospectively and require the group to separately present those items of other comprehensive income that may be reclassified to surplus or deficit in the future from those that will never be reclassified to surplus or deficit. These changes are included in the statement of comprehensive income.

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.

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

The group has no derivative financial assets or liabilities.

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.

(i) Non-derivative financial liabilities

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

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 trade date at which the group becomes a party to the contractual provisions of the instrument.

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

The group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest 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. In accordance with the transitional provisions of AASB 9 (2009), the classification of financial assets that the group held at the date of initial application was based on the facts and circumstances of the business model in which the financial assets were held at that date.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Financial instruments (continued)

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.

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

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

Gains 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 derecognised.

The costs of the day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as incurred.

Depreciation and amortisation

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Property, plant and equipment (continued)

In respect of assets under construction, depreciation commences from the date the asset is ready for use. Depreciation rates used for each class of asset, for the current and previous years, are as follows:

	2013	2012
Buildings	4%	4%
Crown Land Improvements	4%	4%
Plant and Equipment	15-25%	15-25%
Motor Vehicles	15-20%	15-20%

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

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

g) Employee benefits

Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as 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.

Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the group expects (as at reporting date) to pay including related on-costs, such as workers' compensation insurance and superannuation.

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 discounted to determine its present value. The discount rate is the yield at the reporting date on Australian government bonds that have maturity dates approximating the terms of the group's obligations.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Revenue and income

Government funding

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

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

Fundraising and bequests

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

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

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

Rendering of services

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

Sale of goods

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

Financial income

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

Rental income

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

i) Volunteer workers

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

j) Goods and services tax

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Impairment

(i) Financial assets

Financial assets at amortised cost

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

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

An impairment loss in respect of a financial asset at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in surplus or deficit and reflected in an allowance account against 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 in impairment loss 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 to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

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

Impairment losses are recognised in surplus or deficit.

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

l) Expenses

Operating lease payments

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Expenses (continued)

Financial expenses

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

m) Income Tax

No income tax is payable by the group as Section 50-5 of the Income Tax Assessment Act 1997 exempts recognised Charitable Institutions from Income Tax.

Cerebral Palsy Alliance and its controlled entities are deductible gift recipients as defined in the Income Tax Assessment Act.

3. DETERMINATION OF FAIR VALUES

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

Financial assets 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.

4. GOVERNMENT FUNDING

The following government support is included under Government Funding:

Commonwealth Government

Department of Families, Housing and Community Services and Indigenous Affairs
Department of Education, Employment and Workplace Relations

NSW Government

Department of Family and Community Services (Ageing, Disability and Home Care)
Department of Health
Department of Education and Communities

Total government funding

	CONSOLIDATED	
	2013 \$'000	2012 \$'000
	2,686	2,401
	2,752	2,804
	5,438	5,205
	39,622	41,556
	570	534
	659	745
	40,851	42,835
	46,289	48,040

5. REMUNERATION OF AUDITORS

Audit services*

Auditors of the Company – KPMG Australia
Audit of the financial report
Other regulatory audit services

Other services

Auditors of the Company – KPMG Australia
Other assurance services

	144	111
	20	9
	164	120
	3	15

*\$23,440 of the 2013 expense relates to the prior year

6. 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

	5,316	4,536
	954	343
	879	665
	611	559

Total expenses include defined contribution superannuation expense of \$3,986,000 (2012: \$3,771,000) and rental expense on operating leases of \$1,742,000 (2012: \$2,129,000).

7. FINANCE INCOME AND FINANCE COSTS

Recognised in surplus or deficit

	CONSOLIDATED	
	2013 \$'000	2012 \$'000
Interest income – short term cash deposits	151	670
Interest income – investments	197	778
Dividend and trust distribution income	1,669	1,305
Realised net gain / (loss) on sale of investments	52	(134)
Net gain / (loss) in fair value of financial assets at fair value through surplus or deficit	93	(146)
Total finance income	2,162	2,473
Finance costs – borrowing costs	(9)	(3)
Net finance income recognised in surplus or deficit	2,153	2,470

Recognised in other comprehensive income

Net increase/(decrease) in fair value of financial assets at fair value through other comprehensive income	1,455	(1,380)
Finance income recognised in other comprehensive income	1,455	(1,380)

8. CASH AND CASH EQUIVALENTS

Cash at bank and in hand	2,793	1,231
Short-term bank deposits	618	184
Total cash and cash equivalents	3,411	1,415

The carrying amount of cash and cash equivalents as at 30 June 2013 and 2012 was equal to the fair value.

