



AUSTRALIA

Multiple Sclerosis Australia

ACN 008 515 508

Annual Financial Report for the Year Ended 30 June 2013

Multiple Sclerosis Australia

Annual Financial Report for the Year Ended 30 June 2013

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Multiple Sclerosis Australia

Directors' Report

The Directors of Multiple Sclerosis Australia ("MSA") submit herewith the annual financial report of the company for the year ended 30 June 2013. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

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

Name	Experience
Mr Anthony Abbott AM Non-executive Director	Appointed 9 May 2005 Partner, Piper Alderman President, The Multiple Sclerosis Society of South Australia and Northern Territory Incorporated
Mr David Barnes AM Non-executive Director	Appointed 26 February 2006 President, The Multiple Sclerosis Society of Western Australia (Incorporated)
Mr Roger Burrell Non-executive Director	Appointed 30 September 2001 Vice-President, Multiple Sclerosis Society of Queensland
Professor William Carroll Non-executive Director	Appointed 28 February 2000 Neurologist Director Multiple Sclerosis Research Australia Limited Chairman of Research Multiple Sclerosis Research Australia Limited Director, The Multiple Sclerosis Society of Western Australia (Incorporated)
Dr Geoffrey Chapman Non executive Director	Appointed 30 October 2006 Chairman, The Multiple Sclerosis Society of Tasmania
Mr Peter Day Non-executive Director	Appointed 19 May 2008 Director Multiple Sclerosis Limited and Australian Home Care Services Pty Limited
Ms Sharon Eacott Non-executive Director	Appointed 19 May 2008 Advocate for People with MS
Ms Christina Gillies Non-executive Director	Appointed 25 April 2007 Director Multiple Sclerosis Research Australia Limited Chairman and Director Multiple Sclerosis Limited
Major General Ian Gordon AO Non-executive Director	Appointed 13 November 2011 Retired Army Officer Chairman of Multiple Sclerosis Limited ACT Regional Advisory Board Director of Multiple Sclerosis Limited
Mr Robert Hubbard President	Appointed 30 November 2003 Retired Partner, Price Waterhouse Coopers Director Multiple Sclerosis Research Australia Limited

Multiple Sclerosis Australia

Directors' Report

Name

Experience

Mr Jonathan Loraine
Non-executive Director

Appointed 15 March 2010
Chairman, Multiple Sclerosis Society of Queensland

Mr Paul Murnane
Non-executive Director

Appointed 30 November 2003
Chairman, Multiple Sclerosis Research Australia Limited

Mr Ian Pennell AM
Non-executive Director
Vice President

Appointed 25 September 2003
Retired Army Officer
Director of Multiple Sclerosis Limited

Directors' Meetings

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

A – Number of meetings attended (while they were a director)

B – Number of meetings held during the time the director held office during the year.

Director	Meetings	
	A	B
Mr Anthony Abbott AM	4	4
Mr David Barnes AM	4	4
Mr Roger Burrell	4	4
Professor William Carroll	1	4
Dr Geoffrey Chapman	4	4
Mr Peter Day (i)	2	4
Ms Sharon Eacott	4	4
Ms Christina Gillies	3	4
Major General Ian Gordon AO	4	4
Mr Robert Hubbard (i)	4	4
Mr Jonathan Loraine	3	4
Mr Paul Murnane (i)	4	4
Mr Ian Pennell AM (i)	4	4

(i) Members of the Audit Committee for MSA

During the financial year there were two meetings of the Audit Committee attended by members Mr Peter Day, Mr Robert Hubbard and Mr Paul Murnane.

Company Secretary

Name

Ms Debra Cerasa

Experience

Appointed 9 April 2013
Company Secretary of Multiple Sclerosis Australia, Multiple Sclerosis Research Australia Limited

Multiple Sclerosis Australia

Directors' Report

Principal Activities

The principal activities of MSA are:

- i) to provide assistance to people who have been diagnosed with Multiple Sclerosis and other chronic, degenerative, neurological diseases. This assistance will be provided to:
 - (a) people who have been diagnosed with Multiple Sclerosis and other chronic, degenerative, neurological diseases, and their families and carers, to assist people who have been diagnosed to access and participate in, as far as they are able, all facets of life and to remove barriers that prevent them from enjoying equal access, opportunities and participation within the community; and
 - (b) Members and other organisations with similar purposes;
- ii) to support research into the cause, cure, effects and treatments of Multiple Sclerosis and other chronic, degenerative, neurological diseases, including the incidence, prevalence, economic, social and other effects of Multiple Sclerosis and other chronic, degenerative, neurological diseases on people and their Carers affected by these diseases; and
- iii) to provide and engage in education of the public and members of Parliaments in the effects of Multiple Sclerosis and advocate on behalf of people affected by Multiple Sclerosis.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 5.

Dividends

The company's constitution specifically prohibits the payment of a dividend or a bonus to members of the Company.

Review of Operations

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

The company recorded a surplus of \$96,315 (2012: \$177,513) for the year. The consolidated entity recorded a surplus of \$1,415,794 (2012: \$177,513) for the year.

On 18 November 2012 control in Multiple Sclerosis Research Australia Limited passed to MSA. As a result the consolidated entity includes only 6.5 months of profit and loss activity of Multiple Sclerosis Research Australia Limited in the year, from 18 November 2012 until 30 June 2013. Multiple Sclerosis Research Australia Limited generated a surplus in the period subsequent to control passing of \$1,180,000 and a deficit in the period before control passed of \$897,982. The consolidated surplus shown above of \$1,415,794 was therefore mainly attributable to the receipt of additional funding by Multiple Sclerosis Research Australia Limited from Multiple Sclerosis Society of Western Australia (Incorporated) in the period subsequent to control passing.

