

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 2018.

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)

Ms H Hoppmann (Director)

Mr P Madsen (Director)

Dr S L Morton (Director)

Ms C E Umapathysivam (Director)

Mr P Madsen was appointed as Director on 2nd March 2018.

Following the resignation of the Chief Executive Officer in January 2017, Ms C E Hahn resigned as President on 13th January 2017 following her appointment as Interim Chief Executive Officer 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 14.

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 \$429,955 (2017 surplus of \$535,343).

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:

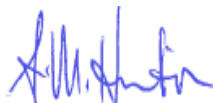
- (i) no officer of the MS Society;
- (ii) no firm in which an officer was a member; and
- (iii) no body corporate in which an officer has a substantial interest;

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 14.

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 27th day of August 2018.

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

| | Note | 2018 | 2017 |
|--|-------------|----------------|----------------|
| Income | 2 | 13,424,141 | 13,038,727 |
| Employee benefit expense | | (5,334,187) | (4,754,435) |
| Depreciation & Amortisation Expense | | (65,960) | (138,661) |
| Fundraising Activity Expenses | | (5,817,327) | (5,427,235) |
| MS Research Australia Contributions | | (96,990) | (113,998) |
| Operating Lease Expense | | (527,840) | (705,087) |
| Other Expenses | | (1,151,882) | (1,363,967) |
| Surplus from Operations | | 429,955 | 535,343 |
| Surplus attributable to Members | 3 | 429,955 | 535,343 |

To be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

ASSETS

| | Note | 2018 | 2017 |
|---------------------------------|------|------------------|------------------|
| Current Assets | | | |
| Cash and Cash Equivalents | 4 | 2,607,605 | 4,234,489 |
| Trade and Other Receivables | 5 | 354,147 | 471,793 |
| Other Assets | 6 | 107,578 | 24,279 |
| Total Current Assets | | 3,069,330 | 4,730,561 |
| Non-Current Assets | | | |
| Plant and equipment | 7 | 231,125 | 177,446 |
| Other Financial Assets | 8 | 275,319 | 132,116 |
| Total Non-Current Assets | | 506,444 | 309,562 |
| Total Assets | | 3,575,774 | 5,040,123 |

LIABILITIES

Current Liabilities

| | | | |
|----------------------------------|----|------------------|------------------|
| Trade and Other Payables | 9 | 1,965,800 | 3,821,058 |
| Loans Payable | 10 | - | 28,684 |
| Provisions | 11 | 416,999 | 432,903 |
| Total Current Liabilities | | 2,382,799 | 4,282,645 |

Non-Current Liabilities

| | | | |
|--------------------------------------|----|---------------|---------------|
| Provisions | 11 | 61,575 | 56,034 |
| Total Non-Current Liabilities | | 61,575 | 56,034 |

Total Liabilities

2,444,374 **4,338,679**

Net Assets

1,131,400 **701,445**

EQUITY

| | | | |
|---------------------|--|------------------|----------------|
| Retained Earnings | | 1,131,400 | 701,445 |
| Total Equity | | 1,131,400 | 701,445 |

To be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

| | Retained Earnings | Total Equity |
|----------------------------------|--------------------------|---------------------|
| | \$ | \$ |
| 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 |
| Surplus from Ordinary Activities | 429,955 | 429,955 |
| Balance at 30 June 2018 | 1,131,400 | 1,131,400 |

To be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

| | Notes | 2018 | 2017 |
|--|-------|---------------------------|-------------------------|
| Cash Flows from Operating Activities | | | |
| Receipts from fundraising activities | | 8,293,254 | 7,577,419 |
| Receipts from employment services | | 4,637,478 | 4,577,343 |
| Operating grant receipts | | 259,667 | 300,172 |
| Other Receipts in the course of the operation | | 38,264 | 54,277 |
| Interest received | | 14,185 | 13,980 |
| Donations/Bequests received | | 289,659 | 457,904 |
| Cash Payments in the course of operations | | (14,896,255) | (9,711,399) |
| Interest paid | | - | (19,174) |
| Net Cash (used in) / provided by operating activities | 13 | <u>(1,363,748)</u> | <u>3,250,522</u> |
| Cash Flows from Investing Activities | | | |
| Payments for plant and equipment | | (119,639) | (57,794) |
| Proceeds from sale of plant & equipment | | 28,390 | - |
| Payments for term deposits | | (143,203) | (132,116) |
| Net cash flows used in investing activities | | <u>(234,452)</u> | <u>(189,910)</u> |
| Cash Flow from Financing Activities | | | |
| Loan repayments to finance companies | | (28,684) | (15,176) |
| Loan repayments to related parties | | - | (433,333) |
| Net cash flows used in financing activities | | <u>(28,684)</u> | <u>(448,509)</u> |
| Net (decrease) / increase in cash held | | <u>(1,626,884)</u> | <u>2,612,103</u> |
| Cash at beginning of the financial year | | 4,234,489 | 1,622,386 |
| Cash at end of year | 13 | <u>2,607,605</u> | <u>4,234,489</u> |

To be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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 MS 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.

