**President’s Report 2018**

Welcome to everyone attending the 2018 AGM for the Cerebral Palsy Society of NZ Inc. Special thanks to our life members Pauline Angus, Florence Hutchins, Glenis Lobb, June and Neil McCrorie, Margaret Thomson and Ross Flood and to all members here today- thank you for coming in person. I would also like to acknowledge those members who are unable to attend.

We have had a busy year, and I hope to summarise what we have been up to.

**Essential Assets Limited (EAL)**

Our wholly owned subsidiary, Essential Assets Limited (EAL) had a very successful year of operation, generating a Net Profit (after payments to the Cerebral Palsy Society) of $2.43m. This represents a ~9% return on assets from the starting value. Total Assets invested are now $28.6m compared with $26.6m in the previous year.

Whilst there have been periods of significant volatility in both domestic and global equity markets during the year, EAL has been in a position to take advantage of opportunities to generate positive returns. Returns from global equity markets are a particular call out as these have benefited from recent depreciation in the value of the New Zealand dollar.

As eluded to in last year’s Presidents report, EAL has had a single investment manager over the year and this has delivered significant benefits to EAL with a reduction in the management fee, elimination of duplicated investments, active investment management across the whole portfolio and a single cohesive investment strategy.

There remains significant global volatility as geopolitical uncertainty exists on various fronts and EAL is exposed to this. The Board of EAL has a conservative investment strategy and portfolio plus other risk mitigation policies in place to limit the effects of this volatility on the value of our portfolio. During the year the Board stress tested with the investment manager the effects of a significant downturn on our portfolio and is comfortable that it is well placed to manage this.

The Board of EAL remains focussed to deliver the income requirements to the Cerebral Palsy Society and generate sustainable positive returns to its portfolio for the long-term future of the Society and its members.

The time, effort and results delivered by the Directors of EAL - Daniel Aldersley, Robyn Stent and Dave Thomas need to be formally acknowledged.

**Cerebral Investments Limited (CIL)**

For the year ended 30 June 2018, the combined result for the CIL Group of Investment companies is a Net Loss of $(127,526), subject to final Auditor confirmation.

* Loss on Sale of 7A Monyash Rd $(86,984). This reflects the housing market downturn. In addition, we incurred selling, advertising and operating costs of $(24,173).
* Overheads of $(89,328) incurred associated with Directors fees, insurances, admin/accounting support and other costs.
* Net return of $15,892 achieved on rentals from our Whangaparaoa property that is going through the resource consent process
* Net Profit for our landscaping business for the year of $57,067
	+ Sales Income for the year of $775,356. This represents a 17% year on year increase.
	+ Gross Profit Margin at 31% is slightly disappointing. This is down year on year (FY17 39%). This is due to holding additional staff and some operating inefficiencies that we believe we have rectified going forward.
	+ Our Total Overheads down on the previous year by some $13k, reflecting tight control over our spending.
	+ The landscaping business is funded by a business loan from CIL. Good progress has been made with $103,000 of loan repayments by the landscaping operation back to CIL. As at 30 June 2018, the remaining loan stands at $88,000
	+ We have also set up a Capital Expenditure Fund of $20,000. These funds have been set aside for the eventual replacement of ageing fixed assets
* Going forward into FY19, we have some strong growth prospects
	+ The landscaping business continues to enjoy strong growth in Sales and heightened focus on operating efficiencies to maintain/improve on our gross profit margins
	+ Developing Loan portfolio via investments in peer to peer lending and contributory mortgages
	+ We are holding onto a Whangaparaoa property that is going through the resource consent process for a planned sub-division development.
	+ Undertaking due diligence on some business proposals

**Programmes**

We continue to work on improving our programmes, based on feedback from our members. During the past year we have:

* Approved 59 grants for a range of creative and innovative initiatives requested by our members
* Provided 395 members with getThisandThat vouchers, valued at $44,504 (vouchers to 14% more members)
* Provided 853 members with getOutThere vouchers, valued at $194,456
* Provided 158 members with getPhysical vouchers, valued at $145,395 (a 35% increase)
* Provided 12 members with getStructured opportunities
* Provided 33 members with getUpAgain support (65% increase)
* Provided 71 trikes
* Held 29 events around the country for CPS members.

**Membership**

Membership continues to grow. We currently have 1699 members, which totals around 6000 people when we include families. This is considerable growth, considering we also worked on our membership database and removed duplicate memberships and members who have moved houses without leaving forwarding addresses. It is also positive to see an increasing number of members making use of the multi-year membership option.

**Fundraising**

The Cerebral Palsy Society is committed to ensuring the ongoing viability and sustainability of our organisation and future proofing the Society. We have a healthy asset base (due to the exceptional management by this and previous Boards.) If we keep spending and growing the way we are at present, we will have used up all our assets within the next decade.

We want to provide better services to our members and new innovative opportunities. In order to do this, we need to raise funds so we do not deplete our current asset base. Steptember was the initial fundraising platform and we are now focusing on diversifying our fundraising revenue with events, grants, corporate partnerships, wills and bequests and other avenues of support.

