MS Queensland

Special Purpose Financial Report

2020-2021

Multiple Sclerosis Society of Queensland

ABN 56 731 473 412

MS Queensland

Financial Report

For the Year Ended 30 June 2021

Contents

Executive Committee Report

The Executive Committee of the Multiple Sclerosis Society of Queensland present their Report together with the financial statements of the consolidated entity ('the Group'), being the Multiple Sclerosis Society of Queensland ('the Society') and its controlled entities, the Multiple Sclerosis Development and Research Foundation of Queensland Inc., Neuro Queensland Ltd, Project Dignity Ltd, and Multiple Sclerosis Queensland Ltd for the year ended 30 June 2021 and the Independent Audit Report thereon.

Executive Committee details
The following persons were members of the Executive Committee during or since the end of the financial year.

Roger Burrell – Chair (Until Nov-20)
(1996 – 2020)
Executive Committee Member since 1996. Director (2001-19) and Vice-President (2017-18) of MS Australia. Solicitor. Director of Burrell Stockbroking Pty Ltd and related entities. Director of Access Funds Management Limited. Consultant to QM Properties and Property Solutions. Former partner of Clayton Utz (1987-2000) and Phillips Fox (2000–2006). Fellow of the Australian Institute of Company Directors.

Brett Bassett – Chair
Board Member since 2017
Commissioner of the Queensland Building and Construction Commission. Fellow of the Governance Institute of Australia. Graduate of the Australian Institute of Company Directors. Certified Fraud Examiner. Master of Business Administration and Bachelor of Education.

Johanna Roche – Treasurer
Board Member since 2010
Non-executive Director and Corporate Tax Consultant. Non-executive Director of Handball Australia and several private companies. Fellow of the Institute of Chartered Accountants Ireland, Australia and New Zealand. Member of the Tax Institute of Australia. Graduate of the Australian Institute of Company Directors. Former Partner of PwC Australia.

Tracey Parker – Secretary
Board Member since 2011
Chief Financial Officer and Company Secretary of the Pradella Group, a large private builder and developer of residential, commercial and industrial properties in South East Queensland. Member of Institute of Chartered Accountants Australia.

Wendy Lovelace – Member
Board Member since 2008
MS Ambassador and advocate. Architect. Universal access consultant. Convenor of Queensland Action for Universal Housing Design. Person living with MS. Member of Queensland Accessible Transport Advisory Council (QATAC).

Carmel Macmillan – Member
Board Member since 2013
Chair and non-executive director of various Boards and sub-committees. Marketing and corporate strategy specialist. Principal of CM Strategy Consulting. Graduate member of the Australian Institute of Company Directors.

Vivienne Johnson – Member
Board Member since 2017
Development Manager, Philanthropy at the Australian Rural Leadership Foundation. Fundraising and marketing communication specialist. Former General Manager External Relations at QIMR Berghofer Medical Research Centre. Member of Australian Institute of Company Directors. Board member for the Ipswich Hospital Foundation.

Shaun Treacy – Member
Board Member since 2021
Strategic and Financial Adviser. 30 years' experience in corporate finance and investment banking. Former Managing Director of J.P. Morgan, Lehman Brothers, Nomura and UBS. Associate of the Institute of Chartered Accountants. Member of the Australian Institute of Company Directors. Bachelor of Commerce. Graduate Diploma of Applied Finance & Investment.

Kimberley Pierce – Member
Board Member since 2021
General Manager of Gold Coast Private Hospital, Pacific Day Hospital, and Tweed Day Hospital. Board member for the Gold Coast Regional Committee for Australian Institute of Company Directors. Member of Health Advisory Board for Bond University. Bachelor of Applied Science in Nursing. Graduate of Advanced Management Program at INSEAD University in Paris.

Nick Wells – Member
Board Member since 2021
Owner of Better Medical. Extensive background in management consulting, investment banking, corporate governance, capital markets, and fast-growing businesses. Former Manager at Ernst & Young. Bachelor of Finance and a Bachelor of Engineering.

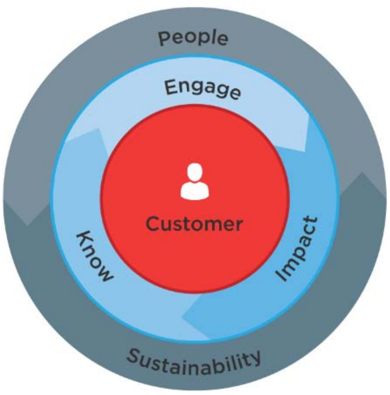
Principal activities
The 2020-21 financial year saw many challenges as restrictions and outcomes of the COVID-19 pandemic affected different aspects of our lives. MS Queensland, like many organisations across the world, continued to innovate and be agile in its approach to support working from home, online and telehealth services, as well as managing restrictions on events and visitors to our disability accommodation. Despite these key challenges, our organisation saw an 8.1% growth in our customer base, increased fundraising to support our services, and $588,792 contributed to finding a cure for MS. These achievements are a testament to our rich 60+ year history and our dedication to ensure no Queenslander faces MS and other neurological conditions alone.

Providing innovative and accessible support accommodation
To strengthen our commitment to reduce the shortfall in high physical support disability housing, MS Queensland worked to build apartments in Toowoomba and in Chancellor Park on the Sunshine Coast. Designed and built to Liveable Housing Australia's platinum standards and compliant with NDIS Specialist Disability Accommodation (SDA) – both accommodation projects will collectively provide homes for 24 people living with high physical support needs. This year, we opened our Palm Beach Apartments and finished construction on our own Toowoomba Apartments, as well as introduced our Living Well initiative, which has established three regional hubs with direct access to leadership for staff and more specialised support (such as nursing) for residents. The overwhelming commitment from our supporters and philanthropists has seen our expansion in disability accommodation, allowing us to partner with other key organisations who also share our vision to see no one with MS and high physical support needs in an unsuitable living arrangement.

