

**THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED**

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**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30 JUNE 2016**

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# COMPANY DIRECTORY

## MEMBERS OF THE BOARD

<i>POSITION</i>	<i>OFFICER</i>
Chairperson	Justin Scanlan (appointed 22/8/2016) Robert McDonald (to 22/8/2016)
Deputy Chairperson	Daniel Butler (appointed 22/8/2016) Justin Scanlan (to 22/8/2016)
Company Secretary	Susan Cowcher
Treasurer	Mino Intini
Directors	Daniel Butler (to 22/8/2016) Priya Cooper Kellie Hasluck Maria Mansour Janelle Marr Robert McDonald (from 22/8/2016) Gary McGrath Glenn Mitchell Ken Nylander

## OPERATIONS OF THE BOARD

<i>DESCRIPTION</i>	<i>DETAILS</i>
Registered Office	Sir David Brand Centre 106 Bradford Street Coolbinia WA 6050
Postal Address	PO Box 61 Mount Lawley WA 6929
Australian Company Number (ACN)	057 702 959
Australian Business Number (ABN)	79 057 702 959
Telephone	(08) 9443 0211
Facsimile	(08) 9444 7299
Website	<a href="http://www.abilitycentre.com.au">www.abilitycentre.com.au</a>
E-mail	<a href="mailto:info@abilitycentre.com.au">info@abilitycentre.com.au</a>
Auditors	Grant Thornton Audit Pty Ltd PO Box 570 West Perth WA 6872
Solicitors	Lavan Legal GPO Box F338 Perth WA 6841

# THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED

## DIRECTOR'S REPORT

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For the year ended 30 June 2016

The Board of Directors of The Cerebral Palsy Association of Western Australia Limited has pleasure in submitting their report together with the Consolidated Financial Statements for the year ended 30 June 2016 and the auditor's report.

### DIRECTORS

The names and details of the Directors who held office during the financial year are listed below. Unless indicated otherwise all Directors held this position as a Director throughout the entire financial year and up to the date of this report.

#### **Mr Justin Scanlan MSc, BBS, MMII, Member Institute of Chartered Accountants Australia Chairman**

Justin Scanlan is a Partner in PwC Consulting. He has 20 years of management consulting experience across a range of market sectors, including Government, Health, Financial Services and Mining experience. Justin delivers strategy, technology and operational improvement consulting in Western Australia. He has previously worked with clients such as BHP Billiton, Patersons Securities, WA Health, WA Education Department, Department of Treasury WA, WA Police, Housing Authority and others. Originally from Ireland, Justin and his family came to Australia in 2007. Justin became involved with The Centre through a close personal friend whose son has cerebral palsy. He initially helped with some fundraising activities and was inspired by all the terrific work The Centre does.

#### **Mr Dan Butler Deputy Chairman**

Daniel Butler is a senior associate in Lavan Legal's Reconstruction, Recovery and Insolvency Team. He is experienced in insolvency and bankruptcy, personal property securities law, criminal property confiscation, intellectual property and general commercial advice and litigation. Daniel has worked on a wide variety of banking litigation and external administration matters with the firm's banking and accounting clients. Daniel has completed the Insolvency Practitioners Association Advanced Insolvency Law and Practice course and has been admitted as a full member of the IPAA.

#### **Mr Mino Intini B Bus (Accounting) Treasurer**

Mino Intini is the Director Regional Programs at the Department of Finance - Building Management and Works. He has held a number of senior positions across the State Public Sector, including Chief Financial Officer for the Department of Child Protection. He has also worked internationally providing advice to the Western Samoan and Australian Governments on matters of foreign aid. Mino's expertise is primarily in the areas of financial management, strategic planning and information management.

#### **Ms Priya Cooper BSc OAM**

Priya Cooper is a 9-time Paralympic Gold medallist, business woman and mother of two. Since retiring from international competition Priya has taken on a role on a number of Boards and runs a successful business in training and development with her husband Rod. The Centre is an organisation close to her heart because her son has cerebral palsy and accesses services at The Centre. Priya aims to use her passion for improving the lives of people with disability across WA to enhance her contribution to The Centre's Board.

#### **Ms Kellie Hasluck**

Kellie has provided Western Australian businesses with communications advice for nearly 20 years, 13 as a founder and Director of Clarity Communications, one of Perth's leading corporate communications consultancies. She now provides coaching and mentoring services to executives within major companies in the resources, engineering and financial services and not for profit sectors. Clients benefit from her honest and supportive feedback in order to reach their career and business goals. Kellie is an experienced public relations practitioner undertaking strategic planning, community consultation, media relations, and internal communications for large national and international organisations. Among the clients she has worked with are Telstra, Rio Tinto, European Space Agency and AMP.

#### **Ms Maria Mansour**

Maria Mansour has been a service user of Ability Centre from an early age and always knew she wanted to use her intellect and "voice" to make a difference in society. In 2007, Maria graduated with a Bachelor of Laws with honors from, and as Valedictorian of, the University of Notre Dame. Maria spent five years working in a private practice law firm focusing on commercial, legal work. She is currently undertaking the role of Senior Project Support Officer for the disability justice centre project, at the Disability Services Commission.

**THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED**  
**DIRECTOR'S REPORT**

**For the year ended 30 June 2016**

**Ms Janelle Marr**

Janelle Marr is Founder and Managing Director of StepBeyond, a boutique consultancy providing strategic advisory services to corporate, government and not-for-profit organisations across a range of sectors including health and social services; finance and insurance; transport; and energy and resources. With over 15 years experience as a strategist and consultant, Janelle has provided advisory services in Perth, Melbourne and London through the advisory arms of both KPMG and Ernst & Young. Janelle's recent clients include Department of Health, RAC, Richmond Fellowship, Interchange, Activ Foundation, Silver Chain, Women's Health and Family Services, Palliative Care, WA Ballet and People Who Care. A graduate of the Australian Institute of Company Directors, Janelle holds directorships with ScreenWest and Diabetes WA. Past directorships include Mosaic Community Care Inc. and Community Arts Network WA. In 2012 Janelle was awarded a coveted 40under40 WA Business News Award for significant contributions to community. In 2013 StepBeyond won a prestigious WA Telstra Business Award and Janelle was a Finalist in the WA Telstra Business Women's Awards.

