



**Multiple Sclerosis Australia Limited and
Controlled Entity**

ABN 51 008 515 508

Annual Report for the Year Ended 30 June 2023

Multiple Sclerosis Australia Limited and Controlled Entity
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For the year ended 30 June 2023



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**Multiple Sclerosis Australia Limited and Controlled Entity
Directors' Report
For the year ended 30 June 2023**



The Directors of Multiple Sclerosis Australia submit herewith the annual financial report of the Company and Controlled Entity ("the Group") for the financial year ended 30 June 2023.

The Group comprises Multiple Sclerosis Australia Limited and its wholly owned subsidiary Multiple Sclerosis Research Australia Limited.

Directors

The names and particulars of the Directors of the Group during and since the end of 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 Limited Member, Menzies Institute for Medical Research MS Flagship Management Committee Board Member, Multiple Sclerosis International Federation Member, International Progressive MS Alliance
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
Mr Horst Bemmerl Non-Executive Director Appointed: 3 December 2020	Chair, MSWA Limited Director, Multiple Sclerosis Research Australia Limited
Ms Sharlene Brown Non-Executive Director Appointed: 22 July 2019	Director, MS Plus Limited Director, Multiple Sclerosis Research Australia Limited Chair, Multiple Sclerosis Limited 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 Limited Director, Multiple Sclerosis Research Australia Limited
Ms Bronwyn Rout Non-Executive Director Appointed: 6 July 2021	Director, Multiple Sclerosis Research Australia Limited Company Secretary, QIMR Berghoffer
Ms Vicki Thomson Non-Executive Director Appointed: 9 July 2021	Director, Multiple Sclerosis Research Australia Limited Board Member, European Australian Business Council (EABC) Chief Executive, Group of Eight (Go8) Research Intensive Universities
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 Chair, Multiple Sclerosis Queensland Limited

**Multiple Sclerosis Australia Limited and Controlled Entity
Directors' Report
For the year ended 30 June 2023**



Meetings of Directors

During the financial year 2023, five Directors' meetings were held, and the number of meetings attended by each Director of the Company during the financial year are shown below:

	Board Meetings		Governance, Audit and Risk & Investment Committee Meetings		Advocacy 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	5	5			5	4				
Mr George Pampacos	5	5	5	5			3	3		
Mr Horst Bemmerl	5	5	5	5						
Ms Sharlene Brown	5	4			5	4				
Mr Garry Whatley	5	5					3	2	4	4
Ms Bronwyn Rout	5	5	3	2			3	3		
Ms Vicki Thomson	5	5							4	4
Ms Maureen Lawlor	5	5	5	3	5	5				
Mr Shaun Treacy	5	5	5	5					4	3

Company Secretary

Sonya Blondinau

Company Secretary

Head of Corporate Services, Multiple Sclerosis Australia

**Multiple Sclerosis Australia Limited and Controlled Entity
Directors' Report
For the year ended 30 June 2023**



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 MS Plus, 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.

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 deficit for the Group after providing for income tax amounted to \$662,852 (30 June 2022: surplus of \$3,747,194).

Matters subsequent to the end of the financial year.

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Indemnification of Officers and Auditors

The Group has agreed to indemnify all Directors and Officers against all liabilities to another person (other than the Group or a related body corporate) that may arise from their position as Directors and Officers 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 and former Directors and officers up to a period of seven years after leaving the office. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium paid.

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

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

**Multiple Sclerosis Australia Limited and Controlled Entity
Directors' Report
For the year ended 30 June 2023**



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.

Mr George Pampacos is a Director of the Company and a Director of Flinders Accountants Pty Ltd for which the Company derives accounting services. Mr George Pampacos is not involved in the preparation of the annual financial report or the day-to-day processing of the company's financial information.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Desmond', written over a horizontal line.

A/Prof Desmond Graham
Chair

A handwritten signature in black ink, appearing to read 'George', written over a horizontal line.