Connecting services to regional Queensland
To better service all regions of Queensland throughout the pandemic and into the future, we are continuing to expand our service offering into virtual wellbeing programs, telehealth, and other digital services. This contributed to 7,400+ hours of physio and exercise therapy and 35,000+ hours of service coordination delivered over 12 months, and over 1,300 people registered for our webinars and wellness programs. In April 2021, we partnered with National Head Contractor CoAct to now offer employment support to 130+ people living and working with MS. These services will underpin the strategy for our Allied Health service offering, which will better service those living with MS in regional parts of our state through Telehealth. Telehealth technology will allow our team to deliver physiotherapy and exercise therapy, employment support, and a growing range of services in 2022 to support customers in managing the invisible and visible symptoms of MS.

Keeping our community safe
We are proud that throughout these uncertain times, we continue to keep our customers, supporters, and staff safe. As we head into 2021-22, our Board and Executive Leadership team promise to value transparency and sustainability as we continue to be a well-respected, relevant, and impactful organisation into the future.

STRATEGIC DIRECTION
Our passionate and experienced team are here to be a partner on your journey. This relies on us keeping our strong community at the heart of decision making. 2020-21 was another challenging and unpredictable year for so many and with it brought clarity to how we operate and can best serve the neurological conditions community. We want to continue getting to *know* every person in our state living with MS and work hard to meaningfully *engage* with them to make a positive *impact* on their lives. This is all underpinned by a focus on creating *sustainability* within our approach to care and a deep commitment to our *people* including our supporters, volunteers, community, and staff.



Executive Committee meetings

The number of Executive Committee meetings (including meetings of sub-committees) held during the year and the number of meetings attended by each Executive Committee Member were as follows:

	Executive Committee (Board)		Investments, Risk & Audit and Projects Committee####		Customer, Services and People Committee^ ^		Governance and Nominations Committee#		Philanthropic Relations Committee		Building and Property Assets Committee^	
	A	B	A	B	A	B	A	B	A	B	A	B
Roger Burrell (Chairman)*	5	5									5	5
Brett Bassett (Chairman)**	10	8	4	3****			3	3				
Johanna Roche (Treasurer)	10	10	5	5			3	3				
Carmel Macmillan	10	10			1	1			1	1		
Wendy Lovelace	10	10			1	1			1	1	4	4##
Tracey Parker (Secretary)	10	10	5	5							9	9
Vivienne Johnson	10	7					3	3	1	1		
Kimberley Pierce***	4	4										
Nicholas Wells***	4	4	1	0###								
Shaun Treacy***	4	4	1	0###								

Where:
A is the number of meetings the Committee Member was entitled to attend
B is the number of meetings the Committee Member attended

* Roger Burrell ceased to be a director on 29/11/2020
**Brett Bassett appointed Chairman 29/11/2020
*** Appointed as directors 16/03/2021. Attended first meeting 18/01/2021.
**** Ceased membership of Committee 16/03/2021.
# Remuneration and Nominations Committee renamed Governance and Nominations Committee 16/03/2021
Wendy Lovelace attended prior to November 2020 as an Observer, and joined the Committee in November 2020
Initially appointed to RAP Committee 16/3/21, which was subsequently reviewed and Board approved revised terms of reference and membership of all Committees 22/6/21.
RAP Committee changed to Investments, Risk, Audit and Projects (IRAP) Committee 01/07/2021.
^ Committee ceased and merged with the (new) Risk, Audit and Projects (RAP) Committee on 16/03/2021.

Dissolution
The Multiple Sclerosis Society of Queensland was incorporated under the Religious, Educational and Charitable Institutions Acts 1861 – 1967 on 14 November 1974. If the Society is wound up, the constitution states that the property and other assets of the Society remaining after the payment of all expenses and other liabilities must be transferred to an organisation, fund, authority or institution, having similar objects to the Society, to which income tax deductible gifts can be made.

Executive Committee Members' Declaration
The Executive Committee Members' declaration is included on page 36 of the financial report and forms part of the Executive Committee Members' report.

Independent Auditor's Report to Members
The independent auditor's report to members is included on page 37 of the financial report and forms part of the Executive Committee Members' report.

Signed in accordance with a resolution of the Executive Committee Members.

Brett Bassett
Chair
20 October 2021

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2021

	Notes	Consolidated Entity 2021 $	2020 $
Revenue			
Australian government funding		**1,119,855**	1,839,486
NDIS fees and charges		**21,526,670**	16,564,898
Fundraising income		**10,540,983**	8,567,082
Services income		**548,830**	845,480
Grant revenues		**182,593**	463,074
Gain/(loss) on disposal of property, plant and equipment and investments		**19,592**	(31,758)
Unrealised gain on investments		**661,163**	-
Sundry revenue	3a	**1,361,926**	832,933
Total Revenue		**35,961,612**	29,081,195
Expenses			
Employee benefits expense		**25,032,773**	20,175,411
Fundraising including lotteries		**3,234,631**	3,312,901
Contributions to MS Research		**588,792**	623,953
Contributions to MS Australia		**189,435**	189,047
Interest expense		**321,695**	163,698
Finance Costs - Lease Interest Expense		**167,211**	176,457
Depreciation and amortisation		**2,578,098**	1,970,753
Unrealised loss on Investments		**-**	208,603
Other expenses	3b	**4,057,667**	3,782,014
Total Expenses		**36,170,302**	30,602,837
Sub-total before other income		**(208,690)**	(1,521,642)
Net surplus / (deficit) for the year	3c	**(208,690)**	(1,521,642)
Other comprehensive income		**-**	-
Total comprehensive income / (loss) for the year		**(208,690)**	(1,521,642)