**Mr Robert McDonald B Bus CPA MAICD**

Rob McDonald has an adult daughter with cerebral palsy, who has been a client of The Centre since 1994. Rob spent 32 years working in a variety of roles across the State public sector. His positions included Executive Director, WA Police; Chief Executive Officer, State Supply Commission; Director, State Treasury; and Director of Finance, WA Police. Rob started his consulting business in 2009, providing consultancy services in the fields of management, organisational design, business case review, financial and budgetary advice and has completed a number of public sector agency reviews. Rob is the Board Chair of the South Metropolitan Health Service, and a non-executive Director of the Rottnest Island Authority.

**Mr Gary McGrath**

Gary has over 20 years experience in the Global Financial Services industry. Gary currently holds the position of General Manager Local Business Banking at Commonwealth Bank. The CBA Local Business Banking team focus on securing and enhancing the financial well-being of SME Business customers. Previously, Gary spent 15 years with American Express across Asia in a variety of senior leadership roles including Vice President and Head of Strategy based in Singapore, CFO Asean, CFO India and CFO Indonesia. Gary is a Chartered Management Accountant and holds an MBA from Curtin University.

**Mr Glenn Mitchell**

Glenn Mitchell spent over 21 years as a sports broadcaster with the ABC, covering four Olympic, two Paralympic and four Commonwealth Games. As a senior broadcaster he was a longtime commentator of Test cricket, covering 12 overseas tours. He called over 900 WAFL and AFL football matches. In May 2011, Glenn resigned from the ABC following a mental breakdown. Nowadays, he travels the country presenting suicide prevention talks for the One Life Suicide Prevention Agency. He is also an ambassador for One Life and the Lung Institute of WA. Glenn also freelances in the media, both writing and commentating.

**Mr Ken Nylander**

Ken Nylander has an adult son, who has been a client of Ability Centre since 1991. Ken retired in 2012 having spent over 40 years working in Federal and State government agencies. He spent the last 25 years working for Western Power and Synergy in a variety of senior management roles including customer advocacy, energy sales, operational management and information technology management. Ken has been involved in the disability field for many years, having served on two occasions for a total of 12 years on the board of Activ Foundation. He was also a founding member of the Pilbara Community Living Association in Port Hedland in 1997. He has also served on committees with Ability Centre, and participated as a parent representative on the DSC review of Ability Centre in 2007/8.

**DIRECTORS MEETINGS**

During the year the Company held 10 meetings of Directors. The attendance of Directors at meetings of the Board were:

<b>Nam</b>	<b>Possible</b>	<b>Actual</b>	<b>Name</b>	<b>Possible</b>	<b>Actual</b>
J Scanlan	10	8	J Marr	10	7
D Butler	10	9	R McDonald	10	10
M Intini	10	9	G McGrath	10	7
P Cooper	10	4	G Mitchell	10	7
K Hasluck	10	10	K Nylander	10	9
M Mansour	10	7			

**THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED**  
**DIRECTOR'S REPORT**

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**For the year ended 30 June 2016**

**COMPANY SECRETARY**

The position of Company Secretary was held by Susan Cowcher, who was also the Chief Executive Officer of the Company during the reporting period.

**PRINCIPAL ACTIVITIES**

The principal activities of the Group during the financial year were the provision of accommodation, respite, therapy, employment and related services to children and adults who have cerebral palsy.

**RESULTS**

The consolidated operating loss for the financial year was (\$0.587M) loss (2015: \$3.019M gain) after charging depreciation and after including non-recurrent capital subsidies of \$6.568M (2015: \$4.213M).

**REVIEW OF OPERATIONS**

The Company increased revenue during the year as a result of fundraising and government grants. All increased revenue was expended on increasing and improving services.

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

There were no significant changes in the state of affairs of the Company during the financial year not otherwise disclosed in this report.

**SIGNIFICANT EVENTS AFTER BALANCE DATE**

Since the end of the financial year the Directors are not aware of any matter or circumstance not otherwise dealt with in this report that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

**LIKELY DEVELOPMENTS AND FUTURE RESULTS**

The Company expects to see a continuation of the provision of services at the current level and costs of providing services to remain within the level of funding made available by governments or initiated by the Company.

**AUDITORS INDEPENDENCE DECLARATION**

The auditors independence declaration for the year ended 30 June 2016 has been received and can be found after the Statement of Corporate Governance Practices section.

**NON-AUDIT REMUNERATION OF AUDITORS**

No fees were paid to the auditors for non-audit services during the year, or in relation to the year.

**DIRECTORS' BENEFITS**

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit, other than benefits disclosed in the consolidated financial statements, by reason of a contract made by the Company or a related body corporate with the Director or with a firm of which he/she is a member, or with a Company in which he/she has a substantial interest.

**ENVIRONMENTAL ISSUES**

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

**THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED**  
**DIRECTOR'S REPORT**

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For the year ended 30 June 2016

**INDEMNIFYING OFFICERS OR AUDITOR**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

**PROCEEDINGS ON BEHALF OF COMPANY**

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial period ending 30 June 2016.



**Justin Scanlan**  
Director (Chairperson)



**Mino Intini**  
Director (Treasurer)

Dated at Perth this 27<sup>th</sup> day of September 2016.

# THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

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For the year ended 30 June 2016

### THE BOARD OF DIRECTORS

The Board of Directors is responsible for setting the strategic direction and establishing the policies of The Cerebral Palsy Association of Western Australia Limited, for overseeing the financial position, and for monitoring the business and affairs on behalf of the Members, by whom the Directors are elected and to whom they are accountable. Responsibility for day to day activities is delegated to the Chief Executive Officer by the Board through a formal memorandum of understanding.

Corporate Governance is a term used to describe the way a board is structured and the way the Directors act to ensure their direction of the Company is beyond reproach. The Board keeps its own processes under review and aims to achieve best practice in matters of corporate governance.

The governance role and function of the Board is to:

- ) act in the best interests of the members of the Company, people with cerebral palsy and their families across Western Australia and other key stakeholders;
- ) provide a strategic and policy framework for the Company to operate under;
- ) work with the Organisation's Executive to develop and maintain an organisational environment focussed on responsiveness to and the achievement of positive outcomes for people with cerebral palsy and others who use the organisation's services;
- ) ensure financial viability of the Company; and
- ) ensure compliance with all legislative, statutory and contractual duties, obligations, terms and conditions.

The Board of Directors of the Company is committed to four core values that guide its thinking and actions and underpin all decision making.