Mr George Pampacos
Deputy Chair

18 October 2023

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SUBDIVISION 60-40 OF THE AUSTRALIAN CHARITIES
AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE BOARD OF DIRECTORS OF MULTIPLE SCLEROSIS AUSTRALIA LIMITED AND
CONTROLLED ENTITY**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

- a) no contraventions of the auditor's independence requirements as set out in the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit, and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



WEN-SHIEN CHAI
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 18th day of October 2023.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MULTIPLE SCLEROSIS AUSTRALIA
LIMITED AND CONTROLLED ENTITY****Report on the Financial Report****Opinion**

We have audited the financial report of Multiple Sclerosis Australia Limited (the "Company") and Controlled Entity (the "Group") which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes comprising a summary of significant accounting policies and responsible person's declaration.

In our opinion

- (a) the accompanying financial report of the Group is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
 - i. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year then ended; and
 - ii. complying with Australian Accounting Standards – AASB 1060: General Purpose Financial Statement – Simplified disclosures for *For-Profit and Not-for-Profit Tier 2 Entities*, and Division 60 of the *Australian Charities and Not-for-Profits Commission Regulation 2013*.
- (b) the financial report gives a true and fair view of the financial result of the Group's fundraising appeals for the financial year;
- (c) any money received and money spent as a result of the 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 *Collections Act 1966 (QLD)*; and
- (d) the records and accounts 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 *Collections Act 1966 (QLD)*.

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 Group in accordance with the independence requirements Section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012* and the ethical requirements of the Accounting Professional Accountants 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 with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not-for-Profits Commission Act 2012*, provided to the directors of Multiple Sclerosis Australia Limited, would be in the same terms if provided to the directors 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MULTIPLE SCLEROSIS AUSTRALIA LIMITED AND CONTROLLED ENTITY (CONTINUED)

Responsibility of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with AASB 1060: General Purpose Financial Statements – Simplified Disclosures for *For-Profit and Not-for-Profit Tier 2 Entities* and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable 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.

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 relating 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 Responsibility 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 the 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standard Board website at http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our audit report.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Section 60-45(3)(b) of the ACNC Act, in our opinion there are no deficiency, failure or shortcoming in respect of the matters referred to in Section 60-30(3)(b),(c) or (d) of the ACNC Act.



WEN-SHIEN CHAI
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 24th day of October 2023.

**Multiple Sclerosis Australia Limited and Controlled Entity
Declaration by Principal Officer in Respect of Fundraising Appeals
For the year ended 30 June 2023**



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

- (a) the Statement of Profit or Loss and Other Comprehensive Income gives a true and fair view of all income and expenditure of Multiple Sclerosis Australia Limited with respect to fundraising appeals.
- (b) the Statement of Financial Position and accompanying notes gives a true and fair view of the state of affairs with respect to fundraising appeals.
- (c) the provisions 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.
- (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.

A handwritten signature in black ink, appearing to be 'Roh Greenland', written over a horizontal line.

Mr Rohan Greenland
Principal Officer and CEO

18 October 2023

**Multiple Sclerosis Australia Limited and Controlled Entity
Responsible Persons' Declaration
For the year ended 30 June 2023**



The Directors declare that in the Directors' opinion:

- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- 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 2022*.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Desmond'.

A/Prof Desmond Graham
Chair

A handwritten signature in black ink, appearing to read 'George Pampacos'.

Mr George Pampacos
Deputy Chair

18 October 2023

Multiple Sclerosis Australia Limited and Controlled Entity
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2023