	CONSOLIDATED	
	2013	2012
	\$'000	\$'000
9. TRADE AND OTHER RECEIVABLES		
Current		
Trade receivables	749	944
Other receivables	524	666
Prepaid expenses	1,072	363
Accrued income	903	853
Total trade and other receivables	3,248	2,826
<p>The carrying amount of trade and other receivables as at 30 June 2013 and 2012 was equal to the fair value. Trade receivables are shown net of impairment losses of \$4,000 (2012:\$9,000).</p> <p>The movement in the allowance for impairment in respect of trade receivables during the year was as follows:</p>		
Balance at 1 July 2012	9	16
Amounts written off	(3)	-
Impairment loss reversed	(2)	(7)
Balance at 30 June 2013	4	9
10. INVENTORIES		
Non-manufacturing stores	157	210
<p>During the year ended 30 June 2013 the write-down of inventories to net realisable value amounted to \$25,000 (2012:\$5,000). The write-down is included in cost of goods sold.</p>		
11. INVESTMENTS		
Current		
Financial assets at fair value through surplus or deficit	2,302	3,062
Total current investments	2,302	3,062
Non-Current		
Financial assets at fair value through surplus or deficit	4,362	10,044
Financial assets at fair value through other comprehensive income	18,221	16,403
Total non-current investments	22,583	26,447

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land \$'000	Buildings \$'000	Improvements to Crown Land \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Capital Works in Progress \$'000	Total \$'000
Cost							
At 1 July 2012	4,591	28,455	1,719	2,734	4,545	53	42,097
Acquisitions	-	1,052	-	754	2,462	1,618	5,886
Transfers	-	1,471	-	185	-	(1,656)	-
Disposals	-	-	-	(79)	(2,230)	-	(2,309)
At 30 June 2013	4,591	30,978	1,719	3,594	4,777	15	45,674
Depreciation							
At 1 July 2012	-	3,729	1,295	1,331	1,448	-	7,803
Depreciation Charge for the year	-	1,198	19	398	893	-	2,508
Disposals	-	-	-	(72)	(1,109)	-	(1,181)
At 30 June 2013	-	4,927	1,314	1,657	1,232	-	9,130
Carrying amounts							
At 1 July 2012	4,591	24,726	424	1,403	3,097	53	34,294
At 30 June 2013	4,591	26,051	405	1,937	3,545	15	36,544

13. INTANGIBLE ASSETS

Computer software

Cost

At 1 July 2012

Acquisitions

At 30 June 2013

Accumulated amortisation

At 1 July 2012

Amortisation charge for the year

At 30 June 2013

Carrying amount

At 1 July 2012

At 30 June 2013

	CONSOLIDATED	
	2013	2012
	\$'000	\$'000
	1,380	721
	488	659
	1,868	1,380
	510	347
	271	163
	781	510
	870	374
	1,087	870

14. TRADE AND OTHER PAYABLES

Trade payables

Government funding received in advance

Other creditors and accruals

Deferred revenue

Total trade and other payables

	1,572	3,280
	2,385	2,200
	2,315	1,882
	125	600
	6,397	7,962

The carrying amount of trade and other payables as at 30 June 2013 and 2012 was equal to the fair value.

CONSOLIDATED

2013	2012
\$'000	\$'000

15. EMPLOYEE BENEFITS**Current**

Salaries and wages accrued	1,703	1,618
Liability for annual leave	2,875	2,836
Liability for long service leave	2,316	2,467
Total employee benefits – current	6,894	6,921

Non-Current

Liability for long service leave	1,031	1,004
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16. FAIR VALUE RESERVE

As at 30 June 2013, the fair value reserve recorded the cumulative net increase/(decrease) 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 (2012: \$500,000).

The bank overdraft facility is secured by a floating charge over the assets of the group.

18. OPERATING LEASES**Leases as lessee**

Future operating lease commitments not provided for in the financial statements and payable:

- Not later than one year	1,789	1,692
- Later than one year but not later than five years	1,679	2,490
- Later than five years	133	757

Total operating lease commitments

3,601	4,939
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The group leases a number of properties, land, wheel-chair accessible motor vehicles and IT equipment. None of these leases included contingent rentals. Details are as follows:

Type	Term	Option to Renew	Future Increments
Properties	0 - 60 Months	Yes	Annually (CPI)
Land	50 Years	Yes	None
Motor Vehicles	60 Months	Yes	None
IT Equipment	36 - 60 Months	Yes	None

Long-term lease of land

On 1 December 2006, the group entered into a long-term operating lease of land at Allambie Heights with the State of New South Wales ("the lessor"). The lease term is 50 years with an option to renew for a further period of 40 years.

18. OPERATING LEASES (continued)

Under the terms of the lease, the group pays a nominal rent to the lessor. The notional fair value of the approximate lease rental amounting to \$912,000 (2012: \$886,000) has been recognised as an expense in surplus or deficit. However, this is offset by a contribution income from the lessor of the same amount which is also recognised in surplus or deficit. Accordingly, there is no significant net impact on the net surplus or deficit for the current and previous years.

19. CAPITAL AND OTHER EXPENDITURE COMMITMENTS

As at 30 June 2013 the group had made contractual capital commitments and other expenditure commitments of \$186,000 (2012: \$1,467,000) which had been contracted for as at that date but not recognised as liabilities.

20. 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 2013, the group has bank guarantees amounting to \$180,184 (2012: \$180,184) in connection with certain properties on operating lease. As at 30 June 2013, the bank guarantee facility of the group had a maximum limit of \$200,000 (2012: \$200,000) of which \$19,816 (2012: \$19,816) 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.