The company's other source of revenue continues mainly to be from its members through annual subscriptions and grants.

Multiple Sclerosis Australia

Directors' Report

Changes in State of Affairs and Likely Developments

In the opinion of directors, there were no significant changes in the affairs of the consolidated entity that occurred during the financial year other than as reported herein. The directors and the members agreed to change the direction of MSA to become the "Peak Body" of its state based members (the MS Societies) in Australia effective from the 1 July 2012.

Subsequent Events

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years other than disclosed in these financial reports.

Indemnification and Insurance of Officers and Auditors

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

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

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

Signed in accordance with a resolution of the directors made pursuant to s.298 (2) of the Corporations Act 2001.

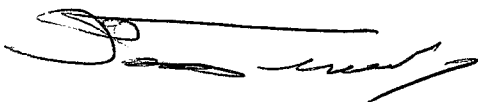
On behalf of the Directors

Director



At Sydney 8 October 2013

Director



At Sydney 8 October 2013

The Board of Directors
Multiple Sclerosis Australia
Level 26 Northpoint, 100 Miller Street,
North Sydney NSW 2060

8 October 2013

Dear Directors

Multiple Sclerosis Australia

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Multiple Sclerosis Australia.

As lead audit partner for the audit of the financial statements of Multiple Sclerosis Australia for the financial year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Gaile Pearce
Partner
Chartered Accountant

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

We have audited the accompanying financial report of Multiple Sclerosis Australia, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 8 to 34. In addition, we have audited Multiple Sclerosis Australia's compliance with specific requirements of the *Charitable Fundraising Act 1991* for the year ended 30 June 2013.

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

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for compliance with the *Charitable Fundraising Act 1991*. The directors are also responsible for such internal control as the directors determine is necessary to enable compliance with requirements of the *Charitable Fundraising Act 1991* and the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the company and consolidated entity's compliance with specific requirements of the *Charitable Fundraising Act 1991* and the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the entity has complied with specific requirements of the *Charitable Fundraising Act 1991* and the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the company's compliance with specific requirements of the *Charitable Fundraising Act 1991* and amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of non-compliance with specific requirements of the *Charitable Fundraising Act 1991* and material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's compliance with the *Charitable Fundraising Act 1991* and preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Inherent Limitations

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

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

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Multiple Sclerosis Australia, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Multiple Sclerosis Australia is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2013 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
- (b) the financial report agrees to the underlying financial records of Multiple Sclerosis Australia, that have been maintained, in all material respects, in accordance with the *Charitable Fundraising Act 1991* and its regulations for the year ended 30 June 2013; and
- (c) monies received by Multiple Sclerosis Australia, as a result of fundraising appeals conducted during the year ended 30 June 2013, have been accounted for and applied, in all material respects, in accordance with the *Charitable Fundraising Act 1991* and its regulations.

DELOITTE TOUCHE TOHMATSU

Gaile Pearce
Partner
Chartered Accountants
Sydney, 8 October 2013

Multiple Sclerosis Australia

Declaration by Principal Officer in Respect of Fundraising Appeals

I, Debra Cerasa, Chief Executive Officer of Multiple Sclerosis Australia 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 with respect to fundraising appeals;
- (b) the Statement of Financial Position and accompanying notes give a true and fair view of the state of affairs with respect to fundraising appeals;
- (c) the financial statements and associated records of Multiple Sclerosis Australia have been properly kept during the year in accordance with the Charitable Fundraising Act 1991 (NSW) and the regulations; and
- (d) the internal controls exercised by Multiple Sclerosis Australia are appropriate and effective in accounting for all income received and applied by Multiple Sclerosis Australia from any of its fundraising appeals.

Principal Officer



At *Sydney* *8 October 2013*

Multiple Sclerosis Australia

Directors' Declaration

The directors declare that:

- (a) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as when they become due and payable;
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001 and the Charitable Fundraising Act 1991 (NSW), including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company.

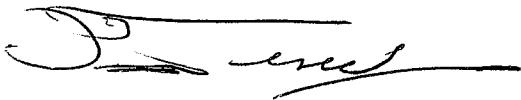
Signed in accordance with the resolution of the directors made pursuant to s.295 (5) of the Corporations Act 2001.

On behalf of the directors



Director

At Sydney 8 October 2013



Director

At Sydney 8 October 2013

Multiple Sclerosis Australia

Statement of Profit or Loss and Other Comprehensive Income (Cont'd) For the Year Ended 30 June 2013