	Note	Consolidated	
		2023 \$	2022 \$
Revenue			
Fundraising		-	1,601,490
Donations		446,505	-
Gifts in will		920,753	76,644
Kiss Goodbye to MS (including The May-50K)		1,609,237	2,712,134
State MS organisations - research contribution		5,214,593	9,904,186
State MS organisations - grant		994,698	966,053
Sponsorships – pharmaceutical companies		85,000	336,000
Ticket sales		-	66,962
Capital gain/(loss) on disposal of plant and equipment		(24,625)	12,840
Investment revenue		493,050	103,317
Other income		50,000	-
		<u>9,789,211</u>	<u>15,779,626</u>
 Total revenue		<u>9,789,211</u>	<u>15,779,626</u>
Expenditure			
Administration expenditure		(1,743,892)	(1,795,801)
Advocacy & education		(1,275,211)	(979,043)
Fundraising expenditure		-	(922,058)
Interest expense		(6,559)	(13,198)
Grants for research		(7,309,765)	(6,092,203)
Other research expenditure		(518,270)	(884,189)
Risk & compliance		(193,766)	(50,091)
(Loss) on foreign currency exchange		(1,155)	(20,219)
Total expenditure		<u>(11,048,618)</u>	<u>(10,756,802)</u>
 Operating profit/(loss)		 (1,259,407)	 5,022,824
Net fair value gain/(loss) on financial assets as fair value through profit or loss	11	<u>596,555</u>	<u>(1,275,630)</u>
 Surplus/(deficit) before income tax expense		 (662,852)	 3,747,194
Income tax expense	1(e)	<u>-</u>	<u>-</u>
 Surplus/(deficit) after income tax expense for the year attributable to the owners of Multiple Sclerosis Australia Limited and Controlled Entity	19	 (662,852)	 3,747,194
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
 Total comprehensive income/(deficit) for the year attributable to the owners of Multiple Sclerosis Australia Limited and Controlled Entity		 <u>(662,852)</u>	 <u>3,747,194</u>

The above statement of profit or loss and other 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 2023



	Note	Consolidated 2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	21	3,768,635	9,737,225
Short term investments	22	5,350,408	-
Trade and other receivables	5	2,352,118	2,928,713
Right-of-use assets	9	76,723	-
Prepayments and other assets	6	93,658	91,866
Total current assets		<u>11,641,542</u>	<u>12,757,804</u>
Non-current assets			
Financial assets	11	14,865,112	13,617,074
Property, plant and equipment	7	54,268	53,922
Right-of-use assets	10	-	230,143
Intangible assets	8	7,506	17,180
Long term investments	12	-	125,408
Total non-current assets		<u>14,926,886</u>	<u>14,043,727</u>
Total assets		<u>26,568,428</u>	<u>26,801,531</u>
Liabilities			
Current liabilities			
Trade and other payables	13	1,146,075	571,355
Lease liabilities	14	83,651	173,323
Annual leave payable	16	193,094	144,456
Provision for long service leave	17	103,754	51,130
Total current liabilities		<u>1,526,574</u>	<u>940,264</u>
Non-current liabilities			
Lease liabilities	15	-	83,644
Provision for long service leave	18	5,542	78,459
Total non-current liabilities		<u>5,542</u>	<u>162,103</u>
Total liabilities		<u>1,532,116</u>	<u>1,102,367</u>
Net assets		<u>25,036,312</u>	<u>25,699,164</u>
Equity			
Contributed equity reserve		3,272,730	3,272,730
Retained profits	19	21,763,582	22,426,434
Total equity		<u>25,036,312</u>	<u>25,699,164</u>

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

Multiple Sclerosis Australia Limited and Controlled Entity
Statement of Changes in Equity
For the year ended 30 June 2023



Consolidated	Contributed Equity Reserve \$	Retained Profits \$	Total Equity \$
Balance at 1 July 2021	3,272,730	18,679,240	21,951,970
Surplus after income tax expense for the year	-	3,747,194	3,747,194
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	3,747,194	3,747,194
Balance at 30 June 2022	<u>3,272,730</u>	<u>22,426,434</u>	<u>25,699,164</u>

Consolidated	Contributed Equity Reserve \$	Retained Profits \$	Total Equity \$
Balance at 1 July 2022	3,272,730	22,426,434	25,699,164
Deficit after income tax expense for the year	-	(662,852)	(662,852)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive deficit for the year	-	(662,852)	(662,852)
Balance at 30 June 2023	<u>3,272,730</u>	<u>21,763,582</u>	<u>25,036,312</u>