- Excellence: We seek excellence in everything we do, the way we work and in the services we provide. We value excellence as it enables us to better meet the needs of the individuals and families we support.
- Commitment: We are committed to being leaders in knowledge, awareness, technology, services and support. We will embrace the need to take risks, to be flexible and innovative while recognising our duty of care obligations.
- Choice: We value options and real choices. We work hard to craft and to deliver real choices and enhance ability. We recognise that real choices for individuals means that we need to understand each individual's needs and capabilities so that choices can be developed.
- Integrity: Our integrity will be demonstrated in the way we work. We are committed to working in accordance with our values, to be open and accountable with strong systems, processes and management to give confidence in our organisation to our members, funders and the community. Create, adapt and strive for the very best.

The Board currently comprises eleven non-executive Directors, which includes the Chairperson, Deputy Chairperson and Treasurer, ensuring independence and objectivity. All Directors are required to be Members of the Company.

In order to maintain a mix of expertise and representation of the interests of the primary stakeholders, the Articles of Association of the Company require that Members of the Company elect two Directors who are adults with cerebral palsy, one Director who is the parent/advocate of a person with cerebral palsy and three other Directors. The Articles of Association of the Company require that the elected Directors appoint three Directors who are experts from various professional fields considered suitable to the objectives of the Company. Directors are appointed to these positions and ratified by Company members in a general meeting after calling for expressions of interest through advertisement. The Articles of Association of the Company also allow that up to three further Directors may be appointed by the Board for a period of up to twelve months to assist with specifically identified matters.

The Articles of Association of the Company ensure a mix of experience and new perspectives by providing for a maximum term of office of six consecutive years or two consecutive terms for elected and appointed Directors. Any Director who wishes to stand for a further term of office must first be recommended by the Governance Sub-Committee and receive the approval of the Board of Directors.

In the event that a potential conflict of interest may arise, involved Directors withdraw from all deliberations concerning the matter. A policy and procedure documents how conflicts of interest are so determined. As well as pecuniary interest being specified in this policy, issues relating to service delivery must be treated as conflicts of interest where the Director has a direct stake in the issue. Specific concerns about services can be addressed through the Company's grievance procedure.

**THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED**  
**STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

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For the year ended 30 June 2016

**COMMITTEES OF THE BOARD**

The Board has three committees which have been established to consider issues and strategies, within common areas, in order to advise and guide the Board. Ad hoc committees are also established as the need arises. The three established committees comprise a mixture of service users, Directors and staff as appropriate.

**Committee Responsibilities:**

***Services Committee***

Advises the Board on overall planning and development for all service users services based on evidence-based decision-making processes and comprises Board members and service user representatives. In particular, this committee reviews and oversees all Standards Monitoring Reports.

***Finance Committee***

Advises the Board on financial, business and risk management strategy including overview of regular management reporting results, annual budgets and consolidated financial statements, resourcing requirements, operational plans, commercial activities and audits.

***Governance Committee***

Advises the Board on general governance issues, capacity building, communication strategies, Board and senior management structure and role definition.

**REMUNERATION**

Fees paid to Directors are determined each year by the members of the Company in a general meeting. Remuneration of the Chief Executive Officer and General Managers is reviewed and approved from time to time by the Board and includes annual performance evaluation. There were no Directors fees paid in the 2015/16 Financial Year.

**AUDIT**

The external auditors of the Company are appointed each year by the Members in a general meeting. Periodically the Board calls tenders for the audit of the Company and specifies the scope and quality of the audit. An examination of the tenders by the Board results in the recommendation of a properly qualified auditor to Members for the succeeding year.

**ETHICAL STANDARDS AND PERFORMANCE**

The Board acknowledges the need for and continued maintenance of the highest standards of corporate governance practice and ethical conduct by all Directors and staff of the Company. A Code of Ethics has been adopted and is available to staff of the Company. The code is operated in conjunction with a number of complementary policies, including the staff code of conduct.

It is the responsibility of both the Directors and staff to practise and promote the key themes of the Code of Ethics and related policies. These policies safeguard the physical, mental and social well-being of service users of the Company and also the integrity of the Company. The duties and responsibilities of Directors are specified in a policy which sets out guidance on conflicts of interest, grievances, confidentiality and powers of the Board.



**Justin Scanlan**  
Director (Chairperson)



**Mino Intini**  
Director (Treasurer)

Dated at Perth this 27<sup>th</sup> day of September 2016.

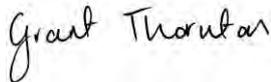
Level 1  
10 Kings Park Road  
West Perth WA 6005

Correspondence to:  
PO Box 570  
West Perth WA 6872

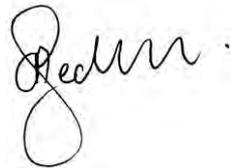
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**Auditor's Independence Declaration  
To the Directors of the Cerebral Palsy Association of Western Australia**

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Cerebral Palsy Association of Western Australia for the year ended 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



C A Becker  
Partner - Audit & Assurance

Perth, 27 September 2016

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**THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the year ended 30 June 2016

	Note	Consolidated	
		2016 \$'000	2015 \$'000
Sales revenue – product sales	1(k) & 2(a)	6,203	6,033
Cost of sales	2(b)	<u>(4,529)</u>	<u>(3,816)</u>
<b>Gross Profit</b>		<b><u>1,674</u></b>	<b><u>2,217</u></b>
Service revenue	1(k) & 2(a)	3,115	2,334
Other revenue	1(k) & 2(a)	50,117	51,176
Administrative expense	2(b)	(51,732)	(48,212)
Other expenses	2(b)	<u>(10,329)</u>	<u>(8,709)</u>
		<b><u>(8,829)</u></b>	<b><u>(3,411)</u></b>
<b>Operating (loss)/ gain from ordinary activities before capital subsidies, grants and income tax</b>		<b>(7,155)</b>	<b>(1,194)</b>
Capital grants and subsidies	1(l) & 2(a)	<u>6,568</u>	<u>4,213</u>
<b>Operating (loss)/gain from ordinary activities before income tax</b>		<b>(587)</b>	<b>3,019</b>
Income tax expense	1(c)	<u>-</u>	<u>-</u>
<b>(Loss)/Gain for the year</b>		<b><u>(587)</u></b>	<b><u>3,019</u></b>
<b>Other comprehensive income; net of tax</b>			
Revaluation of land and buildings		242	-
<b>Total comprehensive income for the year</b>		<b><u>(345)</u></b>	<b><u>3,019</u></b>
Transfers from/(to) reserves		4,289	(3,900)
<b>Net movement in retained earnings</b>		<b><u>3,944</u></b>	<b><u>(881)</u></b>