	Note	Consolidated		Company	
		2013 \$	2012 \$	2013 \$	2012 \$
Revenue	2	6,545,955	1,566,047	3,087,043	1,566,047
MSA Programs					
<u>Administration</u>					
- Employee expenses		(553,117)	(151,149)	(324,277)	(151,149)
- Depreciation		(1,372)	(401)	(1,301)	(401)
- Board meeting expenses		(60,513)	(49,131)	(60,482)	(49,131)
- Other administration expenses		(146,281)	(49,518)	(146,281)	(49,518)
<u>Risk & Compliance</u>					
- Employee Expenses		(139,674)	(38,297)	(139,674)	(38,297)
- Audit and Accounting	4	(42,500)	(15,750)	(20,715)	(15,750)
- Consultancy & Other		(28,081)	(9,563)	(28,081)	(9,563)
- Company Secretarial		(10,591)	(59,256)	-	(59,256)
Website		(92,169)	(52,580)	(92,169)	(52,580)
Branding Expenses		(68,863)	(4,814)	(6,847)	(4,814)
Branding Recovery from Member Soc.		6,847	4,814	6,847	4,814
Advocacy		(121,699)	(84,438)	(121,699)	(84,438)
Research expenditure (CCSVI)		(95,744)	-	(95,744)	-
Research administration		(126,952)	-	-	-
Grants for research		(1,579,224)	-	-	-
Other costs		(27,525)	-	-	-
Multiple Sclerosis Int'l Federation		(52,026)	(49,737)	(52,026)	(49,737)
Recovery of Acctg & IT NW		88,284	135,907	88,284	135,907
<u>Disbursements to Members of Income from Corporate Partnerships</u>					
- Corporate Partnership Expenses		(1,265,199)	(12,190)	(1,245,999)	(12,190)
- Recovery from Member Societies		-	12,190	-	12,190
<u>Kiss Goodbye to MS</u>					
- Campaign expenses	2(c)	(537,695)	(33,244)	(537,695)	(33,244)
- Trf of net income to Multiple Sclerosis Research Australia Limited & State Societies	2(c)	(158,904)	(294,241)	(212,869)	(294,241)
<u>F5m+ Community Fundraising</u>					
- Employee expenses		(46,461)	-	-	-
- Other costs		(70,702)	-	-	-

Multiple Sclerosis Australia

Statement of Profit or Loss and Other Comprehensive Income (Cont'd) For the Year Ended 30 June 2013

	Note	Consolidated		Company	
		2013	2012	2013	2012
		\$	\$	\$	\$
<u>Research Expenditure</u>					
<u>State Based Readathon (2012 fin. yr)</u>					
- Readathon 2011 expenses		-	(281,189)	-	(281,189)
- Trf of net income to Member Soc.s		-	(287,268)	-	(287,268)
- Readathon Recovery 2011 Program		-	28,333	-	28,333
<u>Readathon (2012 fin. yr)</u>					
- Readathon 2011 Program expenses		-	(820)	-	(820)
- Novel Challenge 2011 expenses		-	(51,201)	-	(51,201)
- Readathon 2011 Program Distr.	2 (d)	-	(44,991)	-	(44,991)
Surplus Before Income Tax Expense		1,415,794 [#]	177,513	96,315	177,513
Taxation expense in 2013		-	-	-	-
Surplus Attributable to Members of the Entity	10	1,415,794 [#]	177,513	96,315	177,513
Items that will not be reclassified subsequently to profit or loss		-	-	-	-
Items that may be reclassified subsequently to profit or loss		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,415,794 [#]	177,513	96,315	177,513

[#] On 18 November 2012 control in Multiple Sclerosis Research Australia Limited passed to MSA. As a result the consolidated entity includes only 6.5 months of profit and loss activity of Multiple Sclerosis Research Australia Limited in the year, from 18 November 2012 until 30 June 2013. Multiple Sclerosis Research Australia Limited generated a surplus in the period subsequent to control passing of \$1,180,000 and a deficit in the period before control passed of \$897,982. The consolidated surplus shown above of \$1,415,794 was therefore mainly attributable to the receipt of additional funding by Multiple Sclerosis Research Australia Limited from Multiple Sclerosis Society of Western Australia (Incorporated) in the period subsequent to control passing.

Multiple Sclerosis Australia

Statement of Financial Position at 30 June 2013

	Note	Consolidated		Company	
		2013 \$	2012 \$	2013 \$	2012 \$
Current Assets					
Cash and cash equivalents	12(a)	5,661,088	1,003,996	1,929,928	1,003,996
Trade Receivables and other assets	5	1,905,903	56,516	442,617	56,516
Prepayments and other assets	5	257,311	39,250	76,162	39,250
Total Current Assets		7,824,302	1,099,762	2,448,707	1,099,762
Non-Current Assets					
Property, plant and equipment	6	9,653	2,038	5,715	2,038
Total Non-Current Assets		9,653	2,038	5,715	2,038
Total Assets		7,833,955	1,101,800	2,454,422	1,101,800
Current Liabilities					
Trade and other payables	7	2,240,413	305,457	1,522,347	305,457
Provisions	8	71,657	13,345	40,664	13,345
Total Current Liabilities		2,312,070	318,802	1,563,011	318,802
Non-Current Liabilities					
Provisions	8	63,667	13,304	25,402	13,304
Total Non-Current Liabilities		63,667	13,304	25,402	13,304
Total Liabilities		2,375,737	332,106	1,588,413	332,106
Net Assets		5,458,218	769,694	866,009	769,694
Retained Earnings					
Contributed equity on passing of control of Multiple Sclerosis Research Australia Limited		3,272,730	-	-	-
Retained Earnings	10	2,185,488	769,694	866,009	769,694
		5,458,218	769,694	866,009	769,694

Multiple Sclerosis Australia

Statement of Changes in Equity for the Year Ended 30 June 2013

Consolidated

	Retained Earnings	Contributed Equity Reserve	Total Equity
	\$	\$	\$
Balance as at 1 July 2011	592,181	-	592,181
Total Comprehensive Income for the year	177,513	-	177,513
Balance as at 30 June 2012	769,694	-	769,694
Total Comprehensive Income for the year	1,415,794	-	1,415,794
Contributed equity on passing of control of Multiple Sclerosis Research Australia Limited to MSA from 18 November 2012	-	3,272,730	3,272,730
Balance as at 30 June 2013	2,185,488	3,272,730	5,458,218

