

DIRECTORS' REPORT

Your Directors submit their report and the financial statements of The Multiple Sclerosis Society of South Australia and Northern Territory Inc. (MS Society) for the year ended 30 June 2017.

DIRECTORS

The names of the members of the Board of Directors who serve in a voluntary capacity and are not remunerated, in office during the year and to the date of this report are:

Ms C E Hahn (Honorary President)

Mr A G Scott (Honorary Vice President)

Mr A N Abbott AM (Director)

Mr A M Hinton (Honorary Treasurer, Appointed November 2016)

Ms H Hoppmann (Director)

Dr S L Morton (Director)

Ms C E Umapathysivam (Director)

Following the resignation of the Chief Executive Officer, Ms C E Hahn resigned as President on 13th January 2017 and resumed the role of President on 28th August 2017.

Mr A G Scott resigned as Vice President on 13th January 2017, following his appointment as President on that date. Mr Scott resumed the role of Vice President on 28th August 2017.

Ms C E Umapathysivam was appointed as Vice President on 13th January 2017 and resigned as Vice President on 28th August 2017.

DIRECTORS' BENEFITS

No Director has received or become entitled to receive, during or since the financial year, a benefit as a result of a contract made by the MS Society with a Director, a firm of which a Director is a member or an entity in which a Director has a substantial financial interest, except as noted in the financial statements at Note 13.

PRINCIPAL ACTIVITIES

The principal activities of the MS Society are the provision of member services, education, information and the allocation of funds for research into the cause and subsequent cure for multiple sclerosis.

The MS Society also operates a Disability Employment Service that provides employment related services to people with a disability funded through the Department of Social Services (DSS). This service is operated by the Employment Services Department under the brand name, Multiple Solutions. Multiple Solutions has grown into a large operation, with the aim of attracting funding to support a range of people in need including people living with MS.

SIGNIFICANT CHANGES

There were no significant changes in the nature of the activities of the MS Society during the year.

OPERATING RESULTS

The operating surplus for the financial year as a result of the MS Society's activities amounted to \$535,343 (2016 surplus of \$415,129).

FUTURE DEVELOPMENTS

There are no significant future developments identified by the MS Society.

AFTER BALANCE DATE EVENTS

There were no significant events subsequent to year end.

ENVIRONMENTAL ISSUES

The MS Society's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or a state or territory.

INDEMNIFYING OFFICERS OR AUDITORS

The MS Society paid for the insurance premiums of Directors and Officers Liability Insurance policy indemnifying Directors and Officers. No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of the MS Society.

PROCEEDINGS ON BEHALF OF THE ENTITY

No person has applied for leave of a Court to bring proceedings on behalf of the MS Society or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The MS Society was not a party to any such proceedings during the year.

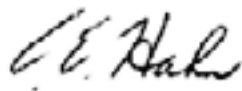
BENEFITS PAYABLE TO DIRECTORS AND / OR OFFICERS

During the financial year:

- (i) no officer of the MS Society;
- (ii) no firm in which an officer was a member; and
- (iii) no body corporate in which an officer has a substantial interest;

has received or become entitled to receive a benefit as a result of a contract between the officer, firm, or body corporate and the MS Society and no officer has received either directly or indirectly from the MS Society any payment or other benefit of a pecuniary value, except as noted in the financial statements at Note 13.

This report is signed for and behalf of the Directors in accordance with a resolution of the Board of Directors.



C E Hahn
Director



A M Hinton
Director

Dated at Adelaide this 28th day of August 2017.

