

## Independent Auditor's Report On the Summary Consolidated Financial Statements To the members of Cerebral Palsy Society of New Zealand Incorporated

### Opinion

The accompanying summary consolidated statement of financial position as at 30 June 2020, summary consolidated statement of financial position, summary consolidated statement of changes in net assets/equity and summary consolidated statement of cash flows for the year then ended, and related notes, are derived from the audited financial statements of Cerebral Palsy Society of New Zealand Incorporated and its subsidiaries (the group), for the year ended 30 June 2020.

In our opinion, the accompanying summary consolidated financial statements is consistent, in all material respects, with the audited consolidated financial statements, in accordance with PBE FRS 43: Summary Financial Statements issued by the New Zealand Accounting Standards Board.

### Summary consolidated financial statements

The summary consolidated financial statements does not contain all the disclosures required by Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR"). Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

### The audited consolidated financial statements and our report thereon

We expressed an unqualified audit opinion on the audited consolidated financial statements in our report dated 25 September 2020.

### Board's responsibility for the summary consolidated financial statements

The Board is responsible on behalf of the group for the preparation of the summary consolidated financial statements in accordance with PBE FRS 43: Summary Financial Statements.

### Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements is consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised), Engagements to Report on Summary Financial Statements.

Other than in our capacity as auditor we have no relationship with, or interests in, Cerebral Palsy Society of New Zealand Incorporated or any of its subsidiaries.

### Who we report to

This report is made solely to the Board. Our audit has been undertaken so that we might state to the Board those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the Board, for our work, for this report, or for the opinions we have formed.

A stylized, handwritten-style signature of 'RSM' in blue ink.**RSM Hayes Audit**

25 September 2020

**THE POWER OF BEING UNDERSTOOD**  
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SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE  
CEREBRAL PALSY SOCIETY OF NEW ZEALAND INCORPORATED  
FOR THE YEAR ENDED 30 JUNE 2020

	Group 2020	Group 2019
Total revenue	4,256,533	6,522,712
Total expenses	(4,825,942)	(3,768,952)
<b>Surplus/ (Deficit) for the year</b>	<u>(569,409)</u>	<u>2,753,760</u>
Other comprehensive revenue and expense	-	-
<b>Total comprehensive revenue and expense</b>	<u>(569,409)</u>	<u>2,753,760</u>


CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/EQUITY  
CEREBRAL PALSY SOCIETY OF NEW ZEALAND INCORPORATED  
FOR THE YEAR ENDED 30 JUNE 2020

Group	Accumulated comprehensive revenue and expense
At 1 July 2018	30,437,619
Surplus/ (deficit) for the year	2,753,760
<b>At 30 June 2019</b>	<u>33,191,379</u>
At 1 July 2019	33,191,379
Surplus/ (deficit) for the year	(569,409)
<b>At 30 June 2020</b>	<u>32,621,970</u>


CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
CEREBRAL PALSY SOCIETY OF NEW ZEALAND INCORPORATED  
AS AT 30 JUNE 2020

	Group 2020	Group 2019
Current assets	29,402,777	29,867,299
Current liabilities	283,371	180,966
<b>Working capital surplus/ (deficit)</b>	<u>29,119,406</u>	<u>29,686,333</u>
Non current assets	3,503,213	3,505,046
Non current liabilities	649	-
<b>NET ASSETS/ (LIABILITIES)</b>	<u>32,621,970</u>	<u>33,191,379</u>
<b>EQUITY</b>		
Accumulated comprehensive revenue and expense	32,621,970	33,191,379
<b>TOTAL EQUITY</b>	<u>32,621,970</u>	<u>33,191,379</u>

For and on behalf of the Board:

  
\_\_\_\_\_  
Chairperson

24-09-2020  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Board member

24/09/2020  
\_\_\_\_\_  
Date

These financial statements should be read subject to the Audit Report on page 4

**CONSOLIDATED STATEMENT OF CASH FLOWS  
CEREBRAL PALSY SOCIETY OF NEW ZEALAND INCORPORATED  
FOR THE YEAR ENDED 30 JUNE 2020**

	Group 2020	Group 2019
Net cash flows from operating activities	(1,392,124)	(1,358,696)
Net cash flows from financing and investing activities	2,301,195	1,213,579
Net increase/(decrease) in cash and cash equivalents	909,071	(145,117)
Cash and cash equivalents at 1 July	1,113,905	1,259,021
Cash and cash equivalents at 30 June	<u>2,022,976</u>	<u>1,113,905</u>

**NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS  
CEREBRAL PALSY SOCIETY OF NEW ZEALAND INCORPORATED  
FOR THE YEAR ENDED 30 JUNE 2020**

The Summary Consolidated Financial Statements are for Cerebral Palsy Society of New Zealand Incorporated for the year ended 30 June 2020.

**REPORTING ENTITY**

The reporting entity is Cerebral Palsy Society of New Zealand Inc. ("CPS"). The CPS is domiciled in New Zealand and is a charitable organisation registered under the Incorporated Societies Act 1908 and the Charities Act 2005. These consolidated summary financial statements comprising the CPS and its controlled entities, Essential Assets Limited, Cerebral Investments Limited, CIL Landscapes Limited, CIL Concretes Limited and CIL Aircon Limited - together referred to the "Group" - are presented for the year ended 30 June 2020.

These consolidated summary financial statements and the accompanying notes summarises the financial results of activities carried out by the Group. The Group provides services to people living in the wider CPS region who are affected by Cerebral Palsy. All entities within the Group are charitable organisations registered under the Charitable Trusts Act 1957 and the Charities Act 2005.

