



Multiple Sclerosis Australia Limited and Controlled Entity

ACN 008 515 508

Annual Financial Report for the Year Ended 30 June 2022

Multiple Sclerosis Australia Limited and Controlled Entity

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Multiple Sclerosis Australia Limited and Controlled Entity

Directors' Report

The Directors of Multiple Sclerosis Australia ("MSA") submit herewith the annual financial report of the Company and Controlled Entity (the "Group") for the financial year ended 30 June 2022.

The names and particulars of the Directors of the Company during the year are:

Assoc Professor Desmond Graham Chair of the Board of Directors Appointed: 21 November 2014 Appointed Chair: 26 September 2019	Chair, Multiple Sclerosis Research Australia Limited Director, MS Plus Member, Menzies Institute for Medical Research MS Flagship Management Committee Chair, Menzies Institute of Medical Research MS Research Flagship – Consumer and Community Reference Committee Board Member Multiple Sclerosis International Federation Member International Progressive MS Alliance Former Chairman, Multiple Sclerosis Society of Tasmania
Mr George Pampacos Deputy Chair of the Board of Directors Appointed: 11 October 2017 Appointed Deputy Chair: 16 November 2019	Director, Multiple Sclerosis Research Australia Limited Former President, The Multiple Sclerosis Society of Western Australia (Inc)
Mr Horst Bemmerl Non-Executive Director Appointed: 3 December 2020	Chair, The Multiple Sclerosis Society of Western Australia (Inc) Director, Multiple Sclerosis Research Australia Limited
Ms Sharlene Brown Non-Executive Director Appointed: 22 July 2019	Director, MS Plus Director, Multiple Sclerosis Research Australia Limited Chair, MS Plus Community Engagement Committee (TAS, VIC, NSW, ACT) Member, Menzies Flagship Scientific Advisory Committee
Mr Garry Whatley Non-Executive Director Appointed: 7 September 2019	Chair, MS Plus Director, Multiple Sclerosis Research Australia Limited
Ms Bronwyn Rout Non-Executive Director Appointed: 6 July 2021	Director, Multiple Sclerosis Research Australia Limited
Ms Vicki Thomson Non-Executive Director Appointed: 9 July 2021	Director, Multiple Sclerosis Research Australia Limited
Ms Maureen Lawlor Non-Executive Director Appointed: 8 November 2021	Director, Multiple Sclerosis Research Australia Limited Director, The Multiple Sclerosis Society of South Australia and Northern Territory Inc
Mr Shaun Treacy Non-Executive Director Appointed: 24 November 2021	Director, Multiple Sclerosis Research Australia Limited Director, Multiple Sclerosis Queensland

Multiple Sclerosis Australia Limited and Controlled Entity

Directors' Report

Former Directors

Mr Ron Brent Non-Executive Director Appointed: 14 June 2017 Resigned: 13 July 2021	Director, MS Plus Director, Multiple Sclerosis Research Australia Limited Member, MS Community Engagement Council ACT Region Chair, MSA National Funding Committee Chair, MSA Governance Committee
Ms Christina Gillies Non-Executive Director Appointed: 20 May 2007 Resigned: 26 July 2021	Director, MS Plus Director, Multiple Sclerosis Research Australia Limited
Ms Christine Hahn Non-Executive Director Appointed: 15 February 2021 Resigned: 19 October 2021	President, The Multiple Sclerosis Society of South Australia and Northern Territory Inc. Director, Multiple Sclerosis Research Australia Limited
Ms Johanna Roche Non-Executive Director Appointed: 16 November 2019 Resigned: 8 November 2021	Director, Multiple Sclerosis Society of Queensland Director, Multiple Sclerosis Development and Research Foundation of Queensland Inc Director, Multiple Sclerosis Queensland Limited Director, Neuro Queensland Limited Director, Multiple Sclerosis Research Australia Limited

Multiple Sclerosis Australia Limited and Controlled Entity

Directors' Report

Directors' Meetings

During the financial year 2022, seven Directors' meetings were held, and the number of meetings attended by each Director of the Company during the financial year are shown below.

	Note	Board Meetings		Audit and Risk Committee Meetings		Governance Committee Meetings		National Fundraising Committee		Research Strategy Committee	
		No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended
Current Directors											
A/Prof Desmond Graham		7	6	-	-	2	1	-	-	-	-
Mr George Pampacos		7	6	7	6	2	2	4	4	-	-
Mr Horst Bemmerl		7	6	7	7	-	-	-	-	-	-
Ms Sharlene Brown		7	7	-	-	2	2	-	-	-	-
Mr Garry Whatley		7	7	-	-	2	1	2	2	2	2
Ms Bronwyn Rout	(i)	7	4	-	-	-	-	4	4	-	-
Ms Vicki Thomson	(i)	7	4	-	-	-	-	-	-	2	2
Ms Maureen Lawlor	(i)	4	4	4	3	-	-	-	-	-	-
Mr Shaun Treacy	(i)	4	3	4	4	-	-	-	-	2	2

