Multiple Sclerosis Australia

ACN 008 515 508

Annual Financial Report for the Year Ended 30 June 2016

Multiple Sclerosis Australia

Annual Financial Report
for the Year Ended 30 June 2016

	Page Number
Directors' Report	*1*
Independence Declaration by Auditor	*6*
Independent Auditor's Report	*7*
Principal Officer's Declaration	*9*
Responsible Persons Declaration	*10*
Statement of Comprehensive Income	*11*
Statement of Financial Position	*12*
Statement of Changes in Equity	*13*
Statement of Cash Flows	*14*
Notes to the Financial Statements	*15*

Multiple Sclerosis Australia

Directors' Report

The Directors of Multiple Sclerosis Australia ("MSA") submit herewith the annual financial report of the company for the year ended 30 June 2016.

The names and particulars of the directors of the company during and since the end of the year are:

Name	Relevant Experience
Mr Anthony Abbott AM Non-executive Director	Appointed: 9 May 2005 Special Counsel, Piper Alderman President, The Multiple Sclerosis Society of South Australia and Northern Territory Incorporated
Mr David Barnes AM Non-executive Director	Appointed: 26 February 2006 Retired: 17 November 2013 Reappointed: 16 March 2014 Appointed: President 6 May 2014 Resigned: 15 November 2015 Former President, The Multiple Sclerosis Society of Western Australia (Incorporated)
Mr Roger Burrell Non-executive Director	Appointed: 30 September 2001 President, Multiple Sclerosis Society of Queensland (appointed August 2015) Acting President, Multiple Sclerosis Society of Queensland (November 2014 - August 2015) Former Vice-President, Multiple Sclerosis Society of Queensland
Professor William Carroll Non-executive Director	Appointed: 28 February 2000 Neurologist Director, Multiple Sclerosis Research Australia Limited Director, The Multiple Sclerosis Society of Western Australia (Incorporated) Member, International Progressive MS Alliance Scientific Steering Committee Chairman, The International Research Review Board Former Chairman, The Research Management Council of Multiple Sclerosis Research Australia Limited
Dr Annette Carruthers Non-executive Vice-President	Appointed: 16 October 2014 Appointed Vice-President: 15 November 2015 Director, Multiple Sclerosis Research Australia Limited
Mr William Peter Day Non-executive Director	Appointed: 19 May 2008 Chairman, Multiple Sclerosis Limited Director, Australia Home Care Services Pty Ltd
Ms Christina Gillies Non-executive Director	Appointed: 30 September 2001 Resigned: 7 September 2006 Reappointed: 20 May 2007 Director, Multiple Sclerosis Research Australia Limited Director, Multiple Sclerosis Limited

Name	Relevant Experience
Major General Ian Gordon AO Non-executive Director	Appointed: 13 November 2011 Director, Multiple Sclerosis Limited Chairman, Multiple Sclerosis ACT Advisory Board Retired Army Officer
Assoc Professor Desmond Graham Non-executive Director	Appointed: 21 November 2014 Chairman, Multiple Sclerosis Society of Tasmania Director, Multiple Sclerosis Limited
Mr William Hassell AM, JP Non-executive Director	Appointed: 17 November 2013 Senior Vice-President, The Multiple Sclerosis Society of Western Australia (Incorporated)
Ms Sophie Langshaw Non-executive Director	Appointed: 17 October 2013 Partner, PricewaterhouseCoopers Director, Multiple Sclerosis Limited
Mr Paul Murnane Non-executive Director	Appointed: 30 November 2003 Chairman, Multiple Sclerosis Research Australia Limited
Mr Ian Pennell AM Non-executive President	Appointed: 25 September 2003 Appointed President: 15 November 2015 Vice-President, Multiple Sclerosis Australia (November 2004 to 15 November 2015) Director, Multiple Sclerosis Limited Former President, Multiple Sclerosis Society of ACT (Incorporated) Retired Army Officer

Directors' Meetings

The number of directors' meetings and the number of meetings attended by each director of the company during the financial year are shown below.

A – Number of meetings attended (while they were a director)
B – Number of meetings held during the time the director held office during the year.

Director	Meetings	
	A	B
Mr Anthony Abbott AM	3	6
Mr David Barnes AM (i) (ii)	2	2
Mr Roger Burrell	5	6
Professor William Carroll	2	6
Ms Annette Carruthers (i)	6	6
Mr William Peter Day (i)	4	6
Ms Christina Gillies	3	6
Major General Ian Gordon AO	4	6
Mr Desmond Graham	4	6
Mr William Hassell AM	5	6
Ms Sophie Langshaw (i)	5	6
Mr Paul Murnane (i)	3	6
Mr Ian Pennell AM (i)	6	6

(i) Members of Multiple Sclerosis Australia & Multiple Sclerosis Research Australia Limited Audit and Risk Committee (formerly known as Audit, Risk and Finance Committee)
(ii) Resigned during the financial year 2016

The members of the Audit and Risk Committee (formerly known as Audit, Risk and Finance Committee) comprise Mr William Peter Day, Ms Sophie Langshaw, Mr Paul Murnane, Mr Ian Pennell AM, Mr David Barnes AM (resigned: 15 November 2015) and an alternate Dr Annette Carruthers (directors of the company) and Mr Graham Tribe AM and Mr David Simmonds (appointed: 8 August 2016) (directors of Multiple Sclerosis Research Australia Limited).