Company

	Retained Earnings
	\$
Balance as at 1 July 2011	592,181
Total Comprehensive Income for the year	177,513
Balance as at 30 June 2012	769,694
Total Comprehensive Income for the year	96,315
Balance as at 30 June 2013	866,009

Multiple Sclerosis Australia

Statement of Cash Flows for the Year Ended 30 June 2013

		Consolidated		Company	
	Note	2013 \$	2012 \$	2013 \$	2012 \$
Cash Flows From Operating Activities					
Cash receipts in the course of operations		3,019,582	1,520,967	2,656,612	1,520,967
Cash payments in the course of operations		(2,711,244)	(1,221,077)	(1,758,006)	(1,221,077)
Net cash provided by operating activities	12(c)	308,338	299,890	898,606	299,890
Cash Flows From Investing Activities					
Interest received		248,439	31,756	32,305	31,756
Payment for purchase of property, plant and equipment		(9,675)	-	(4,979)	-
Net cash provided by investing activities		238,764	31,756	27,326	31,756
Cash Flows From Financing Activities					
Cash inflow to consolidated entity on passing of control in Multiple Sclerosis Research Australia Limited to MSA		4,109,990	-	-	-
Net cash provided by financing activities		4,109,990	-	-	-
Net increase in cash and cash equivalents		4,657,092	331,646	925,932	331,646
Cash and cash equivalents at beginning of the financial year		1,003,996	672,350	1,003,996	672,350
Cash and cash equivalents at end of the financial year	12(a)	5,661,088	1,003,996	1,929,928	1,003,996

Multiple Sclerosis Australia

Notes to the Financial Statements for the Year Ended 30 June 2013

1. Summary of Accounting Policies

Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001 and Accounting Standards and complies with both other requirements of law and the Charitable Fundraising Act 1991 (NSW). Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS').

No recognition and measurement differences have been identified as a result of the transition to the general purpose financial report.

The financial statements were authorised by the Directors on the 8 October 2013.

Basis of Preparation

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

Adoption of New & Revised Accounting Standards

Standards and Interpretations affecting amounts reported in the current period

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the amounts reported in these financial statements. Details of other Standards and Interpretations adopted in these financial statements but that have had no effect on the amounts reported are set out below.

Standards affecting presentation and disclosure

Amendments to AASB 101 'Presentation of Financial Statements'	The amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis
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Accounting Standards and Interpretations issued but not yet effective

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective. The potential impact of the new or revised Standards and Interpretations has not yet been determined, but is not expected to be material.

Multiple Sclerosis Australia

Notes to the Financial Statements for the Year Ended 30 June 2013

1. Summary of Accounting Policies (Cont'd)

Standards and Interpretations in issue not yet adopted

At balance date a number of revisions to Accounting Standards adopted by the AASB had been issued but not yet operative and have not been early adopted by MSA. The following is a list of these standards which are relevant to MSA:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2015	30 June 2016
• AASB 10 'Consolidated Financial Statements', AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'	1 January 2013	30 June 2014
• AASB 11 'Joint Arrangements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'	1 January 2013	30 June 2014
• AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'	1 January 2013	30 June 2014
• AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014
• AASB 119 'Employee Benefits'(2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'	1 January 2013	30 June 2014
• AASB 127 'Separate Financial Statements' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'	1 January 2013	30 June 2014
• AASB 128 'Investments in Associates and Joint Ventures'(2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'	1 January 2013	30 June 2014

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Notes to the Financial Statements for the Year Ended 30 June 2013

1. Summary of Accounting Policies (Cont'd)

Standards and Interpretations in issue not yet adopted (cont'd)

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014
• AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'	1 January 2013	30 June 2014
• AASB 2012-3 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'	1 January 2014	30 June 2015
• AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle'	1 January 2013	30 June 2014
• AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments'	1 January 2013	30 June 2014
• AASB 2013-3 'Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets'	1 January 2014	30 June 2015
• AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'	1 January 2014	30 June 2015
• AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'	1 January 2014	30 June 2015
• Interpretation 21 'Levies'	1 January 2014	30 June 2015

Multiple Sclerosis Australia

Notes to the Financial Statements for the Year Ended 30 June 2013

1. Summary of Accounting Policies (Cont'd)

Critical Accounting and Key Sources of Estimation Uncertainty

In the application of the company's accounting policies, management is required to make judgments, 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 the judgments. 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.

Judgments made by management in the application of A-IFRS 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.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2013, and the comparative information presented in these financial statements for the year ended 30 June 2012.

Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other event is reported. The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Taxation

The company is an exempt body for income tax purposes and accordingly no provision for income tax or income tax expense has been made.

(b) Recoverable Amount Of Non-Current Assets

Property, plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation and impairment. The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amount. If the carrying amount of the non-current assets exceeds the recoverable amount, the asset is written down to the lower amount.

(c) Depreciation

Depreciation is provided on property, 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 from each class are as follows:

	2013	2012
Non-Current Asset	%	%
Furniture & Fittings	10	10
Computer equipment	33	33

Multiple Sclerosis Australia

Notes to the Financial Statements for the Year Ended 30 June 2013

1. Summary of Accounting Policies (Cont'd)

(d) *Receivables*

Trade receivables and other receivables are recorded at amortised costs less impairment.

(e) *Payables*

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

(f) *Provisions*

Provisions are recognised when the entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

When some or all of 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.

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

(g) *Revenue Recognition*

Grants from Members

Grants are recognised as they accrue with the agreement of the relevant Member.

Donations/sponsorship – unspecified

Donations and sponsorships are contributions and are recognised when the entity obtains control, it is probable that the economic benefits will flow and the contribution can reliably be measured. This is normally on a cash basis.