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 June 2016

	Note	Consolidated	
		2016 \$'000	2015 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	1(b) & 14	23,510	19,282
Trade receivables	3	1,611	2,003
Inventories	1(e) & 4	602	1,059
Other current assets	5	370	134
<b>Total current assets</b>		<b>26,093</b>	<b>22,478</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	1(f) & 6	41,198	41,533
Intangible assets	1(g) & 7	229	240
Other financial assets	1(m) & 8	41	42
<b>Total non-current assets</b>		<b>41,468</b>	<b>41,815</b>
<b>TOTAL ASSETS</b>		<b>67,561</b>	<b>64,293</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	9	1,219	949
Provision for employee benefits	1(i) & 11	7,345	6,687
Other current liabilities	12	7,400	4,764
<b>Total current liabilities</b>		<b>15,964</b>	<b>12,400</b>
<b>Non-Current Liabilities</b>			
Provision for employee benefits	1(i) & 11	1,745	1,696
<b>Total non-current liabilities</b>		<b>1,745</b>	<b>1,696</b>
<b>TOTAL LIABILITIES</b>		<b>17,709</b>	<b>14,096</b>
<b>NET ASSETS</b>		<b>49,852</b>	<b>50,197</b>
<b>EQUITY</b>			
Retained profits	13(a)	27,644	16,531
Asset revaluation reserve	13(b)	22,208	21,966
Special purpose reserve	13(c)	-	11,700
<b>TOTAL EQUITY</b>		<b>49,852</b>	<b>50,197</b>

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

**THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**For the year ended 30 June 2016**

Consolidated	Note	Asset Revaluation Reserve \$'000	Special Purpose Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
<b>Balance at 1 July 2014</b>	13	21,966	7,800	17,412	47,178
Gain / (Loss) for the period		-	-	3,019	3,019
Other comprehensive income		-	-	-	-
<b>Total comprehensive income</b>		-	-	3,019	3,019
Revaluation increment		-	-	-	-
Net transfers to/ (from) reserves		-	3,900	(3,900)	-
<b>Balance at 30 June 2015</b>	13	<b>21,966</b>	<b>11,700</b>	<b>16,531</b>	<b>50,197</b>
<b>Balance at 1 July 2015</b>	13	21,966	11,700	16,531	50,197
(Loss)/ Gain for the period		-	-	(587)	(587)
Other comprehensive income		-	-	-	-
<b>Total comprehensive income</b>		-	-	(587)	(587)
Revaluation increment		242	-	-	242
Net transfers to/ (from) reserves		-	(4,289)	4,289	-
Transfer to retained earnings		-	(7,411)	7,411	-
<b>Balance at 30 June 2016</b>	13	<b>22,208</b>	-	<b>27,644</b>	<b>49,852</b>

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

**THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 30 June 2016

	Note	Consolidated	
		2016 \$'000	2015 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits	1 (i)&(j)	(48,270)	(44,474)
Supplies and services		(13,559)	(13,984)
GST payments on purchases	1 (d)	(1,468)	(1,354)
GST payments to taxation authority	1 (d)	(4,774)	(4,968)
<b>Receipts</b>			
User charges and fees		9,680	8,252
Grants and subsidies		55,781	55,298
Fundraising		816	1,059
Interest received		576	593
GST receipts on sales	1 (d)	6,529	6,368
GST receipts from taxation authority	1 (d)	117	114
Other receipts		891	546
<b>Net cash provided by operating activities</b>		<b>6,319</b>	<b>7,450</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(2,918)	(4,075)
Proceeds from disposal of property, plant and equipment		827	926
<b>Net cash (used in) investing activities</b>		<b>(2,091)</b>	<b>(3,149)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,228</b>	<b>4,301</b>
Cash and cash equivalents at beginning of the period		19,282	14,981
<b>Cash and cash equivalents at the end of the period</b>	14	<b>23,510</b>	<b>19,282</b>

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

**THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**For the year ended 30 June 2016**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation**

The financial report has been prepared as a general purpose financial report in accordance with the requirements of Australian Accounting Standards - Reduced Disclosure Requirement (including Australian Accounting Interpretations), and other mandatory professional reporting requirements (Urgent Issues Groups Consensus Views).

The Cerebral Palsy Association of Western Australia Limited is incorporated under the Corporations Act 2001. The Cerebral Palsy Association of Western Australia Limited is a Company limited by guarantee.

The financial report of The Cerebral Palsy Association of Western Australia Limited complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety as well as the requirements of the Australian Charities and Not-For-Profit Commission Act 2012.

The Cerebral Palsy Association of Western Australia Limited and its consolidated entities (the "Company") is a not-for-profit entity for the purpose of preparing consolidated financial statements.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The consolidated financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

The presentation currency of the group is Australian Dollars.

The consolidated financial statements were authorised for issue by the directors on 15 September 2016.

**(a) Principles of consolidation**

The consolidated financial statements include the financial statements of the parent entity, The Cerebral Palsy Association of Western Australia Limited, and its controlled entities, The Cerebral Palsy Foundation, The Cerebral Palsy Development Trust, Cerebral Palsy Innovation Institute Pty Ltd and The Trustee for the Cerebral Palsy Innovation Institute. These entities are referred to throughout these consolidated financial statements as the "Consolidated" entity.

All inter-Company balances and transactions including donations between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

The Board of Directors of The Cerebral Palsy Association of Western Australia Limited has resolved that, whilst the issue of control is not entirely clear, The Cerebral Palsy Foundation, The Cerebral Palsy Development Trust, Cerebral Palsy Innovation Institute Pty Ltd, The Trustee for the Cerebral Palsy Innovation Institute and The Cerebral Palsy Association of Western Australia Limited share common goals and outcomes. The Board decided that, in the interests of providing full and open information to members, the Financial Accounts would be prepared on a consolidated basis.

**(b) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, long term investments, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities in the statement of financial position.

**(c) Income Tax**

Under the provisions of the current income tax legislation, The Cerebral Palsy Association of Western Australia Limited and controlled entities are exempt from income tax. The Cerebral Palsy Association of Western Australia Limited is registered for the Goods and Services Tax, is endorsed as an Income Tax Exempt Charity and as a Deductible Gift Recipient.

**THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**For the year ended 30 June 2016**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of preparation (continued)**

**(d) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Tax Office. 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 in the Balance Sheet are shown inclusive of GST.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the taxation authority.

**(e) Inventories**

Inventories relating are measured at the lower of cost and net realisable value. The cost of manufactured products relating to CP Tech includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs. The cost of products relating to Goodwill Engineering is assigned on the basis of standard costing.

**(f) Property, plant and equipment**

Property

The Company's land and buildings is stated at re-valued amounts. Re-valued amounts are fair market values based on appraisals prepared by external professional valuers (m3 Property Strategists) as at 30 June 2016.

Any revaluation surplus arising upon appraisal of land and buildings is credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase credited to the revaluation reserve.

Downward revaluations of land and buildings are recognised upon appraisal or impairment testing, with the decrease being charged to any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Plant and Equipment

Plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation or impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate portion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increase in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the Statement of Profit or Loss and Other Comprehensive Income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and other comprehensive income and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

For the year ended 30 June 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of preparation (continued)

(f) Property, plant and equipment (continued)

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The expected useful life for each class of property, plant and equipment are:

Buildings	40 years
Leasehold improvements	5 years
Plant and equipment	5 to 10 years
Motor vehicles	3 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(g) Intangible Assets

Capitalisation/Expensing of Assets

Acquisitions of intangible assets of \$5,000 or more and internally generated intangible assets costing \$10,000 or more are capitalised. The cost of utilising the asset is expensed (amortised) over their useful life. Costs incurred of less than \$5,000 are immediately expensed to the statement of profit or loss and other comprehensive income.

All acquired intangible assets are initially measured at cost. For assets acquired at no cost or for nominal cost, cost is their fair value at date of acquisition. The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation of Intangible Assets

Amortisation of intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually. All intangible assets controlled by the Company have a finite life and zero residual value. The expected useful life for each class of intangible assets are:

**Licences** up to 10 years

Licences have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

**Software** 3 to 5 years

Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

**Web Site Costs** 3 to 5 years

Web site costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a web site, and ongoing cost of maintenance during the planning phase are expensed. Costs incurred in building or enhancing a web site, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised.

**For the year ended 30 June 2016**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of preparation (continued)**

**(h) Operating Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor are charged as expenses in the periods in which they are incurred.

**(i) Employee Benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

**(j) Superannuation**

The Company maintained one superannuation scheme during the year covering substantially all of its employees. The Company had a legal obligation to contribute to the scheme as follows.

***HESTA Superannuation Fund***

A "defined contribution accumulation" fund administered by National Mutual and used to meet Award and Superannuation Guarantee obligations. (Employer 9.5% to 30 June 2016: employee - nil although voluntary employee contributions can be made.) Where an employee has been continuously employed with the employer for more than 10 years, the employer will contribute an additional 1% superannuation above the employer's compulsory superannuation guarantee obligations. Where an employee has been continuously employed with the employer for more than 15 years, the employer will contribute an additional 2% superannuation above the employer's compulsory superannuation guarantee obligations.

**(k) Revenue**

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from investment properties is recognised on an accrual basis or straight-line basis in accordance with lease agreements. Revenue from the rendering of a service is recognised on the delivery of the service to the customers.

Fundraising receipts are recognised as income in the year in which the income is received. Bequests and other donations in kind are recognised as income in the Statement of Profit or Loss and Other Comprehensive Income in the year in which they are received and on the basis of their estimated market value.

All revenue is stated net of the amount of goods and services tax (GST).

**(l) Government Grants**

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to capital and expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

**For the year ended 30 June 2016**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of preparation (continued)**

**(m) Financial Instruments**

**Recognition**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

**Financial assets at fair value through profit and loss**

A financial asset is classified in this category if acquired principally for the purpose of settling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

**Held-to-maturity investments**

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

**Available-for-sale financial assets**

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

**Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**(n) Foreign currency transactions**

The Company purchases steel from foreign companies. Payments are made by International Bank Transfers through the Commonwealth Bank of Australia and are converted at the exchange rate at the date of each transaction.

**(o) Comparative Figures**

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended 30 June 2016**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of preparation (continued)**

**(p) New and amended standards adopted by the Company in this financial report**

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australia Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. These include:

- Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (Part C: Financial Instruments)
- AASB 2014-1 Amendments to Australian Accounting Standards (Part E: Financial Instruments)
  
- AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010)
  
- AASB 2015-3 Amendments to Australian Accounting Standards Arising from the Withdrawal of AASB 1031 Materiality

The adoption of all of the new and revised Standards and Interpretations has not resulted in any changes to the Company accounting policies and has had no effect on the amounts reporting for the current or prior periods.

**(q) Impact of standards issued but not yet applied by the Company**

New and revised accounting standards and amendments that are currently issued for future reporting periods that are relevant to the Company include:

**AASB 9 Financial Instruments**

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

The effective date is for annual reporting periods beginning on or after 1 January 2018.

The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the consolidated financial statements when it is first adopted for the year ending 30 June 2019.

**AASB 1057 Application of Australian Accounting Standards**

In May 2015, the AASB decided to revise Australian Accounting Standards that incorporate IFRSs to minimise Australian-specific wording even further. The AASB noted that IFRSs do not contain application paragraphs that identify the entities and financial reports to which the Standards (and Interpretations) apply. As a result, the AASB decided to move the application paragraphs previously contained in each Australian Accounting Standard (or Interpretation), unchanged, into a new Standard AASB 1057 Application of Australian Accounting Standards.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When this Standard is first adopted for the year ending 30 June 2017, there will be no impact on the consolidated financial statements.

**AASB 14 Regulatory Deferral Accounts**

AASB 14 permits first-time adopters of Australian Accounting Standards who conduct rate-regulated activities to continue to account for amounts related to rate regulation in accordance with their previous GAAP. Accordingly, an entity that applies AASB 14 may continue to apply its previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of its regulatory deferral account balances. This exemption is not available to entities who already apply Australian Accounting Standards.

The effective date is for annual reporting periods beginning on or after 1 January 2016. When AASB 14 becomes effective for the first time for the year ending 30 June 2017, it will not have any impact on the entity.

**For the year ended 30 June 2016**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of preparation (continued)**

**(q) Impact of standards issued but not yet applied by the Company (continued)**

**AASB 15 Revenue from Contracts with Customers**

AASB 15 replaces AASB 118: Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations. In summary, AASB 15:

establishes a new revenue recognition model;  
changes the basis for deciding whether revenue is to be recognised over time at a point in time;  
provides a new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return and warranties); and  
expands and improves disclosures about revenue.

