



Multiple Sclerosis Research Australia

Abbreviated Annual Financial Report For the Year Ending 30 June 2012

Page Numbers

1. MSRA Financials	
(a) <i>Statement of Income</i>	2
(b) <i>Statement of Financial Position</i>	2
2. Future Agreements for Research	3
3. Research Program Analysis	
(a) <i>Platform Research</i>	5
(b) <i>Scholarships and Fellowships</i>	5
(c) <i>Investigator Driven Projects & their funding</i>	6
(d) <i>Non Specific Income</i>	6
(e) <i>Other research Expenditure</i>	7
(f) <i>Operating Costs and their funding</i>	7
(g) <i>Internal Transfers</i>	8
4. Additional Information furnished under the Charitable Fund Raising Act 1991(NSW)	
(a) <i>Fund Raising Activities Conducted</i>	9
(b) <i>Comparison of Monetary figures and percentages</i>	9

1. MSRA FINANCIALS 2012

(a) STATEMENT OF INCOME

	2012 \$	2011 \$
Gross Income		
MS Societies	1,442,808	982,888
Donations	1,268,434	1,217,906
Fundraising	315,368	669,668
Kiss Goodbye toMS	578,741	59,918
Sponsorship Other	542,643	604,858
Government Grants	335,900	375,000
Interest Received	223,440	235,576
Other	40,208	16,376
Total Gross Income	<u>4,747,542</u>	<u>4,162,190</u>
Gross Expenditure		
Operating Costs	1,781,788	1,231,395
Research Grants	2,733,173	2,872,507
Total Gross Expenditure	<u>4,514,961</u>	<u>4,103,902</u>
Net Surplus	<u>232,581</u>	<u>58,288</u>

(b) STATEMENT OF FINANCIAL POSITION

	2012 \$	2011 \$
Current Assets		
Cash & Cash Equivalents	4,109,990	4,494,394
Trade Receivables	1,332,188	194,763
Prepayment & Other Assets	47,199	61,472
Total Current Assets	<u>5,489,377</u>	<u>4,750,629</u>
Non Current assets		
Property, Plant & Equipment	2,070	2,387
Total Assets	<u>5,491,447</u>	<u>4,753,016</u>
Current Liabilities		
Trade & Other Payables	1,247,325	765,009
Provisions	46,578	28,624
Total Current Liabilities	<u>1,293,903</u>	<u>793,633</u>
Long Term Liabilities – Provisions	26,831	21,251
Total Liabilities	<u>1,320,734</u>	<u>814,884</u>
Net Assets/Members funds	<u>4,170,713</u>	<u>3,938,132</u>

2. Future Agreements for Research

The company enters in funding arrangements for periods between 1 to 5 years. Funding for these grants to researchers is paid in instalments and in accordance with the achievement of agreed milestones and MSRA's capacity to pay. The company actively raises funds to meet future agreements and fund new grants while adhering to the donor's intention.

The Research Management Council meets annually to determine the amount of individual grants for Investigator Driven Research and Fellowships and Scholarships for periods up to 5 years in advance. At 30 June 2012 these agreements totalled \$2,606,000 for the financial years to June 2015. The agreements will be funded partly from existing Non Specific Income, future MS Society Grants and third party donations.

In addition the unspent balances for Platform Projects of \$4,089,901, are shown in the 2nd table below.

RMC & Platform Projects	30 June 2012 \$	30 June 2011 \$
Platform Projects	4,089,901	1,937,330
Fellowships and Scholarships	1,088,150	903,500
Investigator Driven Projects	1,517,850	2,150,000
Total Future Agreements at 30 June 2012	<u>6,695,901</u>	<u>4,990,830</u>

Platform Projects	30 June 2012 \$	30 June 2011 \$
MS Life Study	580,000	340,000
Prevention Study	2,284,818	546,405
NSW Clinical Trials Network	145,233	183,400
Stem Cell Register	75,000	-
MS Brain Bank	804,850	368,048
Progress in MS Conferences & Other	200,000	499,477
Total Future Platform at 30 June 2012	<u>4,089,901</u>	<u>1,937,330</u>

3. Research Program Analysis

The Research Program Analysis at 30 June 2012 of \$4,170,713 (2011: \$3,938,132) has been prepared to reflect the ongoing balances of the individual platform projects of \$2,215,017 (2011: \$1,040,256), and the balance of non specific income of \$1,955,696 (2011: \$2,897,876).

The non specific income is the balance in equity funds that have not been specifically allocated to a research project or required to fund operational costs to 30 June 2012.

Research Project	Balance 1 July 2011 \$	Spend 2011/12 \$	Income 2011/12 \$	Internal Transfers 2011/12 \$	Balance 30 June 2012 \$
Platform Projects	1,040,256	(573,142)	1,595,856	152,047	2,215,017
Scholarships	-	(665,965)	270,000	395,965	-
Investigator Driven	-	(1,504,311)	705,271	799,040	-
Non Specific Income	2,897,876	-	991,156	(1,933,336)	1,955,696
Seminars & Conf.	-	(196,619)	121,823	74,796	-
Operational Cost	-	(1,574,924)	1,063,436	511,488	-
Total Equity	3,938,132	(4,514,961)	4,747,542	-	4,170,713

Definitions:

Platform Projects - Funding for a national collaboration and supporting infrastructure to address significant scientific questions in MS research.