During the financial year the Audit and Risk Committee held three meetings.

Company Secretary

Name
Ms Deidre Mackechnie

Experience
Company Secretary of Multiple Sclerosis Australia
Former Company Secretary of Multiple Sclerosis Research Australia

Principal Activities

The principal activities of Multiple Sclerosis Australia are:

i) To provide assistance to people who have been diagnosed with Multiple Sclerosis and other chronic, degenerative, neurological diseases. This assistance will be provided to:

   (a) People who have been diagnosed with Multiple Sclerosis and other chronic, degenerative, neurological diseases, and their families and carers, to assist people who have been diagnosed to access and participate in, as far as they are able, all facets of life and to remove barriers that prevent them from enjoying equal access, opportunities and participation within the community; and

   (b) Members and other organisations with similar purposes;

ii) To support research into the cause, cure, effects and treatments of Multiple Sclerosis and other chronic, degenerative, neurological diseases, including the incidence, prevalence, economic, social and other effects of Multiple Sclerosis and other chronic, degenerative, neurological diseases on people and their Carers affected by these diseases; and

iii) To provide and engage in education of the public and members of Parliaments in the effects of Multiple Sclerosis and advocate on behalf of people affected by Multiple Sclerosis.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 6.

Income and property

The company's constitution specifically prohibits the payment of its income or property directly or indirectly by way of dividend bonus or otherwise to members of the Company.

Review of Operations

The company and consolidated entity continued to pursue its principal activities throughout the year.

The company recorded a surplus of $289,245 (2015: loss of $12,218) for the year. The consolidated entity recorded a surplus of $164,781 (2015: surplus of $1,071,905) for the year.

Changes in State of Affairs and Likely Developments

In the opinion of directors, there were no significant changes in the affairs of the consolidated entity that occurred during the financial year other than as reported herein.

Subsequent Events

There has not been any matter or circumstances that have arisen since the end of the financial year which significantly affected or might significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

Indemnification and Insurance of Officers and Auditors

The company has agreed to indemnify all the directors against all liabilities to another person (other than the company or a related body corporate) that may arise from their position as directors of the company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the company will meet the full amount of any such liabilities, including costs and expenses.

Since the end of the previous financial year the company has paid insurance premiums in respect of directors and officers liability and legal expenses insurance contracts for current directors and officers. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium paid.

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

Signed in accordance with a resolution of the directors.

On behalf of the Directors

Mr Ian Pennell
President

At Canberra 5 October 2016

Mr William Peter Day
Director

At Canberra 5 October 2016

Deloitte.

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The Board of Directors
Multiple Sclerosis Australia
Level 19, 100 Miller Street
North Sydney NSW 2060

5 October 2016

Dear Directors

Multiple Sclerosis Australia

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Multiple Sclerosis Australia.

As lead audit partner for the audit of the financial statements of Multiple Sclerosis Australia for the financial year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Gaile Pearce

Gaile Pearce
Partner
Chartered Accountants

Liability Limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

Deloitte.

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Independent Auditor's Report to the members of Multiple Sclerosis Australia

Report on the Financial Report

We have audited the accompanying financial report of Multiple Sclerosis Australia (the "entity"), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, 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 entity it controlled at the year's end as set out on pages 10 to 32. In addition, we have audited Multiple Sclerosis Australia's compliance with specific requirements of the *Charitable Fundraising Act 1991* for the year ended 30 June 2016.

The Directors' Responsibility for the Financial Report and for Compliance with the Charitable Fundraising Act 1991

The directors of the entity 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 (Cth)* (the ACNC Act) and for compliance with the *Charitable Fundraising Act 1991*. The directors are also responsible for such internal control as the directors determine is necessary to enable compliance with requirements of the *Charitable Fundraising Act 1991* and 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 entity's compliance with specific requirements of the *Charitable Fundraising Act 1991* and the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the entity has complied with specific requirements of the *Charitable Fundraising Act 1991* and the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the entity's compliance with specific requirements of the *Charitable Fundraising Act 1991* and amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of non-compliance with specific requirements of the *Charitable Fundraising Act 1991* and 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 entity's compliance with the *Charitable Fundraising Act 1991* and 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 entity'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.

Liability Limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

Inherent Limitations

Because of the inherent limitations of any compliance procedure, it is possible that fraud, error, or non-compliance with the *Charitable Fundraising Act 1991* may occur and not be detected. An audit is not designed to detect all weaknesses in Multiple Sclerosis Australia compliance with the *Charitable Fundraising Act 1991* as an audit is not performed continuously throughout the period and the tests are performed on a sample basis.