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
Revenue	2	13,038,727	11,254,755
Employee benefit expense		(4,754,435)	(4,252,306)
Depreciation & Amortisation Expense		(138,661)	(134,902)
Fundraising Activity Expenses		(5,427,235)	(4,214,827)
Client Support Costs		(306,592)	(336,991)
MS Australia Contributions		(113,998)	(50,000)
Operating Lease Expense		(705,087)	(592,949)
Other Expenses		(1,057,375)	(1,257,651)
Surplus from Operations		535,343	415,129
Forgiveness of MSWA Loan		-	333,333
Surplus attributable to Members	3	535,343	748,462

To be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

ASSETS

	Note	2017	2016
Current Assets			
Cash	4	4,366,605	1,622,386
Trade and Other Receivables	5	471,793	416,044
Other Assets	6	24,279	76,389
Total Current Assets		4,862,677	2,114,819
Non-Current Assets			
Property, plant & equipment	7	177,446	258,311
Total Non-Current Assets		177,446	258,311
Total Assets		5,040,123	2,373,130

LIABILITIES

Current Liabilities			
Trade and Other Payables	8	3,821,058	1,256,116
Loans Payable	9	28,684	15,176
Provisions	10	432,903	407,580
Total Current Liabilities		4,282,645	1,678,872
Non-Current Liabilities			
Loans Payable	9	-	462,017
Provisions	10	56,034	66,139
Total Non-Current Liabilities		56,034	528,156
Total Liabilities		4,338,679	2,207,028
Net Assets		701,445	166,102

EQUITY

Retained Earnings		701,445	166,102
Total Equity		701,445	166,102

To be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Retained Earnings (Accumulated Deficit)	Total Equity
	\$	\$
Balance at 30 June 2015	(582,360)	(582,360)
Surplus from Ordinary Activities	748,462	748,462
Balance at 30 June 2016	166,102	166,102
Surplus from Ordinary Activities	535,343	535,343
Balance at 30 June 2017	701,445	701,445

To be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017	2016
Cash Flows from Operating Activities			
Receipts from fundraising activities		7,577,419	5,842,038
Receipts from employment services		4,577,343	4,547,110
Operating grant receipts		300,172	290,463
Other Receipts in the course of the operation		54,277	102,497
Interest received		13,980	25,299
Donations/Bequests received		457,904	326,991
Cash Payments in the course of operations		(9,711,399)	(9,838,108)
Interest paid		(19,174)	(57,441)
Net Cash provided by operating activities	12	3,250,522	1,238,850
Cash Flows (used in) Investing Activities			
Payments for property, plant and equipment		(57,794)	(133,866)
Net cash flows used in investing activities		(57,794)	(133,866)
Cash Flow from Financing Activities			
Loan repayments to finance companies		(15,176)	(14,154)
Loan repayments to related parties		(433,333)	(383,333)
Net cash flows (used in) financing activities		(448,509)	(397,487)
Net increase in cash held		2,744,219	707,496
Cash at beginning of the financial year		1,622,386	914,890
Cash at end of year	12	4,366,605	1,622,386

To be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Society's Constitution, the Associations Incorporation Act (1985) SA, the Australian Charities and Not-For-Profits Commission Act 2012 and compliance with mandatory Australian Accounting Standards. The Board has determined that the MS Society is not a reporting entity.

The financial statements have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these financial statements.

A. PLANT AND EQUIPMENT

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Leasehold improvements and plant and equipment are carried at cost less any accumulated depreciation.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the MS Society and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income and expenditure statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over the useful lives of the assets to the MS Society commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

	2017	2016
Plant & Equipment	14 – 50%	14 – 50%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income and expenditure statement. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. INCOME TAX

The MS Society is exempt from income tax under the current provisions of the Income Tax Assessment Act, and accordingly, no expense has been charged or liability included in the financial statements with respect to income tax.

C. LEASES

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

D. IMPAIRMENT OF ASSETS

At each reporting date, the MS Society reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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

E. EMPLOYEE BENEFITS

Provision is made for the MS Society's liability for employees' annual leave benefits arising from services rendered by employees to balance date. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, including related on-costs.

Provision is made for long service leave entitlements estimated to be payable to employees on the basis of statutory and contractual requirements. Long service leave entitlements are recognised after five years of employment and a provision is made for 100% of this cost. Vested entitlements (employees with more than 7 years' service), are classified as current liabilities.