The above statement 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 2023



	Note	Consolidated	
		2023 \$	2022 \$
Cash flows from operating activities			
Cash receipts in course of operations		9,879,131	14,372,812
Cash payments in course of operations		(10,223,118)	(12,936,162)
Lease interest paid		(6,567)	(13,198)
Net cash from/(used in) operating activities		<u>(350,554)</u>	<u>1,423,452</u>
Cash flows from investing activities			
Proceeds on property, plant and equipment		(13,260)	-
Net investment income		484,883	100,176
Payments for property, plant and equipment		(39,860)	(33,741)
Net investment in equity instruments designated as at fair value		(651,483)	(14,207,247)
Net redemption / (investment) in term deposits		<u>(5,225,000)</u>	<u>15,296,791</u>
Net cash from/(used in) investing activities		<u>(5,444,720)</u>	<u>1,155,979</u>
Cash flows from financing activities			
Lease repayments		<u>(173,316)</u>	<u>(158,304)</u>
Net cash used in financing activities		<u>(173,316)</u>	<u>(158,304)</u>
Net increase/(decrease) in cash and cash equivalents		(5,968,590)	2,421,127
Cash and cash equivalents at the beginning of the financial year		<u>9,737,225</u>	<u>7,316,098</u>
Cash and cash equivalents at the end of the financial year	21	<u><u>3,768,635</u></u>	<u><u>9,737,225</u></u>

The above statement of cash flows 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 2023



Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are Multiple Sclerosis Australia Limited and its Controlled Entity ("the Group").

The financial statements were authorised by the Directors on the 18 October 2023.

(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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(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, the Charitable Fundraising Act 1991 (NSW), Fundraising Act 1998 (VIC), Collections Act 1966 (QLD), 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 estimates and key sources of estimation uncertainty

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*.

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 all subsidiaries of Multiple Sclerosis Australia Limited and Controlled Entity ('Company' or 'Parent Entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Multiple Sclerosis Australia Limited and Controlled Entity and its subsidiaries together are referred to in these financial statements as the 'Group'.

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.

Multiple Sclerosis Australia Limited and Controlled Entity
Notes to the Financial Statements
For the year ended 30 June 2023



Note 1. Significant accounting policies (continued)

(d) Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Parent 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. If these conditions are not satisfied, revenue is recognised on receipt of cash.

Research contributions from Member Organisations

Research contributions from Member Organisations 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 contribution, and it will be recognised in the statement of financial position as a liability until the respective 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, the Group defers 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 defers 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.

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 recognise the franking credits in the financial year which they are refunded by the Australian Taxation Office.

Multiple Sclerosis Australia Limited and Controlled Entity
Notes to the Financial Statements
For the year ended 30 June 2023



Note 1. Significant accounting policies (continued)

(e) Income tax

The Company is an exempt body 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.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(h) Financial assets

i. Classifications

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.

(i) Property, plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Multiple Sclerosis Australia Limited and Controlled Entity
Notes to the Financial Statements
For the year ended 30 June 2023



Note 1. Significant accounting policies (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives. The depreciation rates used for each class are as follows:

Computer equipment	33%
Office equipment	20%

(j) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset 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, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

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-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(k) Intangible assets

In accordance 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.

(l) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid.

(n) Financial liabilities

i. Classifications

The Company's financial liabilities are trade and other payables and lease liabilities.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Multiple Sclerosis Australia Limited and Controlled Entity
Notes to the Financial Statements
For the year ended 30 June 2023



Note 1. Significant accounting policies (continued)

(o) 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 of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

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.

(p) Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(q) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(r) Fair value measurement

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(s) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Multiple Sclerosis Australia Limited and Controlled Entity
Notes to the Financial Statements
For the year ended 30 June 2023



Note 1. Significant accounting policies (continued)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(t) Comparative figures

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

Note 2. Surplus (deficit) for the year

	Consolidated	
	2023	2022
Surplus for the year		
Income before income tax includes:	\$	\$
Depreciation of Plant and Equipment	28,149	21,410
Amortisation of Intangibles	3,484	4,521
Depreciation of Right-of-use assets	153,420	153,422
Annual Leave and long service leave	28,869	37,874
Employee benefits	2,401,717	2,022,528

Note 3. Key management personnel disclosures

	Consolidated	
	2023	2022
	\$	\$
Employment benefits	530,287	471,729

Note 4. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Moore Australia (WA) Pty Ltd, the auditor of the Company:

	Consolidated	
	2023	2022
	\$	\$
<i>Audit services - Moore Australia (WA) Pty Ltd (2022: HLB Mann Judd Assurance (NSW) Pty Ltd)</i>		
Audit or review of the financial statements	38,500	50,000

