

Annual Report 2019



Marc
CPA Client since 2014



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President and CEO Report



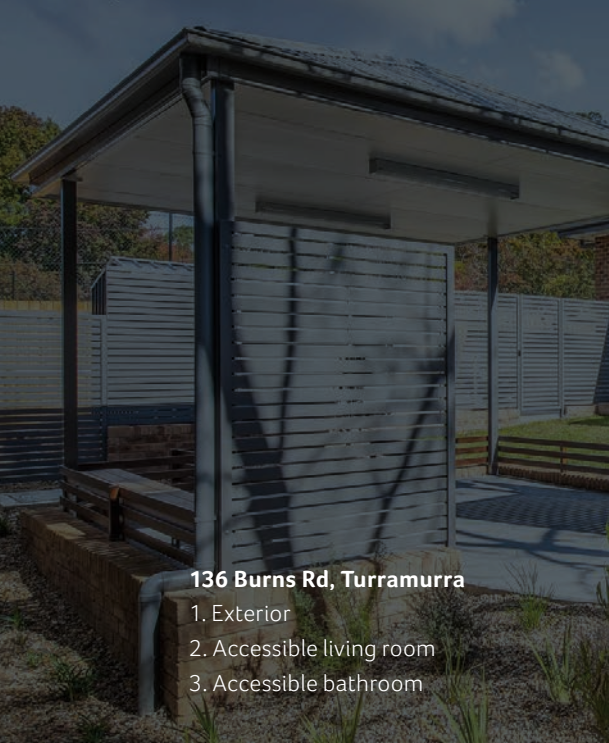
Paul Masi, President



Rob White, CEO

We've seen many highlights for Cerebral Palsy Alliance (CPA) in the last 12 months while providing services to over 6,000 people living with cerebral palsy and other physical and neurological disabilities. In the coming years we are committed to expanding access to our services so we can reach even more people.

As we grow our reach and impact, and position ourselves as the global leader in cerebral palsy research and influence, we continue to provide world-class products and services and are focused on increasing participation and inclusion of children and adults living with CP and other disabilities by ensuring optimal education, friendship, independent living and employment opportunities.



136 Burns Rd, Turrumurra

1. Exterior
2. Accessible living room
3. Accessible bathroom



Championing inclusion for our clients

Expanding access to service

In response to increasing demand for disability services in the Illawarra area, we opened a new centre in Wollongong, NSW in April 2019.

We have enhanced our Teleservices, by introducing an online live video call enabling clients to access therapy from their own homes. Teleservices allow families, clients and staff to reduce their travel time, providing increased opportunity to access our services and we plan to offer a range of CPA's expertise via Teleservices across a number of service areas.

Early Childhood Intervention

Our Early Childhood Early Intervention partnership with the National Disability Insurance Agency (NDIA) has been incredibly successful in its first full year of operation. We've been recognised by the NDIA for establishing a high performing team who have delivered great outcomes for over 1200 children, as well as their parents and carers. As an industry leader and specialist provider of early childhood intervention, we have used our resources and community networks to ensure families can access the best pathway of support, information, advice and intervention for their child during those critical early years. We have also worked closely with the Northern Sydney community to build the capacity of our mainstream partners to ensure meaningful inclusion and participation of all children in our community.



Inclusive community living

The devolution of the Venue Burges Hostel and cottages has commenced for the 35 clients living there.

In May and July 2019, the first two houses were opened in Northern Sydney and 10 clients moved into their new modern, purpose built homes and, in addition to enjoying their new homes, are making the most out of accessing their local community and living life their way. All houses include automation technology to assist clients to live with greater levels of independence. Using their voice or device, clients can now control lighting, air conditioning, doors, TVs and blinds.

The remaining five houses will open throughout the next 12 months and completion is expected mid 2020.

We are also proud to be supporting a further 108 clients to move into community living supported accommodation, after being chosen by the State Government to provide services in 24 new Group Homes across Middle Hunter, Western Sydney, Northern Sydney and the Central Coast being built as a result of the devolution of the Stockton Centre.

Working in partnership with the Specialist Disability Accommodation Provider, Compass, all homes are being built with our new clients' individual support needs in mind.