Former Directors											
Mr Ron Brent	(ii)	-	-	-	-	-	-	2	2	-	-
Ms Christina Gillies	(ii)	-	-	-	-	1	-	-	-	-	-
Ms Christine Hahn	(ii)	2	2	3	3	-	-	-	-	-	-
Ms Johanna Roche	(ii)	3	3	-	-	2	2	2	2	-	-

(i) Director appointment during the financial year 2022

(ii) Director resignation during the financial year 2022

Company Secretary

Sonya Blondinau
Company Secretary
Appointed: 1 June 2021

Head of Corporate Services, Multiple Sclerosis Australia

Multiple Sclerosis Australia Limited and Controlled Entity

Directors' Report

Principal Activities

The principal activities of Multiple Sclerosis Australia are:

To advocate on behalf of people who have been diagnosed with Multiple Sclerosis and other chronic, degenerative, neurological diseases. Multiple Sclerosis Australia is the research and peak advocacy body that represents our member organisations MSL, MSWA, MSSANT and MSQ on the national and international stages. We provide our members, consumers, carers and families with the latest evidence-based information and we coordinate the research and MS advocacy agenda from the funding we receive from our Member Organisations, the Commonwealth Government and the Community. Our member organisations rely on the resources we provide to improve the outcomes for the people who receive their services directly in their own jurisdictions.

- (a) 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
- (b) 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 8.

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 Group continued to pursue its principal activities throughout the year.

The Group recorded a surplus of \$3,747,194 (2021: surplus of \$3,576,646) for the year.

The surplus was primarily the result of:

- (1) Kiss Goodbye to MS (including the May 50K community fundraising event) that raised \$2.7 million
- (2) Contributions from the MS Member Organisation to fund research of \$9.9 million

Changes in State of Affairs and Likely Developments

Deed of Gift

On 15 September 2021, Multiple Sclerosis Australia entered a Deed of Gift and Transfer with Multiple Sclerosis Australia Research limited (controlled entity). On this date, all the Business and Assets of Multiple Sclerosis Research Australia Limited were transferred to Multiple Sclerosis Australia, and all remaining employees of Multiple Sclerosis Research Australia Limited were transferred to MS Plus. Multiple Sclerosis Australia assumes all Liabilities of Multiple Sclerosis Research Australia Limited from the date of execution.

Multiple Sclerosis Australia remains committed to increasing funding for Multiple Sclerosis research and to providing certainty to our researchers around their research and career paths.

Multiple Sclerosis Australia Limited and Controlled Entity

Directors' Report

COVID 19

The impact of COVID-19 pandemic is ongoing. The Directors and management are continually monitoring and managing the Group's operations closely in response to COVID-19 as explained in Note 22.

Management is actively monitoring the impact of COVID-19 and its impact on the Group's financial position. At year-end, the Group had cash and short-term investments of \$9.7 million.

Subsequent events

The Group has moved its fundraising activities to MS Plus from 1 July 2022. The Group will benefit from the economies of scale generated by this and MS Plus's scope of expertise as a fundraiser.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected or may significantly affect the Group's operations, the results of those operations, or their state of affairs in future financial years.

Declaration of Directors' Interests

The Company receives grants from its members. During the financial year, some Directors of Multiple Sclerosis Australia were also Directors of other related Multiple Sclerosis Member Organisations.

Organisations that are associated with Associate Professor Desmond Graham may have received research funding. Associate Professor Desmond Graham has no financial interests in these organisations. He is not a member of the Research Management Council (RMC) and did not participate in the grant approval process through the RMC when these grants were assessed and approved.

Indemnification and Insurance of Officers and Auditors

The Group 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 Group, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Group will meet the full amount of any such liabilities, including costs and expenses.

Since the end of the previous financial year the Group 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



A/Professor Desmond Graham
Chair

27 October 2022



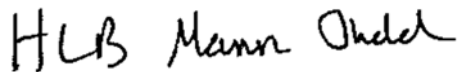
Mr George Pampacos
Deputy Chair

27 October 2022

Auditor's Independence Declaration

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of Multiple Sclerosis Australia for the year ended 30 June 2022.

This declaration is in relation to Multiple Sclerosis Australia and the entity it controlled during the year.

A handwritten signature in black ink that reads 'HLB Mann Judd'.

HLB Mann Judd Assurance (NSW) Pty Ltd
Chartered Accountants

Sydney, NSW
27 October 2022

A handwritten signature in black ink that reads 'A G Smith'.

A G Smith
Director

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

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Multiple Sclerosis Australia ("the Company") and its controlled entities (the "Group") which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion:

- (a) the accompanying financial report of the Group has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including:
 - i. giving a true and fair view of the the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
 - ii. complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013* and;
- (b) the financial report gives a true and fair view of the financial result fundraising appeals for the financial year;
- (c) any money received as a result of fundraising appeals conducted during the year ended 30 June 2022 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991 (NSW)*, the *Fundraising Act 1998 (VIC)*, and the Regulations there to;
- (d) the financial statements and associated records have been properly kept during the financial year in accordance with the provisions of the *Charitable Fundraising Act 1991 (NSW)*, the *Fundraising Act 1998 (VIC)*, and the Regulations there to; and
- (e) at the state of this statement there are reasonable grounds to believe that the Group will be able to pay its debts as and when they are due.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company and the Group in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors, would be in the same terms if given as at the time of this auditor's report.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012, the Charitable Fundraising Act 1991 (NSW), the Fundraising Act 1998 (VIC)* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group, or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'HLB Mann Judd'.