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Statement of Financial Position

as at 30 June 2021

	Notes	**Consolidated Entity 2021 $**	2020 $
Assets			
Current			
Cash and cash equivalents	4	**2,713,739**	3,668,491
Trade and other receivables	5	**1,424,129**	1,253,297
Prepayments		**393,379**	370,760
Bank term deposits	6	**188,108**	188,735
Financial assets	7	**7,093,235**	9,322,164
Total Current Assets		**11,812,590**	14,803,447
Non-Current			
Property, plant and equipment	8	**27,713,592**	21,862,737
Right-of-use assets	9	**3,866,518**	4,950,055
Intangible assets	10	**556,659**	682,526
Total Non-Current Assets		**32,136,769**	27,495,318
Total Assets		**43,949,359**	42,298,765
Liabilities			
Current			
Trade and other payables	11	**3,009,105**	4,125,921
Lease liabilities	12	**478,432**	483,292
Borrowings	13	**950,081**	630,539
Short-term provisions	14	**1,316,198**	1,261,171
Total Current Liabilities		**5,753,816**	6,500,923
Non-Current			
Lease liabilities	12	**3,943,396**	4,623,879
Borrowings	13	**8,158,926**	4,904,513
Long-term provisions	14	**144,864**	112,403
Total Non-Current Liabilities		**12,247,186**	9,640,795
Total Liabilities		**18,001,002**	16,141,718
Net Assets		**25,948,357**	26,157,047
Equity			
Retained earnings		**25,948,357**	26,157,047
Total Equity		**25,948,357**	26,157,047

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Statement of Changes in Equity
for the year ended 30 June 2021

	Retained Earnings $	Total $
Consolidated Entity		
Balance at 1 July 2019	27,678,690	**27,678,690**
Other comprehensive income	-	**-**
Net surplus / (deficit) for the year	(1,521,643)	**(1,521,643)**
Total comprehensive income	(1,521,643)	**(1,521,643)**
Balance at 30 June 2020	26,157,047	**26,157,047**
Balance at 1 July 2020	26,157,047	**26,157,047**
Other comprehensive income	-	**-**
Net surplus / (deficit) for the year	(208,690)	**(208,690)**
Total comprehensive income	(208,690)	**(208,690)**
Balance at 30 June 2021	25,948,357	**25,948,357**

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Statement of Cash Flows

for the year ended 30 June 2021

	Notes	Consolidated Entity 2021 $	2020 $
Cash Flow from Operating Activities			
Receipts from customers and others		**2,541,163**	1,297,909
Receipts from government		**20,747,918**	18,691,311
Proceeds from fundraising		**10,540,983**	8,567,082
Payments for fundraising		**(3,234,631)**	(3,312,901)
Other grant revenues		**182,593**	463,074
Payments to suppliers, employees and others		**(30,548,906)**	(25,898,167)
Net cash provided by (used in) operating activities	15b	**229,120**	(191,692)
Cash Flow from Investing Activities			
Payments for property, plant & equipment and intangible assets		**(7,914,539)**	(3,295,156)
Rent received		**467,492**	425,225
Proceeds from sale of physical assets		**714,582**	899,169
Proceeds from / (Payments) for investments		**2,890,092**	(4,517,824)
Interest received		**257,254**	301,967
Dividends received		**914**	925
Net cash provided by (used in) investing activities		**(3,584,205)**	(6,185,694)
Cash Flow from Financing Activities			
Repayment of lease liabilities		**(685,343)**	(382,073)
Interest and other finance costs paid		**(488,906)**	(340,155)
Proceeds/(repayment) from/of borrowings		**3,573,955**	(521,513)
Net cash provided by (used in) financing activities		**2,399,706**	(1,243,741)
Net increase/(decrease) in cash held		**(955,379)**	(7,621,127)
Cash at beginning of year (incl. bank term deposits)		**3,857,226**	11,478,353
Cash at end of year	15a	**2,901,847**	3,857,226

Notes to the Financial Statements
for the year ended 30 June 2021

1. Statement of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.
These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

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

These special purpose financial statements have been prepared for the sole purpose of distributing a financial report to the members and to fulfil the financial reporting requirements of the consolidated 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.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of 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', as appropriate for not-for-profit oriented entities, with the exception of the following:

AASB 15: *Revenue from Contracts with Customers*
AASB 1058: *Income of Not-for-Profit Entities*

In accounting for income, recognition of all capital grant income and donations has been deferred until the related expenses are incurred without assessing whether there are enforceable performance obligations to transfer a good or service to a third party which are sufficiently specific to know when the performance obligation has been satisfied.

The financial statements cover Multiple Sclerosis Society of Queensland as a consolidated entity. The financial statements are presented in Australian Dollars, which is the consolidated entity's functional and presentation currency.

Multiple Sclerosis Society of Queensland (the "Society") is a not-for-profit entity, incorporated and domiciled in *Queensland under the Religious, Educational and Charitable Institutions Acts 1861 - 1967 on 14 November 1974*.
The address of the registered office is Level 2B, 19 Lang Parade, Milton, Queensland, 4064.

The financial statements were authorised for issue, in accordance with a resolution of the Executive Committee members, on the 20th of October 2021. The Executive Committee members have the power to amend and reissue the financial statements.