As part of the devolution process, approximately 100 staff will also transfer to CPA.

Remarkable – inclusion through technology

Our Remarkable Accelerator Program continues to promote greater inclusion through technology suited to the needs of people with disability. The 2019 cohort featured six start-ups tackling issues like barriers to a diverse workforce using artificial intelligence, the burden on families needing to coordinate multiple service providers, and the lack of access to clinical speech therapy services in remote regions.

Hope for the future

Leading the research frontier

At an event hosted by the Governor General in December 2018, we were excited to announce our research using the Australian CP Register indicated a decline in the instance of cerebral palsy (CP) across Australia by one third – from 1 in 500, to 1 in 700, over the last 10 years.

Findings also showed reduced levels of severity of cerebral palsy in children, with more children now walking without assistive equipment, and reduced instances of intellectual disability.

These changes in rates and severity can be attributed to the cumulative impact of numerous advances in the health and care of pregnant women and their babies, better management of high risk pregnancies, improvements in neonatal intensive care, and the implementation of public health initiatives to prevent accidents, all underpinned by Australian and international research.

Our commitment to research extends well beyond the prevention of CP at birth. With accumulating data and international trials indicating early efficacy, stem cell research shows great potential for treating a range of neurological conditions, including CP. We are committed to supporting innovative clinical trials, engaging the CP community and collaborating with world-leading clinicians and scientists to deliver the best evidence-based science to enable the prevention, treatment and cure of cerebral palsy.

Bringing our vision to life

Strategic objectives

We are pleased to advise that in June 2019, the Board reaffirmed the organisation's vision and approved the new strategic objectives for the next three years. Our vision is an inclusive society for people with cerebral palsy and other neurological disabilities, and their families.

In our three year planning, we have anticipated the continued and growing demand for disability services, the ongoing uncertainty of government reform and the new legislation that regulates us. We expect many new opportunities and challenges including the expansion of our influence and social impact, changing expectations of our clients, workforce shortages and competition from new entrants in a changing and dynamic individualised funding environment.

Our Strategic Plan 2019-2022 maps out how we will achieve our strategic objectives by continuing to invest in our services, people, research, fundraising processes and infrastructure to enable the organisation to take full advantage of the opportunities that lie ahead.

Advocating for great change

We are committed to taking action to drive the change needed to bring our vision to life through advocacy and influence, and we embrace our responsibility and role as a leader, key influencer and trusted advisor for CP and other physical and neurological conditions.



Our advocacy goals include putting the rights, health and well-being of individuals and families living with disability at the heart of social, political and economic agendas, and motivating and inspiring public and government response and action to create meaningful, systemic changes to policy and resources.

On 22 October 2018, we supported the establishment of the advocacy organisation 'Alliance20' at Parliament House in Canberra. Alliance20 represents a group of some of the nation's most influential disability service providers, collectively supporting over 75,000 people with a disability in every state and territory. Alliance20 aims to work with key stakeholders to recommend improvements across several key areas in disability services towards a sustainable and impactful National Disability Insurance Scheme.

CPA and Alliance 20's influence and advocacy work to date has included:

- Promoting greater equity and service access
- Our submission to the 'Parliamentary Joint Standing Committee on NDIS' on improving access to assistive technology
- Establishing supports for people with high and complex needs
- Getting Early Childhood Intervention right
- Securing necessary pricing changes

We are proud of our significant involvement in the NDIS as the scheme rolls out across Australia. By partnering with Australia's largest disability service providers, we are actively promoting NDIS and lobbying for the changes needed to ensure the best outcome for participants.



Parker
CPA Client since 2013

World CP Day – a global movement

World Cerebral Palsy Day has grown exponentially since its launch in 2012. In 2018 it was celebrated by 72 partner organisations, in 110 different countries.

Organisations and families held events all over the world with each group reflecting the progress in the understanding of cerebral palsy and inclusion of people with CP within their respective countries.