Donations/sponsorship – specified

Donations/sponsorships are recognised when the entity obtains control, it is probable that the economic benefits will flow and the contribution can reliably be measured. This is normally on a cash basis. 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 Income

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

Multiple Sclerosis Australia

Notes to the Financial Statements for the Year Ended 30 June 2013

1. Summary of Accounting Policies (Cont'd)

(h) *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.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office ("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.

(i) *Borrowings*

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

(j) *Cash and Cash Equivalents*

Cash and cash equivalents comprise cash on hand, cash in banks and in and vestments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

(k) *Novel Challenge*

The adult reading program Novel Challenge, which commenced in 2010 as complementary program to the Readathon Program which ceased in January 2011, continues unchanged in 2012. The 30 June represents an approximate mid point in the Program each year. On completion of the Program each year the distribution is paid and brought to account and reported in the Statement of Profit or Loss and Other Comprehensive Income.

The Novel Challenge program distribution is determined on the expenditure and income between January and December each year. Donation income from participants in the Program is recognised on receipt.

(l) *Management Fees*

In the year ending 30 June 2013 management and accounting costs have been recovered and included in the Statement of Profit or Loss and Other Comprehensive Income for state based Programs (eg the Readathon program) of \$nil (2012: \$28,333).

Multiple Sclerosis Australia

Notes to the Financial Statements for the Year Ended 30 June 2013

1. Summary of Accounting Policies (Cont'd)

(m) 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.

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.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

Multiple Sclerosis Australia

Notes to the Financial Statements for the Year Ended 30 June 2013

	Consolidated		Company	
	2013	2012	2013	2012
	\$	\$	\$	\$
2. Profit From Ordinary Activities				
Profit from ordinary activities before income tax includes the following items of revenue and expense:				
(a) Operating Revenue				
Member Grants	2,205,864	400,000	818,000	400,000
CCSVI Grant transferred from Multiple Sclerosis Limited	95,774	-	95,774	-
Donations	762,634	140,157	144,400	140,157
Sponsorship State Based Readathon 2011	-	568,457	-	568,457
Sponsorship – Corporate Partnerships	1,763,773	2,000	1,246,000	2,000
Sponsorship – Novel Challenge 2011	-	96,192	-	96,192
Kiss Goodbye to MS	750,564	327,485	750,564	327,485
Government grants	437,500	-	-	-
Fundraising	281,407	-	-	-
Other revenue:				
Interest	248,439	31,756	32,305	31,756
Other revenues from ordinary activities	4,340,091	1,166,047	2,269,043	1,166,047
Total revenue	6,545,955	1,566,047	3,087,043	1,566,047
(b) Expenses				
Included in Expenses are the following items				
Depreciation of:				
Property, plant and equipment	2,060	401	1,301	401
Transfers to provision for:				
Employee entitlements	124,757	18,471	68,994	18,471
(c) MSA Accounting Services provided for State Based Readathon and Kiss Goodbye to MS				
1. Income and Cost of State Readathon				
Total revenue	-	568,457	-	568,457
Costs incurred by MSA to administer program	-	(281,189)	-	(281,189)
Net Income transferred to state based member societies	-	(287,268)	-	(287,268)
Net Income	-	-	-	-

Multiple Sclerosis Australia

Notes to the Financial Statements for the Year Ended 30 June 2013

2. Profit From Ordinary Activities (Cont'd)

2. Income and Cost of Kiss Goodbye to MS

	Consolidated		Company	
	2013	2012	2013	2012
	\$	\$	\$	\$
Total revenue	750,564	327,485	750,564	327,485
Costs incurred by MSA to administer program	(537,695)	(33,244)	(537,695)	(33,244)
Net Income transferred to Multiple Sclerosis Research Australia Limited & MSA's State Members	(158,904)	(294,241)	(212,869)*	(294,241)
Net Income	53,965 [#]	-	-	-

*In 2013 this amount was broken down as follows: Multiple Sclerosis Research Australia Limited (a total of \$141,659 comprising of 2012 Program of \$87,694 & 2013 Program of \$53,965,) and MSA's State Members (2013 Program \$71,210).

Representing Net Income brought to account in Multiple Sclerosis Research Australia Limited for this campaign, between 18 November 2012 and 30 June 2013.

(d) Readathon Program and Novel Challenge - completed programs

Total Revenue	-	96,192	-	96,192
Less Program Expenses	-	(51,201)	-	(51,201)
Program Distribution	-	44,991	-	44,991
Provision for Readathon Distribution	-	-	-	-
Net Distribution	-	44,991	-	44,991
Distributed to:				
Multiple Sclerosis Limited NSW	-	11,893	-	11,893
Multiple Sclerosis Limited Vic	-	13,070	-	13,070
Multiple Sclerosis Limited ACT	-	2,670	-	2,670
The Multiple Sclerosis Society of Tasmania Incorporated	-	4,289	-	4,289
The Multiple Sclerosis Society of Western Australia(Incorporated)	-	3,353	-	3,353
The Multiple Sclerosis Society of South Australia and Northern Territory Incorporated	-	2,540	-	2,540
Multiple Sclerosis Society of Queensland	-	7,176	-	7,176

Multiple Sclerosis Australia

Notes to the Financial Statements for the Year Ended 30 June 2013

3. Key Management Personnel Compensation

(a) The names of key management personnel of MSA during the financial year are:

Mr Trevor Farrell - Chief Executive Officer (retired 21 December 2012)

Ms Debra Cerasa – Chief Executive Officer (appointed 21 December 2012)