Multiple Sclerosis Australia Limited and Controlled Entity
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Note 5. Current assets - trade and other receivables

	Consolidated	
	2023	2022
	\$	\$
Trade receivables	76,200	23,000
Amounts receivable from state MS organisations	2,149,631	2,777,803
	<u>2,225,831</u>	<u>2,800,803</u>
GST receivable and other receivables	126,287	127,910
Total trade and other receivables	<u><u>2,352,118</u></u>	<u><u>2,928,713</u></u>

Aged trade receivables (includes amounts receivable from state MS organisations)

	Consolidated	
	2023	2022
Current	2,175,831	2,461,054
31-60 days	-	66,588
60-90 days	-	124,554
90+ days	50,000	148,607
Total Trade receivables	<u><u>2,225,831</u></u>	<u><u>2,800,803</u></u>

Note 6. Current assets - prepayments and other assets

	Consolidated	
	2023	2022
	\$	\$
Accrued income	32,214	49,687
Prepayments and other assets	61,444	42,179
Total other assets	<u><u>93,658</u></u>	<u><u>91,866</u></u>

Note 7. Non-current assets - property, plant and equipment

	Consolidated	
	2023	2022
	\$	\$
Cost	222,860	220,782
Less: Accumulated depreciation	(168,592)	(166,860)
	<u><u>54,268</u></u>	<u><u>53,922</u></u>

Multiple Sclerosis Australia Limited and Controlled Entity
Notes to the Financial Statements
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Note 7. Non-current assets - property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Consolidated 2023	Consolidated 2022
	\$	\$
Carrying amount at beginning of year	53,922	41,906
Additions	39,860	34,795
Disposals	(11,365)	(1,369)
Depreciation expense	(28,149)	(21,410)
	<u>54,268</u>	<u>53,922</u>

Note 8. Non-current assets - Intangible assets

	Consolidated	
	2023	2022
	\$	\$
Cost	109,175	117,905
Less: Accumulated amortisation	(101,669)	(100,725)
	<u>7,506</u>	<u>17,180</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	2023	2022
	\$	\$
Carrying amount at beginning of year	17,180	21,701
Additions	-	-
Disposals	(6,190)	-
Amortisation expense	(3,484)	(4,521)
	<u>7,506</u>	<u>17,180</u>

Note 9. Current assets - right-of-use assets

	Consolidated	
	2023	2022
	\$	\$
Cost	690,416	-
Less: Accumulated depreciation	(613,693)	-
	<u>76,723</u>	<u>-</u>

Multiple Sclerosis Australia Limited and Controlled Entity
Notes to the Financial Statements
For the year ended 30 June 2023



Note 9. Current assets - right-of-use assets (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	2023	2022
	\$	\$
Carrying amount at beginning of year	-	-
Transfer from non-current assets	230,143	-
Additions	-	-
Depreciation expense	(153,420)	-
	<u>76,723</u>	<u>-</u>

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.

Note 10. Non-current assets - right-of-use assets

	Consolidated	
	2023	2022
	\$	\$
Cost	-	690,416
Less: Accumulated depreciation	-	(460,273)
	<u>-</u>	<u>230,143</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	2023	2022
	\$	\$
Carrying amount at beginning of year	230,143	383,565
Transfer to current assets	(230,143)	-
Additions	-	-
Depreciation expense	-	(153,422)
	<u>-</u>	<u>230,143</u>

Note 11. Non-current assets - financial assets at fair value through profit and loss

	Consolidated	
	2023	2022
	\$	\$
Financial assets at fair value through profit or loss		
Listed shares in financial institutions	3,698,667	3,620,809
Managed investments in financial institutions	11,166,445	9,996,265
	<u>14,865,112</u>	<u>13,617,074</u>

Multiple Sclerosis Australia Limited and Controlled Entity
Notes to the Financial Statements
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Note 11. Non-current assets - financial assets at fair value through profit and loss (continued)

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

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.