The voice of our clients and employees

What our clients are saying

We continually strive to improve our customer service, and this is reflected in what our customers say about us. We measure our performance against global Net Promoter Score (NPS) standards and in our most recent NPS survey in June 2019 we scored +60.94. Based on global NPS standards on a scale from -100 to +100, any score above 0 is considered good, +50 is excellent, and above 70 is considered world class.

Here are some quotes from the NPS survey:

- The services provided are excellent and diligently executed. The children are greeted with warmth, care and respect. My little one loves going and looks forward to his session.

Priscilla
CPA Client since 2010



- You can't improve on perfection. We have always been given the best service, with the most professional advice and support. We always give the highest recommendations to anyone who requires therapy services.
- We are very happy with the service. It is very professional from the first contact till last - administration, punctuality, personal contact, friendliness, approachability, answering questions etc. and most importantly the treatment and classes.
- I find the staff exceptionally knowledgeable - good at their jobs, and happy to assist whenever possible. They do really care and do not treat their clients as "numbers".
- A high-quality respite service; well run and compassionate to clients' and family's needs.

Engaged employees

Our reputation as a leading disability service provider depends on the high calibre of our employees. We are committed to cultivating a professional and engaged workforce, by investing in learning and development.

In our 2018 employee survey, 84% of our staff responded, indicating that our staff are highly engaged with us. Further, 92% like the work they do, 91% are proud to work here and 82% would recommend us to others.

We predict that by 2020, this engaged workforce will have grown by around 10% to exceed 2000 employees.

Our performance

CPA scored

+60.94

in NPS standards

“We are very happy with the service. It is very professional from the first contact till last - administration, punctuality, personal contact, friendliness, approachability, answering questions etc. and most importantly the treatment and classes.” – CPA Client

Our staff survey

84% 

of survey respondents are highly engaged with CPA

92%

like the work they do

91%

are proud to work at CPA

82%

would recommend CPA to others

Our sincere thanks

This year has seen strong financial performance for CPA, with total income of \$169 million and a surplus of \$6 million. Thanks is due to the incredible management team for bringing this growth to fruition.

We acknowledge the 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 1,800 incredibly talented and dedicated staff, and our 1000 passionate volunteers, all of whom make such a difference in the lives of people living with disability and their families.

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.



Paul Masi / Rob White



Directors' Report

30 June 2019

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 2019 and the auditor's report thereon.

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 Cerebral Palsy Alliance, Chair of the Board of Directors, Chair of the Nominations and Governance Committee, and a member of the Finance and Audit Committee, the Services and Marketing Committee and the Property Committee.

Paul is a Non-Executive Director of Shaw and Partners Ltd and of Argus Property Partners, 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 Cerebral Palsy Alliance, Chair of the Research Committee, Chair of the Fundraising Committee, and a member of the Ethics 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, MAICD

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

During Stuart's 26 year career with Coca-Cola Amatil he held senior positions in finance and general management at a group and operational level, including CFO for CCA's Australian and Indonesian businesses, and most recently as General Manager for CCA's Coke Vending and Neverfail Spring Water 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, and is a member of the Institute of Chartered Accountants Australia and New Zealand and the Australian Institute of Company Directors.

Stuart's brother Peter had Cerebral Palsy and benefitted 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 and a member of the Nominations and Governance 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 and the Nominations and Governance 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 Cerebral Palsy Alliance.

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 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 and regularly speaks and writes on topics around Women in Business, How to Motivate Millennials and The Future of Work.

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 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.

In August 2019, John commenced a new role as CEO of digital transformation consultancy Yango Group.

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.

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 Finance and Audit Committee and the Property Committee.

Jacqui provides specialist advice and services in respect of PR communications strategy, digital concept, brand presence, corporate image, sales portfolio or social currency.

For the past 20 years, Jacqui has worked in the media, marketing and communications sector, specialising in event management, project management and public relations.

Company Secretary

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

Marika White MAICD, GIA

Marika was appointed Company Secretary of Cerebral Palsy Alliance, its subsidiaries, Board and all Board Committees on 16 May 2019.

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

Tony retired from Cerebral Palsy Alliance and as Company Secretary of Cerebral Palsy Alliance, its subsidiaries, Board and all Board Committees on 31 May 2019.

