Special Purpose Financial Report

Multiple Sclerosis Society of Queensland

ABN 56 731 473 412

30 June 2019

Contents

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2019

	Notes	Consolidated Entity		Society	
		2019	2018	**2019**	2018
		$	$	**$**	$
Revenue					
Australian government funding		**13,815,771**	8,182,838	**13,815,771**	8,182,838
Fundraising income		**8,828,984**	8,682,517	**8,498,280**	8,794,398
Services income		**766,413**	951,044	**766,413**	951,044
Grant revenues		**284,748**	442,483	**284,748**	442,483
Gain on disposal of property, plant and equipment		**13,881,798**	100,000	**13,881,798**	100,000
Sundry revenue	3a	**679,897**	545,455	**677,473**	538,353
Total Revenue		**38,257,611**	18,904,337	**37,924,483**	19,009,116
Expenses					
Employee benefits expense		**15,345,247**	11,697,941	**15,345,247**	11,697,941
Fundraising including lotteries		**3,658,031**	3,474,239	**3,658,031**	3,474,239
Contributions to MS research		**560,245**	551,812	**201,899**	227,595
Contributions to MS Australia		**222,044**	183,143	**222,044**	183,143
Interest expense		**299,204**	4	**299,204**	4
Depreciation and amortisation		**1,242,917**	743,768	**1,242,917**	743,768
Loss on disposal of property, plant and equipment and investments		**22,643**	24,426	**22,643**	24,426
Other expenses	3b	**3,390,786**	2,556,649	**3,387,001**	2,553,331
Total Expenses		**24,741,117**	19,231,982	**24,378,986**	18,904,447
Sub-total before other income		**13,516,494**	(327,645)	**13,545,497**	104,669
Net surplus / (deficit) for the year		**13,516,494**	(327,645)	**13,545,497**	104,669
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		**13,516,494**	(327,645)	**13,545,497**	104,669

Statement of Financial Position

as at 30 June 2019

	Notes	Consolidated Entity 2019 $	Consolidated Entity 2018 $	Society 2019 $	Society 2018 $
Assets					
Current					
Cash and cash equivalents	4	**11,289,657**	5,188,501	**10,859,805**	5,061,260
Trade and other receivables	5	**787,072**	448,149	**773,138**	447,430
Prepayments		**277,383**	157,094	**277,383**	157,094
Bank term deposits	6	**188,696**	8,681	**188,696**	8,681
Financial assets	7	**5,012,943**	10,875	**5,012,943**	10,875
Assets held for sale		**-**	1,994,431	**-**	1,994,431
Total Current Assets		**17,555,751**	7,807,731	**17,111,965**	7,679,771
Non-Current					
Trade and other receivables	5	**-**	-	**-**	-
Property, plant and equipment	8	**20,914,230**	19,387,266	**20,914,230**	19,387,266
Intangible assets	9	**698,369**	893,837	**698,369**	893,837
Total Non-Current Assets		**21,612,599**	20,281,103	**21,612,599**	20,281,103
Total Assets		**39,168,350**	28,088,834	**38,724,564**	27,960,874
Liabilities					
Current					
Trade and other payables	10	**4,053,009**	4,863,540	**3,656,980**	4,812,340
Borrowings	11	**711,212**	1,500,000	**711,212**	1,500,000
Short-term provisions	12	**1,092,213**	919,218	**1,092,213**	919,218
Total Current Liabilities		**5,856,434**	7,282,758	**5,460,405**	7,231,558
Non-Current					
Trade and other payables	10	**131,563**	158,269	**131,563**	158,269
Borrowings	11	**5,345,352**	6,322,647	**5,345,352**	6,322,647
Long-term provisions	12	**156,311**	162,964	**156,311**	162,964
Total Non-Current Liabilities		**5,633,226**	6,643,880	**5,633,226**	6,643,880
Total Liabilities		**11,489,660**	13,926,638	**11,093,631**	13,875,438
Net Assets		**27,678,690**	14,162,196	**27,630,933**	14,085,436
Equity					
Retained earnings		**27,678,690**	14,162,196	**27,630,933**	14,085,436
Total Equity		**27,678,690**	14,162,196	**27,630,933**	14,085,436