Any projection of the evaluation of compliance with the *Charitable Fundraising Act 1991* to future periods is subject to the risk that the procedures, may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

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

Auditor's Independence Declaration

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

Opinion

In our opinion:

(a) the financial report of Multiple Sclerosis Australia is in accordance with the Division 60 of the ACNC Act, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of their performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*;

(b) the financial report agrees to the underlying financial records of Multiple Sclerosis Australia, that have been maintained, in all material respects, in accordance with the *Charitable Fundraising Act 1991* and its regulations for the year ended 30 June 2016; and

(c) monies received by Multiple Sclerosis Australia, as a result of fundraising appeals conducted during the year ended 30 June 2016, have been accounted for and applied, in all material respects, in accordance with the *Charitable Fundraising Act 1991* and its regulations.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Gaile Pearce

Gaile Pearce
Partner
Chartered Accountants
Sydney, 5 October 2016

Multiple Sclerosis Australia

Declaration by Principal Officer in Respect of Fundraising Appeals

I, Deidre Mackechnie, Chief Executive Officer of Multiple Sclerosis Australia declare that in my opinion:

(a) the Statement of Other Comprehensive Income gives a true and fair view of all income and expenditure of Multiple Sclerosis Australia with respect to fundraising appeals;

(b) the Statement of Financial Position and accompanying notes give a true and fair view of the state of affairs with respect to fundraising appeals;

(c) the financial statements and associated records of Multiple Sclerosis Australia have been properly kept during the year in accordance with the *Charitable Fundraising Act 1991 (NSW)* and the regulations; and

(d) the internal controls exercised by Multiple Sclerosis Australia are appropriate and effective in accounting for all income received and applied by Multiple Sclerosis Australia from any of its fundraising appeals.

Ms Deidre Mackechnie
Principal Officer

At Canberra 5 October 2016

Multiple Sclerosis Australia

Responsible Persons Declaration

The directors declare that:

(a) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as when they become due and payable;

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the *Charitable Fundraising Act 1991 (NSW)*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company.

Signed in accordance with a resolution of the directors made pursuant to s.60.15 of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

On behalf of the directors

Mr Ian Pennell
President

At Canberra 5 October 2016

Mr William Peter Day
Director

At Canberra. 5 October 2016

Multiple Sclerosis Australia

Statement of Comprehensive Income for the Year Ended 30 June 2016

	Note	Consolidated 2016 $	Consolidated 2015 $	Company 2016 $	Company 2015 $
Gross Revenue					
Donations & Fundraising		**1,550,708**	2,611,336	**208,620**	172,252
Bequest revenue		**155,175**	10,098	**98,751**	-
Kiss Goodbye to MS		**878,170**	827,454	**-**	-
State-based organisation - research contribution	21(b)	**2,306,132**	1,550,958	**-**	-
State-based organisation - grants	21(b)	**849,425**	821,476	**849,425**	821,476
Sponsorships - Pharmaceutical Companies		**419,727**	824,878	**167,545**	209,545
Government Grants		**490,000**	491,773	**10,000**	-
Expense reimbursement	21(a)	**-**	-	**140,000**	160,000
Interest revenue		**195,944**	193,082	**44,986**	40,146
Revenue from ordinary activities		**6,845,281**	7,331,055	**1,519,327**	1,403,419
Expenditure					
Advocacy	2(b)	**(488,731)**	(412,089)	**(488,731)**	(412,089)
Communications	2(c)	**(222,556)**	(169,575)	**(222,556)**	(169,575)
National Management		**(180,933)**	(196,026)	**(180,933)**	(196,026)
Administration	2(d)	**(692,643)**	(668,523)	**(288,787)**	(393,117)
Risk & Compliance		**(52,956)**	(50,617)	**(25,716)**	(23,924)
Kiss Goodbye to MS	2(e)	**(223,144)**	(197,664)	**-**	(330)
Other Fundraising costs		**(806,040)**	(917,844)	**(5,000)**	-
Bad debt expense		**-**	(37,708)	**-**	-
Interest Expense		**(19,982)**	(18,726)	**(19,982)**	(18,726)
Research Expenditure					
Grants for Research		**(2,144,104)**	(2,017,752)	**-**	-
Other Research Expenditure		**(1,417,708)**	(1,048,065)	**-**	-
Research administration	2(f)	**(421,480)**	(277,177)	**-**	-
Gain/(loss) on foreign currency exchange		**1,623**	(2,717)	**1,623**	(2,717)
Disbursement of corporate partnership income to members		**-**	(199,133)	**-**	(199,133)
Total Expenditure		**(6,668,654)**	(6,213,616)	**(1,230,082)**	(1,415,637)
Surplus/(deficit) before tax		**176,627**	1,117,439	**289,245**	(12,218)
Income tax expense	1(a)	**-**	-	**-**	-
Surplus/(deficit) from continuing operations		**176,627**	1,117,439	**289,245**	(12,218)
Other comprehensive income					
Items that may be reclassified subsequently to profit and loss:					
- Fair value loss on available-for-sale financial asset for the year	8	**(11,846)**	(45,534)	**-**	-
Total comprehensive income/(loss) for the period		**164,781**	1,071,905	**289,245**	(12,218)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Multiple Sclerosis Australia