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Notes to the Financial Statements
for the year ended 30 June 2021

Basis of preparation (continued)
Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Executive Committee have reviewed the accounting standards issued but not yet effective at the date of this report and none of the revisions or new standards, to the extent applied, are anticipated to have a significant impact on the consolidated entity.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of the Society and its controlled entities, being:
- Multiple Sclerosis Development and Research Foundation of Queensland Inc. (the "Foundation")
- Neuro Queensland Ltd
- Multiple Sclerosis Queensland Ltd
- Project Dignity Ltd

as at 30 June 2021 and the results of the Society and its controlled entities for the year then ended. The Society and its controlled entities together are referred to in these financial statements as the consolidated entity.

The Society does not hold any ownership interest in its controlled entities. The Society exercises control over its controlled entities as a result of the existing management and operational arrangements between the Society and its controlled entities.

The Multiple Sclerosis Development and Research Foundation of Queensland Inc. was incorporated in Queensland on 11 March 1991.

Neuro Queensland Ltd was incorporated in Queensland on 26 July 2019

Multiple Sclerosis Queensland Ltd was incorporated in Queensland on 26 July 2019. The company is currently dormant.

Project Dignity Ltd was incorporated in Queensland on 4 February 2020.

All inter-entity balances and transactions have been eliminated.

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Notes to the Financial Statements
for the year ended 30 June 2021

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:

Sale of lottery tickets
Revenue from the sale of lottery tickets is recognised upon draw of the lottery.

Rendering of services
Revenue from rendering of services (NDIS) is recognised based on the services provided for approved customers.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Donations and bequests
Revenue from donations and bequests is recognised upon receipt providing all service performance obligations are met. When the service performance obligation is not met, the tied donations are included in unearned revenue (refer Note 11 a).

Marketing and fundraising events
Revenue from marketing and fundraising events is recognised in the period that the event is held.

Membership revenue
Revenue from memberships is recognised on an accruals basis.

Sale of non-current assets
The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

Government funding - operational

Administration of Accommodation & Support Services funding was provided by the Department of Communities, Child Safety and Disability Services. Payments under this programme were received quarterly in advance.

Due to the rollout of National Disability Insurance Scheme (NDIS), Administration of Accommodation, Care & Support Services Funding is now provided by the Federal Department of Human Services. Payments for Care and Support Services are received weekly in arrears. Payments for Accommodation Services are received annually in advance.

Notes to the Financial Statements
for the year ended 30 June 2021

Revenue recognition (continued)
Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Volunteer services
The consolidated entity has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

Income tax

As the consolidated entity is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Notes to the Financial Statements
for the year ended 30 June 2021

Financial instruments

Recognition, initial measurement and derecognition
Financial assets and financial liabilities are recognised when the consolidated entity becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value.

Subsequent measurement of financial assets and financial liabilities are described below. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets
Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:
- Amortised cost
- Fair value through profit and loss (FVPL)
- Equity instruments at fair value through other comprehensive income (FVOCI)

Classifications are determined by both:
- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Subsequent measurement financial assets
Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):
- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The consolidated entity’s cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Notes to the Financial Statements
for the year ended 30 June 2021

Financial instruments (continued)
Impairment of financial assets
AASB 9's impairment requirements use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss. The consolidated entity considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this forward-looking approach, a distinction is made between:
- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables
The consolidated entity makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. The consolidated entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Classification and measurement of financial liabilities
The consolidated entity's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the consolidated entity designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Notes to the Financial Statements
for the year ended 30 June 2021

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less any allowance for expected credit losses. Trade receivables are due for settlement no more than 30 days after the transaction.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Assets acquisitions of greater than $1,000 excluding GST are recorded as plant and equipment in line with the consolidated entity's policy.

The cost of assets constructed or internally generated by the consolidated entity, other than goodwill, include the cost of materials and direct labour. Costs attributable to feasibility and alternative approach assessments are expensed as incurred.

Depreciation is calculated on a straight-line or diminishing-value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

	Straight line	**Diminishing value**
Buildings	10 - 40 years	13 years
Building improvements	10 - 40 years	13 years
Plant and equipment	1 - 30 years	3 - 7 years
Fixtures and fittings	10 years	3 - 13 years
Motor vehicles	7 - 8 years	4 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Notes to the Financial Statements
for the year ended 30 June 2021

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Capital Fundraising Model
Particular costs associated with the development of the Society's Project Dignity 120 capital fundraising model have been deferred and are being amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years from 1 July 2016. This asset recognises the current and future economic benefits expected to accrue to the Society from the utilisation of this model.

Trademarks
Costs associated with trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred. The practical expedient was used for all leases that qualify.

Notes to the Financial Statements
for the year ended 30 June 2021

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid by the end of the month following the month of purchase.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Notes to the Financial Statements
for the year ended 30 June 2021

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The consolidated entity presents employee benefit obligations as current liabilities in the statement of financial position if the consolidated entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, irrespective of when the actual settlement is expected to take place.

Post-employment benefit plans
The consolidated entity provides post-employment benefits through defined contribution plans.

The consolidated entity pays fixed contributions to independent entities for individual employees. The consolidated entity has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that the relevant employee services are received.

Notes to the Financial Statements
for the year ended 30 June 2021

Equity

Retained earnings include all current and prior period retained profits.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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 tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Going concern

The Executive Committee believes that the consolidated entity is able to pay its debts as and when they fall due and accordingly have prepared these financial statements on the going concern basis.

