

## DIRECTORS' REPORT

Your Directors submit their report and the financial statements of The Multiple Sclerosis Society of South Australia and Northern Territory Inc. (the "MS Society") for the year ended 30 June 2016.

### 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:

Mr A N Abbott AM, (Honorary President)

Mr A G Scott (Honorary Vice President)

Ms C E Hahn (Treasurer)

Ms C E Umapathysivam

Ms H Hoppmann (appointed October 2015)

Dr S L Morton (appointed February 2016)

### 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 12.

### 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 profit for the financial year as a result of the MS Society's activities amounted to \$415,129 (2015 profit of \$1,848).

### 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 12.

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



**A N Abbott AM**

**Director**



**C E Hahn**

**Director**

**INCOME AND EXPENDITURE STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

	<b>Note</b>	<b>2016</b>	<b>2015</b>
<b>Revenue</b>	2	11,254,755	6,910,355
Employee benefit expense		(4,252,306)	(4,334,299)
Depreciation & Amortisation Expense		(134,902)	(184,925)
Fundraising Activity Expenses		(4,214,827)	(758,607)
Client Support Costs		(336,991)	(382,121)
MS Australia Contributions		(50,000)	(36,849)
Operating Lease Expense		(592,949)	(566,515)
Other Expenses		(1,257,651)	(645,191)
<b>Profit from Operations</b>		<b>415,129</b>	<b>1,848</b>
Forgiveness / write back of MS Foundation Loan		-	2,269,533
Forgiveness of MSWA Loan	9	333,333	-
<b>Profit attributable to Members</b>		<b>748,462</b>	<b>2,271,381</b>

To be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

**ASSETS**

	<b>Note</b>	<b>2016</b>	<b>2015</b>
<b>Current Assets</b>			
Cash Equivalents	4	1,622,386	914,890
Trade and Other Receivables	5	416,044	309,040
Other Assets	6	76,389	75,701
<b>Total Current Assets</b>		<b>2,114,819</b>	<b>1,299,631</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	7	258,311	259,347
<b>Total Non-Current Assets</b>		<b>258,311</b>	<b>259,347</b>
<b>Total Assets</b>		<b>2,373,130</b>	<b>1,558,978</b>
<b>Current Liabilities</b>			
Trade and Other Payables	8	1,256,116	456,607
Loans Payable	9	15,176	14,154
Provisions	10	407,580	380,581
<b>Total Current Liabilities</b>		<b>1,678,872</b>	<b>851,342</b>
<b>Non-Current Liabilities</b>			
Loans Payable	9	462,017	1,193,860
Provisions	10	66,139	96,136
<b>Total Non-Current Liabilities</b>		<b>528,156</b>	<b>1,289,996</b>
<b>Total Liabilities</b>		<b>2,207,028</b>	<b>2,141,338</b>
<b>Net Assets (Liabilities)</b>		<b>166,102</b>	<b>(582,360)</b>
<b>Equity</b>			
Retained Earnings		166,102	(582,360)
<b>Total Equity</b>		<b>166,102</b>	<b>(582,360)</b>

To be read in conjunction with the accompanying notes

**COMPARATIVE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016**

	<b>Retained Earnings (Accumulated Losses)</b>
	<b>\$</b>
<b>Balance at 30 June 2014</b>	<u><b>(2,853,741)</b></u>
Profit for the year attributable to Members	<u>2,271,381</u>
<b>Balance at 30 June 2015</b>	<u><b>(582,360)</b></u>
Profit for the year attributable to Members	<u>748,462</u>
<b>Balance at 30 June 2016</b>	<u><b>166,102</b></u>