HLB Mann Judd Assurance (NSW) Pty Ltd
Chartered Accountants

Sydney, NSW
28 October 2022

A handwritten signature in black ink that reads 'A G Smith'.

A G Smith
Director

Multiple Sclerosis Australia Limited and Controlled Entity Declaration by Principal Officer in Respect of Fundraising Appeals

I, Rohan Greenland, Chief Executive Officer of Multiple Sclerosis Australia declare that in my opinion:

- (a) the Statement of 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 provision of the Charitable Fundraising Act 1991 (NSW), Fundraising Act 1998 (VIC), Collections Act 1966 (QLD), the regulations thereto, and the conditions attached to the Charitable Fundraising Authority Conditions have been complied with; 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.



Mr Rohan Greenland
Principal Officer

27 October 2022

Multiple Sclerosis Australia Limited and Controlled Entity Responsible Persons Declaration

The Directors declare that in the Directors' opinion:

- (a) there are reasonable grounds to believe that the Group will be able to pay its debts as when they become due and payable.
- (b) the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012

Signed in accordance with a resolution of the Directors made pursuant to s.60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

On behalf of the Directors



A/Professor Desmond Graham
Chair

27 October 2022



Mr George Pampacos
Deputy Chair

27 October 2022

Multiple Sclerosis Australia Limited and Controlled Entity

Statement of Comprehensive Income for the Year Ended 30 June 2022

	Note	Consolidated	
		2022 \$	2021 \$
Gross Revenue			
Donations & fundraising		1,601,490	2,083,219
Gifts in will		76,644	118,754
Kiss Goodbye to MS (including the May 50K)		2,712,134	5,423,370
State MS organisations – research contribution	22(b)	9,904,186	3,785,000
State MS organisations – grant	22(b)	966,053	945,254
Sponsorships – pharmaceutical companies	21	336,000	130,000
Ticket sales	21	66,962	-
Government grants		-	110,000
Capital gain on disposal of plant and equipment		12,840	-
Investment revenue		103,317	124,488
		15,779,626	12,720,085
Expenditure			
Advocacy & education		(979,043)	(739,988)
Administration expenditure		(1,795,801)	(1,294,690)
Risk & compliance		(50,091)	(49,264)
Fundraising costs		(922,058)	(2,191,433)
Interest expense		(13,198)	(19,248)
Research Expenditure			
Grants for research		(6,092,203)	(1,763,132)
Other research expenditure		(884,189)	(2,200,120)
Research & strategic expenditure		-	(994,451)
(Loss) on foreign currency exchange		(20,219)	(5,064)
Total expenditure		(10,756,802)	(9,257,390)
Surplus / (Deficit) before net fair value gain/(loss) on financial assets	2	5,022,824	3,462,695
Net fair value gain/(loss) on financial assets at fair value through profit or loss	9	(1,275,630)	113,951
Surplus / (Deficit) before Income tax		3,747,194	3,576,646
Income tax expense	1(a)	-	-
Total comprehensive income/(deficit) for the year		3,747,194	3,576,646

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

Multiple Sclerosis Australia Limited and Controlled Entity

Statement of Financial Position as at 30 June 2022

	Note	Consolidated	
		2022	2021
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents including research reserves	16	9,737,225	7,316,098
Short term investments	17	-	15,422,199
Trade receivables and other receivables	5	2,928,713	133,187
Prepayments and other assets	5	91,866	154,060
Total Current Assets		12,757,804	23,025,544
Non-Current Assets			
Plant and equipment	6	53,922	41,906
Intangibles	7	17,180	21,701
Right-of-use assets	8	230,143	383,565
Other financial assets	9	13,617,074	685,457
Long term investments	10	125,408	-
Total Non-Current Assets		14,043,727	1,132,629
Total Assets		26,801,531	24,158,173
LIABILITIES			
Current Liabilities			
Trade and other payables	11	571,355	1,366,428
Lease liabilities	12	173,323	158,304
Income received in advance		-	181,300
Annual leave payable		144,456	107,176
Provision for long service leave	13	51,130	51,270
Total Current Liabilities		940,264	1,864,478
Non-Current Liabilities			
Provision for long service leave	13	78,459	84,763
Lease liabilities	12	83,644	256,962
Total Non-Current Liabilities		162,103	341,725
Total Liabilities		1,102,367	2,206,203
Net Assets		25,699,164	21,951,970
Retained Earnings			
Contributed equity reserve		3,272,730	3,272,730
Retained earnings	14	22,426,434	18,679,240
Total Retained Earnings		25,699,164	21,951,970

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

Multiple Sclerosis Australia Limited and Controlled Entity

Statement of Changes to Equity for the Year Ended 30 June 2022

Consolidated	Retained Earnings	Contributed Equity Reserve	Total Equity
	\$	\$	\$
Balance as at 1 July 2020	15,102,594	3,272,730	18,375,324
Total Comprehensive Income/(Deficit) for the year	3,576,646	-	3,576,646
Balance as at 30 June 2021	18,679,240	3,272,730	21,951,970
Total Comprehensive Income for the year	3,747,194	-	-
Balance as at 30 June 2022	22,426,434	3,272,730	25,699,164