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Notes to the Financial Statements
for the year ended 30 June 2021

Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. In the current year the Directors have reassessed the classification of lottery proceeds and payments in the Statement of Cashflows as operating activities. The 2020 comparative has been adjusted to be consistent with the current year.

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of property, plant and equipment and right-of-use asset
The consolidated entity assesses impairment of property, plant and equipment and right-of-use assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision
The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Lease make good provision
A provision has not been made for the present value of anticipated costs for future restoration of leased premises on the basis that these costs are not considered material. The assessment includes future cost estimates associated with closure of the premises and requires assumptions such as application of closure dates and cost estimates. The decision not to raise a provision for each site is periodically reviewed and updated based on the facts and circumstances available at the time.

Notes to the Financial Statements
for the year ended 30 June 2021

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Notes to the Financial Statements

for the year ended 30 June 2021

3. Statement of Profit or Loss and Other Comprehensive Income	**Consolidated Entity**	
	2021	2020
	$	$
a. Sundry revenue		
Rental	**467,492**	425,225
Interest	**257,254**	301,967
Other	**637,180**	105,741
	1,361,926	832,933
b. Other expenses		
Facilities	**1,238,232**	1,095,606
Consultants & Legal fees	**1,029,606**	1,067,443
Administrative expenses	**860,431**	492,224
Office rent	**(154,456)**	192,448
Computer maintenance/software	**485,472**	421,104
Service delivery consumables	**406,095**	269,928
Telephone/Internet	**172,324**	151,809
Financial assistance to customers	**19,964**	91,453
	4,057,669	3,782,014
c. Deficit for the year		
Deficit from ordinary activities has been determined after:		
Expenses		
Contributions to defined contribution superannuation funds	**1,929,255**	1,593,946
Finance costs:		
- External	**321,695**	163,698
Bad debts expense	**218**	861

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Notes to the Financial Statements
for the year ended 30 June 2021

4. *Cash and cash equivalents*

	Note	Consolidated Entity 2021 $	2020 $
Held in accounts in the name of the Society	4a	**2,461,058**	3,355,377
Held in accounts in the name of the Foundation		**249,131**	309,864
Cash on hand		**3,550**	3,250
		2,713,739	3,668,491

5. *Trade and other receivables*

	Note	Consolidated Entity 2021 $	2020 $
Current			
Income receivable		**395,676**	251,676
Trade receivables		**800,964**	690,984
Allowance for expected credit losses		**(18,663)**	(19,374)
GST Receivable		**244,943**	210,112
Other receivables		**1,209**	119,899
		1,424,129	1,253,297

6. *Term deposits*

	Consolidated Entity 2021 $	2020 $
Current		
Held in accounts in the name of the Society	**188,108**	188,735
	188,108	188,735

7. *Financial assets*

	Consolidated Entity 2021 $	2020 $
Current		
Managed Investment Portfolio	**7,080,257**	9,309,221
Other financial assets	**12,978**	12,943
	7,093,235	9,322,164

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Notes to the Financial Statements

for the year ended 30 June 2021

8. Property, plant and equipment

	Consolidated Entity	
	2021	2020
	$	$
Freehold land	**2,373,051**	1,871,487
Freehold buildings	**15,026,528**	15,026,528
less: accumulated depreciation	**(1,419,942)**	(1,045,918)
	13,606,586	13,980,610
Building improvements	**110,923**	110,923
less: accumulated depreciation	**(59,473)**	(31,754)
	51,450	79,169
Plant and equipment	**4,358,837**	4,146,504
less: accumulated depreciation	**(2,613,225)**	(2,239,924)
	1,745,612	1,906,580
Fixtures and fittings	**2,636,812**	2,604,128
less: accumulated depreciation	**(689,678)**	(413,945)
	1,947,134	2,190,183
Motor vehicles	**995,349**	985,548
less: accumulated depreciation	**(235,860)**	(205,353)
	759,489	780,195
Work in progress	**7,230,270**	1,054,513
Property, plant and equipment - at cost	**32,731,770**	25,799,631
Property, plant and equipment - accumulated depreciation	**(5,018,178)**	(3,936,894)
Net book amount	**27,713,592**	21,862,737

a. Property, plant and equipment pledged as security for liabilities
Freehold land with a carrying amount of $508,986 (2020: $508,986) and buildings with a carrying amount of $9,506,671 (2020: $9,973,210) relating to Springfield Apartments are subject to a first registered charge as disclosed in Note 13.

b. Work in progress
As at 30 June 2021, Toowoomba apartments work in progress had a carrying amount of $6,767,059 (2020: $735,966) and Sippy Downs Apartments work in progress had a carrying amount of $463,211 (2020: $151,014). The Toowoomba apartments are subject to a first registered charge as disclosed in Note 13.

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Notes to the Financial Statements

for the year ended 30 June 2021

8. Property, plant and equipment (continued)

c. Movements in carrying amounts
Reconciliations of the written down values at the beginning and end of the current and prior financial year are set out below:

2021

For the year ended 30 June 2021	Land	Buildings	Building Improvements	Plant & Equipment	Fixtures & Fittings	Motor Vehicles	Work in Progress	TOTAL
Balance at the beginning of the year	1,871,487	13,980,610	79,169	2,190,183	1,906,580	780,195	1,054,513	21,862,737
Additions	501,564	-	-	274,432	37,500	794,352	6,175,757	7,783,605
Transfers	-	-	-	(279,725)	279,725	-	-	-
Transfer to assets held for sale	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(694,991)	-	(694,991)
Depreciation	-	(374,024)	(27,719)	(439,278)	(276,671)	(120,067)	-	(1,237,759)
Carrying amount at the end of the year	2,373,051	13,606,586	51,450	1,745,612	1,947,134	759,489	7,230,270	27,713,592