**Steptember**

Steptember 2018 has just finished. New Zealand remains the second highest achiever outside of Australia. The funds are not finalised yet, however we have plans to:

* Continue funding research in NZ and Australia that is relevant to New Zealanders. This includes funding Prof Caroline Crowther’s research into the impact of magnesium sulphate on pre-term babies.
* Bring over Pia Stampe in February 2019
* Expand existing programmes e.g. getThis&That, incorporating innovative and unique ideas, some from overseas
* Host another research day and grow our research programmes
* Grow our Youth Alliance, expanding it geographically and offering more opportunities to young people with mentoring, leadership, transition and volunteering
* Initiate a national clinical network for Cerebral Palsy, with clinicians throughout New Zealand, in order to develop consensus guidelines about early diagnosis and intervention
* Establish parent evenings, providing opportunities for parents and other adults to see what resources in the community are available to them.

**Other Services for Members with Cerebral Palsy**

We have continued to develop the initiatives we started, all based on members’ prioritisation.

**Research**

We recently hosted our third Researchers’ Day, with a number of researchers and members contributing to a productive day. One of the outcomes was their collective recommendation that we continue offering opportunities for people to work collaboratively. We have also established a Members’ Research Committee, whose purpose is to recommend research initiatives for funding and further, that those projects must be considered useful and of valuefor our members.

**Events**

Again, we are grateful to our members’ Events’ committees and people in Auckland, Masterton and Christchurch for their work in organising Events for their community. We really appreciate your support and hard work.

**Youth Alliance (YA)**

The Auckland Youth Alliance group has designed and developed the Freedoms, which are a code of rights for young people in care and in the community. The Youth Alliance has also been involved in developing Respite services and are now looking to get involvedin Youth Transitions.

**Respite**

The Respite working committee has been successful in developing a couple of initiatives for children and young people with CP. The work continues to develop a range of ”timeout” opportunities for families.

**Working with other organisations that work with people with physical disabilities**

CPS has established a consortium of physical disability organisations, increasing our opportunity to work together around advocacy, employment and the youth sector. This is a long-term project aimed at improving outcomes across the sector.

**Website**

Work has continued on improving the website and ensuring improved accessibility for our members. We have also re-designed our forms and improved the navigation around the site. Whilst it is always going to be a work in progress, requiring regular updates and upgrades, we have made considerable improvements.

**Financials**

The financial statements reflect the strong returns received from investments throughout the year and acknowledges the strengths of the investment companies.

**Board**

Again, I wish to thank the CPS Board for their time, treasure and talent. I appreciate the collegiality, wise direction and strong work ethic of our voluntary Board of Directors over the past twelve months. The Board enhanced the strategic plan this year, focusing on the four main areas.

**Members –** to ensure all programmes and services are developed, with the intent of empowering members to enhance their lives

**Funding -** to ensure ongoing viability, sustainability and growth, to support our asset base

**Advocacy** - to define strategies for the Society that empower members (based on clarification of purpose and a core set of values)

**People -** to ensure members are empowered to enhance their own lives

**Office**

On behalf of the Board (and members), I want to recognise and sincerely thank the staff/team within the Society Offices - they keep the key services, programmes and ideas running smoothly. Thank you to our interns - Travis, Katarina, Tegan, Grace and Sid for their work this year. Special thanks to Michael, Matt, Amy, Paul, Saraid, Sue, Jacqui, Steph, Scott, Shelly, and Gilli.

Thank you all for your tireless dedication and commitment to the Cerebral Palsy Society - we really appreciate it.

**On a personal note:**

I have served now for almost 15 years on the CPS Board (which has slipped by extremely quickly) – however this year I have chosen to step back (and not seek appointment). A tough decision – but one that I think is right - I have loved every minute of my time on the Board and, particularly, being part of the significant transformation, development and growth of the Society over those years.

I am very conscious about the need for succession (‘passing on the baton’) – and having wise, knowledgeable, passionate and connected people ‘around the table’ at Governance level is critically important - as is the legacy of bringing new minds, ideas and individuals into our Board. It is a fine balance to ensure that the organisation retains a sense of history, direction and stability; equally introduces new talents, new skills and a new wave of enthusiasm to continue delivering the wonderful value (that it already does) to our existing members and future generations.

With our existing Board nominations plus co-opted talent – we have more nominations than vacancies which, again, is outstanding. The last few years of conscious planning has produced an enormously talented, well balanced and solid Board…it has been an enormous pleasure, and honour, to have Chaired the Society over that time (and for a few years prior also). I also need to acknowledge the outstanding efforts, skill and genuine passion delivered by our amazing EAL and CIL Board’s…with particular mention of the EAL Board who have delivered outcomes beyond expectation over many years.

Our operational team (under Gilli’s guidance) are doing a great job ‘on the ground’, there is lots of value-add happening and the future for CPS is super, super bright. I can say with absolute certainty that we are in a very, very different position and view from the day I first became involved - something to be enormously pleased and proud of.

To our members (many of whom have become good friends) – a massive thank you for supporting me (and my family) over the years. This is not goodbye – I am always a phone call away - and inextricably woven into the CPS fabric.

Respectfully submitted,

**Peter Fergusson, Chairman**