Contributions are made by the MS Society to an employee nominated contribution superannuation fund and are charged as expenses when incurred.

F. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and deposits held at-call with banks.

G. REVENUE AND OTHER INCOME

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST).

Interest revenue is recognised on receipt taking into account the interest rates applicable to the financial assets.

Revenue from fundraising activities other than lotteries is recognised on receipt. At the end of each financial year, an accrual is made for monies owed in respect of outstanding lottery ticket payments.

Revenue based grants are credited to revenue in the same period in which the expenditure to which they relate is charged or on receipt if non-specific.

Funding of Disability Employment Services received from DSS is credited to revenue upon receipt. The service fee portion of this funding can be received in advance of services being rendered to some clients, however there is no obligation for the Society to pay back service fees and therefore they are recognised as revenue upon receipt. At the end of each financial year, an accrual is made for services rendered and claimed but not yet paid by DSS.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

H. GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expenses in the Income and Expenditure Statement.

Receivables and payables in the Statement of Financial Position are stated with the amount of GST included.

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

Cash flows are presented 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. COMPARATIVES

Where required, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

J. ACQUISITION OF ASSETS

The cost method of accounting is used for all acquisitions of assets. Cost is determined as the fair value of the assets given at the date of acquisition plus costs incidental to the acquisition.

K. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

L. GOING CONCERN

The financial report has been prepared on the going concern basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 2 - REVENUE

	2017	2016
	\$	\$
Revenue from ordinary activities		
Revenue from fundraising activities	7,495,369	5,812,883
Employment Assistance Funding	4,717,092	4,696,329
Client Services Revenue	51,845	101,731
Department of Community & Social Inclusion Funding	300,172	290,463
Donations & Bequests	457,904	326,991
Interest	13,912	25,592
Other revenues from ordinary activities	2,433	766
Total revenue	13,038,727	11,254,755

NOTE 3 - EXPENSES

	2017	2016
	\$	\$
The following expenses were charged during the year		
Rental Expense on operating lease	705,087	592,949
Depreciation & amortisation expenses	138,661	134,902
Interest Expense	19,174	57,441
	862,862	785,292

Auditors Remuneration

Auditing or reviewing the financial accounts	14,600	14,000
Auditing statutory compliance for Lottery Draws	2,800	2,400
	17,400	16,400

NOTE 4 - CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
Held in accounts in the name of the Society	4,366,605	1,622,386
	4,366,605	1,622,386

NOTE 5 - TRADE AND OTHER RECEIVABLES

	2017	2016
	\$	\$
CURRENT		
Trade Debtors	849	-
Other receivables	470,944	416,044
	471,793	416,044

NOTE 6 - OTHER ASSETS

	2017	2016
	\$	\$
CURRENT		
Prepayments	24,279	76,389
	24,279	76,389

NOTE 7 - PROPERTY, PLANT & EQUIPMENT

	2017	2016
	\$	\$
Plant & equipment at cost	743,861	733,463
Accumulated depreciation	(566,415)	(475,152)
Total property, plant & equipment at net book value	177,446	258,311

Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

	2017	2016
	\$	\$
Plant & equipment		
Carrying amount at beginning of year	258,311	259,347
Additions	57,796	133,866
Depreciation	(138,661)	(134,902)
Carrying amount at end of year	177,446	258,311
Total carrying amount of property, plant & equipment	177,446	258,311

NOTE 8 - TRADE AND OTHER PAYABLES

	2017	2016
	\$	\$
CURRENT		
Trade creditors	779,554	430,073
Accrued expenses/Other payables	3,041,504	826,043
	3,821,058	1,256,116

NOTE 9 - LOANS PAYABLE

	2017	2016
	\$	\$
Loans Payable-Current , secured		
Motor Vehicle Finance Leases	28,684	15,176
	28,684	15,176
Loans Payable- Non Current , secured		
Motor Vehicle Finance Leases	-	28,684
MS Loans	-	433,333
	-	462,017
Total Loans Payable	28,684	477,193

NOTE 10 - PROVISIONS

	2017	2016
	\$	\$
EMPLOYEE BENEFITS		
Annual Leave	222,363	227,079
Long Service Leave	266,574	246,640
Balance at End of Year	488,937	473,719
Allocation of Provisions		
Current	432,903	407,580
Non Current	56,034	66,139
Total Provisions	488,937	473,719

Provision for Long term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. Long service leave is accrued for employees with five and greater years of service. This is considered reasonable based on historical data. The measurement and recognition criterion relating to employee benefits has been included in Note 1E to this report.