2020

For the year ended 30 June 2020	Land	Buildings	Building Improvements	Plant & Equipment	Fixtures & Fittings	Motor Vehicles	Work in Progress	TOTAL
Balance at the beginning of the year	1,318,987	14,288,401	65,853	2,072,181	2,288,022	667,976	212,809	20,914,229
Additions	552,500	64,084	36,744	212,140	160,349	1,102,944	864,662	2,993,423
Transfers	-	-	-	279,724	(279,724)	-	-	-
Transfer to assets held for sale	-	-	-	-	-	-	-	-
Disposals	-	-	-	(426)	(4,682)	(873,387)	(22,958)	(901,453)
Depreciation	-	(371,875)	(23,428)	(373,436)	(257,385)	(117,338)	-	(1,143,462)
Carrying amount at the end of the year	1,871,487	13,980,610	79,169	2,190,183	1,906,580	780,195	1,054,513	21,862,737

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Notes to the Financial Statements

for the year ended 30 June 2021

9. *Right-of-use assets*

	Consolidated Entity 2021 $	2020 $
Land and buildings - right-of-use	**5,489,244**	5,489,244
less: accumulated amortisation	**(1,622,726)**	(539,189)
	3,866,518	4,950,055

The consolidated entity leases properties to deliver services or for its offices with terms ranging from 0-10 years. The leases have various escalation clauses. Increases occur in line with CPI, fixed increments or based on market review. On renewal, the terms of the leases are renegotiated.

a. Movements in carrying amounts

Reconciliations of the written down values at the beginning and end of the current and prior financial year are set out below:

Land and buildings - right-of-use	2021	2020
Balance at the beginning of the year	**4,950,055**	-
Right of use assets recognised on first time application of AASB 16	**-**	5,489,244
Amortisation expense	**(1,083,537)**	(539,189)
Carrying amount at the end of the year	**3,866,518**	4,950,055

10. *Intangible assets*

	Note	Consolidated Entity 2021 $	2020 $
Software (separately acquired), at cost		**1,913,295**	1,866,264
less: accumulated amortisation		**(1,478,324)**	(1,263,319)
		434,971	602,945
Work in progress		**112,048**	-
less: accumulated amortisation		**-**	-
		112,048	-
Capital fundraising model, at cost		**302,267**	302,267
less: accumulated amortisation		**(302,267)**	(241,991)
		-	60,276
Trademarks, at cost		**48,310**	48,310
less: accumulated amortisation		**(38,670)**	(29,005)
		9,640	19,305
Net book amount		**556,659**	682,526

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Notes to the Financial Statements

for the year ended 30 June 2021

a. Movements in carrying amounts
Reconciliations of the written down values at the beginning and end of the current and prior financial year are set out below:

Software			
Balance at the beginning of the year		**602,945**	548,666
Additions		**83,137**	301,733
Amortisation charge		**(251,111)**	(247,454)
Carrying amount at the end of the year		**434,971**	602,945
Work in progress			
Balance at the beginning of the year		**-**	-
Additions		**112,048**	-
Amortisation charge		**-**	-
Carrying amount at the end of the year		**112,048**	-
Capital fundraising model			
Balance at the beginning of the year		**60,276**	120,732
Additions		**-**	-
Amortisation charge		**(60,276)**	(60,456)
Carrying amount at the end of the year		**-**	60,276
Trademarks			
Balance at the beginning of the year		**19,302**	28,971
Additions		**-**	-
Transfers from property, plant and equipment	8a	**-**	-
Amortisation charge		**(9,662)**	(9,669)
Carrying amount at the end of the year		**9,640**	19,302

11. Trade and other payables

	Note	Consolidated Entity	
		2021	2020
		$	$
Current			
Unsecured liabilities			
Trade payables		**1,423,387**	1,228,802
Accrued expenses		**941,485**	498,279
Unearned revenue	11a	**644,233**	2,398,840
		3,009,105	4,125,921

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Notes to the Financial Statements

for the year ended 30 June 2021

11. Trade and other payables (continued)

a. Unearned revenue
Unearned revenue includes a one-off advance payment from the NDIA of $Nil (2020: $1,371,700). This payment was to assist registered providers with the expected temporary increase in costs to deliver supports due to the COVID-19 virus.

Unearned revenue includes $464,233 (2020: $414,435) relating to Multiple Sclerosis Development and Research Foundation. This 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.

12. Lease liabilities

	Note	Consolidated Entity	
		2021	2020
		$	$
Current			
Lease liability		**478,432**	483,292
		478,432	483,292
Non-Current			
Lease liability		**3,943,396**	4,623,879
		3,943,396	4,623,879

13. Borrowings

	Consolidated Entity	
	2021	2020
	$	$
Current		
Bank loan secured	**950,081**	630,539
Non-current		
Bank loan secured	**8,158,926**	4,904,513
Total borrowings	**9,109,007**	5,535,052

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Notes to the Financial Statements

for the year ended 30 June 2021

13. Borrowings (continued)

a. Bank Australia Loan
The Bank Australia loan secured facility limit is $6,500,000 for a term of 10 years from initial advance (08/11/2017) and relates to the construction of Springfield Apartments.

Freehold land with a carrying amount of $508,986 (2020: $508,986) and buildings with a carrying amount of $9,506,671 (2020: $9,973,210) relating to Springfield Apartments has been pledged as security for the loan.

b. Heritage Bank Loan
The Heritage Bank loan facility 1 limit is $4,900,000 for a term of 1 year from initial advance (04/05/2021). The facility 2 limit is $6,400,000 for a term of 10 years from initial advance. This loan relates to the construction of Toowoomba Apartments.

