

Dear Members

As Chair of the Finance Audit and Risk Committee I'd like to thank Members for the opportunity to present the Consolidated Financial Report of Parkinson's NSW Limited.

In my following comments I'll be referring to Parkinson's NSW Limited as the Charity and its Controlled Entity, Parkinson's NSW Trust, as the Trust.

The Consolidated Financial Report includes the Statement of Financial Position, Statement of Profit and Loss and Statement of Cash Flow.

This is the first year that the accounts for the Charity have been consolidated with the Trust. Accordingly, this Consolidated Financial Report is set out differently to those that you may have seen in previous years.

Your Board believes that the format of this year's Consolidated Financial Report provides Members with greater transparency on the performance of both the Charity and the Trust, when compared to prior years.

This year the Consolidated Financial Report has been independently audited by Stewart Brown our appointed external auditor.

They have confirmed that the accounts have been prepared in accordance with Australian Accounting Standards and the requirements of the Australian Charities and Not for Profit Commission Act.

I am pleased to report that the Charity achieved a surplus of \$243k in the last financial year. This result reflects the progress being made in year 3 of our 5-Year Strategic Plan to diversify the Charities funding sources.

Bequests remain a component of this strategy and performed well during year, increasing by \$1.5m. Fundraising, excluding bequests, also performed strongly, slightly improving on last year's results, despite the challenges presented by the bushfires earlier this year and COVID-19.

The Board continues to focus on tight expense management. We have worked hard to ensure that the Charity continues to deliver services at a historically high rate while continuing to live within its means.

We have focused on building the neurological nurses program and pivoted to online delivery channels for our education and Support Group activities.

Research continues to be an important focus for the Charity, with funding in the last financial year focusing on the benefits of the nurses program.

The Charity will be working with the Trust in this financial year on a distribution policy that will continue to support this activity.

The consolidated result for the entity (including the Trust), is a deficit of approximately \$310,000. This is largely due to the fair value loss of assets by the Trust of \$425,000 in the last financial year.

Whilst conditions were generally difficult for investment portfolios, the Trust took a decision to go out to tender for a new investment advisor and appointed Koda Capital in July 2020. This came off the back of the Trust appointing two new Directors to its Board with significant investment, governance and legal expertise.

Included in the Consolidated Financial Report distributed to Members is an independent Auditors Report by StewartBrown. The report by StewartBrown provides three qualified opinions by the Auditors that I would like to bring to Members attention:

1. StewartBrown were unable to obtain appropriate audit evidence of the accuracy and completeness of cash and equivalents as well as revenue and expenses as at 30/6/20 for a specific sub-set of fundraising appeal activities associated with the Charities Support Groups.
2. They were also unable to satisfy themselves about the compliance of accounting and associated record keeping requirements by the Charities Support Groups in accordance with the Charitable Fundraising Act 1991.
3. They highlighted that for the period 1/7/19-30/6/20 the Trust did not comply with Section 30 of the Public Ancillary Fund Guidelines, requiring a trustee to prepare and maintain a current investment strategy for the fund.

With respect to the first two items connected to our Support Groups, in the coming year the Charity will be working closely with Support Group Leaders to address the shortcomings raised by the Auditor and rectify the lack of information and evidence supporting compliance with accounting standards and fundraising laws.

In respect of the third item, which is considered a relatively minor compliance matter, Members are advised that the Trust has prioritised the development of an investment strategy.

Overall, your Board is pleased with the progress that has been made by the Charity and the Trust in the last financial year and we hope to build on this performance in the coming year.

I'd like to thank my fellow Committee members Nicole Schleicher and Steve Schiemer for all their work throughout the year and Mary Kay Walker and Jo-Anne Reeves for their support of the Committee.