



Multiple Sclerosis Research Australia Limited

ACN 008 581 431

Annual Financial Report for the Year Ended 30 June 2017

(Abridged version)

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 <i>Notes: Full Audited Financial Report FY2017 can be found on the Australian Charities and Not for Profit Commission's website.</i>	

Future Agreements for Research

The company enters into funding arrangement 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 2018 is \$3,640,232 (2017 is \$2,945,971). This will include new research grants awarded in the current financial year and existing committed grants from prior years (refer table on page 6). The agreements will be funded partly from existing non-specific and specific income, third party non-specific and specific donations, government and corporate support and future grants from state-based MS societies.

RMC, Platform & Other projects	30 June 2017	30 June 2016
	\$	\$
RMC projects		
Fellowships and Scholarships	923,234	967,639
Investigator Driven Projects	1,081,250	1,182,650
Total RMC projects	2,004,484	2,150,289
Platform projects		
MS Life Study/Longitudinal Study	61,615	163,115
Prevention Study	2,959,640	2,132,594
NSW Clinical Trials Network #1	-	93,968
ANZGene #1	-	46,009
MS Brain Bank #1	-	-
Total Platform projects	3,021,255	2,435,686
Other projects		
International Progressive MS Alliance	330,769	592,857
Queensland Institute of Medical Research Project #2	284,490	512,089
Total other projects	615,259	1,104,946
Total Future Agreements as at June	5,640,998	5,690,921

#1 Platform projects continue with internal expenditure.

#2 This is a joint agreement between MS Research Australia, MS Society of Queensland and Queensland Institute of Medical Research.

The above table illustrates future multi-years research commitments by Multiple Sclerosis Research Australia Limited as at end of each financial year.

Multiple Sclerosis Research Australia Limited
Statement of Comprehensive Income for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
Gross Revenue			
Donations & Fundraising		3,492,809	1,342,087
Bequest Revenue		124,360	56,425
Kiss Goodbye to MS		1,145,291	878,170
Sponsorships (including pharmaceutical companies)		195,525	252,182
Government Grants		355,000	480,000
Grants from State based MS organisations	23(b)	2,777,752	2,306,132
Dividend received		87,953	36,123
Interest revenue		122,359	114,835
Total Revenue		8,301,049	5,465,954
Expenditure			
Administration	2(b)	(577,091)	(437,326)
Kiss Goodbye to MS	2(c)	(266,453)	(223,144)
Other Fundraising Expenditure		(696,414)	(717,435)
Research and Strategic Expenditure			
Grants for Research		(1,658,190)	(2,144,104)
Other Research Expenditure	2(d)	(1,274,970)	(1,417,708)
Research and Strategic Expenditure	2(e)	(604,386)	(638,855)
Total Expenditure		(5,077,504)	(5,578,572)
Income/(Loss) Before Income Tax Expense		3,223,545	(112,618)
Income tax expense	1(a)	-	-
Income/(Loss) Attributable to Members of the Entity		3,223,545	(112,618)
Items that may be reclassified subsequently to profit or loss:			
- Fair value gain/(loss) on available-for-sale financial asset during the year	8	62,235	(11,846)
Total comprehensive income/(loss) for the year		3,285,780	(124,464)

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 2017

	Notes	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	15(a)	3,332,590	1,528,554
Short term investment	16	3,853,173	2,638,113
Trade receivables	5	2,368,541	1,818,461
Prepayment and other assets	5	120,332	121,371
Total current assets		9,674,636	6,106,499
Non current assets			
Plant & equipment	6	29,728	24,857
Intangibles	7	84,691	97,761
Other financial asset	8	1,052,117	990,284
Total non current assets		1,166,536	1,112,902
Total assets		10,841,172	7,219,401
LIABILITIES			
Current liabilities			
Trade and other payables	9	403,822	335,791
Income received in advance	10	420,074	145,143
Provision for annual leave	17	70,998	89,299
Provision for long service leave	18	6,470	5,055
Total current liabilities		901,364	575,288
Non current liability			
Provision for long service leave	18	31,080	21,165
Total non current liability		31,080	21,165
Total liabilities		932,444	596,453
Net Assets		9,908,728	6,622,948
Total Members' Funds			
Contributed equity		3,272,730	3,272,730
Retained earnings	11	6,631,143	3,407,598
Available-for-sale reserve	12	4,855	(57,380)
		9,908,728	6,622,948

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

Multiple Sclerosis Research Australia Limited
Statement of Cash Flows for the Year Ended 30 June 2017