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

Multiple Sclerosis Australia Limited and Controlled Entity

Statement of Cash Flows for the Year Ended 30 June 2022

	Note	Consolidated	
		2022	2021
		\$	\$
Cash Flows from Operating Activities			
Cash receipts in course of operations		14,372,812	12,927,506
Cash payments in course of operations		(12,936,162)	(8,816,019)
Lease interest paid		(13,198)	(19,248)
Net cash received from operating activities		1,423,452	4,092,240
Cash Flows from Investing Activities			
Net investment income		100,176	124,488
Purchase of plant and equipment		(33,741)	(20,692)
Purchase of intangibles		-	-
Net investment in equity instruments designated as at fair value		(14,207,247)	-
Net redemption / (investment) in term deposits		15,296,791	1,351,933
Net cash from investing activities		1,155,979	1,455,729
Cash Flows from Financing Activities			
Lease repayments		(158,304)	(144,200)
Net cash used in financing activities		(158,304)	(144,200)
Net (decrease)/increase in cash and cash equivalents		2,421,127	5,403,768
Cash and cash equivalents at beginning of the financial year		7,316,098	1,912,330
Cash and cash equivalents at end of the financial year	16	9,737,225	7,316,098

The above statements of cashflows should be read in conjunction with the accompanying notes

Multiple Sclerosis Australia Limited and Controlled Entity

Notes to the Financial Statements for the Year Ended 30 June 2022

1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity (also referred to as the Group) consisting of Multiple Sclerosis Australia Limited and its controlled entity.

The financial statements were authorised by the Directors on the 27 October 2022.

(a) New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The Group has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is some increased disclosure in these financial statements.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Group has adopted the revised Conceptual framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Group's financial statements.

(b) Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012, New South Wales legislation the Charitable Fundraising Act 1991, and associated regulations.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets at fair value through profit or loss.

Critical Accounting and Key Sources of Estimation Uncertainty

In the application of the Australian Accounting Standards, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making these judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key critical judgement that management has made in the process of applying the accounting policies, and that has the most significant effect on the amounts recognised in the financial statements, is in relation to grant income received.

Management must analyse the grant agreements in place to determine whether the grant should be recognised as revenue under AASB 1058 *Income of Not-For-profit Entities* or a contribution under AASB 15 *Revenue from Contracts with Customers*.

Multiple Sclerosis Australia Limited and Controlled Entity

Notes to the Financial Statements for the Year Ended 30 June 2022

1. Significant accounting policies (Cont'd)

Judgements made by management in the application of Australian Accounting Standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

(c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of Multiple Sclerosis Australia Limited ('company' or 'parent entity') as at 30 June 2022 and the results of the subsidiary, the Multiple Sclerosis Research Australia Limited, for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(d) Taxation

The company and its subsidiary are exempt bodies for income tax purposes under the provisions of Section 50-50 and Section 50-52 of the Income Tax Assessment Act (1997) and accordingly no provision for income tax or income tax expense has been made.

(e) Plant and Equipment

Plant and equipment are brought to account at cost less, any accumulated depreciation and impairment. Depreciation is provided on plant and equipment and is calculated on a straight-line basis so as to write off the net cost of each asset over its expected useful life commencing from the time the asset is held ready for use. The depreciation rates used for each class are as follows:

	2022	2021
	%	%
Computer equipment	33	33
Office equipment	20	10

Depreciation methods will be reviewed at least annually and, where changed, will be accounted for as a change in accounting estimate. Where depreciation rates or methods are changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate or method. Depreciation recognised in prior financial years shall not be changed, that is, the change in the depreciation rate or method will be accounted for on a 'prospective' basis.

(f) Receivables

Trade receivables and other receivables are recorded at amortised costs less any allowance for expected credit losses.

(g) Payables

Trade payables and other payables are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

Multiple Sclerosis Australia Limited and Controlled Entity

Notes to the Financial Statements for the Year Ended 30 June 2022

1. Significant accounting policies (Cont'd)

(h) Provisions

Provisions are recognised when the Group has a present obligation, (legal or constructive) because of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows.

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is probable that recovery will be received, and the amount of the receivable can be measured reliably.

(i) Revenue Recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable considerations and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

The Group will only defer revenue received during the financial year, in the statement of financial position on the condition that it has met the following three inseparable criteria: (1) performance obligation; (2) sufficiently specific (cannot be general purpose) and (3) enforceable rights and obligations within the agreement.

Grants received from Members and Government

Grant revenues are recognised on receipt and disclosed in the profit or loss statement when the Group does not meet all the three conditions mentioned above. However, if the Group meets all three conditions, the Group defers the grant and it will be recognised in the statement of financial position as a liability until performance obligation is satisfied.