Statement of Financial Position at 30 June 2016

	Note	Consolidated 2016 $	Consolidated 2015 $	Company 2016 $	Company 2015 $
ASSETS					
Current Assets					
Cash and cash equivalents	15(a)	**1,859,636**	3,276,967	**331,082**	388,518
Short term investment	16	**3,099,785**	2,855,430	**461,672**	252,125
Trade receivables and other assets	5	**1,918,955**	1,341,437	**105,419**	3,156
Prepayments and other assets	5	**202,014**	174,726	**80,640**	41,037
Total Current Assets		**7,080,390**	7,648,560	**978,813**	684,836
Non-Current Assets					
Trade receivables and other assets	5	**433,333**	650,000	**433,333**	650,000
Plant and Equipment	6	**30,872**	8,009	**6,015**	7,036
Intangibles	7	**104,130**	45,657	**6,369**	8,105
Available-for-sale financial asset	8	**990,284**	953,632	**-**	-
Total Non-Current Assets		**1,558,619**	1,657,298	**445,717**	665,141
Total Assets		**8,639,009**	9,305,858	**1,424,530**	1,349,977
LIABILITIES					
Current Liabilities					
Trade and other payables	9	**424,164**	896,427	**93,299**	113,673
Income received in advance		**145,144**	407,525	**-**	65,000
Provisions	10	**150,241**	116,010	**55,887**	51,872
Total Current Liabilities		**719,549**	1,419,962	**149,186**	230,545
Non-Current Liabilities					
Provisions	10	**21,165**	19,049	**-**	-
Other payables	9	**266,667**	400,000	**266,667**	400,000
Total Non-Current Liabilities		**287,832**	419,049	**266,667**	400,000
Total Liabilities		**1,007,381**	1,839,011	**415,853**	630,545
Net Assets		**7,631,628**	7,466,847	**1,008,677**	719,432
Retained Earnings					
Contributed equity on passing of control of Multiple Sclerosis Research Australia Limited on 18 December 2012		**3,272,730**	3,272,730	**-**	-
Retained earnings	12	**4,416,278**	4,239,651	**1,008,677**	719,432
Available-for-sale reserve	13	**(57,380)**	(45,534)	**-**	-
Total Retained Earnings		**7,631,628**	7,466,847	**1,008,677**	719,432

The above statement of financial position should be read in conjunction with the accompanying notes.

Multiple Sclerosis Australia

Statement of Changes in Equity for the Year Ended 30 June 2016

	Consolidated				Company
	Retained Earnings	Contributed Equity Reserve	Available-for-sale reserve	Total Equity	Retained Earnings
Balance as at 30 June 2014	3,122,212	3,272,730	-	6,394,942	731,650
Total Comprehensive Income/(Loss) for the year	1,117,439	-	(45,534)	1,071,905	(12,218)
Balance as at 30 June 2015	4,239,651	3,272,730	(45,534)	7,466,847	719,432
Total Comprehensive Income/(Loss) for the year	176,627	-	(11,846)	164,781	289,245
Balance as at 30 June 2016	4,416,278	3,272,730	(57,380)	7,631,628	1,008,677

The above statement of changes in equity should be read in conjunction with the accompanying notes

Multiple Sclerosis Australia

Statement of Cash Flows
for the Year Ended 30 June 2016

	Note	Consolidated 2016 $	Consolidated 2015 $	Company 2016 $	Company 2015 $
Cash Flows From Operating Activities					
Cash receipts in course of operations		**5,934,982**	7,725,037	**1,307,078**	1,654,956
Cash payments in course of operations		**(7,223,649)**	(6,146,405)	**(1,258,192)**	(1,540,424)
Net cash (used in)/received from operating activities		**(1,288,667)**	1,578,632	**48,886**	114,532
Cash Flows from Investing Activities					
Interest received		**154,898**	165,778	**42,054**	53,964
Interest paid		**(19,982)**	(18,726)	**(19,982)**	(18,726)
Purchase of plant and equipment		**(31,798)**	(5,045)	**(2,181)**	(4,795)
Purchase of intangibles		**(70,761)**	(48,915)	**-**	(8,680)
Purchase of available-for-sale financial asset		**-**	(999,166)	**-**	-
Net placement of term deposits		**(244,355)**	(317,594)	**(209,547)**	(252,125)
Net cash used in investing activities		**(211,998)**	(1,223,668)	**(189,656)**	(230,362)
Cash Flows from Financing Activities					
Cash flow (to)/from State Societies		**(133,333)**	400,000	**(133,333)**	400,000
Cash flow from/(to) MS SA/NT		**216,667**	(400,000)	**216,667**	(400,000)
Net cash provided by financing activities		**83,334**	-	**83,334**	-
Net (decrease)/increase in cash and cash management		**(1,417,331)**	354,964	**(57,436)**	(115,830)
Cash and cash equivalents at beginning of the financial year		**3,276,967**	2,922,003	**388,518**	504,348
Cash and cash equivalents at end of the financial year		**1,859,636**	3,276,967	**331,082**	388,518

The above statement of cash flows should be read in conjunction with the accompanying notes.