(b) The compensation of key management personnel is set out below

	2013 \$	2012 \$
Short Term Benefits	123,185	-
Post-Employment Benefits	10,071	-
	<u>133,256</u>	<u>-</u>

(c) The names of key management personnel of Multiple Sclerosis Research Australia during the financial year are:

Mr Jeremy Wright – Chief Executive Officer (retired 24 June 2013)

Dr Matthew Miles – Chief Executive Officer (appointed 24 June 2013)

(d) The compensation of key management personnel is set out below

Short Term Benefits	227,094	156,280
Post-Employment Benefits	25,340	52,382
	<u>252,434</u>	<u>208,662</u>

Consolidated		Company	
2013 \$	2012 \$	2013 \$	2012 \$

4. Remuneration of Auditors

(a) Auditor of the Parent Entity

Deloitte Touche Tohmatsu:

Amounts received or due and
receivable by auditors for:

Auditing the financial report

42,500	15,750	19,500	15,750
<u>42,500</u>	<u>15,750</u>	<u>19,500</u>	<u>15,750</u>

Multiple Sclerosis Australia

Notes to the Financial Statements for the Year Ended 30 June 2013

	Consolidated		Company	
	2013	2012	2013	2012
	\$	\$	\$	\$
5. Trade Receivables and Other Financial Assets				
Trade debtors	663,133	4,830	340,740	4,830
Amounts receivable from State Societies	1,242,770	51,686	85,175	17,036
Amounts receivable from Multiple Sclerosis Research Australia Limited	-	-	16,702	34,650
	<u>1,905,903</u>	<u>56,516</u>	<u>442,617</u>	<u>56,516</u>
Accrued income	10,672	4,744	10,672	4,744
Prepayments	<u>246,639</u>	<u>34,506</u>	<u>65,490</u>	<u>34,506</u>
	<u>2,163,214</u>	<u>95,766</u>	<u>518,779</u>	<u>95,766</u>

The average credit period is 30 days. No interest is charged on trade receivables. The Company has not recognised any allowance for doubtful debts as there is no indication that receivables are not recoverable. Allowances for doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Age of receivables that are past due

1 - 30 Days	1,129,455	7,110	1,013	7,110
31 - 60 Days	-	1,060	-	1,060
Over 60 Days	6,192	-	782	-
	<u>1,135,647</u>	<u>8,170</u>	<u>1,795</u>	<u>8,170</u>

6. Property, Plant And Equipment

Property Plant & Equipment:

At cost	22,248	27,611	9,448	27,611
Less accumulated depreciation	<u>(12,595)</u>	<u>(25,573)</u>	<u>(3,733)</u>	<u>(25,573)</u>
	<u>9,653</u>	<u>2,038</u>	<u>5,715</u>	<u>2,038</u>

Reconciliation of the carrying amounts is set out below:

Carrying amount at beginning of year	4,108	2,439	2,038	2,439
Additions	8,125	-	4,978	-
Disposals	(520)	-	-	-
Depreciation Expense	<u>(2,060)</u>	<u>(401)</u>	<u>(1,301)</u>	<u>(401)</u>
	<u>9,653</u>	<u>2,038</u>	<u>5,715</u>	<u>2,038</u>

From the total company depreciation of \$1,301 (2012: \$401) an amount of \$1,301 (2012: \$401) has been expensed in the current year.

Multiple Sclerosis Australia

Notes to the Financial Statements for the Year Ended 30 June 2013

	Consolidated		Company	
	2013	2012	2013	2012
	\$	\$	\$	\$
7. Trade and other payables				
Trade payables	393,063	2,070	52,050	2,070
Income in Advance	655,888	95,744	25,500	95,744
GST Payable	106,381	16,773	11,419	16,773
Accruals and other payables	513,443	83,523	513,443	83,523
Amounts payable to Member Societies	571,638	107,347	555,476	23,595
Amounts payable to Multiple Sclerosis Research Australia Limited	-	-	364,459	83,752
	<u>2,240,413</u>	<u>305,457</u>	<u>1,522,347</u>	<u>305,457</u>
The average credit period on purchases is 1 month. No interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within agreed credit terms.				
8. Provisions				
Current				
Provision for Annual Leave Liabilities				
Balance at 1 July	13,345	41,188	13,345	41,188
Additional provision recognised	147,833	16,821	56,896	16,821
Reduction by payment to employees	(89,491)	(44,664)	(29,577)	(44,664)
Balance of current provisions at 30 June	<u>71,657</u>	<u>13,345</u>	<u>40,664</u>	<u>13,345</u>
Non-Current				
Provision for Long Service Leave Liabilities				
Balance at 1 July	13,304	11,654	13,304	11,654
Additional provision recognised	50,363	1,650	12,098	1,650
Balance 30 June	<u>63,667</u>	<u>13,304</u>	<u>25,402</u>	<u>13,304</u>
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	No.	No.	No.	No.
9. No of Employees				
Number of full time equivalents employed as at 30 June 2013 and 2012, respectively, are:	<u>14</u>	<u>10</u>	<u>7</u>	<u>2</u>

Multiple Sclerosis Australia

Notes to the Financial Statements for the Year Ended 30 June 2013

Consolidated		Company	
2013	2012	2013	2012
\$	\$	\$	\$

10. Retained Earnings

Retained Earnings at the beginning of the year	769,694	592,181	769,694	592,181
Net Profit attributable to members	1,415,794	177,513	96,315	177,513
Retained Earnings	2,185,488	769,694	866,009	769,694

11. 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 (2012:\$50) towards meeting any outstanding obligations of the Company.

At 30 June 2013 the number of members was 5 (2012: 5).