To be read in conjunction with the accompanying notes

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016	2015
<b>Cash Flows from Operating Activities</b>			
Receipts from fundraising activities		5,842,038	2,236,248
Receipts from employment services		4,547,110	3,986,825
Operating grant receipts		290,463	278,797
Other receipts in the course of the operation		102,498	598,751
Interest received		25,299	11,990
Donations/Bequests received		326,991	252,794
Cash payments in the course of operations		(9,838,108)	(7,462,571)
Interest paid		(57,441)	(54,417)
<b>Net cash flows provided by (used in) operating activities</b>	13	<b>1,238,850</b>	<b>(151,583)</b>
<b>Cash Flows from Investing Activities</b>			
Payments for property, plant and equipment		(133,866)	(28,933)
Proceeds from sale of property, plant and equipment		-	25,947
<b>Net cash flows (used in) investing activities</b>		<b>(133,866)</b>	<b>(2,986)</b>
<b>Cash Flow from Financing Activities</b>			
Loan advances/(paid) from finance companies (net)		(14,154)	(46,968)
Loan advances/(paid) from related parties		(383,334)	900,000
<b>Net cash flows (used in) provided by in financing activities</b>		<b>(397,488)</b>	<b>853,032</b>
<b>Net increase in cash held</b>		<b>707,496</b>	<b>698,463</b>
<b>Cash at beginning of the financial year</b>		<b>914,890</b>	<b>216,427</b>
<b>Cash at end of year</b>	13	<b>1,622,386</b>	<b>914,890</b>

To be read in conjunction with the accompanying notes.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 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:

	2016	2015
Plant & Equipment	14 – 50%	9 – 40%

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 2016

### 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 defined contribution superannuation fund and are charged as expenses when incurred.

#### F. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

#### G. FINANCIAL ASSETS

Investments in financial assets are initially recognised at cost, which includes transaction costs, and are subsequently measured at fair value, which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

#### H. 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 to 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 will be received in advance of services being rendered to 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 2016**

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

**I. 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.

**J. COMPARATIVES**

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

**K. 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.

**L. 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.

**M. GOING CONCERN**

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

	<b>Note</b>	<b>2016</b> \$	<b>2015</b> \$
<b>NOTE 2 - REVENUE</b>			
<b>Revenue from Ordinary Activities</b>			
Revenue from Fundraising Activities		5,812,883	2,293,534
Employment Assistance Funding		4,696,329	3,941,783
Client Services Revenue		101,731	116,681
Department of Community & Social Inclusion Funding		290,463	278,797
Donations & Bequests		326,991	252,794
Interest		25,592	11,990
Other Revenues from Ordinary Activities		766	14,776
<b>Total Revenue</b>		<b>11,254,755</b>	<b>6,910,355</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 3 - EXPENSES**

The following expenses were charged during the year	2016 \$	2015 \$
Rental Expense on Operating Lease	592,949	566,515
Depreciation & Amortisation Expenses	134,902	184,925
Interest Expense	57,441	54,417
Loss on Disposal of Assets	-	13,702
	<b>785,292</b>	<b>819,559</b>

**Auditors Remuneration**

Auditing or reviewing the financial accounts	14,400	14,000
Auditing statutory compliance for Lottery Draws	7,600	2,325
	<b>22,000</b>	<b>16,325</b>

**NOTE 4 - CASH EQUIVALENTS**

Note

	2016 \$	2015 \$
Held in accounts in the name of the Society	1,622,386	914,890
	<b>1,622,386</b>	<b>914,890</b>

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**NOTE 5 - TRADE AND OTHER RECEIVABLES**

	2016 \$	2015 \$
<b>CURRENT</b>		
Trade Debtors	-	9,776
Other Receivables	416,044	299,264
	<b>416,044</b>	<b>309,040</b>

**NOTE 6 - OTHER ASSETS**

	2016 \$	2015 \$
<b>CURRENT</b>		
Prepayments	76,389	75,701
	<b>76,389</b>	<b>75,701</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 7 - PROPERTY, PLANT & EQUIPMENT**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Plant & Equipment at cost	733,463	776,957
Accumulated Depreciation	(475,152)	(517,610)
<b>Total property, plant &amp; equipment at net book value</b>	<b>258,311</b>	<b>259,347</b>

**Reconciliations**

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

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Plant &amp; Equipment</b>		
Carrying amount at beginning of year	259,347	454,988
Additions	133,866	28,933
Disposals	-	(39,649)
Depreciation	(134,902)	(184,925)
<b>Carrying amount at end of year</b>	<b>258,311</b>	<b>259,347</b>
<b>Total carrying amount of property, plant &amp; equipment</b>	<b>258,311</b>	<b>259,347</b>
<b>Profit/(loss) on disposal of property, plant &amp; equipment</b>	<b>-</b>	<b>(13,702)</b>