Note 12. Non-current assets - Long term investments

	Consolidated	
	2023	2022
	\$	\$
Bank guarantee (lease)	-	125,408
	-	125,408

Note 13. Current liabilities - trade and other payables

	Consolidated	
	2023	2022
	\$	\$
Trade payables	947,885	384,847
PAYG	39,244	26,832
Accruals and other payables	158,946	159,676
	1,146,075	571,355

Note 14. Current liabilities - lease liabilities

	Consolidated	
	2023	2022
	\$	\$
Lease liability	83,651	173,323
	83,651	173,323

Note 15. Non-current liabilities - lease liabilities

	Consolidated	
	2023	2022
	\$	\$
Lease liability	-	83,644
	-	83,644

Lease liabilities are related to the office lease agreement between, Multiple Sclerosis Australia Limited with Northpoint Tower Property Pty Ltd, which will end on 19 December 2023.

Interest expense recognised in profit or loss was \$6,559 (FY2022: \$13,198) and interest and principal payments made to lessors in respect to lease liabilities was \$179,875 (FY2022: \$171,502) for the year.

Multiple Sclerosis Australia Limited and Controlled Entity
Notes to the Financial Statements
For the year ended 30 June 2023



Note 15. Non-current liabilities - lease liabilities (continued)

	Consolidated	
	2023	2022
	\$	\$
Total future lease payments		
Not later than 1 year	84,291	179,875
Between 1 and 5 years	-	84,291
Later than 5 years	-	-

Note 16. Current liabilities - provision for annual leave

	Consolidated	
	2023	2022
	\$	\$
Annual leave	193,094	144,456
	2023	2022
	\$	\$
Carrying amount at beginning of year	144,456	107,176
(Reduction)/Additional provision recognised	48,638	37,280
Balance of provision at 30 June	193,094	144,456

Note 17. Current liabilities - provision for long service leave

	Consolidated	
	2023	2022
	\$	\$
Long service leave	103,754	51,130
	2023	2022
	\$	\$
Carrying amount at beginning of year	51,130	51,270
(Reduction)/Additional provision recognised	52,624	(140)
Balance of provision at 30 June	103,754	51,130

Note 18. Non-current liabilities - provisions

	Consolidated	
	2023	2022
	\$	\$
Long service leave	5,542	78,459

Multiple Sclerosis Australia Limited and Controlled Entity
Notes to the Financial Statements
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Note 18. Non-current liabilities - provisions (continued)

	2023	2022
	\$	\$
Carrying amount at beginning of year	78,459	84,763
(Reduction)/Additional provision recognised	<u>(72,917)</u>	<u>(6,304)</u>
Balance of provision at 30 June	<u><u>5,542</u></u>	<u><u>78,459</u></u>

Note 19. Equity - retained profits

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.

	Consolidated	
	2023	2022
	\$	\$
Retained profits at the beginning of the financial year	22,426,434	18,679,240
Surplus/(deficit) after income tax expense for the year	<u>(662,852)</u>	<u>3,747,194</u>
Retained profits at the end of the financial year	<u><u>21,763,582</u></u>	<u><u>22,426,434</u></u>

Note 20. Equity - Member's Guarantee

The Company is limited by guarantee. If the Company is wound up, the Company's Constitution states that the member is required to contribute a maximum of \$50 towards meeting any outstanding obligations of the Company.

At 30 June 2023 the number of members were 4 (2022: 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.

Note 21. Current assets - cash and cash equivalents

	Consolidated	
	2023	2022
	\$	\$
Cash at bank	<u><u>3,768,635</u></u>	<u><u>9,737,225</u></u>

Multiple Sclerosis Australia Limited and Controlled Entity
Notes to the Financial Statements
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Note 22. Current assets - Short term investments

	Consolidated	
	2023	2022
	\$	\$
Term deposits	5,225,000	-
Bank guarantee (lease)	125,408	-
	5,350,408	-

Note 23. Contingent liabilities

The Company has a bank guarantee of \$125,408 in place for 5-year lease expiring on 19 December 2023 of an office premise in North Sydney.

The Group has no other contingent liabilities as at the date of this report.

As at 30 June 2023, the Company has carried forward future research commitment of \$11.8 million over four years. Following year end, a further \$4.9 million has been committed 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.