NOTE 11 – CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

2017
\$

2016
\$

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable — minimum lease payments

Not later than 12 months	556,474	684,269
Between 12 months and 5 years	1,090,453	1,023,312
Total Lease Liability	1,646,926	1,707,581

The property leases are non-cancellable leases with rent payable monthly in advance. The leases allow for subletting of all lease areas, subject to lessor approval. The rental provisions within the leasing agreements provide for the following:

	Modbury	Brighton	Woodville	Hillcrest	PROPERTY LEASING		Launceston	Salisbury	Torrensville	Total Leases	Printing	Phones	Total
Lease Term	3 Years	3 Years	5 Years	7 Years	5 Years	Christies Beach 2 Years	3 Years	Periodic	3 Years				
Rental increases	CPI	CPI	CPI	3%	CPI	CPI	CPI	CPI	CPI				
Right of renewal	Available	Available	Available	Available	Available	Available	Available	Available	Available				
Lease ends	31/08/17	30/06/18	09/12/17	30/05/23	14/03/18	31/12/17	31/12/18	28/02/18	30/06/18				
Commencement Date	01/10/14	01/07/14	10/12/12	01/07/16	15/03/13	01/01/16	01/01/16	01/03/13	01/07/15				
Annual rental	27,500	34,710	50,000	170,000	26,500	51,478	31,194	37,200	26,400	454,981			
Monthly Rental	2,292	2,892	4,167	14,167	2,208	4,290	2,599	3,100	2,200	37,915			
Payable not later than 12 months													
Mths of 2016/2017	12	12	12	12	12	12	12	12	12				
Rental for 2016-2017	27,500	34,710	50,000	170,000	26,500	51,478	31,194	37,200	26,400	454,981			
Not later than 12 months	6,875	34,710	20,833	170,000	19,875	25,739	31,194	37,200	26,400	372,826	39,588	144,060	556,474
Between 12mts & 5 years	0	0	0	680,000	0	0	15,597	297,600	0	993,197	85,251	12,005	1,090,453
Remaining Mths	3	12	5	48	9	6	18	8	12				
Rental Commitment	\$6,875	\$34,710	\$20,833	\$850,000	\$19,875	\$25,739	\$46,790	\$24,800	\$26,400	\$1,366,022	\$124,839	\$156,065	\$1,646,926

(b) Capital Expenditure Commitments

As at 30 June 2017 the MS Society had no capital commitments, other than a commitment to pay \$12,413 for the construction of the Disability Toilet at the Hillcrest Office.

NOTE 12 – CASH FLOW INFORMATION

(i) RECONCILIATION OF CASH

For the purpose of the statements of cash flows, cash includes cash on hand, cash at bank and bank overdraft. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	2017	2016
	\$	\$
Cash at bank		
Held in accounts in the name of the Society		
Cash at bank	4,230,207	1,488,307
Term deposits	132,116	129,797
Cash on hand	4,282	4,282
	4,366,605	1,622,386

(ii) RECONCILIATION OF SURPLUS FROM ORDINARY ACTIVITIES TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2017	2016
	\$	\$
Surplus from ordinary activities	535,343	748,462
Add (less) non-cash items		
Depreciation	138,661	134,902
Gain on Loans forgiven	-	(333,333)
Change in assets and liabilities during the financial period:		
Increase in receivables	(57,750)	(105,003)
Decrease / (Increase) in other assets	52,110	(688)
Increase in creditors	2,566,940	797,509
Increase/(Decrease) in provisions	15,218	(2,998)
Net cash provided by operating activities	3,250,522	1,238,850

NOTE 13 - RELATED PARTY TRANSACTIONS

No director has entered into any contract with the MS Society since the end of the previous financial year except for the provision of \$104,700 worth of Interim CEO services from Carrara Consulting Pty Ltd, a business of which Ms Christine Hahn is a director and shareholder. Ms Hahn was excluded from all discussions and decisions in this regard.