The drawdowns on facility 1 are to be in line with the accepted building contract payment schedule, with interest to be capitalised on the last day of the term.

Facility 2 can only be drawn down once, with required payments of $63,008 when drawn down. This loan has not been drawn down at balance date.

Construction work in progress with a carrying amount of $6,767,059 (2020: nil) relating to Toowoomba and the Toowoomba Land has been pledged as security for the loan.

c. Bank Covenants
The Group were not in breach of any loan agreements permitting the lenders to demand accelerated repayments at year end, nor did any breach occur during the year. The Society was not in default of any loar payable recognised at year end.

14. Provisions

	Consolidated Entity	
	2021	2020
	$	$
Current		
Long service leave	**232,120**	322,637
Annual leave	**1,084,078**	938,534
	1,316,198	1,261,171
Non-Current		
Long service leave	**144,864**	112,403

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Notes to the Financial Statements

for the year ended 30 June 2021

14. Provisions (continued)

Total employee entitlements:

Annual leave	**1,084,078**	938,534
Long service leave	**376,984**	435,040
	1,461,062	1,373,574

a Provision for employee entitlements

A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

15. Cash flow information	**Note**	**Consolidated Entity**	
		2021	2020
		$	$
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	4	**2,713,739**	3,668,491
Bank term deposits	6	**188,108**	188,735
		2,901,847	3,857,226
b. Reconciliation of cash flow from operating activities with net surplus / (deficit)			
Net surplus / (deficit)		**(208,690)**	(1,521,642)
Non-operating cash flows in net surplus:			
- Interest revenue		**(257,254)**	(301,967)
- Dividend revenue		**(914)**	(925)
- Interest expense and lease finance costs		**488,906**	340,155
- Rent revenue		**(467,492)**	(425,225)

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Notes to the Financial Statements

for the year ended 30 June 2021

15. Cash flow information (continued)

Non-cash flows in net surplus:		
- Net (gain) / loss on disposal of property, plant and equipment (excluding associated costs paid to suppliers)	**(19,592)**	31,758
- Unrealised (gain)/loss on shares held at cost	**(661,163)**	208,603
- Depreciation and amortisation expense	**2,578,098**	1,970,753
Change in assets and liabilities:		
- (Increase)/decrease in trade receivables	**(170,832)**	(466,225)
- (Increase)/decrease in prepayments	**(22,619)**	(93,377)
- Increase/(decrease) in payables	**(1,116,816)**	(58,650)
- Increase/(decrease) in provisions	**87,488**	125,050
Cash flows from operations	**229,120**	(191,692)

c. Credit standby arrangements

The Society has a purchasing and corporate card facility with Westpac bank. The purchasing and corporate card facility with Westpac had $31,599 utilised at 30 June 2021 (2020: $36,868). The facility limit is $300,000. All corporate credit cards are jointly and severally guaranteed by the Society and each cardholder.

The Society also had a purchasing and corporate card facility with ANZ bank. The purchasing and corporate card facility with ANZ was cancelled on 06 November 2020, with no facility held at 30 June 2021 (2020: $0). The facility limit was $150,000. All corporate credit cards were jointly and severally guaranteed by the Society and each card holder.

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Notes to the Financial Statements
for the year ended 30 June 2021

16. *Capital commitments*

	Consolidated Entity	
	2021	2020
	$	$
Capital expenditure projects contracted for and payable:		
Not later than one year	**-**	-
Later than one but not later than 5 years	**-**	-
Later than 5 years	**-**	-
	-	-

17. *Remuneration of auditors*

	Consolidated Entity	
	2021	2020
	$	$
Audit of the financial statements	44,100	50,250
Preparation of financial statements	5,550	6,750
Advisory services	-	-
Total remuneration of auditor	**49,650**	57,000

18. *Principal activities*

The consolidated entity, with the exception of the Foundation below, operates in one industry within Australia, being the raising of funds by way of fundraising and government programs to provide supported accommodation facilities and other client services to persons with multiple sclerosis or other neurological conditions.

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

Total research expenditure is itemised below:

	Consolidated Entity	
	2021	2020
	$	$
MS Clinical Trials	**418,792**	453,991
Contribution to Multiple Sclerosis Research Australia	**170,000**	169,962
	588,792	623,953

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Notes to the Financial Statements
for the year ended 30 June 2021

19. Related parties

a Loans to Executive Committee members

No loans have been issued to Executive Committee members during the year ended 30 June 2021 (2020: $nil).

b Key management personnel compensation:

Remuneration paid to key management personnel includes salary, contributions to members' superannuation and other benefits paid to them and on their behalf.

The key management personnel compensation included within employee benefits expense is as follows:

	Consolidated Entity	
	2021	2020
	$	$
Total remuneration	**1,210,514**	1,301,246
	1,210,514	1,301,246

c Loans to key management personnel

No loans have been issued to key management personnel during the year ended 30 June 2021 (2020: $nil).

d Executive Committee member-related entities:

An Executive Committee member-related entity is considered a related party where there is a direct controlling interest by the relevant Executive Committee member, the Executive Committee member is an employee of the organisation or the Executive Committee member is a person charged with governance of the organisation.

There were no related party transactions of this nature during the current or previous reporting period.

e Loans to related parties

There were no loans to or from related parties at the current and previous reporting date.