Prior to his resignation, Tony had been employed by Cerebral Palsy Alliance since 1988 and had served as Company Secretary to the Board and all Board Committees since 1996.

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	9	4	3	2	2	4	4							1	1
Andrew Buchanan	10	6							4	4	7	4				
Stuart Comino	10	10	4	3											1	1
Kathryn Dent	10	9			4	4										
*Johanna Garvin	9	8									2	0				
Bob Miller	10	8	4	1	4	3	4	4	4	3						
Hiam Sakakini	10	8			4	3					7	4				
John Sintras	10	7					2	1								
Leanne Wallace	10	8					4	3								
Jacqui Wisemantel	10	9	4	2			4	3	4	3					1	1

*Ms Johanna Garvin was appointed to the Board in August 2018

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 Cerebral Palsy Alliance 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.

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.

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 Cerebral Palsy Alliance.

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.

The inaugural meeting of the Property Committee was held on 15 May 2019.

Ethics Committee

Cerebral Palsy Alliance has an Ethics Committee which ensures that 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 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.

Resolution requirements for general meetings are in accordance with the Australian Charities and Not-for-profit Commission 2012 Act.

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 Cerebral Palsy Alliance 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 \$6,343,000 (2018: deficit of \$7,157,000). The Company and each of its controlled entities are exempt from Income Tax.

State of Affairs

On 26 February 2019 Cerebral Palsy Alliance entered into an agreement with the State Government to provide services to clients in 24 new group homes being built to accommodate clients as part of the devolution of services by the State Government in the Hunter region of New South Wales. A number of employees will also transfer as part of the arrangements.

Completion of all 24 group homes, transfer of employees and transition of clients is expected to take place in the 2020 financial year.

The Company has subsequently entered into an Accommodation and Service Provider agreement with Compass Housing Services Co Limited as agent for and on behalf of Home4Life Limited, the accommodation provider for the clients in these 24 group homes.

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 its members.

Likely Developments

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

Tax Deductibility Of Donations

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

Directors' Benefits

Since the end of the previous financial year, no Director received or became entitled to receive remuneration. The Board members of the Company provide their time and expertise on an entirely voluntary basis and receive no fees, salaries or benefits for the work that they undertake on behalf of the Board.

Indemnification and Insurance of Directors and Officers

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

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

The Directors have not included details of the nature of the liabilities covered nor the amount

of the premium paid in respect of the directors' and officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

Rounding Off

The Company is an entity to which ASIC 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 2019.

Members

As at 30 June 2019 there were 253 members (2018: 264 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
3 September 2019



S. Comino
Director
Sydney
3 September 2019

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 22 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 2019 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 22 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
Director

Sydney
3 September 2019

S. Comino
Director

Sydney
3 September 2019

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 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 2019;
- (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 2019;
- (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 2019; 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
3 September 2019

Consolidated Statement of Financial Position

as at 30 June 2019

	NOTE	2019 \$'000	2018 \$'000
ASSETS			
Cash and cash equivalents	8	46,624	25,408
Trade and other receivables	9	9,577	7,850
Inventories		164	184
Investments	10	5,359	6,021
TOTAL CURRENT ASSETS		61,724	39,463
Investments	10	27,702	24,902
Property, plant and equipment	11	45,104	43,324
Intangible assets		1	13
TOTAL NON-CURRENT ASSETS		72,807	68,239
TOTAL ASSETS		134,531	107,702
LIABILITIES			
Trade and other payables	12	12,862	8,594
Government funding received in advance		18,981	6,129
Employee benefits	13	21,093	18,156
TOTAL CURRENT LIABILITIES		52,936	32,879
Government funding received in advance		18,038	17,335
Employee benefits	13	1,656	2,627
Employee benefits - Defined Benefits	13	208	-
TOTAL NON-CURRENT LIABILITIES		19,902	19,962
TOTAL LIABILITIES		72,838	52,841
NET ASSETS		61,693	54,861
EQUITY			
General funds		58,935	51,633
Fair value reserve	14	2,966	3,228
Defined benefit reserve		(208)	-
TOTAL EQUITY		61,693	54,861