Note 24. Financial instruments

(a) Capital Risk Management

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

(b) Financial Risk Management Objectives

The Directors manage 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.

(c) Fair Value of Financial Instruments

The carrying amount of financial assets and financial liabilities recorded on the financial statements is at fair value.

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

	Level 1	Level 2	Total
Consolidated - 2023	\$	\$	\$
<i>Assets</i>			
Shares at fair value through profit or loss	3,698,667	-	3,698,667
Managed funds at fair value through profit or loss	-	11,166,445	11,166,445
Total assets	3,698,667	11,166,445	14,865,112

Multiple Sclerosis Australia Limited and Controlled Entity
Notes to the Financial Statements
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Note 24. Financial instruments (continued)

Consolidated - 2022	Level 1 \$	Level 2 \$	Total \$
<i>Assets</i>			
Shares at fair value through profit or loss	3,620,809	-	3,620,809
Managed funds at fair value through profit or loss	-	9,996,265	9,996,265
Total assets	<u>3,620,809</u>	<u>9,996,265</u>	<u>13,617,074</u>

There were no transfers between levels during the financial year.

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable and leases.

The total for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated	
		2023	2022
		\$	\$
Financial assets			
Financial assets at amortised cost:			
Cash and cash equivalents	21	3,768,635	9,737,225
Trade and other receivables	5	2,352,118	2,928,713
Short term investment	22	5,350,408	-
Long term investment	12	-	125,408
Financial assets at fair value through profit and loss	11	<u>14,865,112</u>	<u>13,617,074</u>
Total financial assets		<u><u>26,336,273</u></u>	<u><u>26,408,420</u></u>

	Note	Consolidated	
		2023	2022
		\$	\$
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	13	1,146,075	571,355
Lease liabilities	14,1 5	<u>83,651</u>	<u>256,967</u>
Total financial liabilities		<u><u>1,229,726</u></u>	<u><u>828,322</u></u>

Note 25. Economic dependency

The Company and Group is dependent on its income from its members by way of grants and research contributions in the current financial year of \$994,698 and \$5,214,593 (2022: \$966,053 and \$9,904,186) respectively which represents 10% and 53% (2022: 6% and 63%) of total revenue.

Multiple Sclerosis Australia Limited and Controlled Entity
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Note 26. Revenue from contracts with customers

	Consolidated	
	2023	2022
Revenue recognised from contracts with customers consists of the following:	\$	\$
Sponsorships - pharmaceutical companies	85,000	336,000
Ticket Sales	-	66,962
	85,000	402,962

Note 27. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 3.

Transactions with Multiple Sclerosis Research Australia Limited

	Consolidated	
	2023	2022
	\$	\$
Deed of gift and transfer	-	19,695,876
Recharge to Multiple Sclerosis Research Australia Limited	8,166	7,835
	8,166	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 11) were transferred to the parent entity, and all liabilities of MSRA were assumed by the parent entity.

Grants and Research Contributions from State based MS Organisations

	Consolidated	
	2023	2022
MS Plus	1,626,869	1,938,614
Multiple Sclerosis Society of Queensland	463,625	542,392
The Multiple Sclerosis Society of South Australia and Northern Territory Inc	449,752	873,306
The Multiple Sclerosis Society of Western Australia Incorporated	3,669,045	7,515,927
Total Income from State based MS organisations	6,209,291	10,870,239

During the financial year state-based MS organisations provided grants and research contributions of \$6,209,291 (2022: \$10,870,239) to the Group.

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Note 27. Related party transactions (continued)

Payables to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2023	2022
MS Plus	379,249	-

Receivables from related parties

Refer note 5 for details of amounts owing by other state based MS organisations at year end.

In-kind donation by MS Plus to the Company

	Consolidated	
	2023	2022
	\$	\$
MS Plus	10,000	10,000

The Company receives the benefit of a rent free office space at its Blackburn, VIC premise with an estimated rental cost of \$10,000 (2022: \$10,000).

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Other

Mr George Pampacos is a Director of the Group and a Director of Flinders Accountants Pty Ltd for which the Group derives accounting services from. Mr George Pampacos is not involved in the preparation of the annual financial report or the business of the Group.