Donations or sponsorships

Specified and non-reciprocal donations and sponsorships are recognised on receipt and disclosed in the profit or loss statement when the Group does not meet all the three conditions mentioned above. However, if the Group meets all three conditions mentioned above, the Group can defer the contribution and it will be recognised in the statement of financial position as a liability until the respective performance obligation is satisfied. Donations/sponsorships received that are tied to a particular activity or provided for a specified purpose are spent in a manner consistent with the donor's intention.

The timing of the recognition of donations and bequests depends when control of these monies is obtained which is usually on receipt of the monies.

Program Funding or Reciprocal Sponsorship

Program funding and reciprocal sponsorships are recognised on receipt and disclosed in the profit or loss statement when the Group does not meet all the three conditions mentioned above. However, if the Group meets all three conditions, the Group will defer the contribution and it will be recognised in the statement of financial position as a liability until the respective performance obligation is satisfied.

Multiple Sclerosis Australia Limited and Controlled Entity

Notes to the Financial Statements for the Year Ended 30 June 2022

1. Significant accounting policies (Cont'd)

Donations/sponsorships received that are tied to a particular activity or provided for a specified purpose are spent in a manner consistent with the donor's intention.

Interest Revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Dividends

Dividends are recognised when it is declared and received in the investment account. When the payout dividends are franked dividends, the Group will accrue the franking credits during the financial year on an accrual basis and subsequently lodge a claim to the Australian Taxation Office on the franking credits.

(j) Goods and Services Tax

Revenues, expenses, and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST; or
- iii. where fundraising events held are declared as an input credit tax event all revenue and expenditure are recorded inclusive of GST. No amount is payable to/from Australian Taxation Office ("ATO"). Up to 15 events of this type can be declared as an input tax credit event prior to commencement in a single financial year.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(k) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments.

(l) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably. Long service leave is calculated from the commencement date of employment.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

(m) Intangibles

In line with AASB 138 *Intangible Assets*, website costs that are solely income generating are eligible to be capitalised, for example Kiss Goodbye to MS website which is an income generating fundraising campaign website. Amortisation is calculated on a straight-line basis over 5 years.

Multiple Sclerosis Australia Limited and Controlled Entity

Notes to the Financial Statements for the Year Ended 30 June 2022

1. Significant Accounting Policies (Cont'd)

(n) Impairment of non-financial assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(o) Financial instruments

i. Classification

The Group classified its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss ("FVPL") and,
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

ii. Recognition and Derecognition

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

iii. Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset.

The Group subsequently measures all debt investments that do not qualify for measurement at amortised cost and all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on debt and equity investments in profit or loss, interest and dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

iv. Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(p) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Multiple Sclerosis Australia Limited and Controlled Entity

Notes to the Financial Statements for the Year Ended 30 June 2022

1. Significant Accounting Policies (Cont'd)

Right-of use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-to-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

(q) Short-term investments

Short term investments represent term deposits held with banks with short to medium term maturity periods. The investments are measured at amortised cost using effective interest method, less any impairment.

(r) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise fixed payments less any lease incentives receivable.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used, residual guarantee, lease term, certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(s) Comparative figures

The comparative figures have been amended, where necessary, to conform to current reporting requirements.

Multiple Sclerosis Australia Limited and Controlled Entity

Notes to the Financial Statements for the Year Ended 30 June 2022

		Consolidated	
		2022	2021
		\$	\$
2.	Surplus/(deficit) for the year		
	Surplus/(deficit) before income tax includes:		
	Expenditure		
	Depreciation of Plant and Equipment	21,410	34,184
	Amortisation of Intangibles	4,521	13,100
	Depreciation of Right-of-use assets	153,422	153,425
	Annual leave and Long service leave	37,874	188,123
	Employee benefits	2,022,528	2,989,797
		<u>2,022,528</u>	<u>2,989,797</u>
3.	Key Management Personnel Compensation		
	Employment benefits	471,729	989,053
		<u>471,729</u>	<u>989,053</u>
4.	Remuneration of Auditors		
	HLB Mann Judd		
	Amounts received or receivable by auditors for auditing the financial report.	50,000	48,500
		<u>50,000</u>	<u>48,500</u>
5.	Trade Receivables, Prepayments and Other Assets		
	Current		
	Trade Receivables	23,000	95,101
	GST receivable and other receivables	127,910	38,086
	Amounts receivable from state MS organisations	2,777,803	-
	Total trade and other receivables	<u>2,928,713</u>	<u>133,187</u>
	Accrued income	49,687	6,156
	Prepayments and other assets	42,179	147,904
	Total other assets	<u>91,866</u>	<u>154,060</u>
	Aged trade receivables (includes amounts receivable from state MS organisations):		
	Current	2,461,054	95,101
	31-60 days	66,588	-
	60-90 days	124,554	-
	90+ days	148,607	-
	Total Trade receivables	<u>2,800,803</u>	<u>95,101</u>

Multiple Sclerosis Australia Limited and Controlled Entity
Notes to the Financial Statements for the Year Ended 30 June 2022