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Notes to the Financial Statements

for the year ended 30 June 2021

20. Events after reporting date

The directors of Multiple Sclerosis Development and Research Foundation of Queensland Inc. are in the process of considering the future strategic direction of the entity, which may include moving the activities of the controlled entity to the Multiple Sclerosis Society of Queensland.

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

21. Contingent liabilities

The Society is party to a joint venture agreement with Youngcare Limited relating to the development, funding and ongoing operation of accommodation facilities at Albany Creek.

As part of the associated capital funding agreement with the Queensland State Government, the Society may also be liable to pay its share (50%) of $2.3 million if the property is disposed of to a third party, without prior written approval from the State.

The consolidated entity has given bank guarantees, secured against specified cash and cash equivalents, as at 30 June 2021 of $187,710 (2020: $187,710) to property landlords. The total facility is $187,710 of which $0 is unused at 30 June 2021 (2020: facility of $187,710 $0 unused).

No other contingent liabilities were known at the date of this report.

22. Responsible persons

The name of responsible persons for the whole of the financial year (unless otherwise stated) are as follows:

Non-Executive
Roger Burrell Chair (resigned 26/11/20)
Brett Bassett Chair (appointed as Chair 27/11/20)
Johanna Roche - Treasurer
Tracey Parker - Secretary (appointed as Secretary 27/11/20)
Carmel Macmillan
Wendy Lovelace
Vivienne Johnson
Kimberley Pierce (appointed 16/03/21)
Nicholas Wells (appointed 16/03/21)
Shaun Treacy (appointed 16/03/21)

These positions are in a honorary capacity.

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Notes to the Financial Statements

for the year ended 30 June 2021

22. Responsible persons (continued)

Executive
Zane Ali (from 01/07/20 - 09/08/20)
David Curd (appointed 10/08/20)

23. Parent entity information

Multiple Sclerosis Society of Queensland (the Society) is the parent entity.
Set out below is the supplementary information about the Society.

Statement of profit or loss and other comprehensive income

	Society	
	2021	2020
	$	$
Net surplus / (deficit) for the year	**(96,134)**	(1,492,328)
Other comprehensive income	**-**	-
Total comprehensive income / (loss) for the year	**(96,134)** -	1,492,328

Statement of financial position

Total current assets	**11,220,954**	15,927,499
Total assets	**39,281,528**	41,983,335
Total current liabilities	**(4,670,435)**	(6,203,935)
Total liabilities	**(13,251,238)**	(15,844,731)
Total equity	**(26,030,290)**	(26,138,604)

Capital commitments - Property, plant and equipment
The Society had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Notes to the Financial Statements

for the year ended 30 June 2021

23. Parent entity information (continued)

Contingent liabilities
The Society is party to a joint venture agreement with Youngcare Limited relating to the development, funding and ongoing operation of accommodation facilities at Albany Creek.

As part of the associated capital funding agreement with the Queensland State Government, the Society may also be liable to pay its share (50%) of $2.3 million if the property is disposed of to a third party, without prior written approval from the State.

The Society has given bank guarantees, secured against specified cash and cash equivalents, as at 30 June 2021 of $179,603 (2020: $179,603) to the property landlord. The total facility is $180,000 of which $397 is unused at 30 June 2021 (2020: facility of $180,000 $397 unused).

No other contingent liabilities were known at the date of this report.

24. Authorisation

The financial statements were authorised for issue by the Executive Committee on the 20th of October 2021.

Multiple Sclerosis Society of Queensland
ABN 56 731 473 412

Executive Committee Members' Declaration

The Executive Committee has determined that the consolidated entity is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Executive Committee of Multiple Sclerosis Society of Queensland:

a The financial statements and notes of Multiple Sclerosis Society of Queensland the consolidated entity are in accordance with the *Australian Charities and Not-for-profits Commission Act 201* 2, including:

i) Giving a true and fair view of its financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

ii) Complying with Australian Accounting Standards as described in Note 1 to the financial statements and the *Australian Charities and Not-for-profits Commission Regulation 2013* ; and

b There are reasonable grounds to believe that Multiple Sclerosis Society of Queensland the consolidated entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Executive Committee and in accordance with sub-section 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

B Bassett
Chairman

J Roche
Treasurer

Dated this 20th day of October 2021.

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Independent Auditor's Report

To the Members of Multiple Sclerosis Society of Queensland

Report on the audit of the financial report

Opinion

We have audited the accompanying financial report of Multiple Sclerosis Society of Queensland (the "Registered Entity") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Executive Committee Members' declaration.

In our opinion, the financial report of Multiple Sclerosis Society of Queensland has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a giving a true and fair view of the Registered Entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

b complying with Australian Accounting Standards to the extent described in Note 1 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 Registered 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 audit opinion.

Emphasis of matter – basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purposes of fulfilling the Registered Entity's financial reporting responsibilities under the ACNC Act. As a result the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

The Executive Committee are responsible for the other information. The other information comprises the information included in the Registered Entity's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Committee for the financial report

The Executive Committee of the Registered Entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act. The Executive Committees' responsibility also includes such internal control as the Executive Committee determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Executive Committee are responsible for assessing the Registered 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 Executive Committee either intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

The Executive Committee are responsible for overseeing the Registered Entity's financial reporting process.

Auditor's responsibilities 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 Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.
- Conclude on the appropriateness of the Executive Committees' 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 Registered 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 Registered 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.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

M S Bell
Partner – Audit & Assurance

Brisbane, 20 October 2021

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Auditor's Independence Declaration

To the Executive Committee of Multiple Sclerosis Society of Queensland.

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Multiple Sclerosis Society of Queensland for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

M S Bell
Partner - Audit & Assurance

Brisbane, 20 October 2021