The notes on pages 27 to 43 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2019

	NOTE	2019 \$'000	2018 \$'000
Revenue from government funding	4	15,737	31,389
Revenue from fundraising and bequests		32,034	35,668
Revenue from rendering of services		117,705	42,633
Revenue from sale of goods		1,042	1,471
Accommodation services expenses		(76,971)	(36,603)
Individual and family support expenses		(26,342)	(24,277)
Employment services expenses		(4,213)	(4,323)
Community access service expenses		(11,055)	(9,432)
Technical services expenses		(1,063)	(1,082)
Community education and information		(7,081)	(8,590)
Research grants and expenses		(8,068)	(6,667)
Fundraising expenses		(9,778)	(11,862)
Cost of goods sold		(465)	(409)
Gross surplus		21,482	7,916
Rental income		62	64
Other Expenses	6	(17,790)	(16,916)
Gain on sale of property, plant and equipment		547	179
Results from operating activities		4,301	(8,757)
Finance income		2,058	1,611
Finance costs		(16)	(11)
Net finance income	7	2,042	1,600
Surplus/(Deficit) before income tax		6,343	(7,157)
Income tax expense	2(m)	-	-
Surplus/(Deficit) for the year after income tax		6,343	(7,157)
Other comprehensive income			
Net change in fair value of other investments	7	696	1,093
Defined benefit plan actuarial loss	13	(208)	-
Total other comprehensive income, after income tax		488	1,093
Total comprehensive income/(expense) for the year		6,831	(6,064)

The notes on pages 27 to 43 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2019

	NOTE	General Funds \$'000	Fair Value Reserve \$'000	Defined Benefit Reserve \$'000	Total Equity \$'000
Balance at 1 July 2017		58,312	2,613	-	60,925
Deficit for the year		(7,157)	-	-	(7,157)
Other comprehensive income					
Net change in fair value of investments	7	-	1,093	-	1,093
Total other comprehensive income for the year		-	1,093	-	1,093
Total comprehensive expense for the year		(7,157)	1,093	-	(6,064)
Transfer of gain on sale of investments classified as fair value through other comprehensive income		478	(478)	-	-
Balance at 30 June 2018		51,633	3,228	-	54,861
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	7	-	696	-	696
Actuarial loss on defined benefit superannuation plans	13	-	-	(208)	(208)
Total other comprehensive income for the year		-	696	(208)	488
Total comprehensive income for the year		6,344	696	(208)	6,831
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

The notes on pages 27 to 43 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended 30 June 2019

	NOTE	2019 \$'000	2018 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		184,678	125,105
Cash payments to suppliers and employees		(159,895)	(116,569)
Net cash from operating activities		24,783	8,536
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		344	195
Distributions from trusts, dividends & imputation credits		152	1,431
Acquisition of property, plant and equipment	11	(4,977)	(5,681)
Cash acquired through acquisition		-	10,436
Cash paid for acquisition		-	(650)
Net sale/(purchase) of other investments		-	5,000
Proceeds from sale of property, plant and equipment		930	532
Net cash used in investing activities		(3,551)	11,263
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing costs	7	(16)	(11)
Net cash used in financing activities		(16)	(11)
Net increase in cash and cash equivalents		21,216	19,788
Cash and cash equivalents at the beginning of the financial year		25,408	5,620
Cash and cash equivalents at the end of the financial year		46,624	25,408

The notes on pages 27 to 43 are an integral part of these consolidated financial statements.



Notes to and forming part of

The Financial Statements

for the year ended 30 June 2019

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Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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 2019 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 3 September 2019.

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 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 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.

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

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 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 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.

b) Financial instruments (continued)

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 derecognised.

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

d) Property, plant and equipment (continued)

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.

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

All of the Group's leases are operating leases and neither the leased assets nor the future obligation to pay rentals are recognised in the Group's statement of financial position.

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

g) Employee benefits (continued)

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) Revenue and income

Government funding, fundraising and bequests

Revenue from non-reciprocal grants and donations is recognised when the Group obtains control of the asset or the right to receive it; it is probable that the economic benefits from the asset will flow to the Group; and the amount of the revenue can be measured reliably.