During the financial year the following fees were paid or payable for services provided by Flinders Accountants Pty Ltd:

	Consolidated	
	2023	2022
	\$	\$
Flinders Accountants Pty Ltd	167,148	138,977

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Note 28. Additional Information furnished under the Charitable Fundraising Act 1991 (NSW), Fundraising Act 1998 (VIC), and Collections Act 1966 (QLD).

	Year to 30 June 2023			Year to 30 June 2022		
	Gross revenue	Direct expense	Net proceeds	Gross revenue	Direct expense	Net proceeds
Donations and fundraising	446,505	-	446,505	1,601,490	-	1,601,490
Gifts in Will	920,753	-	920,753	76,644	-	76,644
Kiss Goodbye to MS	1,609,237	-	1,609,237	2,712,134	-	2,712,134
State-based MS organisations - research contribution	5,214,593	-	5,214,593	9,904,186	-	9,904,186
State-based MS organisations - grants	994,698	-	994,698	966,053	-	966,053
Sponsorships - Pharmaceutical companies	85,000	-	85,000	336,000	-	336,000
Ticket Sales	-	-	-	66,962	-	66,962
Total	9,270,786	-	9,270,786	15,663,469	(922,058)	14,741,411
Administrative expenditure (Refer below)	-	-	(1,945,372)	-	-	(1,879,309)
Net funds raised before cost of services provided	-	-	7,325,414	-	-	12,862,102
			Year to 30 June 2023 % of Gross revenue			Year to 30 June 2022 % of Gross revenue
Direct expenditure			0%			5.9%
Administration expenditure			21.0%			12.0%
Total direct & administration expenditure			21.00%			17.90%
Net of funds raised towards funding research & strategic expenditure			79.00%			82.10%

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Note 28. Additional Information furnished under the Charitable Fundraising Act 1991 (NSW), Fundraising Act 1998 (VIC), and Collections Act 1966 (QLD). (continued)

Fundraising Activities Conducted

Major gifts and donations from public
Gross proceeds from fundraising appeals

	2023	2022
	\$	\$
Gross Proceeds		
Fundraising & donations, gifts in will and sponsorship	2,976,495	4,390,268
State-based MS organisations - research contribution	5,214,593	9,904,186
Gross proceeds from fundraising appeals	8,191,088	14,294,454
Total fundraising costs, representing total costs of fundraising appeals #	-	922,058
Net Surplus	8,191,088	13,372,396
Cost of services provided *	9,103,246	7,955,435
Total Expenditure		
Non-fundraising costs	11,048,618	9,834,744
Fundraising costs	-	922,058
Total Expenditure	11,048,618	10,756,802
Total fundraising income less fundraising costs	8,191,088	13,372,396

The cost of fundraising disclosed reflects direct costs associated to fundraising. From 1 July 2022, members of Multiple Sclerosis Australia engaged in fundraising on its behalf.

Indirect costs are reflected in the delivery of services.

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

Advocacy & education	1,275,211	979,043
Grants for research and other research	7,828,035	6,976,392
	9,103,246	7,955,435

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 2023



Note 28. Additional Information furnished under the Charitable Fundraising Act 1991 (NSW), Fundraising Act 1998 (VIC), and Collections Act 1966 (QLD). (continued)

Comparisons of monetary figures and percentages

	2023		2022	
	\$	%	\$	%
Total Cost of Fundraising to Gross Fundraising Income	- 8,191,088	-	922,058 14,294,454	- 6%
Net Surplus from Fundraising to Gross Income from Fundraising	8,191,088 8,191,088	- 100%	13,372,396 14,294,454	- 94%
Total Cost of Services to Total Expenditure	9,103,246 11,048,618	- 82%	7,955,535 10,756,802	- 74%
Total Cost of Services to Total Income Received from Fundraising	9,103,246 8,191,088	- 111%	7,955,535 14,294,454	- 56%

Note 29. Events after the reporting period

As at 30 June 2023, the Company has carried forward future research commitment of \$11.8 million over four years. Following year end, a further \$4.9 million has been committed over five years.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 30. 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

Multiple Sclerosis Australia
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 100 Miller Street
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 Tel: (02) 8413 7977