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:

| | 2018 | 2017 |
|------------------------|-------------|-------------|
| Leasehold Improvements | 14 – 50% | 14 – 50% |
| Plant and 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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. INCOME, 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 is recognised on receipt of funds. 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 MS 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 2018

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.

M. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The MS Society has adopted all the new Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period. The adoption of these new and revised Standards and Interpretations has resulted in no significant changes to the entity's accounting policies.

Other than AASB 16, "Leases" outlined below, no other new Accounting Standards that have been issued but not yet effective, are expected to have a material impact on the MS Society's financial position or its performance.

AASB 16 is mandatory for annual reporting periods beginning after 1 January 2019, but is available to be early adopted. The MS Society is in the process of performing an initial assessment of the potential impact on its financial statements. The MS Society will be required to recognise new assets and liabilities for its operating leases and the nature of expenses related to those leases will change as AASB 16 replaces the operating lease expense with a straight-line depreciation charge for the right-of-use assets and interest expense on these liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 2 - INCOME

| | 2018 | 2017 |
|--|-------------------|-------------------|
| | \$ | \$ |
| Revenue from ordinary activities | | |
| Revenue from fundraising activities | 8,370,037 | 7,495,369 |
| Employment Assistance Funding | 4,424,320 | 4,717,092 |
| Client Services Revenue | 38,264 | 51,845 |
| Department of Community & Social Inclusion Funding | 259,667 | 300,172 |
| Donations & Bequests | 289,659 | 457,904 |
| Interest | 13,804 | 13,912 |
| Gain on sale of plant and equipment | 28,390 | - |
| Other revenues from ordinary activities | - | 2,433 |
| Total revenue | 13,424,141 | 13,038,727 |

NOTE 3 - EXPENSES

| | 2018 | 2017 |
|--|-----------------------|-----------------------|
| | \$ | \$ |
| The following expenses were charged during the year | | |
| Rental Expense on operating lease | 527,840 | 705,087 |
| Depreciation & amortisation expenses | 65,960 | 138,661 |
| Interest Expense | - | 19,174 |
| | <u>593,800</u> | <u>862,921</u> |

Auditors Remuneration

| | | |
|---|----------------------|----------------------|
| Auditing or reviewing the financial accounts | 14,900 | 14,600 |
| Auditing statutory compliance for Lottery Draws | 2,550 | 2,800 |
| | <u>17,450</u> | <u>17,400</u> |

NOTE 4 - CASH AND CASH EQUIVALENTS

| | 2018 | 2017 |
|--|-------------------------|-------------------------|
| | \$ | \$ |
| Held in accounts in the name of the MS Society | 2,607,605 | 4,234,489 |
| | <u>2,607,605</u> | <u>4,234,489</u> |

In 2017, the Game Changer Lottery prizes were paid in July 2017, whereas in the current year, they were paid in June, see note 9.

NOTE 5 - TRADE AND OTHER RECEIVABLES

| | 2018 | 2017 |
|-------------------|-----------------------|-----------------------|
| | \$ | \$ |
| CURRENT | | |
| Trade Debtors | 1,036 | 849 |
| Other receivables | 353,111 | 470,944 |
| | <u>354,147</u> | <u>471,793</u> |

NOTE 6 - OTHER ASSETS

| | 2018 | 2017 |
|----------------|-----------------------|----------------------|
| | \$ | \$ |
| CURRENT | | |
| Prepayments | 107,578 | 24,279 |
| | <u>107,578</u> | <u>24,279</u> |

NOTE 7 - PLANT AND EQUIPMENT

| | 2018 | 2017 |
|--|-----------------------|-----------------------|
| | \$ | \$ |
| Leasehold Improvements at cost | 456,788 | 404,636 |
| Accumulated depreciation | <u>(313,115)</u> | <u>(276,346)</u> |
| Net book value | <u>143,673</u> | <u>128,290</u> |
| | | |
| Plant and equipment at cost | 340,711 | 339,225 |
| Accumulated depreciation | <u>(253,259)</u> | <u>(290,069)</u> |
| Net book value | <u>87,452</u> | <u>49,156</u> |
| | | |
| Total plant and equipment at net book value | <u>231,125</u> | <u>177,446</u> |

| | Leasehold Improvements | Plant and Equipment | Total |
|---------------------------------------|-----------------------------------|--------------------------------|-----------------------|
| | \$ | \$ | \$ |
| Year ended 30 June 2018 | | | |
| Carrying amount at beginning of year | 128,290 | 49,156 | 177,446 |
| Additions | 52,152 | 67,487 | 119,639 |
| Depreciation charge for the year | <u>(36,769)</u> | <u>(29,191)</u> | <u>(65,960)</u> |
| Carrying amount at end of year | <u>143,673</u> | <u>87,452</u> | <u>231,125</u> |

NOTE 8 - OTHER FINANCIAL ASSETS

| | 2018 | 2017 |
|--------------------|-----------------------|-----------------------|
| | \$ | \$ |
| NON CURRENT | | |
| Bank Deposits | <u>275,319</u> | <u>132,116</u> |
| | <u>275,319</u> | <u>132,116</u> |

Bank Deposits are in relation to deposits held as security for the lease of premises and will continue to be renewed to secure the leases, see note 12.