**NOTE 8 - TRADE AND OTHER PAYABLES**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Trade Creditors	430,073	74,960
Accrued Expenses/Other Payables	826,043	381,647
<b>1,256,116</b>	<b>456,607</b>	

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 9 - LOANS PAYABLE**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Loans Payable-Current		
Motor Vehicle Finance Leases - Secured	15,176	14,154
	<b>15,176</b>	<b>14,154</b>
Loans Payable- Non Current		
Motor Vehicle Finance Leases - Secured	28,684	43,860
MS Loans - Unsecured	433,333	1,150,000
	<b>462,017</b>	<b>1,193,860</b>
Total Loans Payable	<b>477,193</b>	<b>1,208,014</b>

The MS Society entered into commercial financing agreements with Nissan Financial Services in July 2012 for three (3) of its motor vehicle fleet amounting to \$94,084 with a total interest payable of \$22,094. The loan term periods are five years and the loans are secured over the underlying assets.

The MS Society entered into Loan Agreements with MS Australia (MSA) and The Multiple Sclerosis Society of Western Australia (MSWA) for a total amount of \$1,150,000 repayable in July 2017 and September 2017 to the respective MS Societies. In June 2016 The MS Society paid \$383,333, being one third of the loan amount, to the respective MS Societies. In June 2016 the MSWA decided to forgive the balance loan payable amount of \$333,333, which resulted in a total outstanding loan balance of \$433,333.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### NOTE 10 - PROVISIONS

	2016	2015
	\$	\$
<b>CURRENT - EMPLOYEE BENEFITS</b>		
Opening balance at beginning of year	380,581	468,060
Additional provisions raised during year	365,050	318,057
Amounts used	(338,051)	(405,536)
Balance at end of year	<b>407,580</b>	<b>380,581</b>
<b>NON CURRENT - EMPLOYEE BENEFITS</b>		
Opening balance at beginning of year	96,136	47,990
Additional provisions raised during year	-	48,146
Amounts used	(29,997)	-
Balance at end of year	<b>66,139</b>	<b>96,136</b>
<b>Analysis of Total Provisions</b>		
Current	407,580	380,581
Non-Current	66,139	96,136
Total Provisions	<b>473,719</b>	<b>476,717</b>

### 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

	2016	2015
	\$	\$
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable — minimum lease payments		
Not later than 12 months	684,269	470,150
Between 12 months and 5 years	1,023,312	620,486
<b>Total lease Liability</b>	<b>1,707,581</b>	<b>1,090,636</b>

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	Enfield	Morphett Vale	Christies Beach	Launceston	Salisbury	Torrensville	Mawson Lakes Unit
Lease Term	3 Years	3 Years	5 Years	7 Years	5 Years	5 Years	2 Years	3 Years	3 Years	3 Years	6 Months
Rental increases	CPI	CPI	CPI	3%	CPI	CPI	CPI	CPI	CPI	CPI	
Right of renewal	Available	Available	Available	Available	Available	Available	Available	Available	Available	Available	Available
Lease ends	30/09/17	30/06/18	09/12/17	30/05/23	31/07/18	14/03/18	31/12/17	31/12/18	28/02/16	30/06/18	27/01/17

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### NOTE 11 – CAPITAL AND LEASING COMMITMENTS (CONT.)

#### (a) Operating Lease Commitments (cont.)

The lease for the Darwin site was vacated in September 2015. The Salisbury lease at 30 June 2016 is now on a month to month basis.

#### (b) Capital Expenditure Commitments

As at 30 June 2016 the MS Society had no capital commitments.

### NOTE 12 - RELATED PARTY TRANSACTIONS

No director has entered into any contract with the MS Society since the end of the previous financial year.

### NOTE 13 – 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:

	Note	2016 \$	2015 \$
<b>Cash at Bank</b>			
Held in accounts in the name of the Society			
Cash at Bank		1,487,997	843,080
Lottery Bank Accounts		310	67
Term Deposits		129,797	68,062
Cash on Hand		4,282	3,681
Total Cash	4	<b>1,622,386</b>	<b>914,890</b>

#### (ii) FINANCE FACILITIES

As at June 30, 2016, a series of rolling term deposit accounts amounting to \$129,797 were held with Westpac Banking Corporation.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 13 – CASH FLOW INFORMATION (CONT.)**

