



RESEARCH
AUSTRALIA

Multiple Sclerosis Research Australia Limited

ACN 008 581 431

Annual Financial Report for the Year Ended 30
June 2016

(Abridged version)

Multiple Sclerosis Research Australia Limited

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Note: Full Audited Financial Report FY2016 can be found on the Australian Charities and Not for Profit Commission website.

Multiple Sclerosis Research Australia Limited

Future Agreements for Research

The company enters into 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 Multiple Sclerosis Research Australia'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. Total budgeted research expenditure for financial year 2017 is \$2,945,971 (2016 is \$3,653,463). This is included in the existing committed grants from current and previous financial years outlined in the table on page 6. The agreements will be funded partly from existing non-specific and specific income (MS Research Australia donations, fundraising and campaigns, sponsorships and future grants from MS state-based organisations).

	30 June 2016	30 June 2015
	\$	\$
RMC, Platform & Other projects		
RMC projects		
Fellowships and Scholarships	967,639	1,154,336
Investigator Driven Projects	1,182,650	1,432,333
Total RMC projects	2,150,289	2,586,669
Platform projects		
MS Life Study/Longitudinal Study	163,115	273,207
Prevention Study	2,132,594	2,542,447
NSW Clinical Trials Network	93,968	94,300
ANZGene	46,009	-
MS Brain Bank	-	262,902
Total Platform projects	2,435,686	3,172,856
Other projects		
International Progressive MS Alliance	592,857	894,441
Queensland Institute of Medical Research Project *	512,089	-
Total other projects	1,104,946	894,441
Total Future Agreements as at June	5,690,921	6,653,966

Multiple Sclerosis Research Australia Limited

Statement of Comprehensive Income for the Year Ended 30 June 2016

	Notes	2016 \$	2015 \$
Gross Revenue			
Donations & Fundraising		1,342,087	2,439,084
Bequest Revenue		56,425	10,098
Kiss Goodbye to MS		878,170	827,454
Grants from State based MS organisations	22(b)	2,306,132	1,550,958
Sponsorships (including pharmaceutical companies)		252,182	615,333
Government Grants		480,000	491,773
Interest revenue		150,958	152,936
Total Revenue		5,465,954	6,087,636
Expenditure			
Administration	2(b)	(571,096)	(462,099)
Bad debt expense		-	(37,708)
Kiss Goodbye to MS	2(c)	(223,144)	(197,334)
Other Fundraising Expenditure		(801,040)	(917,844)
Research Expenditure			
Grants for Research		(2,144,104)	(2,017,752)
Other Research Expenditure		(1,417,708)	(1,048,065)
Research administration	2(d)	(421,480)	(277,177)
Total Expenditure		(5,578,572)	(4,957,979)
(Loss)/Income Before Income Tax Expense		(112,618)	1,129,657
Income tax expense	1(a)	-	-
(Loss)/Income Attributable to Members of the Entity		(112,618)	1,129,657
Items that may be reclassified subsequently to profit or loss:			
- Fair value loss on available-for-sale financial asset during the year	8	(11,846)	(45,534)
Total comprehensive (loss)/income for the year		(124,464)	1,084,123

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Multiple Sclerosis Research Australia Limited

Statement of Financial Position as at 30 June 2016

	Notes	2016 \$	2015 \$
ASSETS			
Current assets			
Cash and cash equivalents	14(a)	1,528,554	2,888,449
Short term investment	15	2,638,113	2,603,305
Trade receivables	5	1,818,461	1,339,134
Prepayment and other assets	5	121,371	133,686
Total current assets		6,106,499	6,964,574
Non current assets			
Plant & equipment	6	24,857	973
Intangibles	7	97,761	37,552
Other financial asset	8	990,284	953,632
Total non current assets		1,112,902	992,157
Total assets		7,219,401	7,956,731
LIABILITIES			
Current liabilities			
Trade and other payables	9	335,791	783,607
Income received in advance		145,143	342,525
Provision for annual leave	16	89,299	64,138
Provision for long service leave	17	5,055	-
Total current liabilities		575,288	1,190,270
Non current liability			
Provision for long service leave	17	21,165	19,049
Total non current liability		21,165	19,049
Total liabilities		596,453	1,209,319
Net Assets		6,622,948	6,747,412
Total Members' Funds			
Contributed equity		3,272,730	3,272,730
Retained earnings	10	3,407,598	3,520,216
Available-for-sale reserve	11	(57,380)	(45,534)
		6,622,948	6,747,412

The above statement of financial position should be read in conjunction with the accompanying notes.