Grants or donations which are reciprocal in nature (those which have to be returned if the Group fails to deliver specified services or fulfil specified conditions) are initially recognised as deferred revenue (liability), with revenue recognised as the services are performed or the 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 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 amounts can be measured reliably, the discounts are recognised as a reduction of revenue as the sales are recognised.

h) Revenue and income (continued)

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 rate 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) 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 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.

k) Impairment (continued)

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

Operating lease payments

The Group has entered into leases of land, properties, motor vehicles and IT equipment as disclosed in note 16.

The Group 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.

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.

n) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2019, and have not been applied in preparing these financial statements. These include AASB 15 *Revenue from Contracts with customers*; AASB1058 *Income of Not-For-Profit Entities*; and AASB 16 *Leases*, which become mandatory for the Group's 2020 consolidated financial statements.

The Group does not plan to early adopt the above named standards and the extent of the impact of these standards is currently being assessed.

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

NSW Government

Total government funding

CONSOLIDATED	
2019 \$'000	2018 \$'000
14,112	7,201
1,625	24,188
15,737	31,389

5. Remuneration of Auditors

AUDIT SERVICES

Auditors of the Company – KPMG Australia

OTHER SERVICES

Auditors of the Company – KPMG Australia

Other assurance services

CONSOLIDATED	
2019 \$'000	2018 \$'000
162	164
-	-
37	-

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

CONSOLIDATED	
2019 \$'000	2018 \$'000
8,476	7,054
971	996
1,672	1,406
679	477

Total expenses in the Consolidated Statement of Comprehensive Income include defined contribution superannuation expense of \$9,174,000 (2018: \$6,390,000), defined benefit superannuation expense of \$58,330 (2018: \$nil) and rental expense on operating leases of \$1,325,000 (2018: \$1,475,000).

7. 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

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	
2019 \$'000	2018 \$'000
1,115	222
169	44
774	1,345
2,058	1,611
(16)	(11)
2,042	1,600
696	1,093
696	1,093

8. Cash and Cash Equivalents

Cash at bank and in hand

Short-term bank deposits

Total cash and cash equivalents

CONSOLIDATED	
2019 \$'000	2018 \$'000
2,905	1,138
43,719	24,270
46,624	25,408

The carrying amount of cash and cash equivalents as at 30 June 2019 and 2018 was equal to the fair value.

9. Trade and Other Receivables

	CONSOLIDATED	
	2019 \$'000	2018 \$'000
CURRENT		
Trade receivables	4,537	4,741
Other receivables	3,715	1,855
Prepaid expenses	1,325	1,254
Total trade and other receivables	9,577	7,850

The carrying amount of trade and other receivables as at 30 June 2019 and 2018 was equal to the fair value.

Trade receivables are shown net of impairment losses of \$1,024,000 (2018: \$505,000).

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

Balance at 1 July	505	56
Amounts written off	(239)	-
Amounts provided for during the year	758	449
Balance at 30 June	1,024	505

10. Investments

	CONSOLIDATED	
	2019 \$'000	2018 \$'000
CURRENT		
Financial assets at fair value through other comprehensive income	5,359	6,021
Total current investments	5,359	6,021
NON-CURRENT		
Financial assets at fair value through other comprehensive income	27,702	24,902
Total non-current investments	27,702	24,902

11. 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 2018	12,656	37,326	1,719	4,485	5,716	788	62,690
Acquisitions	1,662	-	-	299	1,194	1,822	4,977
Transfers	-	98	-	78	-	(176)	-
Disposals	(260)	(198)	-	-	(366)	-	(824)
At 30 June 2019	14,058	37,226	1,719	4,862	6,544	2,434	66,843
DEPRECIATION AND IMPAIRMENT LOSSES							
At 1 July 2018	-	11,696	1,405	3,840	2,424	-	19,366
Depreciation charge for the year	-	1,491	18	309	973	-	2,791
Disposals	-	(134)	-	-	(284)	-	(418)
At 30 June 2019	-	13,052	1,424	4,149	3,113	-	21,739
CARRYING AMOUNTS							
At 1 July 2018	12,656	25,630	314	645	3,291	788	43,324
At 30 June 2019	14,058	24,174	295	713	3,430	2,434	45,104

12. Trade and Other Payables

CURRENT

Trade payables
Other creditors and accruals
Deferred revenue
Total trade and other payables - current

CONSOLIDATED	
2019 \$'000	2018 \$'000
1,104	1,606
5,675	5,021
6,083	1,967
12,862	8,594

The carrying amount of trade and other payables as at 30 June 2019 and 2018 was equal to the fair value.