1. Summary of Accounting Policies

Statement of Compliance

The financial report is a Tier 2 general purpose financial report which has been prepared in accordance with Division 60 of the *Australian Charities and Not for Profits Commission Act 2012* and Australian Accounting Standards – Reduced Disclosure Requirements and complies with both other requirements of law and the *Charitable Fundraising Act 1991 (NSW)*. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS').

The financial statements were authorised by the Directors on the 5 October 2016.

Basis of Preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise noted.

Adoption of New & Revised Accounting Standards

Standards and Interpretations affecting amounts reported in the current period

In the current year, the company has adopted all of the new, revised and effective Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

Accounting Standards and Interpretations issued but not yet effective

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB9 Financial Instruments and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 Revenue from Contracts with Customers	1 January 2018	30 June 2019
AASB 16 Leases	1 January 2019	30 June 2020

9. Trade and other payables

	Consolidated		Company	
	2016	2015	2016	2015
	$	$	$	$
Current				
Trade payables	**207,403**	607,051	**29,000**	20,245
Amounts payable to Members	**-**	29,501	**-**	27,414
Amounts payable to Multiple Sclerosis Research Australia Limited	**-**	-	**4,925**	-
Total Trade payables	**207,403**	636,552	**33,925**	47,659
Net of GST Payable/Receivable	**96,740**	55,068	**8,910**	18,043
Accruals and other payables	**120,021**	204,807	**50,464**	47,971
Total Other payables	**216,761**	259,875	**59,374**	66,014
Total Trade and other payables	**424,164**	896,427	**93,299**	113,673

The average credit period on purchases is 30 days. No interest is charged on trade payables. The Company has financial risk policies to ensure that all payables are paid within the credit terms.

Non-current				
Loan payable to Members	**266,667**	400,000	**266,667**	400,000

Loan payable to Members relates to loans provided by Mutiple Sclerosis Society of Queensland and Multiple Sclerosis Limited which bear interest at the rate of 5% per annum respectively. During the current financial year the Company repaid a third of the loans payable to Multiple Sclerosis Society of Queensland and Multiple Sclerosis Limited.

10. Provisions

Current				
Provision for Annual Leave Liabilities				
Carrying amount at beginning of year	**110,111**	97,990	**45,973**	41,993
Additional provision recognised	**126,241**	119,918	**45,499**	49,726
Reduction by payment to employees	**(105,712)**	(107,797)	**(50,131)**	(45,746)
Balance of current provision at 30 June	**130,639**	110,111	**41,340**	45,973
Provision for Long Service Leave Liabilities				
Carrying amount at beginning of year	**5,899**	-	**5,899**	-
Additional provision recognised	**18,966**	5,899	**8,649**	5,899
Reduction by payment to employees	**(5,262)**	-	**-**	-
Balance of current provision at 30 June	**19,603**	5,899	**14,548**	5,899
	150,242	116,010	**55,888**	51,872
Non-current				
Provision for Long Service Leave Liabilities				
Carrying amount at beginning of year	**19,049**	15,934	**-**	-
Additional provision recognised	**2,116**	3,115	**-**	-
Balance of current provision at 30 June	**21,165**	19,049	**-**	-

11. No of Employees

Number of full time equivalents employed as at 30 June 2016 and 2015, respectively, are:

	2016 Number	2015 Number	2016 Number	2015 Number
FTE employed as at 30 June	**17.4**	17.0	**5.6**	5.0

12. Retained Earnings

	Consolidated		Company	
	2016 $	2015 $	2016 $	2015 $
Retained Earnings at the beginning of the year	**4,239,651**	3,122,212	**719,432**	731,650
Net surplus/(deficit) attributable to members	**176,627**	1,117,439	**289,245**	(12,218)
Retained Earnings at the end of the year	**4,416,278**	4,239,651	**1,008,677**	719,432

13. Available-for-sale reserve

Balance at the beginning of the year	**(45,534)**	-	-	-
Valuation (loss)	**(11,846)**	(45,534)	-	-
Balance at the end of the year	**(57,380)**	(45,534)	-	-

The available-for-sale reserve arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold that portion of the reserve which relates to that financial asset and has been effectively been realised is recognised in the Statement of Comprehensive Income.

14. Members' Guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of $50 (2015:$50) towards meeting any outstanding obligations of the Company.

At 30 June 2016 the number of members was 5 (2015: 5). Effective from 1 July 2016, the number of members is reduced to 4, with the merger of Multiple Sclerosis Society of Tasmania with Multiple Sclerosis Limited.

Membership
Multiple Sclerosis Research Australia Limited acts as the research arm of Multiple Sclerosis Australia to accelerate research that contributes to the worldwide effort to solve MS. It was established in 2003 to facilitate MS research at research institutes and universities around Australia and overseas, and raise funds as required. This research is chosen based on scientific governance principles, independently from Multiple Sclerosis Australia's members.