Change in Membership

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

During the year MSA became the sole member of Multiple Sclerosis Research Australia Limited. Multiple Sclerosis Research Australia Limited retains its own Board, CEO and staff to ensure continuing focus on funding the best Australian MS research, advocacy of MS research and strong fundraising governance principles. The activities of Multiple Sclerosis Research Australia Limited have been consolidated into MSA's financial statements from 18 November 2012 when control passed to MSA.

Multiple Sclerosis Australia

Notes to the Financial Statements for the Year Ended 30 June 2013

12. Notes to the Statement of Cash Flows

(a) Reconciliation of Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents includes cash on hand and in bank and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	\$	\$	\$	\$
Cash at bank	5,661,088	1,003,996	1,929,928	1,003,996
	5,661,088	1,003,996	1,929,928	1,003,996

(b) Financing Facilities

At the statement of financial position date the company has no external finance facilities (2012: nil). Accordingly, there are no unused finance facilities or arrangements. At June 2013 there is an unused overdraft limit \$250,000 and a credit card facility limit of \$100,000 of which \$47,500 has been applied.

(c) Reconciliation of Net Profit to Net Cash provided by Operating Activities

Net Profit	1,415,794	177,513	96,315	177,513
Add/(less) investing and non-cash items:				
Interest Received	(248,439)	(31,756)	(32,305)	(31,756)
Depreciation and amortisation of non-current assets:				
- Expensed in the current year	2,060	401	1,301	401
Changes in net assets and liabilities:				
(Increase) / Decrease in trade receivables and other assets	(2,904,707)	170,642	(423,013)	170,642
Increase in trade and other payables	1,934,956	9,283	1,216,891	9,283
Increase / (decrease) in provisions	108,674	(26,193)	39,417	(26,193)
Net cash provided by the operating activities	308,338	299,890	898,606	299,890

Multiple Sclerosis Australia

Notes to the Financial Statements for the Year Ended 30 June 2013

13. Subsequent Events

No matters or circumstances have arisen since the end of the financial year which significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in financial years subsequent to the financial year ended 30 June 2013.

14. Financial Instruments

(a) Capital Risk Management

The capital structure of the company is funded by cash and cash equivalents and retained earnings.

(b) Categories of Financial Interests

	Consolidated		Company	
	2013	2012	2013	2012
	\$	\$	\$	\$
Financial Assets				
Cash & Cash Equivalents	5,661,088	1,003,996	1,929,928	1,003,996
Trade and Other Receivables	1,905,903	56,516	442,617	56,516
Financial Liabilities				
Trade and Other Payables	2,240,413	305,457	1,522,347	305,457

(c) Financial Risk management objectives

The Director's manage the financial risks relating to the operations of the company

The company does not enter into or trade financial instruments for speculative purposes. The Company does not use derivative instruments.

The company's activities expose it primarily to the financial risks of changes in interest rates.

(d) Market Risk

The company's only exposure to market risk is the effect of changes in interest rates which would affect interest received. There has been no change to the company's exposure to market risk.

(e) Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Board. The company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

(f) Interest Rate Risk Management

The company is exposed to interest rate risk as it invests its surplus funds in variable rate instruments. The risk is managed by regular review of its variable interest rate investments.

Maturity profile of financial instruments

The following table details the company's exposure to interest rate risk as at 30 June 2013 and 30 June 2012:

Multiple Sclerosis Australia

Notes to the Financial Statements for the Year Ended 30 June 2013

14. Financial Instruments (Cont'd)

(f) Interest Rate Risk Management (Cont'd)

	Weighted Average Effective Interest Rate %	Less than 1 month \$	1-3 Months \$	3 months To 1 year \$	Total \$
2013 Assets					
Non interest bearing	-	770,256	1,129,455	6,192	1,905,903
Variable interest rate Instruments	5.1	5,661,088	-	-	5,661,088
		6,432,357	1,128,442	6,192	7,566,991

	Weighted Average Effective Interest Rate %	Less than 1 month \$	1-3 Months \$	3 months to 1 year \$	Total \$
2012 Assets					
Non interest bearing	-	55,456	1,060	-	56,516
Variable interest rate Instruments	4.5	1,003,996	-	-	1,003,996
		1,059,452	1,060	-	1,060,512

	Weighted Average Effective Interest Rate %	Less than 1 month \$	1-3 Months \$	3 months to 1 year \$	Total \$
2013 Liabilities					
Non interest bearing	-	2,240,413	-	-	2,240,413
		2,240,413	-	-	2,240,413

	Weighted Average Effective Interest Rate %	Less than 1 month \$	1-3 Months\$	3 months to 1 year\$	Total \$
2012 Liabilities					
Non interest bearing	-	305,457	-	-	305,457
		305,457	-	-	305,457

Multiple Sclerosis Australia

Notes to the Financial Statements for the Year Ended 30 June 2013

14. Financial Instruments (Cont'd)

(g) Interest Rate Sensitivity Analysis

The sensitivity analysis below have been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A one hundred basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

Cash flow sensitivity	Consolidated		Company	
	2013	2012	2013	2012
	\$	\$	\$	\$
Surplus or deficit 100 basis points				
Increase	5,661	1,004	1,930	1,004
Decrease	(5,661)	(1,004)	(1,930)	(1,004)

Cash is the only asset which is sensitive to interest rate fluctuations.

(h) Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations, resulting in financial loss to the company. To the extent the company has a receivable from another party there is a credit risk in the event of non-performance of that company. The company has adopted the policy of only dealing with credit worthy counterparts. The company does not have a significant credit risk exposure to any single counterparty or any group of counterparts having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses represents the company's maximum exposure to credit risk.