The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the Company's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the consolidated financial statements when it is first adopted for the year ending 30 June 2018.

**AASB 16 Leases**

The new AASB 16:  
replaces AASB 117 Leases and some lease-related Interpretations  
requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases  
provides new guidance on the application of the definition of lease and on sale and lease back accounting  
largely retains the existing lessor accounting requirements in AASB 117  
requires new and different disclosures about leases.

The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the consolidated financial statements when it is first adopted for the year ending 30 June 2020.

**AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations**

This amendment impacts on the use of AASB 11 when acquiring an interest in a joint operation.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the consolidated financial statements.

**AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation**

The amendments to AASB 116 prohibit the use of a revenue-based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the consolidated financial statements.

**THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**For the year ended 30 June 2016**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of preparation (continued)**

**(q) Impact of standards issued but not yet applied by the Company (continued)**

**AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements**

The amendments introduce the equity method of accounting as one of the options to account for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the consolidated financial statements.

**AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address a current inconsistency between AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures (2011). The amendments clarify that, on a sale or contribution of assets to a joint venture or associate or on a loss of control when joint control or significant influence is retained in a transaction involving an associate or a joint venture, any gain or loss recognised will depend on whether the assets or subsidiary constitute a business, as defined in AASB 3 Business Combinations. Full gain or loss is recognised when the assets or subsidiary constitute a business, whereas gain or loss attributable to other investors' interests is recognised when the assets or subsidiary do not constitute a business.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the consolidated financial statements.

**(r) Reserves**

Other components of equity include the following:

**Asset Revaluation Reserve**

The Asset Revaluation Reserve is used to record the increments and decrements in the value of non-current assets.

**Special Purpose Reserve**

The Special Purpose Reserve contains amounts of retained profits set aside for the purpose of funding specific projects and specific purpose fundraising where the funds will be expended in future periods.

**THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**For the year ended 30 June 2016**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of preparation (continued)**

**(r) Significant management judgement in applying accounting policies**

When preparing the consolidated financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

*Estimation uncertainty*

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

*Useful lives of depreciable assets*

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and information technology and communication technology equipment.

*Inventories*

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

*Long Service Leave*

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account. During the year the probability method has been used in calculating the non-current long service leave liability.

**THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 30 June 2016

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>2. INCOME AND EXPENSE ITEMS</b>		
<b>(a) Income</b>		
Operating gain is after crediting the following income:		
<b>Sales revenues:</b>		
Product sales	6,203	6,033
Service revenue	3,115	2,334
<b>Total sales revenue</b>	<b>9,318</b>	<b>8,367</b>
<b>Other revenues:</b>		
Operational grants	47,808	48,611
Capital grants and subsidies	6,568	4,213
Gain on disposal of assets	-	316
Fundraising	816	1,071
Other income	893	587
Interest from unrelated parties	600	591
<b>Total other revenues</b>	<b>56,685</b>	<b>55,389</b>
<b>TOTAL INCOME</b>	<b>66,003</b>	<b>63,756</b>
<b>(b) Expense</b>		
Operating gain is after charging the following expenses:		
<b>Administrative Expenses</b>		
Employee entitlements	49,482	45,365
Operating lease rentals	418	357
Maintenance	1,832	2,490
<b>Total administrative expenses</b>	<b>51,732</b>	<b>48,212</b>
<b>Depreciation and Amortisation</b>		
Depreciation of buildings	452	828
Depreciation of motor vehicles	1,138	1,035
Depreciation of plant and equipment	587	308
Amortisation of intangible assets	11	12
<b>Total depreciation and amortisation</b>	<b>2,188</b>	<b>2,183</b>

**THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 30 June 2016

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>2. INCOME AND EXPENSE ITEMS (Continued)</b>		
<b>(b) Expense (continued)</b>		
<b>Bad Debts</b>		
Bad debts written off	5	10
Net charge to provision for doubtful debts	71	1
<b>Total bad and doubtful debts expense</b>	<b>76</b>	<b>11</b>
<b>Cost of sales</b>		
Cost of goods sold	4,529	3,816
<b>Total cost of goods sold</b>	<b>4,529</b>	<b>3,816</b>
<b>Other Expenses</b>		
Loss on disposal of assets	491	-
Other operating expenses	7,574	6,515
<b>Total other expenses</b>	<b>8,065</b>	<b>6,515</b>
<b>TOTAL EXPENSES</b>	<b>66,590</b>	<b>60,737</b>
<b>3. TRADE RECEIVABLES</b>		
Trade debtors	1,305	1,643
Less provision for doubtful debts	(110)	(38)
	1,195	1,605
GST Taxation receivable	136	132
Interest receivable	71	28
Accrued income	209	238
	416	398
<b>Total trade receivables</b>	<b>1,611</b>	<b>2,003</b>
<b>4. INVENTORIES</b>		
Raw materials and stores at cost	415	740
Work in progress, at cost	52	150
Finished goods, at cost	135	169
<b>Total inventories</b>	<b>602</b>	<b>1,059</b>

**THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended 30 June 2016**

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>5. OTHER CURRENT ASSETS</b>		
Prepayments	370	134
<b>Total other current assets</b>	<b>370</b>	<b>134</b>
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Freehold land, at independent valuations</b>		
Opening balance	17,729	17,729
Revaluations	2,366	-
Closing balance	<b>20,095</b>	<b>17,729</b>
<b>Buildings at independent valuations</b>		
Opening balance	17,814	11,144
Additions	916	7,809
Disposals	(983)	-
Transfer between asset classes	-	(1,139)
Revaluations	(4,417)	-
Closing balance	<b>13,330</b>	<b>17,814</b>
<i>Accumulated depreciation: -</i>		
Opening balance	(2,178)	(1,350)
Additions	(452)	(828)
Disposals	315	-
Revaluations	2,292	-
Closing balance	<b>(23)</b>	<b>(2,178)</b>
Net buildings before work in progress	13,308	16,775
Work in progress	442	275
<b>Net buildings</b>	<b>13,750</b>	<b>17,050</b>
<b>Plant and equipment at cost</b>		
Opening balance	7,885	5,141
Additions	679	1,605
Disposals	(47)	-
Transfer between asset classes	-	1,139
Closing balance	<b>8,517</b>	<b>7,885</b>
<i>Accumulated depreciation: -</i>		
Opening balance	(3,611)	(3,303)
Additions	(587)	(308)
Disposals	12	-
Closing balance	<b>(4,186)</b>	<b>(3,611)</b>
Net plant and equipment before work in progress	4,331	3,135
Work in progress	-	455
<b>Net plant and equipment</b>	<b>4,331</b>	<b>3,590</b>

**THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 30 June 2016

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>(continued)</b>		
<b>Motor vehicles at cost</b>		
Opening balance	5,167	5,065
Additions	1,613	2,045
Disposals	(1,554)	(1,943)
Closing balance	<u>5,226</u>	<u>5,167</u>
<i>Accumulated depreciation: -</i>		
Opening balance	(2,003)	(2,301)
Additions	(1,138)	(1,035)
Disposals	877	1,333
Closing balance	<u>(2,264)</u>	<u>(2,003)</u>
Net motor vehicles before work in progress	2,962	3,164
Work in progress	60	-
<b>Net motor vehicles</b>	<u><u>3,022</u></u>	<u><u>3,164</u></u>
<b>Total property, plant and equipment</b>	<u><u>41,198</u></u>	<u><u>41,533</u></u>

The Group's land and buildings were re-valued on 30 June 2016 by independent valuers (m3 Property Strategists). The previous re-valuation was undertaken at 30 June 2012. Fair values were estimated based on recent market transactions, which were then adjusted for specific conditions relating to the land and buildings.

All depreciation is included within "depreciation and amortisation".

**7. INTANGIBLE ASSETS**

**Computer software at cost**

Opening balance	327	327
Additions	125	-
Closing balance	<u>452</u>	<u>327</u>

*Accumulated amortisation: -*

Opening balance	(212)	(200)
Additions	(11)	(12)
Closing balance	<u>(223)</u>	<u>(212)</u>

Net intangible assets before work in progress	229	115
Work in progress	-	125
<b>Net intangible assets</b>	<u><u>229</u></u>	<u><u>240</u></u>

THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2016

	Consolidated	
	2016	2015
	\$'000	\$'000
<b>8. OTHER FINANCIAL ASSETS</b>		
Listed Australian Shares	41	42
<b>Total other financial assets</b>	<u>41</u>	<u>42</u>
<b>9. TRADE PAYABLES</b>		
Trade creditors	681	722
Taxation payable	538	227
<b>Total Trade payables</b>	<u>1,219</u>	<u>949</u>
<b>10. COMMITMENTS</b>		
<b>Operating leases: -</b>		
Due within one year	99	75
Due within one to two years	100	-
Due within two to five years	183	-
	<u>382</u>	<u>75</u>
<b>Lease rental expense included in the determination of the operating loss</b>	<u>141</u>	<u>141</u>
<p>The lease commitments are non-cancellable operating leases with lease terms between one and three years.</p>		
<b>11. PROVISIONS FOR EMPLOYEE BENEFITS</b>		
<b>Current</b>		
Annual leave	4,431	3,646
Long service leave	2,914	2,394
Employee On Costs	-	647
<b>Total current provisions</b>	<u>7,345</u>	<u>6,687</u>
<b>Non-current</b>		
Long service leave	1,745	1,532
Employee On Costs		164
<b>Total non-current provisions</b>	<u>1,745</u>	<u>1,696</u>
<b>Total Provisions</b>	<u>9,090</u>	<u>8,383</u>

**THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 30 June 2016

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>12. OTHER CURRENT LIABILITIES</b>		
Bonds held in trust	1	1
Accrued expenses	2,161	1,007
Restricted cash – Resident Funds Held	558	-
Income received in advance	4,526	3,121
Other liabilities	154	635
<b>Total other current liabilities</b>	<b>7,400</b>	<b>4,764</b>

**13. EQUITY**

**(a) Retained Profits**

Opening balance	16,531	17,412
(Loss)/ Gain for the period	(587)	3,019
Transfer (to)/from reserves	4,289	(3,900)
Transfer from special purpose reserves	7,411	-
<b>Closing balance</b>	<b>27,644</b>	<b>16,531</b>

**(b) Asset Revaluation Reserve**

The Asset Revaluation Reserve is used to record the increments and decrements in the value of non-current assets.

Opening balance	21,966	21,966
Revaluation increment of land / buildings	242	-
<b>Closing balance</b>	<b>22,208</b>	<b>21,966</b>

**(c) Special Purpose Reserve**

The Special Purpose Reserve contains amounts of retained profits set aside for the purpose of funding specific projects and specific purpose fundraising where the funds will be expended in future periods.

Opening balance	11,700	7,800
Net transfers to/ from Reserves	(4,289)	3,900
Transfer to retained earnings	(7,411)	-
<b>Closing balance</b>	<b>-</b>	<b>11,700</b>

During the year Special Purpose Reserve of \$7.411M (2015-Nil) was reclassified to Retained Earnings.

**THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended 30 June 2016**

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>14. CASH AND CASH EQUIVALENTS</b>		
Cash on hand	8	6
Cash at bank	5,826	1,740
Cash investments	17,676	17,536
	<b>23,510</b>	<b>19,282</b>

During the year Restricted Cash of \$0.558M (Resident funds held \$0.364M & Restricted Cash Other \$0.194M) (2015-Nil) were included in the Cash and Cash Equivalents.

Call deposits with banks are paying interest at current bank deposit rates. At year end the average rate was 1.5% (2015 - 1.75%).

**15. CONTINGENT LIABILITIES**

The Company entered into a Workers' Compensation policy from 1 July 2015 (policy expires in June 2017) on the basis of improved injury management and preventative risk management practices with the Company and thereby benefited from reduced upfront premium costs. It is being managed by the Company's current Workers Compensation Insurance provider and is reviewed and constantly monitored by management. Actuarial reviews may be required during the course of the policy to confirm appropriate provisioning for final claims cost in 2017.

Under the terms of various Commonwealth Government capital grants provided to the Company, the Commonwealth Government is entitled to a refund of the grant in the event of the disposal of the asset to which the grant relates, or it is entitled to an equity interest in the associated asset, and accordingly would be entitled to its equity in the proceeds in the event of sale of the asset.

Therefore, there exists a contingent liability to the Commonwealth Government, which may become an actual liability if any assets in which the Commonwealth Government has an interest were sold.