	2017	2016
Note	\$	\$
Cash Flows From Operating Activities		
Cash receipts in course of operations	8,091,777	4,638,288
Cash payments in course of operations	(5,245,511)	(5,965,558)
Net cash provided/(used in) by operating activities	2,846,266	(1,327,270)
Cash Flows from Investing Activities		
Purchases of plant and equipment	(11,149)	(29,617)
Purchases of intangibles	(5,392)	(70,761)
Purchase of available-for-sale financial asset	(61,833)	(10,282)
Net (renew)/withdrawal of term deposits	(975,777)	(34,808)
Interest/Dividend income received	11,921	112,843
Net cash used in investing activities	(1,042,230)	(32,625)
Net increase/(decrease) in cash and cash management	1,804,036	(1,359,895)
Cash and cash equivalents at beginning of the financial year	1,528,554	2,888,449
Cash and cash equivalents at end of the financial year	3,332,590	1,528,554

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

Additional Information furnished under the Charitable Fund Raising Act 1991 (NSW)

(a)

	Year to 30 June 2017			Year to 30 June 2016		
	Gross revenue	Direct Expense	Net Proceeds	Gross revenue	Direct Expense	Net Proceeds
Fundraising and donations	3,492,809	696,414	2,796,395	1,342,087	717,435	624,652
Bequest Income	124,360	-	124,360	56,425	-	56,425
Kiss Goodbye to MS	1,145,291	266,453	878,838	878,170	223,144	655,026
Sponsorships	195,525	-	195,525	252,182	-	252,182
Government Grants	355,000	-	355,000	480,000	-	480,000
Grants from State based MS organisations	2,777,752	-	2,777,752	2,306,132	-	2,306,132
Total	8,090,737	962,867	7,127,870	5,314,996	940,579	4,374,417
Administrative Expenditure			577,091			437,326
Net amount raised before Research and Strategic Expenditure			6,550,779			3,937,091
			% of Gross Revenue			% of Gross Revenue
Direct Expenditure			12%			18%
Administrative Expenditure			7%			8%
Total Expenditure			19%			26%
Net amount raised goes to funding research and strategic expenditures			81%			74%

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

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

	2017	2016
	\$	\$
Total Gross Revenue	8,301,049	5,465,954
Less Interest revenue and dividend received	210,312	150,958
	<u>8,090,737</u>	<u>5,314,996</u>

2. Total Cost as per Statement of Comprehensive Income

Total Cost	<u>5,077,504</u>	<u>5,578,572</u>
Less:		
Research Grants	1,658,190	2,144,104
Other Research Expenditure (refer to Note 2 (d))	1,274,970	1,417,708
Non Fundraising Costs - Research Grants	<u>2,933,160</u>	<u>3,561,812</u>
Less:		
Audit Fees	24,900	24,408
Multiple Sclerosis Australia services & other recharge	100,000	140,000
Management: Employee & Other Costs	452,191	272,918
Research and Strategic Administration	604,386	638,855
Non Fundraising Costs	<u>1,181,477</u>	<u>1,076,181</u>

3. Fundraising Costs as per Statement of Comprehensive Income

Other fundraising costs	696,414	717,435
Kiss Goodbye to MS	266,453	223,144
Fundraising Costs as per Income Statement	<u>962,867</u>	<u>940,579</u>

4. Cost of Services Provided

Non Fundraising Costs Research Grants	<u>2,933,160</u>	<u>3,561,812</u>
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(a) **Fundraising Activities Conducted**

Gross Proceeds:

Fundraising and donations	3,617,169	1,398,512
Kiss Goodbye to MS	1,145,291	878,170
Sponsorships - Pharmaceutical Companies	195,525	252,182
Grants	<u>3,132,752</u>	<u>2,786,132</u>
Gross Proceeds from Fundraising Appeals	<u>8,090,737</u>	<u>5,314,996</u>

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

Comparisons of Monetary figures and percentages

	2017		2016	
	\$	%	\$	%
Total Cost of Fundraising to Gross Fundraising Income	962,867 / 8,090,737	12%	940,579 / 5,314,996	18%
Net Surplus from Fundraising to Gross Income from Fundraising	[8,090,737 - 962,867] / 8,090,737	88%	[5,314,996 - 940,579] / 5,314,996	82%
Total Cost of Services to Total Expenditure (Less Fundraising Costs)	2,933,160 / [5,077,504 - 962,867]	71%	3,561,812 / [5,578,572 - 940,579]	77%
Total Cost of Services to Total Income Received (Less Interest Revenue and Fundraising Expenditure) #1	2,933,160 / [8,090,737 - 962,867]	41%	3,561,812 / [5,314,996 - 940,579]	81%

Note #1: The total cost of services provided by the company in the financial year 2017 was as a result of a number of unexpected fundraising revenue received during the year. The surplus of \$3.3 million for the financial year 2017 reported on page 13 will go towards future research grants.