21. RELATED PARTY INFORMATION

Directors' compensation

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

	CONSOLIDATED	
	2013 \$	2012 \$
Key management personnel compensation		
Short-term benefits	1,881,604	1,528,727
Long-term benefits	28,908	53,245
	<u>1,910,512</u>	<u>1,581,972</u>

Payments to defined contribution superannuation funds in respect of key management personnel amounted to \$151,226 (2012: \$121,287). These have been classified under short-term benefits.

22. MEMBERS' GUARANTEE

In accordance with the Company's Memorandum and Articles of Association each member of the Company has a maximum liability of \$20 in the event of the Company being wound up while he/she is a member (or within one year after he/she ceases to be a member) for payment of the debts and liabilities of the Company contracted before he/she ceased to be a member. As at 30 June 2013, there were 399 members (2012: 407).

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 the ultimate parent entity and controlled entities:

Ultimate parent entity

Cerebral Palsy Alliance

Subsidiaries subject to Deed of Cross Guarantee

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

Subsidiaries not subject to Deed of Cross Guarantee

The Cerebral Palsy Foundation Pty Ltd

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

Each of the subsidiaries are wholly owned.

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.

The subsidiary which is not subject to the Deed of Cross Guarantee is a dormant entity with no transactions or balances in the entity. As such, the consolidated statement of comprehensive income and consolidated statement of financial position presented on pages 14 and 15 of the financial statements represent the consolidated results of the Group Entities after eliminating all transactions between parties to the Deed of Cross Guarantee.

25. PARENT ENTITY DISCLOSURES

As at, and throughout the financial year ended 30 June 2013 the parent entity of the group was Cerebral Palsy Alliance.

	2013 \$'000	2012 \$'000
Result of parent entity		
Surplus for the year	318	2,923
Other comprehensive income/(loss)	1,455	(1,380)
Total comprehensive income for the year	1,773	1,543
Financial position of parent entity at year end		
Current assets	9,118	7,513
Total assets	69,332	69,124
Current liabilities	13,291	14,883
Total liabilities	14,322	15,887
Net assets	55,010	53,237
Total equity of the parent entity comprising:		
General funds	54,691	54,255
Fair value reserve	319	(1,018)
Total equity	55,010	53,237

Parent entity contingencies

The parent entity did not have any contingent liabilities as at 30 June 2013 (2012: nil).

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

Further details of the Deed of Cross Guarantee and the subsidiaries subject to the Deed are disclosed in note 24.

26. SUBSEQUENT EVENTS

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

27. ECONOMIC DEPENDENCY

The group is dependent upon the ongoing receipt of grants from the Federal Government and NSW State Government to ensure the continuance of its services.



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

To: the directors of Cerebral Palsy Alliance

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2013 there have been:

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

KPMG

Kathy Ostin
Partner

Sydney

18 September 2013



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

Report on the financial report

We have audited the accompanying financial report of Cerebral Palsy Alliance (the company), which comprises the consolidated statement of financial position as at 30 June 2013, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 27 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

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

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



keeping requirements for fundraising appeal activities pursuant to the *Charitable Fundraising Act (NSW) 1991* and Regulations.

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

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

Independence

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

Auditor's opinion

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

- (a) giving a true and fair view of the Group's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

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

In our opinion:

- a) the financial report gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 30 June 2013;
- b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2012 to 30 June 2013, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- c) money received as a result of fundraising appeal activities conducted during the period from 1 July 2012 to 30 June 2013 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- d) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

Report on other legal and regulatory requirements

In accordance with the requirements of Section 15(2) of the *Charitable Collections Act (WA) 1946* and Regulations (the Act and Regulations), we have reviewed the Act and Regulations for the purpose of reporting whether, as a result of completing our audit procedures on the financial report of the Group for



the year ended 30 June 2013, we have become aware of any condition or event that constitutes a material default by the Group in the performance of, or compliance with, any requirements of the Act or Regulations.

In completing our audit of the financial report of the Group for the year ended 30 June 2013, nothing has come to our attention that constitutes a material default by the Group in regard to the performance of or compliance with, any requirement of the Act or Regulations

KPMG

Kathy Ostin
Partner

Sydney

18 September 2013



Karen Burnham and Ben Adcock

Cerebral Palsy Alliance

Cerebral Palsy Alliance builds futures for children and adults with cerebral palsy in NSW and the ACT.

The organisation was founded under the name The Spastic Centre on 30 January 1945 by a concerned group of 25 parents of children with cerebral palsy, led by Neil and Audrie McLeod.

Cerebral Palsy Alliance provides vital supports, services and equipment for more than 4,000 children and adults each year.

Cerebral Palsy Alliance also funds research for cerebral palsy prevention, cure and intervention. We fund the world's best and brightest minds in cerebral palsy research – many here in Australia. Our grants shape the direction of cerebral palsy research, and help build careers dedicated to the prevention and cure of this complex condition.



Eilise Greaves



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