	Consolidated	
	2022	2021
	\$	\$
6. Plant and Equipment		
Cost	220,782	187,776
Accumulated depreciation	(166,860)	(145,870)
	53,922	41,906
Reconciliation of the carrying amounts:		
Carrying amount at beginning of year	41,906	67,439
Additions	34,795	20,692
Disposal	(1,369)	(12,041)
Depreciation expense	(21,410)	(34,184)
	53,922	41,906
7. Intangibles		
Cost	117,905	117,905
Accumulated amortisation	(100,725)	(96,204)
	17,180	21,701
Reconciliation of the carrying amounts:		
Carrying amount at beginning of year	21,701	34,801
Additions	-	-
Amortisation expense	(4,521)	(13,100)
	17,180	21,701
8. Right-to-use Assets		
Cost	690,416	690,416
Accumulated amortisation	(460,273)	(306,851)
	230,143	383,565

Multiple Sclerosis Australia Limited and Controlled Entity

Notes to the Financial Statements for the Year Ended 30 June 2022

	Consolidated	
	2022	2021
	\$	\$
8. Right-to-use Assets (Cont'd)		
Reconciliation of the carrying amounts:		
Carrying amount at beginning of year	383,565	536,990
Additions	-	-
Depreciation expense	(153,422)	(153,425)
	230,143	383,565

There were no additions to the right-of-use assets during the year. The Group leases a building for its office under an agreement for 5 years, with no option to extend. The lease has various escalation clauses. The lease held by the Group is reflected in the statement of financial position as a right-of-use asset and a lease liability.

	2022		2021	
	\$		\$	
9. Other financial assets				
Non-current:				
Financial assets at fair value through profit or loss: Listed shares and managed investments in financial institutions	13,617,074	685,457		

During the financial year, the Group invested with Macquarie and holds a portfolio of listed shares and managed investments. The Company continues to hold Commonwealth Bank ordinary shares that were donated in January 2017, with the holding now under management with Macquarie. The Group continues to hold preference shares with Commonwealth Bank, National Australia Bank, and Westpac (held under management with Morgan Stanley).

The fair value of investments is determined by using the market rates at the end of the reporting period and changes in the fair value is recognised as profit or loss.

	2022		2021	
	\$		\$	
10. Long term investments				
Term deposits (term of more than 12 months)	125,408	-		

The Group has a sole term deposit on hand relating to the security bond on the office lease.

	2022		2021	
	\$		\$	
11. Trade and other payables				
Current				
Trade payables	384,847	1,223,476		
GST and PAYG	26,832	-		
Accruals and other payables	159,676	142,952		
Total Trade and other payables	571,355	1,366,428		

Multiple Sclerosis Australia Limited and Controlled Entity

Notes to the Financial Statements for the Year Ended 30 June 2022

	Consolidated	
	2022	2021
	\$	\$
12. Lease Liabilities		
Current	173,323	158,304
Non-current	83,644	256,962
Total	256,967	415,266

Lease liabilities are related to the office lease agreement between, Multiple Sclerosis Research Australia Limited with Northpoint Tower Property Pty Ltd, which will end on 20 December 2023.

The lease liability held with Multiple Sclerosis Research Australia Limited was transferred to the Company following the execution of the Deed of Gift on the 15 September 2021.

Interest expense recognised in profit or loss was \$13,198 (FY2021: \$19,248) and interest and principal payments made to lessors in respect to lease liabilities was \$171,502 (FY2021: \$163,448) for the year.

13. Provision for long service leave

	2022	2021
	\$	\$
Current		
Carrying amount at beginning of year	51,270	73,463
(Reduction)/Additional provision recognised	(140)	(22,193)
Balance of current provision at 30 June	51,130	51,270
Non-current		
Provision for Long Service Leave Liabilities		
Carrying amount at beginning of year	84,763	86,817
(Reduction)/Additional provision recognised	(6,304)	(2,054)
Balance of current provision at 30 June	78,459	84,763

14. Contributed equity reserve

- (a) On 18 December 2012, 7 members of the MS Member Organisations passed control of Multiple Sclerosis Research Australia Limited to Multiple Sclerosis Australia. The members of the Multiple Sclerosis Member Organisations were: (1) Multiple Sclerosis Society of New South Wales, (2) Multiple Sclerosis Society of Victoria, (3) Multiple Sclerosis Society of Queensland, (4) Multiple Sclerosis Society of South Australia and Northern Territory (Inc), (5) Multiple Sclerosis Society of Tasmania, (6) Multiple Sclerosis Society of Western Australia (Inc) and (7) Multiple Sclerosis Society of the Australian Capital Territory (Inc).

Contributed equity reserve of \$3,272,730 represents the net asset of Multiple Sclerosis Research Australia Limited as at the date of transfer of ownership from the State-based MS organisations to Multiple Sclerosis Australia.

Multiple Sclerosis Australia Limited and Controlled Entity

Notes to the Financial Statements for the Year Ended 30 June 2022

		Consolidated	
		2022	2021
		\$	\$
14.	Retained Earnings		
(b)			
	Retained Earnings at the beginning of the year	18,679,240	15,102,594
	Net income/(deficit) attributable to members	3,747,194	3,576,646
	Retained Earnings at the end of the year	22,426,434	18,679,240

15. 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 (2022: \$50) towards meeting any outstanding obligations of the Company.