13. Employee Benefits

CURRENT

Salaries and wages accrued
Liability for annual leave
Liability for long service leave
Total employee benefits - current

CONSOLIDATED	
2019 \$'000	2018 \$'000
4,580	3,592
6,483	6,129
10,030	8,435
21,093	18,156

NON-CURRENT

Liability for long service leave
Recognised liability for defined benefit obligations
Total employee benefits - Non-Current

1,656	2,627
208	-
1,864	2,627

Cerebral Palsy Alliance acquired the liability for long service leave and annual leave of Cerebral Palsy Alliance Northern Sydney when it acquired the subsidiary.

14. Fair Value Reserve

As at 30 June 2019, the fair value reserve recorded the cumulative net changes in fair value of financial assets at fair value through other comprehensive income.

15. Financing Facilities

The group has access to a bank overdraft (unused as at the reporting date) of \$500,000 (2018: \$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 (2018: \$5,500,000) secured by managed funds held within the investment portfolio (unused at date of reporting).

16. Operating Leases

LEASES AS LESSEE

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

- not later than one year
- later than one year but not later than five years
- later than five years

Total operating leases

CONSOLIDATED	
2019 \$'000	2018 \$'000
1,206	698
779	685
281	24
2,266	1,407

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
Properties	0 - 60 Months	Yes
Improvements to Crown Land	50 Years	Yes
Motor Vehicles	60 Months	Yes
IT Equipment	36 - 60 Months	Yes

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. 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 **\$952,000** (2018: \$929,000) 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.

17. Capital and Other Expenditure Commitments

As at 30 June 2019 the group had made contractual capital commitments and other expenditure commitments of \$2,047,000 (2018: nil) which had been contracted for as at that date but not recognised as liabilities.

18. 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 2019, the group has bank guarantees amounting to \$158,453 (2018: \$145,225) in connection with certain properties on operating lease. As at 30 June 2019, the bank guarantee facility of the group has a maximum limit of \$200,000 (2018: \$200,000) of which \$41,547 (2018: \$54,775) 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 22). 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.

19. Related Party Information

Directors' compensation

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

KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation is as follows:

Short-term benefits

Long-term benefits

CONSOLIDATED	
2019 \$'000	2018 \$'000
3,284	3,143
67	47
3,351	3,190

Payments to defined contribution superannuation funds in respect of key management personnel amounted to \$237,893 (2017 \$211,151). These have been classified under short-term benefits.

20. 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 2019 there were 253 members (2018: 264 members) of the Company.

21. 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.

22. 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 – Venue 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 22 and 23 of the financial statements represent the consolidated results of the Group Entities after eliminating all transactions between parties to the Deed of Cross Guarantee.

23. 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.



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 2019 there have been:

- (a) 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
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Daniel Robinson

Partner

Sydney

3 September 2019



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 the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, and 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 (collectively the Acts and Regulations) including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2019, 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 the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- i. Consolidated statement of financial position as at 30 June 2019.
- 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 unqualified 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.

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. This includes the Directors' Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report.

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, the Acts and Regulations.
- 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 scepticism throughout the audit.



We also:

- i. Identify and assess the risks of material misstatement of the Financial Report, whether due to
- ii. 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.
- iii. 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.
- iv. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- v. 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 and Company'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 and Company to cease to continue as a going concern.
- vi. 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 Company 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 2019 ;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2018 to 30 June 2019, 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 2018 to 30 June 2019 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 2019.



KPMG



Daniel Robinson

Partner

Sydney

3 September 2019



Cerebral Palsy
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