Fellowships and Scholarships – Funding to support the training of young scientists in MS research (capacity building) approved by the Research Management Council.

Investigator Driven Grants – Funding for peer reviewed project applications approved by the Research Management Council.

Non Specific Income – Where donors have not stated a preference of the type of research their donation should be committed,

Other Research – Funding for Seminars and Conferences to accelerate further MS research collaboration.

Internal transfers have been made between the research projects (to apportion both non specific income and where a donor's intention is across more than on research category) to determine the balance at 30 June 2011.

a) Balance at 30 June 2004

The National Multiple Sclerosis Research Foundation closing balance of equity of \$270,680 at 30 June 2004 formed the opening equity balance for Multiple Sclerosis Research Australia Limited.

b) Research Expenditure

Research expenditure is summarised in the following categories:

3. Research Program Analysis (Cont'd)

3 b) (a) Platform Research

Ongoing research projects in the 2011/12 year include the MS Life Study, NSW Network, the New Gene Development, Brain and Tissue Bank, Prevention, Clinical Trials, Proteomics and N.M.O.

Research Project	Balance 1 July 2011 \$	Spend 2011/12 \$	Income 2011/12 \$	Internal Transfers 2011/12 \$	Balance 30 June 2012 \$
MS Life Study	-	(201,860)	50,000	151,860	-
NSW Network	(34,289)	(97,410)	95,933		(35,766)
New Gene Develop.	95,276	(34,571)	-	-	60,705
Brain & Tissue Bank	368,047	(95,353)	32,155	-	304,849
Prevention	546,406	(13,856)	1,252,268	-	1,784,818
Clinical Trials	-	(31,941)	15,000	16,941	-
Proteomics	64,816	(98,062)	50,000	(16,754)	-
Stem Cell Register		(89)	100,500		100,411
Total Platform	1,040,256	(573,142)	1,595,856	152,047	2,215,017

The Platform Projects internal transfer of \$152,047 is to reflect that several of the projects have not been fully funded by specific donations in the year, with the balance funded from Non Specific Income.

3 (b) (b) Scholarships and Fellowships

Research Project	Balance 1 July 2011 \$	Spend 2011/12 \$	Income 2011/12 \$	Internal Transfers 2011/12 \$	Balance 30 June 2012 \$
RMC Grants					
Incubator Grants	-	(177,732)	-	177,732	-
Other		(68,300)	15,000	53,300	-
Dr Mckenzie	-	(13,000)	-	13,000	-
Dr Briscoe	-	5,367	-	(5,367)	-
Dr Gianni	-	(26,000)	-	26,000	-
Dr Chen	-	(80,000)	-	80,000	-
Dr Comerford	-	(33,250)	-	33,250	-
Fellowships					
Senior Practitioner	-	(175,000)	195,000	(20,000)	-
Practitioner	-	(80,000)	10,000	70,000	-
International Scholarship	-	(18,050)	50,000	(31,950)	-
Total Scholarships	-	(665,965)	270,000	395,965	-

The internal transfer \$395,965 relates to the 2011/12 financial year.

3. Research Program Analysis (Cont'd)

3 b) (c) Investigator Driven Projects and their funding

Research Project	Balance 1 July 2011 \$	Spend 2011/12 \$	Income 2011/12 \$	Internal Transfers 2011/12 \$	Balance 30 June 2012 \$
RMC					
- Social & Applied	-	(160,261)	-	160,261	-
- Genetics & Epidemiology	-	(144,500)	238,250	(93,750)	-
- Neurobiology & Pathology	-	(272,500)	455,521	(183,021)	-
- Immunology & Virology		(927,050)	11,500	915,550	-
Total Investigator Driven	-	(1,504,311)	705,271	799,040	-

Research Management Council approved grants of \$1,731,492 in the 2011/12 financial year.

The Investigator Driven Projects internal transfer adjustment \$799,040 relates to the current financial year and represents the net of the State MS Societies and other grants of \$705,271 and those amounts paid as approved by the Research Management Council of \$1,504,311.

3 b) (d) Non Specific donations

	Balance 1 July 2011 \$	Spend 2011/12 \$	Income 2011/12 \$	Internal Transfers 2011/12 \$	Balance 30 June 2012 \$
Donations General	475,134	-	470,141	(945,275)	-
Bequests	-	-	212,000	(212,000)	-
Foundation \$5 M+	2,422,742	-	309,015	(99,659)	2,632,098
Uncommitted Allocation		-	-	(676,402)	(676,402)
Total	2,897,876	-	991,156	(1,933,336)	1,955,696

The non specific income received in the 2012 year comprised of general donations and interest of \$470,141 (2011: \$131,031) of which the donor did not specify a particular research program for the donation. Bequests \$212,000 (2011: \$2,500) with \$200,000 from the estate of Oleg Jukov and \$12,000 from the estate of Margaret Gallagher, Foundation 5 Million achieved a net income of \$309,015 (2011: \$911,847)

An internal transfer in the 2011/12 financial year \$1,933,336 to other research categories is included to represent the total net non specific income used to fund research spending and operating costs.