At 30 June 2022 the number of members were 4 (2021: 4). The members were: (1) MS Plus; (2) Multiple Sclerosis Society of Queensland; (3) The Multiple Sclerosis Society of South Australia and Northern Territory Inc; and (4) The Multiple Sclerosis Society of Western Australia Inc.

Membership

Multiple Sclerosis Research Australia Limited, a wholly owned subsidiary of Multiple Sclerosis Australia acts to accelerate research that contributes to the worldwide effort to solve Multiple Sclerosis. It was established in 2003 to facilitate Multiple Sclerosis 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.

16. Notes to the Statement of Cash Flows

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:

		2022	2021
		\$	\$
	Cash on hand and at financial institutions	9,737,225	7,316,098
17.	Short term investments		
	Term deposits (term of more than 3 months)	-	15,422,199

Multiple Sclerosis Australia Limited and Controlled Entity

Notes to the Financial Statements for the Year Ended 30 June 2022

18. Contingent liabilities and commitments

The Company has a bank guarantee of \$125,408 in place for 5-year lease of an office premise in North Sydney. The lease was transferred to Multiple Sclerosis Australia following the execution of the Deed of Gift on the 15 September 2021. The Group has no other contingent liabilities as at the date of this report.

The Company has carried forward future research commitment of \$16.9 million over five years.

The Company raises funds through national fundraising, contributions to research from member organisations and distributions from financial investments to meet its future research commitments. The Company reserves the right to delay or cease payments. This clause is reflected in all contracts with funded MS researchers and with the entity's MS research platforms.

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 Group. The Group 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 are recorded at fair value. The following table gives information about how the fair value of these financial assets are determined as follows:

Financial asset	Fair value as at		Fair value hierarchy	Valuation technique and key inputs
	30-Jun-22	30-Jun-21		
	\$	\$		
Shares at fair value through profit or loss	3,620,809	685,457	Level 1	Quoted bid prices in an active market
Managed Funds at fair value through profit or loss	9,996,265	-	Level 2	Based on prices provided by fund manager

Further information on financial asset is disclosed in Note 9.

Multiple Sclerosis Australia Limited and Controlled Entity

Notes to the Financial Statements for the Year Ended 30 June 2022

20. Economic Dependence

The Company and Group is dependent on its income from the MS State based MS organisations by way of grants and research contributions in the current financial year of \$966,053 and \$9,904,186 (2021: \$945,254 and \$3,785,000) respectively which represents 6% and 63% (2021: 7% and 30%) of total revenue.

21. Revenue from contracts with customers

Revenue recognised from contracts with customers consists of the following:

	Consolidated	
	2022	2021
	\$	\$
Sponsorships – pharmaceutical companies	336,000	130,000
Ticket sales	66,962	-

22. Related Party Transactions

	Consolidated	
	2022	2021
	\$	\$
(a) <u>Transactions with Multiple Sclerosis Research Australia Limited</u>		
Deed of Gift and Transfer	19,695,876	-
Recharge to Multiple Sclerosis Research Australia Limited	7,835	-
Recharge from Multiple Sclerosis Research Australia Limited	-	-
	19,703,711	-

On 15 September 2021, Multiple Sclerosis Research Australia Limited (“MSRA”) and Multiple Sclerosis Australia Limited (“the parent entity”) entered into a Deed of Gift and Transfer, upon which MSRA agreed to transfer its Business and Assets by way of a gift to the parent entity for nil consideration.

Following the execution of the Deed of Gift on the 15 September 2021, MSRA assigned to the parent entity the benefit of each contract to which MSRA was a party, resulting in the parent entity assuming all of MSRA’s obligations under each contract.

As a result, all assets of MSRA’s, other than financial assets at fair value through profit or loss (note 9) were transferred to the parent entity, and all liabilities of MSRA were assumed by the parent entity.

Multiple Sclerosis Australia Limited and Controlled Entity

Notes to the Financial Statements for the Year Ended 30 June 2022

22. Related Party Transactions (Cont'd)

	2022 \$	2021 \$
(b) <u>Grants and Research Contributions from State based MS Organisations</u>		
MS Plus	1,938,614	925,513
Multiple Sclerosis Society of Queensland	372,392	189,047
Multiple Sclerosis Development and Research Foundation of Queensland Inc	170,000	170,000
The Multiple Sclerosis Society of South Australia and Northern Territory Inc	873,306	797,263
The Multiple Sclerosis Society of Western Australia Incorporated	7,515,927	2,648,431
Total Income from State based MS organisations	10,870,239	4,730,254

During the financial year state-based MS organisations provided grants and research contributions of \$10,870,239 (2021: \$4,730,254) to the Group.

	Consolidated	
	2022 \$	2021 \$
(c) <u>Amounts owed by the Group to related parties:</u>		
<u>Current</u>		
Multiple Sclerosis Limited	-	29,431
(d) Amounts owed to the Group by related parties		
Refer note 4 for details of amounts owing by other state based MS organisations at year end.		
(e) <u>In-kind donation by MS Plus to the Company:</u>		
MS Plus	10,000	10,000

The Company receives the benefit of a rent free office space at its Blackburn, VIC premise and Canberra, ACT premises with an estimated rental cost of \$10,000 (2021: \$10,000).