These consolidated summary financial statements have been approved and were authorised for issue by the Board of Trustees.

**BASIS OF PREPARATION**

The Summary Consolidated Financial Statements are presented in summary form and therefore do not give all information required by New Zealand General Accepted Accounting Practice. They are prepared in accordance with Public Benefit Entity Financial Reporting Standard 43 - Summary Financial Statements (PBE FRS 43). The full Financial Statements have been prepared in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime. A full copy of the Financial Statements and Audit Report are available in hard copy from Cerebral Palsy Society of New Zealand Incorporated's registered office.

The Summary Consolidated Financial Statements are presented in New Zealand dollar, which is the Group's functional currency, rounded to the nearest dollar.

These Summary Consolidated Financial Statements have been extracted from the full Financial Statements dated 24 September 2020. They cannot be expected to provide as complete an understanding as provided by the full Financial Statements.

**CONTINGENT ASSETS AND LIABILITIES**

There are no contingent assets or liabilities at the reporting date. (2019: \$Nil).

**EVENTS AFTER THE REPORTING DATE**

The Board is not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of the Group (2019: \$Nil).

**GOING CONCERN**

The Group will continue to operate for the foreseeable future.

Given the above, the Board has have prepared the financial statements on a going concern basis.

**COVID-19 Notation**

During the financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organisation. There have been considerable economic impacts in New Zealand and globally arising mainly from Government actions, including a minimum four week lockdown periods in March-April 2020. This has resulted in a drop in expected revenue for the Cerebral Palsy Society Group which impacted and will continue to impact cash flow across the group. With ongoing restrictions and the impact of both New Zealand and global recessions as a consideration, at this stage the Board expects a decrease in investment and fundraising income in the 2021 financial year. The Society has already taken significant steps to reduce costs to match forecasted decreases in revenue.

These financial statements should be read subject to the Audit Report on page 4

## SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

### NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS CEREBRAL PALSY SOCIETY OF NEW ZEALAND INCORPORATED FOR THE YEAR ENDED 30 JUNE 2020

#### RELATED PARTY TRANSACTIONS AND BALANCES

##### Controlled Entity

CPS controls Essential Assets Limited (EAL) and Cerebral Investments Limited (CIL) on the basis that all directors of EAL and CIL are appointed by CPS and thereby CPS has the power to govern the operations and financing activities of the subsidiary.

Subsidiary	Nature / Activity
Essential Assets Limited (EAL)	Investments
Cerebral Investments Limited (CIL)	Property Development
CIL Landscapes Limited	Landscaping
CIL Concretes Limited	Concrete
CIL Aircon Limited	Air-conditioning

##### Related Party Transactions

During the year CPS made payments of \$70,943 to Boccia NZ in the form of monthly grants (2019: \$36,000). Harvey Brunt is a board member of both entities.

Transactions conducted with Group entities which are eliminated upon consolidation are as follows:

	Group 2020	Group 2019
Interest expenses paid by Essential Assets Ltd	435,596	450,331
Interest received by Cerebral Palsy Society Inc.	(435,596)	(450,331)
Loan payment made/(received) by Essential Assets Ltd	1,150,000	1,200,000
Loan payment received/(issued) by Cerebral Palsy Society Inc.	(1,150,000)	(1,200,000)
Dividend received by Cerebral Investment Limited	-	50,000
Dividend paid by CIL Landscapes Limited	-	(50,000)

Balances receivable/(payable) by Group entities which are eliminated upon consolidation are as follows:

	2020	2019
Loan receivable from CIL Landscapes Ltd	1 -	-
Loan payable to Cerebral Investments Ltd	1 -	-
Loan receivable from Cerebral Investments Ltd	1 2,000,000	2,000,000
Loan payable to Cerebral Palsy Society Inc.	1 (2,000,000)	(2,000,000)
Loan receivable from Essential Assets Ltd	2 21,446,654	22,161,058
Loan payable to Cerebral Palsy Society Inc.	2 (21,446,654)	(22,161,058)
Loan receivable from CIL Concretes Ltd	3 120,000	120,000
Loan payable to Cerebral Investments Ltd	3 (120,000)	(120,000)
Loan receivable from CIL Aircon Ltd	4 300,000	-
Loan payable to Cerebral Investments Ltd	4 (300,000)	-

1. These loans are interest free. They are repayable in New Zealand dollars and on request with a general security agreement and registration of security on PPSR.

2. Interest charged at 2% on the loan balance, subject to change with 3 months' notice. The loan is repayable on demand but if not called will become fully payable on 31 March 2034. The loan is unsecured and is repayable in New Zealand dollars.

3. This loan is interest free. It is repayable in New Zealand dollars and there is no security held.

4. This loan is interest free. It is repayable in New Zealand dollars and there is no security held.

##### Key Management Personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body which for Cerebral Palsy Society of New Zealand Incorporated is comprised of the Board, general manager and management of CIL Landscapes Limited. No remuneration is paid to members of the Board. The aggregated remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

Total remuneration	228,385	223,759
Number of Persons	3	3

Directors Fees paid were as follows:

- Cerebral Investments Limited - \$49,200 (2019: \$58,800)
- CIL Landscapes Limited - \$12,000 (2019: \$12,000)
- CIL Concretes Limited - \$12,000 (2019: \$6,000)
- CIL Aircon Limited - \$6,000 (first year)
- Essential Assets Ltd - \$18,500 (2019: \$20,000)

These financial statements should be read subject to the Audit Report on page 4