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2019

	Retained Earnings $	Total $
Consolidated Entity		
Balance at 1 July 2017	14,489,841	**14,489,841**
Total comprehensive income for the year	(327,645)	**(327,645)**
Balance at 30 June 2018	14,162,196	**14,162,196**
Balance at 1 July 2018	14,162,196	**14,162,196**
Total comprehensive income for the year	13,516,494	**13,516,494**
Balance at 30 June 2019	27,678,690	**27,678,690**
Society		
Balance at 1 July 2017	13,980,767	**13,980,767**
Total comprehensive income for the year	104,669	**104,669**
Balance at 30 June 2018	14,085,436	**14,085,436**
Balance at 1 July 2018	14,085,436	**14,085,436**
Total comprehensive income for the year	13,545,497	**13,545,497**
Balance at 30 June 2019	27,630,933	**27,630,933**

The accompanying notes form part of these financial statements.

Statement of Cash Flows
for the year ended 30 June 2019

	Notes	Consolidated Entity		Society	
		2019	2018	**2019**	2018
		$	$	**$**	$
Cash Flow from Operating Activities					
Receipts from customers and others		**2,186,231**	2,235,113	**2,159,403**	2,183,297
Government funding		**13,595,435**	8,074,736	**13,595,435**	8,074,736
Other grant revenues		**284,748**	229,879	**284,748**	229,879
Payments to suppliers, employees and others		**(20,902,706)**	(16,577,846)	**(20,430,926)**	(16,173,505)
Net cash provided by (used in) operating activities	14b	**(4,836,292)**	(6,038,118)	**(4,391,340)**	(5,685,593)
Cash Flow from Investing Activities					
Payments for property, plant & equipment and intangible assets		**(3,202,327)**	(10,535,580)	**(3,202,327)**	(10,535,580)
Rent received		**388,683**	259,051	**388,683**	259,051
Loan repaid by other MS entities		**-**	50,000	**-**	50,000
Proceeds from sale of physical assets		**16,481,500**	585,852	**16,481,500**	585,852
Deposit repaid		**(1,000,000)**	-	**(1,000,000)**	
Net interest received		**254,900**	11,755	**252,476**	4,653
Dividends received		**897**	996	**897**	996
Net cash provided by (used in) investing activities		**12,923,653**	(9,627,926)	**12,921,229**	(9,635,028)
Cash Flow from Financing Activities					
Proceeds from fundraising		**8,617,924**	9,521,017	**7,872,785**	9,632,898
Payments for fundraising		**(3,658,031)**	(3,230,864)	**(3,658,031)**	(3,230,864)
Proceeds/(repayment) from/of borrowings		**(1,766,083)**	7,822,647	**(1,766,083)**	7,822,647
Net cash provided by (used in) financing activities		**3,193,810**	14,112,800	**2,448,671**	14,224,681
Net increase/(decrease) in cash held		**11,281,171**	(1,553,244)	**10,978,560**	(1,095,940)
Less amounts invested no longer classified as cash		**(5,000,000)**	-	**(5,000,000)**	-
Cash at beginning of year (incl. Bank term deposits)		**5,197,182**	6,750,426	**5,069,941**	6,165,881
Cash at end of year	14a	**11,478,353**	5,197,182	**11,048,501**	5,069,941

The accompanying notes form part of these financial statements.

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 consolidated 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 Group 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 11: *Joint Arrangements*
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 consolidated 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). Comparative information is reclassified where appropriate to enhance comparability.

Notes to the Financial Statements
for the year ended 30 June 2019

1. *Statement of significant accounting policies (continued)*

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

(b) Formation

The Multiple Sclerosis Society of Queensland (the "Society"), a not-for-profit entity, was incorporated 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.

(c) Principles of consolidation

i) Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of the Society and its controlled entity, being the Multiple Sclerosis Development and Research Foundation of Queensland Inc. (the "Foundation") as at 30 June 2019 and the results of the Society and the Foundation for the year then ended. The Society and the Foundation together are referred to in this financial report as the consolidated entity.

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

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

All inter-entity balances and transactions have been eliminated.

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

Notes to the Financial Statements
for the year ended 30 June 2019

1. Statement of significant accounting policies (continued)

(d) Revenue recognition (continued)

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

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

iv) 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 10a).

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

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

vii) 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).

(e) Government funding

Operational funding
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.

Capital contributions
Revenue is recognised on a systematic basis to offset the depreciation expense charged to the statement of profit or loss and other comprehensive income in respect of the funded assets. For assets which have been only partly-funded by the grantor, the revenue is recognised to match the depreciation charge associated with the underlying assets until the revenue is fully exhausted.