**(iii) RECONCILIATION OF PROFIT / (LOSS) ATTRIBUTABLE TO MEMBERS TO NET CASH USED IN OPERATING ACTIVITIES**

	2016	2015
	\$	\$
<b>Profit attributable to members</b>	<b>748,462</b>	<b>2,271,381</b>
<b>Add/(less) items classified as investing/financing</b>		
Loss on Sale of Non-Current Assets	-	13,702
<b>Add (less) non-cash items</b>		
Depreciation	134,902	184,925
Loans Forgiven - Principal	(333,333)	(2,283,027)
<b>Change in assets and liabilities during the financial period:</b>		
(Increase) in Trade and Other Receivables	(107,004)	(3,576)
(Increase) in Other Assets	(688)	(27,271)
Increase/(Decrease) in Creditors and Other Payables	799,509	(268,384)
(Decrease) in Provisions	(2,998)	(39,333)
<b>Net cash flows provided by (used in) operating activities</b>	<b>1,238,850</b>	<b>(151,583)</b>

**NOTE 14 - CONTINGENT LIABILITIES**

The MS Society is a member of the national organisation, Multiple Sclerosis Australia. The MS Society's Directors consider that Multiple Sclerosis Australia plays a vital role in promoting the national presence and administering research funding and accordingly are committed to its continuance. While the MS Society has not given any guarantee over the operations, assets or liabilities of the national entity, the MS Society's Directors may in the future decide that the MS Society is to provide additional funding to support the operations of Multiple Sclerosis Australia. During the year ended 30 June 2016, the MS Society contributed \$50,000 (\$36,849 in 2015) to Multiple Sclerosis Australia and Multiple Sclerosis Research Australia being the share of national administration costs and research funding.

**NOTE 15 – EVENTS AFTER THE REPORTING PERIOD**

- (a) The financial report was authorised for issue on **19<sup>th</sup> day of September 2016** by the Board of Directors.
- (b) There have been no significant events that have occurred subsequent to 30 June 2016.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**



**NOTE 16 – ASSOCIATION DETAILS**

The registered office and principal place of business of the MS Society is:

The Multiple Sclerosis Society of South Australia & Northern Territory Incorporated  
341 North East Road,  
HILLCREST, SA 5086

**NOTE 17 - SEGMENT REPORTING**

The MS Society operates predominantly in one business segment and two geographical segments, being the disability support sector providing services to people with MS throughout South Australia and the Northern Territory.

## 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 financial reporting requirements of the Associations Incorporation Act (1985) SA and 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



**A N Abbott AM**  
**Director**



**C E Hahn**  
**Director**

**Dated at Adelaide this 19<sup>th</sup> day of September 2016.**

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SUBDIVISION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012  
TO THE BOARD MEMBERS 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 members 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 2016 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  
Chartered Accountants



Noel Clifford  
Partner

Adelaide  
South Australia

19 September 2016

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

### **Report on the Financial Report**

We have audited the accompanying financial report, being a special purpose financial report, of The Multiple Sclerosis Society of South Australia and Northern Territory Incorporated ('the Society'), which comprises the statement of financial position as at 30 June 2016, income and expenditure statement, statement of changes in equity, statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information, and the declaration by the board of directors for The Society and Multiple Sclerosis Society of South Australia and Northern Territory Incorporated.

### ***Board Members' Responsibility for the Financial Report***

The board members of the Multiple Sclerosis Society of South Australia and Northern Territory Incorporated are responsible for the preparation of the financial report, and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the *Associations Incorporation Act 1985* and the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The board members' responsibility also includes such internal control as the board members determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We have 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 financial report is free from material misstatement.

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

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

### ***Independence***

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

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

In our opinion, the financial of The Multiple Sclerosis Society of South Australia and Northern Territory Incorporate is prepared in accordance with the *Associations Incorporations Act 1985* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i) giving a true and fair view of the Society's financial position as at 30 June 2016 and of its performance and cash flows for the year ended on that date;
- ii) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

We have received all of the information and explanations required from the Society.

***Basis of Accounting and Restriction on Distribution***

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Multiple Sclerosis Society of South Australia and Northern Territory Incorporated to meet the requirements of the *Associations Incorporation Act, 1985* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.



Nexia Edwards Marshall  
Chartered Accountants



Noel Clifford  
Partner

Adelaide  
South Australia

19 September 2016