Multiple Sclerosis Australia is the sole member of Multiple Sclerosis Research Australia Limited. Multiple Sclerosis Research Australia Limited retains its own Board, CEO and staff to ensure continuing focus on funding the best Australian and International MS research, advocacy of MS research and strong fundraising governance principles. The activities of Multiple Sclerosis Research Australia Limited have been consolidated into Multiple Sclerosis Australia's financial statements in the year.

15. Notes to the Statement of Cash Flows

	Consolidated		Company	
	2016	2015	2016	2015
	$	$	$	$
(a) **Reconciliation of Cash and cash equivalents**				
For the purpose of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in bank. Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flow is reconciled to the related items in the Statement of Financial Position as follows:				
Cash on hand and at financial institution	**1,859,636**	3,276,967	**331,082**	388,518
(b) **Reconciliation of net surplus/(deficit) before tax to Net Cash (used in)/provided by Operating Activities**				
Net surplus/(deficit) before tax	**176,627**	1,117,439	**289,245**	(12,218)
Add/(less) investing and non cash items:				
Interest Income	**(195,944)**	(211,808)	**(44,986)**	(58,872)
Interest Expense	**19,982**	18,726	**19,982**	18,726
Depreciation of plant and equipment	**8,935**	7,285	**3,202**	4,526
Amortisation of intangibles	**12,288**	3,258	**1,736**	575
Changes in net assets and liabilities				
(Increase)/decrease in trade receivables and other assets	**(616,330)**	587,063	**(138,934)**	451,683
(Decrease)/increase in trade and other payable	**(730,572)**	35,534	**(85,374)**	(299,767)
Increase in provisions	**36,347**	21,135	**4,015**	9,879
Net cash (used in)/provided by the operating activities	**(1,288,667)**	1,578,632	**48,886**	114,532

16. Short term investment

Term deposits (maturity more than 3 months)	**3,099,785**	2,855,430	**461,672**	252,125

Short term investments with National Australia Bank with an average maturity of 188 days (2015: 225 days)

17. Contingencies

The Group has a bank guarantee of $83,781 (2015: $81,303) in place for the lease of an office premise in North Sydney which expires on 19 June 2019. The company has no other contingencies as at the date of this report.

18. Operating lease

	Consolidated		Company	
	2016	2015	2016	2015
	$	$	$	$
Non-cancellable operating lease commitments:				
Less than 1 year	**122,195**	89,286	**5,316**	-
Later than 1 year and not later than 5 years	**180,803**	236,096	**7,884**	-
Total commitment	**302,998**	325,382	**13,200**	-

Operating lease relates to the following items:
* Office premise at North Sydney expires on 19 December 2018
* Computer equipment leased with National Australia Bank, for 3 years ending July 2018
* Photocopy rentals with BBC Digital, for 5 years ending August 2020

19. Financial Instruments

(a) Capital Risk Management

The capital structure of the company is underpinned by contributions from external funders and retained earnings. The structure is supported by holdings of cash and cash equivalents to meet the present and future obligations.

(b) Financial Risk management objectives

The Directors manage the financial risks relating to the operations of the company. The Company does not enter into or trade financial instruments for speculative purposes nor does it use derivative instruments. The company's financial risk exposure is primarily due to changes in interest rates.

(c) Fair Value of Financial Instruments

The carrying amounts of financial assets and financial liabilities on the financial statements at fair value. The following table gives information about how the fair value of these financial assets are determined:

Financial asset	Fair value as at		Fair value hierarchy	Valuation technique and key inputs
	30/6/2016 $	30/6/2015 $		
Available-for-sale non derivative financial asset	$990,284	$953,632	Level 1	Quoted bid prices in an active market

Further information on available-for-sale financial asset is disclosed in Note 8.

20. Economic Dependence

The company is dependent on its income by way of grants from its state based members in the current financial year of $849,425 (2015: $821,476) which represents 55.9% (2015: 66.1%) of total revenue from ordinary activities.

21. Related Party Transactions

	Consolidated		Company	
	2016	2015	2016	2015
	$	$	$	$
(a) Transactions with Multiple Sclerosis Research Australia Limited				
Recharge to Multiple Sclerosis Research Australia Limited	-	-	**140,000**	160,000

During the current financial year, Multiple Sclerosis Australia provided administration services and recharged a portion of the total Multiple Sclerosis International Federation membership subscription at a net cost of $140,000 (2015: $160,000 consists only administration services) to Multiple Sclerosis Research Australia Limited.

(b) Grants from State based MS Organisations				
Multiple Sclerosis Limited	**861,724**	845,800	**546,724**	530,800
Multiple Sclerosis Society of Queensland	**537,225**	345,232	**147,529**	143,232
The Multiple Sclerosis Society of South Australia and Northern Territory Incorporated	**50,000**	40,021	**25,000**	21,063
The Multiple Sclerosis Society of Tasmania	**41,034**	40,276	**26,034**	25,276
The Multiple Sclerosis Society of Western Australia Incorporated	**1,665,574**	1,101,105	**104,138**	101,105
	3,155,557	2,372,434	**849,425**	821,476

During the financial year state-based MS organisations provided grants of $849,425 (2015: $821,476) to the Company and $3,155,557 (2015: $2,372,434) to the Group respectively.