3. Research Program Analysis (Cont'd)

3 b) (e) Other Research Expenditures

	Balance 1 July 2011 \$	Spend 2011/12 \$	Income 2011/12 \$	Internal Transfers 2011/12 \$	Balance 30 June 2012 \$
Other Research	-	(87)	-	87	-
Needs Analysis	-	(45,661)	-	45,661	-
Economic Impact	-	(51,507)	-	51,507	-
Progress in MS	-	(99,364)	121,823	(22,459)	-
Total	-	(196,619)	121,823	74,796	-

Expenditure in the 2012 financial year of \$196,619 is related to the Progress in MS conference, a Needs Analysis and part cost of the Economic Impact Study.

The internal transfer of \$79,796 to Non Specific Income is to cover the costs as incurred in the 2012 financial year.

c) Operating Costs and their funding

	Balance 1 July 2011 \$	Spend 2011/12 \$	Income 2011/12 \$	Internal Transfers 2011/12 \$	Balance 30 June 2012 \$
Research Admin.	(1,554,215)	(311,520)	-	-	(1,865,735)
Research Campaign	(1,110,768)	(438,407)	-	575,788	(973,387)
Foundation \$5M	(804,407)	(264,684)	40,856	-	(1,028,235)
Kiss Goodbye to MS	-	(560,313)	578,741	(18,428)	-
Government Grant	1,750,000	-	250,000	-	2,000,000
Unrestricted Grants	1,124,459	-	109,738	-	1,234,197
Minor Donations	45,872	-	-	(45,872)	-
Corporate					
Sponsorship	63,000	-	-	-	63,000
Interest Received	486,059	-	84,101	-	570,160
Total	-	(1,574,924)	1,063,436	511,488	-

Operating costs for the 2012 financial year \$1,574,924 (2011: \$1,231,397) included Research Administration \$311,520 (2011: \$315,289), Research Campaign \$438,407 (2011: \$491,404) and Foundation 5 Million \$264,684 (2011: \$344,254). In addition \$560,313 was spent on the Kiss Goodbye to MS campaign (2011: \$80,450).

Funding of the Operating Costs included a grant from the Federal Department of Health & Ageing of \$250,000 (2011: \$250,000). Unrestricted Grants of \$109,738 (2011: \$275,959) and Interest received on cash investments of \$84,101 (2011: \$72,362)

3. Research Program Analysis (Cont'd)

d) Internal Transfer of Funds

Funds	Internal Transfer of	2012	2011
		\$	\$
Fellowships and Scholarships		395,965	372,997
Investigator Driven Projects		799,040	76,319
Other Research		74,796	(37,714)
Platform Projects		152,047	312,449
Operating Costs		511,488	623,158
Balance		1,933,336	1,347,209
Transferred from Non Specific Income		(1,933,336)	(1,347,209)

The internal transfers for the 2011/12 financial year are for each item of research or operational cost to cover the outstanding balances at 30 June 2012 of Investigator Driven Projects, Seminars and Conferences and Operational costs that does not have an outstanding balance at 30 June 2012.

	2012 \$	2011 \$
4. Additional information furnished under the Charitable Fundraising Act 1991 (NSW)		
(a) Fund Raising Activities Conducted (Cont'd)		
Fund Raising Costs		
Campaign Costs	703,634	836,979
Total Costs of Fundraising Appeals	703,634	836,979
Net Surplus	3,820,468	3,089,635
Cost of Services Provided	3,452,307	2,951,634
Total Expenditure		
Non Fund Raising Costs – Research Grants	2,832,537	2,872,507
Non Fund Raising Costs – Other	359,020	315,289
Fund Raising Costs	703,634	836,979
Total Expenditure	3,895,191	4,024,775
Total Fund Raising Income Less Fund Raising Cost	3,820,468	3,089,635

Note: MSRA is registered for fundraising in all states of Australia except Western Australia.

(b) Comparisons of Monetary figures and percentages

	2012		2011	
	Amounts	%	Amounts	%
Total cost of Fund Raising to Gross Fund Raising Income	703,634/4,524,102	16	836,979/3,926,614	21
Net Surplus from Fund Raising to Gross Income from Fund Raising	3,820,468/4,524,102	84	3,089,635/3,926,614	79
Total Cost of Services to Total Expenditure (less Fund Raising Costs)	3,452,307/(3,895,191-703,634)	108	2,951,634/(4,024,774-836,979)	93
Total Cost of Services to Total Income Received (less Fund Raising costs)	3,452,307/(4,524,102-703,633)	90	2,951,634/(3,926,614-836,979)	96