NOTE 9 - TRADE AND OTHER PAYABLES

| | 2018 | 2017 |
|---------------------------------|------------------|------------------|
| | \$ | \$ |
| CURRENT | | |
| Trade creditors | 1,470,468 | 779,554 |
| Accrued expenses/Other payables | 495,332 | 3,041,504 |
| | 1,965,800 | 3,821,058 |

Included in 2017 accrued expenses is \$2.5M for the Game Changer Lottery prizes, which were paid in July 2017. In the current year, payments for the Game Changer Lottery were paid in June, see Note 4.

NOTE 10 - LOANS PAYABLE

| | 2018 | 2017 |
|---------------------------------|-------------|---------------|
| | \$ | \$ |
| Loans Payable-Current , secured | | |
| Motor Vehicle Finance Leases | - | 28,684 |
| Total Loans Payable | - | 28,684 |

NOTE 11 - PROVISIONS

| | 2018 | 2017 |
|---------------------------------|----------------|----------------|
| | \$ | \$ |
| EMPLOYEE BENEFITS | | |
| Annual Leave | 231,555 | 222,363 |
| Long Service Leave | 247,019 | 266,573 |
| Balance at End of Year | 478,574 | 488,937 |
| Allocation of Provisions | | |
| Current | 416,999 | 432,903 |
| Non Current | 61,575 | 56,034 |
| Total Provisions | 478,574 | 488,937 |

NOTE 12 – COMMITMENTS, LEASING COMMITMENTS AND CONTINGENT LIABILITIES

(a) Operating Lease Commitments

2018 **2017**

\$ \$

Non-cancellable operating leases contracted for but not capitalised in the financial statements relating to The MS Society's head office and Multiple Solutions sites:

Payable — minimum lease payments

Not later than 12 months

468,172 556,474

Between 12 months and 5 years

899,517 1,090,453

Total Operating Lease Commitments

1,367,689 1,646,926

(b) Capital Expenditure Commitments

As at 30 June 2018, the MS Society had no capital commitments.

(c) Contingent Liabilities

The MS Society has provided bank deposits of \$275,319 as security for unconditional irrevocable bank guarantees relating to various leased premises, see Note 8.

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:

| | 2018 | 2017 |
|--|------------------|------------------|
| | \$ | \$ |
| Cash and cash equivalents | | |
| Held in accounts in the name of the MS Society | | |
| Cash at bank | 2,603,323 | 4,230,207 |
| Cash on hand | 4,282 | 4,282 |
| | <u>2,607,605</u> | <u>4,234,489</u> |

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

| | 2018 | 2017 |
|--|---------------------------|-------------------------|
| | \$ | \$ |
| Surplus from ordinary activities | 429,955 | 535,343 |
| Less items classified as investing | | |
| Gain on sale of plant and equipment | (28,390) | - |
| Add non-cash items | | |
| Depreciation | 65,960 | 138,661 |
| Change in assets and liabilities during the financial period: | | |
| Decrease / (Increase) in receivables | 117,646 | (57,750) |
| (Increase) / Decrease in other assets | (83,299) | 52,110 |
| (Decrease) / Increase in creditors | (1,855,258) | 2,566,940 |
| (Decrease) / Increase in provisions | (10,362) | 15,218 |
| Net cash (used in) / provided by operating activities | <u>(1,363,748)</u> | <u>3,250,522</u> |

NOTE 14 - RELATED PARTY TRANSACTIONS

No director has entered into any contract with the MS Society since the end of the previous financial year except as set out below:

(a) Payment of \$45,210 (2017: \$104,700) for 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.

(b) Payment of \$63,216 for information technology services (2017: \$37,308), 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 15 – EVENTS AFTER THE REPORTING PERIOD

(a) The report was authorised for issue on 27th August 2018 by the Board of Directors.

(b) There have been no significant events that have occurred subsequent to 30 June 2018.

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 27th day of August 2018.

**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 2018 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

27 August 2018

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

Opinion

We have audited the financial report, being a special purpose 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 2018, the income and expenditure statement, statement of changes in equity and statement of cash flows for the year then ended, 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* and the *Associations Incorporation Act 1985*; including:

- (i) giving a true and fair view of the entity's financial position as at 30 June 2018 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.

Emphasis of matter – basis of accounting

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Board's financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act 1985*. As a result, the financial report may not be suitable for another purpose.

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 2018 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.

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

Other information (Cont.)

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.

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.

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

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

- 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.
- 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

27 August 2018