(c) Amounts owed to Multiple Sclerosis Australia by related parties:				
Current				
Multiple Sclerosis Limited	**92,905**	230	**64,030**	203
Multiple Sclerosis Society of Queensland	**15,457**	73,884	**13,657**	184
The Multiple Sclerosis Society of South Australia and Northern Territory Incorporated	**55,000**	-	**27,500**	-
The Multiple Sclerosis Society of Tasmania	**-**	61	**-**	61
The Multiple Sclerosis Society of Western Australia Incorporated	**1,650,233**	1,101,855	**233**	1,855
Multiple Sclerosis Research Australia Limited	**-**	-	**-**	853
	1,813,595	1,176,030	**105,420**	3,156
Non-Current				
The Multiple Sclerosis Society of South Australia and Northern Territory Incorporated	**433,333**	650,000	**433,333**	650,000
Total	**2,246,928**	1,826,030	**538,753**	653,156

Amounts receivable from State Societies around Australia principally relate to research contributions owing to Multiple Sclerosis Research Australia at year end.

21. Related Party Transactions (Cont'd)

	Consolidated		Company	
	2016	2015	2016	2015
	$	$	$	$
(d) **Amounts owed by Multiple Sclerosis Australia to related parties:**				
Current				
Multiple Sclerosis Limited	-	22,227	-	20,140
Multiple Sclerosis Society of Queensland	-	7,274	-	7,274
Multiple Sclerosis Research Australia Limited	-	-	4,925	-
	-	**29,501**	**4,925**	**27,414**
Non-Current				
Multiple Sclerosis Limited	**166,667**	250,000	166,667	250,000
Multiple Sclerosis Society of Queensland	**100,000**	150,000	100,000	150,000
	266,667	400,000	266,667	400,000
Total	**266,667**	429,501	271,592	427,414

During the current financial year, the Company settled a third of the total loan amount following repayment of loan from The Multiple Sclerosis Society of South Australia and Northern Territory Incorporated.

(e) **In-kind donation by Multiple Sclerosis Limited to related parties:**				
Multiple Sclerosis Limited	**22,000**	22,000	**6,000**	6,000

During the current financial year Multiple Sclerosis Limited provided in-kind services relating to Human Resources and Payroll services to the Company $6,000 (2015: $6,000) and to the Group $22,000 (2015: $22,000). The amount is an estimated amount sourced from a few providers.

22. Additional Information furnished under the Charitable Fundraising Act 1991(NSW) on

a program basis

Consolidated

Gross Revenue	Year to 30 June 2016 Gross Revenue	Direct Expense	Net Proceeds	Year to 30 June 2015 Gross revenue	Direct Expense	Net Proceeds
Fundraising & donations	**1,550,707**	**806,040**	**744,667**	2,240,692	917,844	1,322,848
Bequest Income	**155,175**	**-**	**155,175**	380,742		380,742
Kiss Goodbye to MS	**878,170**	**223,144**	**655,026**	827,454	197,664	629,790
State-based MS organisations - research contribution	**2,306,132**	**-**	**2,306,132**	1,550,958	-	1,550,958
State-based MS organisations - grants	**849,425**		**849,425**	821,476		821,476
Sponsorships Pharmaceutical Companies	**419,727**	**-**	**419,727**	824,878	199,133	625,745
Government Grants	**490,000**	**-**	**490,000**	491,773	-	491,773
Total	**6,649,337**	**1,029,184**	**5,620,153**	7,137,973	1,314,641	5,823,332
Administrative Expenditure (Note 1)			**(924,909)**			(917,883)
Net amount raised before Cost of Services Provided, Bad Debt Expense and Interest			**4,695,244**			4,905,449

	% of Gross Revenue	% of Gross Revenue
Direct Expenditure	**15.5%**	18.4%
Administrative Expenditure	**13.9%**	12.9%
Total Expenditure	**29.4%**	31.3%
Net amount raised	**70.6%**	68.7%

(1) Administrative expenditure consists of National Management, Administration, Risk & Compliance and Gain/ (loss) on foreign currency exchange disclosed in the Statement of Comprehensive Income.

Company

Gross Revenue	Year to 30 June 2016 Gross Revenue	Direct Expense	Net Proceeds	Year to 30 June 2015 Gross Revenue	Direct Expense	Net Proceeds
Fundraising & donations (Note 1)	**208,620**	**5,000**	**203,620**	172,252	-	172,252
Bequest Income	**98,751**	**-**	**98,751**	-	-	-
Kiss Goodbye to MS	**-**	**-**	**-**	-	330	(330)
State-based MS organisations - grants (Note 2)	**849,425**	**-**	**849,425**	821,476	-	821,476
Sponsorships	**167,545**	**-**	**167,545**	209,545	199,133	10,412
Government Grants	**10,000**	**-**	**10,000**	-	-	-
Total	**1,334,341**	**5,000**	**1,329,341**	1,203,273	199,463	1,003,810
Administrative Expenditure (Note 3)			**(493,813)**			(615,784)
Net amount raised before Cost of Services Provided, Bad Debt Expense, Interest and recharge			**835,528**			388,026