During the financial year the MS Society paid \$37,308 for information technology services, under normal terms and conditions, to Morton Blacketer Pty Ltd, a business that a related party of Dr S L Morton is a director and shareholder.

NOTE 14 – EVENTS AFTER THE REPORTING PERIOD

(a) The report was authorised for issue on 28th August 2017 by the Board of Directors.

(b) There have been no significant events that have occurred subsequent to 30 June 2017.

STATEMENT BY BOARD OF DIRECTORS

The Directors have determined that the MS Society is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors declare that, in their opinion:

- a) There are reasonable grounds to believe the registered entity is able to pay all of its debts, as and when they become due and payable; and
- b) The attached financial statements and notes thereto satisfy the requirement of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - i) giving a true and fair view of the financial position and performance of the registered entity in accordance with the accounting policies described in Note 1 to the financial statements; and
 - ii) comply with the Australian Accounting Standards

Signed in accordance with a resolution of the Directors pursuant to regulation 60-15 *Australian Charities and Not-for-profits Commission Regulation 2013*.

On behalf of the directors



C E Hahn

Director



A M Hinton

Director

Dated at Adelaide this 28th day of August 2017.



**Nexia
Edwards Marshall**

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SUBDIVISION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012

TO THE BOARD OF THE MULTIPLE SCLEROSIS SOCIETY OF SOUTH AUSTRALIA AND NORTHERN TERRITORY INCORPORATED

In accordance with section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the board of The Multiple Sclerosis Society of South Australia and Northern Territory Incorporated.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been no contraventions of the auditor independence requirements as set out in any applicable code of professional conduct in relation to the audit.

Nexia Edwards Marshall

Nexia Edwards Marshall
Chartered Accountants

Damien Pozza
Partner

Adelaide
South Australia

28 August 2017

**INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS OF THE MULTIPLE SCLEROSIS SOCIETY OF SOUTH AUSTRALIA
AND NORTHERN TERRITORY INCORPORATED**

Opinion

We have audited the financial report of The Multiple Sclerosis Society of South Australia and Northern Territory Incorporated, which comprises the statement of financial position as at 30 June 2017, the income and expenditure statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by board of directors.

In our opinion, the accompanying financial report of The Multiple Sclerosis Society of South Australia and Northern Territory Incorporated, is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* the *Associations Incorporation Act 1985*; including:

- (i) giving a true and fair view of the entity's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards as described in Note 1 to the financial report and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 entity, in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The directors are responsible for the other information. The other information comprises of the information in the entity's directors' report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

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

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS OF THE MULTIPLE SCLEROSIS SOCIETY OF SOUTH AUSTRALIA
AND NORTHERN TERRITORY INCORPORATED (CONT)**

Directors' responsibility for the financial report

The directors of The Multiple Sclerosis Society of South Australia and Northern Territory Incorporated are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards to the extent as described in Note 1 to the financial report, the *Associations Incorporation Act 1985*, 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 entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the directors either intend to liquidate the entity, or to cease operations, or have no realistic alternative but to do so.

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.

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS THE MULTIPLE SCLEROSIS SOCIETY OF SOUTH AUSTRALIA
AND NORTHERN TERRITORY INCORPORATED (CONT)**

Auditor's responsibility for the audit of the financial report (Cont)

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Nexia Edwards Marshall

Nexia Edwards Marshall
Chartered Accountants



Damien Pozza
Partner

Adelaide
South Australia

28 August 2017