(i) Fair value of financial instruments

The directors consider that the carry amount of financial assets and financial liabilities recorded on the financial statements approximate their fair values.

15. Economic Dependence

The company is dependent on its income by way of grants from its state based members.

Multiple Sclerosis Australia

Notes to the Financial Statements for the Year Ended 30 June 2013

16. Related Party Transactions

	Consolidated		Company	
	2013	2012	2013	2012
	\$	\$	\$	\$
Transactions with Multiple Sclerosis Research Australia Limited	-	169,183	107,787	169,183

During the 2013 financial year Multiple Sclerosis Australia provided services at a net cost of \$107,787 (2012: \$169,183) to Multiple Sclerosis Research Australia Limited. The members made grants during the financial year of \$818,000 (2012: \$400,000) to MSA.

	Consolidated		Company	
	2013	2012	2013	2012
	\$	\$	\$	\$
Amounts owed to MSA by related parties				
Multiple Sclerosis Limited	83,467	4,750	49,189	4,750
Multiple Sclerosis Society of Queensland	26,812	7,819	26,812	7,819
Multiple Sclerosis Society of South Australia and Northern Territory	6,408	3,220	4,116	3,220
Multiple Sclerosis Society of Tasmania	5,673	367	4,298	367
Multiple Sclerosis Society of Western Australia	1,120,409	880	759	880
Multiple Sclerosis Research Australia	-	34,650	16,702	34,650
	<u>1,242,769</u>	<u>51,686</u>	<u>101,876</u>	<u>51,686</u>

Amounts receivable from MSA's Members principally relate to research contributions owing to Multiple Sclerosis Research Australia Limited at the year end.

	Consolidated		Company	
	2013	2012	2013	2012
	\$	\$	\$	\$
Amounts owed by MSA to related parties				
Multiple Sclerosis Limited	388,969	21,917	372,807	21,917
Multiple Sclerosis Research Australia	-	83,752	364,459	83,752
Multiple Sclerosis Society of Western Australia	803	1,491	803	1,491
Multiple Sclerosis Society of Tasmania	88,091	187	88,091	187
Multiple Sclerosis Society of South Australia	93,775	-	93,775	-
	<u>571,638</u>	<u>107,347</u>	<u>919,935</u>	<u>107,347</u>

Amounts payable to MSA's Members principally relate to the distribution of funds raised collaboratively by MSA during the year. Amounts payable to Multiple Sclerosis Limited include management fees for service during the year.

Multiple Sclerosis Australia

Notes to the Financial Statements for the Year Ended 30 June 2013

	Consolidated		Company	
	2013 \$	2012 \$	2013 \$	2012 \$
17 Additional Information furnished under the Charitable Fund Raising Act 1991(NSW) on a program basis				
(a) Fundraising Activities Conducted				
The Novel Challenge – Calendar Year January to December				
Major Gifts and Donations from Public				
Corporate Gifts and Sponsorship				
Research Grants				
Gross Proceeds:				
Kiss Goodbye to MS (2013) & Readathon (2012)	750,564	96,192	750,564	96,192
Major Gifts and Donations from Public	3,341,088	1,038,099	1,486,174	1,038,099
Gross Proceeds from Fundraising Appeals	4,091,652	1,134,291	2,236,738	1,134,291
Total Fundraising Costs	635,921*	51,201	623,434	51,201
Total Costs of Fundraising Appeals	635,921	51,201	623,434	51,201
Net Surplus	3,455,731	1,083,090	1,613,304	1,083,090
Cost of Services Provided	75,567	49,805	68,720	49,805
Total Expenditure				
Non Fundraising Costs	4,602,171	1,337,334	2,367,294	1,337,334
Fundraising Costs	635,921	51,201	623,434	51,201
Total Expenditure	5,238,092	1,388,535	2,990,728	1,388,535
Total Fundraising Income less Fund Raising Costs	3,455,731	1,083,090	1,613,304	1,083,090

* Including Kiss Goodbye to MS and entire company campaigns & events.

The Charitable Fundraising Information for the 2013 financial year includes the group's main fund raising program Kiss Goodbye to MS.

Note: MSA 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 (Incorporated).

Multiple Sclerosis Australia

Notes to the Financial Statements for the Year Ended 30 June 2013

17. Additional Information furnished under the Charitable Fund Raising Act 1991 (NSW) on a program basis(Cont'd)

(b) Comparisons of Monetary figures and percentages

COMPANY	2013		2012	
	Amounts	%	Amounts	%
Total cost of Fund Raising to Gross Fund Raising Income	623,434/2,236,738	28%	51,201/1,134,291	5%
Net Surplus from Fund Raising to Gross Income from Fund Raising	1,613,304/2,236,738	72%	1,083,090/1,134,291	95%
Total Cost of Services to Total Expenditure (Less Fund Raising Costs)	68,720/(2,990,728-623,434)	3%	49,805/(1,388,535-51,201)	4%
Total Cost of Services to Total Income Received (Less Fund Raising Expenditure)	68,720/(2,236,738-623,434)	4%	49,805/(1,134,291-51,201)	5%

18. Subsequent Events

No matters or circumstances have arisen since the end of the financial year which significantly affected, or may significantly affect, the operations of the company or the consolidated entity, the results of its operations, or the state of affairs of the company or the consolidated entity in financial years subsequent to the financial year ended 30 June 2013.

19. Additional Company Information

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

Registered Office and Principal Place of Business

L26, 100 Miller Street
North Sydney NSW 2060

Tel: (02) 8484 1304