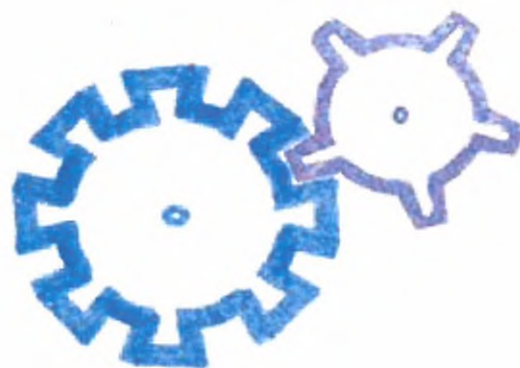


Special Purpose Financial Report

**Multiple Sclerosis Development and Research Foundation of
Queensland Inc.**

ABN 64 468 950 298

30 June 2019



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Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
Revenue	2	535,027	122,816
Expenditure			
Contributions to MS research		560,245	551,812
Audit fees		3,650	3,209
Other expenses		136	110
Total Expenses		564,031	555,131
Net Surplus/(Deficit) for the year		(29,004)	(432,315)
Other comprehensive income		-	-
Total Comprehensive Income for the Year		(29,004)	(432,315)

Statement of Financial Position

as at 30 June 2019

	Notes	2019 \$	2018 \$
Assets			
Current			
Cash and cash equivalents	3	429,851	127,240
Trade and other receivables	4	158,934	719
Total Current Assets		588,785	127,959
Total Assets		588,785	127,959
Liabilities			
Current			
Trade and other payables	5a	126,595	51,200
Unearned income	5b	414,435	-
Total Current Liabilities		541,030	51,200
Total Liabilities		541,030	51,200
Net Assets		47,755	76,759
Equity			
Retained earnings		47,755	76,759
Total Equity		47,755	76,759

Statement of Changes in Equity **for the year ended 30 June 2019**

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2017	509,074	509,074
Total comprehensive income for the year	(432,315)	(432,315)
Balance at 30 June 2018	<u>76,759</u>	<u>76,759</u>
Balance at 1 July 2018	76,759	76,759
Total comprehensive income for the year	(29,004)	(29,004)
Balance at 30 June 2019	<u>47,755</u>	<u>47,755</u>

Statement of Cash Flows

for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
<i>Cash Flow from Operating Activities</i>			
Receipts from donors and others		792,514	167,531
Payments to suppliers and others		(492,327)	(631,937)
Net cash provided by / (used in) operating activities	8b	300,187	(464,406)
<i>Cash Flow from Investing Activities</i>			
Interest received		2,424	7,101
Net cash provided by investing activities		2,424	7,101
Net increase/(decrease) in cash held		302,611	(457,305)
Cash at beginning of year		127,240	584,545
Cash at end of year	8a	429,851	127,240

Notes to the Financial Statements

for the year ended 30 June 2019

1. Statement of significant accounting policies

(a) Basis of preparation

In the Executive Committee's opinion, the entity is not a reporting entity because there are no users dependent on general purpose financial reports.

This is a special purpose financial report that has been prepared for the sole purpose of distributing a financial report to the members and to fulfil the financial reporting requirements of the entity in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and must not be used for any other purpose. The Executive Committee have determined that the accounting policies adopted are appropriate to meet the needs of the members.

The financial report has been prepared in accordance with *AASB 101 Presentation of Financial Statements*, *AASB 107 Statement of Cash Flows*, *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors* and *AASB 1054 Australian Additional Disclosures* and other applicable Australian Accounting Standards and Australian Accounting Interpretations with the exception of the requirements of the following:

AASB 9: *Financial Instruments*
AASB 117: *Leases*
AASB 124: *Related Party Disclosures*
AASB 132: *Financial Instruments: Presentation*
AASB 140: *Investment Property*
AASB 1004: *Contributions*

Adoption of new and revised accounting standards

In the current year the entity has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. The first-time application of these standards resulted in no significant effects on current, prior or future periods in respect of presentation, recognition and measurement.

The financial report is prepared on an accruals basis and is in accordance with the historical cost convention. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year and are presented in Australian Dollars (AUD).

Notes to the Financial Statements

for the year ended 30 June 2019

1. Statement of significant accounting policies (continued)

Comparative information is reclassified where appropriate to enhance comparability.

The accounting policies adopted in preparation of this financial report are:

(b) Formation

The Multiple Sclerosis Development and Research Foundation of Queensland Inc. (the Foundation), a not-for-profit entity, was incorporated in Queensland under the Associations Incorporation Act 1981 on 11 March 1991. The address of the registered office is 19 Lang Parade, Milton, Queensland, 4064.

The Foundation is a controlled entity of the Multiple Sclerosis Society of Queensland.

(c) Segment reporting

The Foundation operates in one industry within Australia, being the funding of specific and necessary research programmes for the elimination of the disease of multiple sclerosis, and the provision and development of programmes and facilities for people with multiple sclerosis.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised for the major business activities as follows:

i) Donations

Revenue from donations is recognised upon receipt providing all service performance obligations are met.

ii) Interest

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(e) Income tax

The Foundation is exempt from income tax, due to it being a charitable institution in terms of section 50-5 of the Income Tax Assessment Act 1997, as amended.