(f) **Financing activities with related parties**

No new loans in 2022 (2021: Nil).

Multiple Sclerosis Australia Limited and Controlled Entity
Notes to the Financial Statements for the Year Ended 30 June 2022

23. Additional Information furnished under the Charitable Fundraising Act 1991 (NSW), Fundraising Act 1998 (VIC) and Collections Act 1966 (QLD) on a program basis.

Gross Revenue	Year to 30 June 2022			Year to 30 June 2021		
	Gross revenue	Direct Expense	Net Proceeds	Gross revenue	Direct Expense	Net Proceeds
Donations & Fundraising	1,601,490		1,601,490	2,083,219		2,083,219
Gifts in Will	76,644		76,644	118,754		118,754
Kiss Goodbye to MS	2,712,134		2,712,134	5,423,370		5,423,370
State-based MS organisations – research contribution	9,904,186		9,904,186	3,785,000		3,785,000
State-based MS organisations – grants (Note 20(b))	966,053		966,053	945,254		945,254
Sponsorships	336,000		336,000	130,000		130,000
Pharmaceutical Companies						
Government Grants	-		-	110,000		110,000
Ticket Sales	66,962		66,962	-		-
Total	15,663,469	922,058	14,741,411	12,595,597	2,191,433	10,404,164
Administration expenditure (Refer * below)			(1,879,310)			(1,368,266)
Net funds raised before Cost of Services Provided and research expenditure.			12,862,101			9,035,898
			% of Gross Revenue			% of Gross Revenue
Direct Expenditure			5.9%			17.4%
Administration expenditure			12.0%			10.9%
Total direct and administration expenditure			17.9%			28.3%
Net amount raised			82.1%			71.7%

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

Multiple Sclerosis Australia Limited and Controlled Entity

Notes to the Financial Statements for the Year Ended 30 June 2022

23. **Additional Information furnished under the Charitable Fundraising Act 1991 (NSW), Fundraising Act 1998 (VIC) and Collections Act 1966 (QLD) on a program basis (Cont'd)**

	2022 \$	2021 \$
(a) Fundraising Activities Conducted		
Major Gifts and donations from Public Gross Proceeds from Fund raising Appeals		
Gross Proceeds:		
Fundraising & donations, Gifts in Will and Sponsorship	4,390,268	7,755,343
State-based MS organisations - research contribution	9,904,186	3,785,000
Gross Proceeds from Fundraising Appeals	14,294,454	11,540,343
Total Fundraising Costs, representing Total Costs of Fundraising Appeals #	922,058	2,191,433
Net Surplus	13,372,396	9,348,910
Cost of Services Provided *	7,955,435	4,703,240
Total Expenditure		
Non-Fundraising Costs	10,756,802	7,065,957
Fundraising Costs	922,058	2,191,433
Total Expenditure	11,678,860	9,257,390
Total Fundraising Income less Fundraising Costs	13,372,396	9,348,910

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

* The cost of services provided in the current financial are as follow and disclosed in the Statement of Comprehensive Income.

Advocacy & education	979,043	739,988
Grants for Research and other research	6,976,392	3,963,252
	7,955,435	4,703,240

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

Multiple Sclerosis Australia Limited and Controlled Entity

Notes to the Financial Statements for the Year Ended 30 June 2022

23 Additional Information furnished under the Charitable Fundraising Act 1991 (NSW), Fundraising Act 1998 (VIC) and Collections Act 1966 (QLD) on a program basis (Cont'd)

(b) Comparisons of Monetary figures and percentages

	2022		2021	
	\$	%	\$	%
Total Cost of Fundraising to Gross Fundraising Income	922,058 14,294,454		2,191,433 11,540,343	19%
Net Surplus from Fundraising to Gross Income from Fundraising	13,372,396 14,294,454	94%	9,348,910 11,540,343	81%
Total Cost of Services to Total Expenditure	7,955,535 10,756,802	74%	4,703,240 9,257,390	51%
Total Cost of Services to Total Income received from Fundraising	7,955,535 14,294,454	56%	4,703,240 11,540,343	41%

Multiple Sclerosis Australia Limited and Controlled Entity

Notes to the Financial Statements for the Year Ended 30 June 2022

24. Impact of COVID-19 and subsequent events

Impact of the COVID-19

The Board and management have considered the impact of COVID-19 on the Group's operations and financial performance and have noted that this has not had a significant impact to date.

In preparing the financial report, management has considered the impact of COVID-19 on the various balances in the financial report, including the carrying values of assets, as well as balances and accounting estimates for which cash flow forecasts are required to be prepared, such as the impairment assessment of assets. Management determined that there was no significant impact of COVID-19 on these balances and accounting estimates.

Subsequent events

No other matter or circumstance has arisen since 30 June 2022 that has significantly impacted or may significantly impact the Company's or the Group's operations, the results of those operations, or their state of affairs in future financial years.

25. Additional Company Information

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

Registered Office

Multiple Sclerosis Australia
Level 19, 100 Northpoint Tower
100 Miller Street
North Sydney, NSW 2060
Tel: (02) 8413 7977

Principal Place of Business

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