The Company has three separate 50 year agreements with the Housing Authority in relation to the construction of new accommodation at Scott Street, Wandoo Road and McDonald Street with a total value of \$2,224,709. This contingent liability will reduce annually over the 50 year agreement and will only be payable on breaches of the terms of the agreements.

The Company has a \$260,000 credit card facility, with credit cards being issued to senior officers.

**16. CONTINGENT ASSET**

The Company has no known contingent assets as at 30 June 2016.

**17. ECONOMIC DEPENDENCY**

The Company receives significant grants from the State and Federal Governments in Australia. If these grants were not received, the Company would find it difficult to maintain the current level of services.

**THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended 30 June 2016**

**18. CONTROLLED ENTITIES**

The consolidated financial statements at the reporting date include the following controlled entities. The financial years of all controlled entities are the same as that of the parent entity.

Name of controlled entity	Place of incorporation /formation	% of ownership FY 2016	% of ownership FY 2015
The Cerebral Palsy Foundation	Australia	100 %	100%
The Cerebral Palsy Development Trust	Australia	100 %	100%
Cerebral Palsy Innovation Institute Pty Ltd	Australia	100%	100%
The Trustee for Cerebral Palsy Innovation Institute	Australia	100%	100%

Refer to Note 1(a) for basis of consolidation.

**19. RELATED PARTIES**

**(a) Directors**

The names of the persons who were Directors of this Company for some part of the past 12 months are:

Mr R McDonald	Mr M Intini
Mr J Scanlan	Ms P Cooper
Mr G Mitchell	Ms K Hasluck
Ms J Marr	Ms M Mansour
Mr G McGrath	Mr D Butler
Mr K Nylander	

**(b) Director Transactions**

Director related entities conduct transactions with the Company within a normal customer or supplier relationship on terms and conditions no more favourable than those which it is reasonable to expect the Company would have adopted if dealing with the Director at arms length in similar circumstances.

These transactions have been quantified below where the transactions are considered likely to be of interest to users of these consolidated financial statements.

Upon request of the Board, Clarity Communications Pty Ltd was appointed to provide public relations services to the Company during the 2016 year. The amount paid to Clarity Communications Pty Ltd for this service was \$60,389 (2015 - \$184,753). Ms K Hasluck is a director of Clarity Communications Pty Ltd. In accordance with good governance principles Ms Hasluck did not participate in any decisions surrounding these transactions.

**(c) Transactions with Related Parties**

The Cerebral Palsy Foundation is a Trust Fund established for the benefit of The Cerebral Palsy Association of Western Australia Limited, and to be used by it in accordance with objects and powers under its Memorandum and Articles of Association for the provision by The Cerebral Palsy Association of Western Australia Limited of services, aids and appliances for persons with cerebral palsy (Section B of The Cerebral Palsy Foundation Trust Deed).

During the year the Company received \$11,687 (2015 \$10,000) distribution from the Foundation.

The Cerebral Palsy Development Trust is a Trust Fund established for the benefit of the Cerebral Palsy Association of Western Australia Limited and to be used by it in accordance with the objects and powers under its Memorandum and Articles of Association for the provision by The Cerebral Palsy Association of Western Australia Limited of services, equipment and any initiative to benefit people with cerebral palsy (Clause 4.2 of The Cerebral Palsy Development Trust, Trust Deed). During the year the Company received a \$180,748 distribution from the Trust (2015 - \$423,000).

During the year the Company donated the proceeds of specific commercial revenue amounting to \$15,800 (2015 - \$10,000) to the Trust. The Company paid \$15,238 (2015 - \$15,238) to the Trust for the rental of trust properties.

**THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended 30 June 2016**

**(d) Transactions with Key Management Personnel**

Key management of the Company are the members of The Cerebral Palsy Association of Western Australia Limited's Board of Directors, Chief Executive Officer and General Managers. There were no Directors fees paid in the 2015/16 Financial Year. Key Management Personnel remuneration includes the following expenses:

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Total Key Management Personnel remuneration	1,550	1,576

**20. PARENT ENTITY INFORMATION**

Information relating to the Cerebral Palsy Association of Western Australia Limited ('the parent entity')

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Statement of financial position</b>		
Current assets	21,124	16,798
Total assets	60,737	57,770
Current liabilities	15,685	12,399
Total liabilities	17,430	14,095
Retained earnings	21,894	10,768
<b>Statement of comprehensive income</b>		
(Loss)/ Gain for the year	(575)	3,281
Other comprehensive income	-	-
Total comprehensive (loss)/income	(575)	3,281

The parent entity has not entered into a deed of cross guarantee nor are there any contingent liabilities at year end.

**20. POST REPORTING DATE EVENTS**

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

**THE CEREBRAL PALSY ASSOCIATION OF WESTERN AUSTRALIA LIMITED  
DIRECTOR'S DECLARATION**

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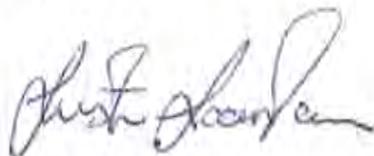
**For the year ended 30 June 2016**

The Directors declare that the consolidated financial statements and notes:

- (a) comply with the Accounting Standards and Corporations Regulations 2001;
- (b) gives a true and fair view of The Cerebral Palsy Association of Western Australia Limited as at 30 June 2016 and of the performance for the period 1 July 2015 to 30 June 2016; and
- (c) comply with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

In the Directors opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



**Justin Scanlan**  
Director (Chairperson)



**Mino Intini**  
Director (Treasurer)

Dated at Perth this 27<sup>th</sup> day of September 2016.

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## **Independent Auditor's Report To the Members of The Cerebral Palsy Association of Western Australia Ltd**

We have audited the accompanying financial report of The Cerebral Palsy Association of Western Australia Ltd (the 'Association'), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity 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 Association 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 Australian Charities and Not-for-profits Commission Act 2012. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and 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. Those standards require us to 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

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

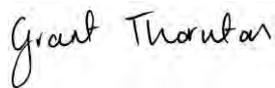
### **Independence**

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

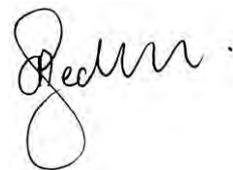
### **Auditor's opinion**

In our opinion:

- a the financial report of The Cerebral Palsy Association of Western Australia Ltd is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including
  - i giving a true and fair view of the financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



C A Becker  
Partner - Audit & Assurance

Perth, 27 September 2016