Notes to the Financial Statements

for the year ended 30 June 2019

1. Statement of significant accounting policies (continued)

(f) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement no more than 30 days after the transaction.

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to the Foundation prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Notes to the Financial Statements

for the year ended 30 June 2019

1. Statement of significant accounting policies (continued)

(i) Goods and Services Tax (GST) (continued)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

(j) Accounting standards issued but not yet effective and that have not been adopted early by the Foundation

The AASB has issued new, revised and amended Standards and Interpretations that have mandatory application dates for future reporting periods and which the entity has decided not to early adopt.

The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

(k) Authorisation

The financial statements were authorised for issue by the Executive Committee on 16 September 2019.

Notes to the Financial Statements

for the year ended 30 June 2019

2. Revenue

	Note	2019 \$	2018 \$
Revenue:			
- Contributions from/(to) MS Society of Queensland		201,899	(74,405)
- Donations		330,704	190,120
- Interest		2,424	7,101
Total revenue		535,027	122,816

3. Cash and cash equivalents

	2019 \$	2018 \$
Cash at bank and in hand	429,851	127,240
	429,851	127,240

4. Trade and other receivables

	2019 \$	2018 \$
Current		
Contribution receivable from MS Society of Queensland	145,000	-
Trade receivables	13,934	719
	158,934	719

5. Current Liabilities

a. Trade and other payables

	2019 \$	2018 \$
Current		
Unsecured liabilities		
Accrued expenses (i)	126,595	51,200
	126,595	51,200

(i) Accrued expenses comprises University of Queensland MS Clinic expenses not yet invoiced.

Notes to the Financial Statements

for the year ended 30 June 2019

5. Current Liabilities (continued)

b. Unearned income

		2019 \$	2018 \$
Current			
Unsecured liabilities			
Unearned income	(i)	414,435	-
		<u>414,435</u>	<u>-</u>

(i) Unearned revenue is donation income received in advance to fund clinical trials of Epstein Barr Virus (EBV)-specific T cell therapy for people with Multiple Sclerosis. The revenue will be recognised in the Statement of Profit or Loss and Other Comprehensive Income when the associated expenditure for these clinical trials is incurred in future financial years.

6. Remuneration of auditors

	2019 \$	2018 \$
Audit services		
Audit of the financial report	2,650	2,550
Preparation of financial statements	1,000	950
	<u>3,650</u>	<u>3,500</u>

7. Executive Committee Members

The names of persons who were members of the Executive Committee at any time during the financial year are as follows:

Non-Executive

Roger Burrell and Johanna Roche.

These positions are in an honorary capacity.

Executive

Lincoln Hopper (resigned 03/08/18)

Gerard Menses (appointed 02/01/19)

Notes to the Financial Statements

for the year ended 30 June 2019

8. Cash flow information

	Note	2019 \$	2018 \$
a. Reconciliation of cash			
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:			
Cash and cash equivalents	3	<u>429,851</u>	<u>127,240</u>
		<u>429,851</u>	<u>127,240</u>
b. Reconciliation of cash flow from operating activities with net surplus/(deficit)			
Net surplus/(deficit)		(29,004)	(432,315)
Non-operating cash flows in net surplus/(deficit):			
- Interest revenue		(2,424)	(7,101)
Change in assets and liabilities:			
- (Increase)/decrease in receivables		(158,215)	11,773
- Increase/(decrease) in payables/unearned income		<u>489,830</u>	<u>(36,763)</u>
Cash flows from operations		<u>300,187</u>	<u>(464,406)</u>

9. Capital management

Management controls the capital of the Foundation to ensure that adequate cash flows are generated to fund its activities and returns from investments are maximised. The Executive Committee ensures that the overall risk management strategy is in line with this objective.

The entity's capital consists of retained earnings, supported by financial assets.

There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year. The strategy of the entity is to fund operations from retained earnings without relying upon external borrowings.

10. Economic dependency

The Foundation is dependent upon the ongoing support from its controlling entity, the Multiple Sclerosis Society of Queensland, to ensure the continuance of its operations. At the date of this report, the Executive Committee has no reason to believe that this financial support will not continue.

11. Events after reporting date

No significant subsequent events have occurred between the reporting date and the date of authorisation which would make these financial statements for the year materially inaccurate or misleading, nor are any matters pending which might have such an effect.


Executive Committee Members' Declaration

We, Roger Burrell and Johanna Roche, being two of the Executive Committee members of the Multiple Sclerosis Development and Research Foundation of Queensland Inc. do hereby state that, in the opinion of the Executive Committee members, the Foundation is a non-reporting entity and the accompanying financial statements set out on pages 1 to 11, which constitute a special purpose report, have been properly drawn up in accordance with applicable Australian Accounting Standards the Australian Charities and Not-for-profits Commission Act 2012 and other mandatory professional reporting requirements so as to present fairly the financial position of the Foundation as at 30 June 2019 and the performance as represented by the results of its operations and its cash flows for the financial year ended on that date.

At the date of this statement, there are reasonable grounds to believe that the Multiple Sclerosis Development and Research Foundation of Queensland Inc. will be able to pay its debts as and when they fall due.

For and on behalf of the Executive Committee



R Burrell
Chairman

J Roche
Treasurer

Dated this 16th day of September 2019.