	% of Gross Revenue	% of Gross Revenue
Direct Expenditure	**0.4%**	16.6%
Administrative Expenditure	**37.0%**	51.2%
Total Expenditure	**37.4%**	67.8%
Net amount raised	**62.6%**	32.2%

(1) Fundraising expenditure for the current financial year relates to upgrade online donation website and no pharmaceutical sponsorship on behalf of State based organisation.
(2) Refer to Note 21(b).
(3) Administrative expenditure consists of National Management, Administration, Risk & Compliance and Gain/ (loss) on foreign currency exchange disclosed in the Statement of Comprehensive Income.

23.

Additional Information furnished under the Charitable Fundraising Act 1991(NSW) on a program basis (Cont'd)

	Consolidated		Company	
	2016	2015	2016	2015
	$	$	$	$
(a) **Fundraising Activities Conducted**				
Major Gifts and donations from Public Gross Proceeds from Fundraising Appeals				
Gross Proceeds:				
Kiss Goodbye to MS	878,170	827,454	-	-
Fundraising & donations, Bequest Income and Sponsorship	2,125,609	3,446,312	474,916	381,797
Gross Proceeds from Fundraising Appeals	3,003,779	4,273,766	474,916	381,797
Total Fundraising Costs, representing Total Costs of Fundraising Appeals #	1,029,184	1,314,641	5,000	199,463
Net Surplus	1,974,595	2,959,125	469,916	182,334
Cost of Services Provided *	4,273,099	3,647,481	711,287	581,664
Total Expenditure				
Non Fundraising Costs	5,639,470	4,898,975	1,225,082	1,216,174
Fundraising Costs	1,029,184	1,314,641	5,000	199,463
Total Expenditure	6,668,654	6,213,616	1,230,082	1,415,637
Total Fundraising Income less Fundraising Costs	1,974,595	2,959,125	469,916	182,334

* Cost of services provided in the current financial year for Company relates to Advocacy of $488,731 and Communications of $222,556 and for the Group, it relates to Advocacy of $488,731, Communications of $222,556, Grants for Research of $2,144,104 and Other Research Expenditure of $1,417,708, which is on the Statement of Comprehensive Income.

The cost of fundraising disclosed reflects direct cost associated to fundraising. Indirect costs are reflected in the delivery of services.

Note: Multiple Sclerosis Australia is registered as required by law in each state and territory where it funds including Western Australia where it is registered through The Multiple Sclerosis Society of Western Australia (Incorporated).

Additional Information furnished under the Charitable Fundraising Act 1991 (NSW) on a program basis (Cont'd)

(b) ***Comparisons of Monetary figures and percentages***

Consolidated	2016 $	2016 %	2015 $	2015 %
Total Cost of Fundraising to Gross Fundraising Income	**$ 1,029,184 / $ 3,003,779**	**34%**	$ 1,314,641 / $ 4,273,766	31%
Net Surplus from Fundraising to Gross Income from Fundraising	**$ 1,974,595 / $ 3,003,779**	**66%**	$ 2,959,125 / $ 4,273,766	69%
Total Cost of Services to Total Expenditure (Less Fundraising Costs)	**$ 4,273,099 / [$ 6,668,654 - $ 1,029,184]**	**76%**	$ 3,647,481 / $[6,213,616 $ 1,314,641]	74%
Total Cost of Services to total income received from fundraising (Less interest revenue and fundraising expenditure)	**$ 4,273,099 / [$ 3,003,779 - $ 1,029,184]**	**216%**	$ 3,647,481 $[4,273,766 $ 1,314,641]	123%

Company	2016 $	2016 %	2015 $	2015 %
Total Cost of Fundraising to Gross Fundraising Income	**$ 5,000 / $ 474,916**	**1%**	$ 199,463 / $ 381,797	52%
Net Surplus from Fundraising to Gross Income from Fundraising	**$ 469,916 / $ 474,916**	**99%**	$ 182,334 / $ 381,797	48%
Total Cost of Services to Total Expenditure (Less Fundraising Costs)	**$ 711,287 / $[1,230,082 - $ 5,000]**	**58%**	$ 581,664 / $[1,415,637 - $ 199,463]	48%
Total Cost of Services to total income received from fundraising (Less interest revenue and fundraising expenditure)	**$ 711,287 / $[474,916 - $ 5,000]**	**151%**	$ 581,664 / $[381,797 - $ 199,463]	319%

24. Subsequent Events

There has not been any matters or circumstances that have arisen since the end of the financial year which significantly affected, or may significantly affect, the operations of the company, the results of its operations, or the state of affairs of the company in financial years subsequent to the year ended 30 June 2016.

25. Additional Company Information

Multiple Sclerosis Australia is a company limited by guarantee, incorporated and operating in Australia.

Registered Office and Principal Place of Business

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