Multiple Sclerosis Research Australia Limited

Statement of Cash Flows for the Year Ended 30 June 2016

	Retained Earnings \$	Contributed Equity Reserve \$	Available- for-sale reserve \$	Total \$
Balance as at 1 July 2014	2,390,559	3,272,730	-	5,663,289
Total comprehensive income/(loss) for the year	1,129,657	-	(45,534)	1,084,123
Balance as at 30 June 2015	3,520,216	3,272,730	(45,534)	6,747,412
Total comprehensive loss for the year	(112,618)	-	(11,846)	(124,464)
Balance as at 30 June 2016	3,407,598	3,272,730	(57,380)	6,622,948

The above statement of cash flows should be read in conjunction with the accompanying notes.

Multiple Sclerosis Research Australia Limited

Notes to the Financial Statements for the Year Ended 30 June 2016

Additional Information furnished under the Charitable Fundraising Act 1991(NSW)

(a)

	Year to 30 June 2016			Year to 30 June 2015		
	Gross revenue	Direct Expense	Net Proceeds	Gross revenue	Direct Expense	Net Proceeds
Fundraising and donations	1,342,087	801,040	541,047	2,439,084	917,844	1,521,240
Bequest Income	56,425	-	56,425	10,098	-	10,098
Kiss Goodbye to MS	878,170	223,144	655,026	827,454	197,334	630,120
Grants from State based MS organisations	2,306,132	-	2,306,132	1,550,958	-	1,550,958
Sponsorships	252,182	-	252,182	615,333	-	615,333
Government Grants	480,000	-	480,000	491,773	-	491,773
Total	5,314,996	1,024,184	4,290,812	5,934,700	1,115,178	4,819,522
Administrative Expenditure			(571,096)			(462,099)
Net amount raised before Research, Bad Debt Expense and Interest			3,719,716			4,357,423
			% of Gross Revenue			% of Gross Revenue
Direct Expenditure			19.3%			18.8%
Administrative Expenditure			10.7%			7.8%
Total Expenditure			30.0%			26.6%
Net amount raised			70.0%			73.4%

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Notes to the Financial Statements for the Year Ended 30 June 2016

Additional Information furnished under the Charitable Fundraising Act 1991(NSW) (Cont'd)

(b) **1. Income as per Statement of Comprehensive Income**

	2016	2015
	\$	\$
Total Gross Revenue	5,465,954	6,087,636
Less Interest Revenue	150,958	152,936
	5,314,996	5,934,700

2. Total Cost as per Statement of Comprehensive Income

Total Cost	5,578,572	4,957,979
Less:		
Research Grants	2,144,104	2,017,752
Other Research Expenditure	1,417,708	1,048,065
Non Fundraising Costs - Research Grants	3,561,812	3,065,817
Less:		
Audit Fees	24,408	24,412
Multiple Sclerosis Australia services & other recharge	140,000	160,000
Management: Employee & Other Costs	406,688	277,687
Research Administration	421,480	277,177
Non Fundraising Costs	992,576	739,276

3. Fundraising Costs as per Statement of Comprehensive Income

Other fundraising costs	801,040	917,844
Kiss Goodbye to MS	223,144	197,334
Fundraising Costs as per Income Statement	1,024,184	1,115,178

4. Cost of Services Provided

Non Fundraising Costs Research Grants	3,561,812	3,065,817
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(a) Fundraising Activities Conducted

Gross Proceeds:

Fundraising and donations	1,398,512	2,449,182
Kiss Goodbye to MS	878,170	827,454
Sponsorships - Pharmaceutical Companies	252,182	615,333
Grants	2,786,132	2,042,731
Gross Proceeds from Fundraising Appeals	5,314,996	5,934,700

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Notes to the Financial Statements for the Year Ended 30 June 2016

Additional Information furnished under the Charitable Fundraising Act 1991(NSW) (Cont'd)

(c) *Comparisons of Monetary figures and percentages*

	2016		2015	
	\$	%	\$	%
Total Cost of Fundraising to Gross Fundraising Income	1,024,184/ 5,314,996	19%	1,115,178/ 5,934,700	19%
Net Surplus from Fundraising to Gross Income from Fundraising	[5,314,996- 1,024,184]/ 5,314,996	81%	[5,934,700- 1,115,178]/ 5,934,700	81%
Total Cost of Services to Total Expenditure (Less Fundraising Costs)	3,561,812/ [5,578,572- 1,024,184]	78%	3,065,817/ [4,957,979- 1,115,178]	80%
Total Cost of Services to Total Income Received (Less Interest Revenue and Fundraising Expenditure)	3,561,812/ [5,314,996- 1,024,184]	83%	3,065,817/ [5,934,700- 1,115,178]	64%