Notes to the Financial Statements
for the year ended 30 June 2019

1. Statement of significant accounting policies (continued)

(f) Income tax

The consolidated entity 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.

(g) 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.

(h) 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.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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

(i) Investments

Investments are valued at cost. Interest and dividends on investments is brought to account on an accruals basis.

(j) Property, plant and equipment

All assets acquired are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

The cost of assets constructed or internally generated by the consolidated entity, other than goodwill, include the cost of materials and direct labour. Directly attributable overheads and other incidental costs are also capitalised to the asset.

Notes to the Financial Statements
for the year ended 30 June 2019

1. *Statement of significant accounting policies (continued)*

(j) Property, plant and equipment (continued)

Expenditure is only recognised as an asset when the consolidated entity controls a resource from which future economic benefits are likely to flow to the consolidated entity and the expenditure can be measured reliably. Costs attributable to feasibility and alternative approach assessments are expensed as incurred.

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the consolidated entity in future years, otherwise expensed as incurred.

Property, plant and equipment are depreciated at rates calculated to write off those assets over their estimated useful lives. All assets are depreciated on a diminishing balance or straight line basis. Depreciation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only.

The depreciation rates used for each class of asset are as follows:

- Buildings	2.5% - 10.0% (straight line)
	7.5% (diminishing value)
- Furniture and fittings	7.5% - 33.3% (diminishing value)
	10.0% (straight line)
- Plant and equipment	15.0% - 33.3% (diminishing value)
	3.3% - 100% (straight line)
- Motor vehicles	25.0% (diminishing value)
	12.5% - 13.0% (straight line)

In assessing the recoverable amounts of non-current assets, the relevant cash flows have not been discounted to their present value.

(k) 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. The amounts are unsecured and are usually paid by the end of the month following the month of purchase.

Notes to the Financial Statements
for the year ended 30 June 2019

1. Statement of significant accounting policies (continued)

(l) Employee entitlements

i) Wages, salaries and annual leave
The provisions for employee entitlements to wages, salaries and annual leave expected to be settled within 12 months of year end represent the amount which the consolidated entity has a present obligation to pay resulting from employees' services provided up to reporting date. The provisions have been calculated at undiscounted amounts based on future wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs.

ii) Long service leave
The provision for entitlements to long service leave represents the present value of the estimated future cash outflows resulting from an employee's services provided up to reporting date. The provision has been calculated using future wage and salary rates including related on-costs and expected settlement dates based on turnover history.

iii) Superannuation plan
The consolidated entity contributes to several accumulation superannuation plans. Contributions are recognised as an expense on an accruals basis.

(m) 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. 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.

(n) Assets held for sale

When the Society intends to sell a non-current asset or a group of assets (disposal group), and if sale within 12 months is highly probable, the asset or disposal group is classified as 'held for sale' and presented separately in the statement of financial position.
Assets classified as 'held for sale' are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. Once classified as 'held for sale' the assets are not subject to depreciation or amortisation.

Notes to the Financial Statements
for the year ended 30 June 2019

1. Statement of significant accounting policies (continued)

(o) Intangible assets

Software
Software is recognised at the cost of acquisition. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Software is amortised on a straight-line basis over its useful life which has been assessed at 5 years.

Capital Fundraising Model
Particular costs associated with the development of the Society's Project Dignity 120 capital fundraising model have been capitalised and are being amortised over a five year period 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. On an annual basis, the Executive Committee considers the value of the asset to ensure its carrying value is not over-stated.

Trademarks
Trademarks are recognised at the cost of acquisition. Trademarks have a finite life and are carried at cost less any accumulated amortisation and impairment losses. Trademarks are amortised on a straight-line basis over its useful life which has been assessed at 5 years.

(p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in the statement of profit or loss and other comprehensive income in the period in which they are incurred.

Notes to the Financial Statements
for the year ended 30 June 2019

1. Statement of significant accounting policies (continued)

(q) Key accounting estimates and judgments

When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. Information about significant judgements, estimates and assumptions is provided below.

Useful lives of depreciable assets
Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Society.

Provision - Long service leave
As discussed in Note 1(l)(ii), the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at reporting date. In determining the present value of the liability, attrition rates and pay increases have been taken into account.

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

The AASB has issued new, revised and amended Standards and Interpretations that have mandatory application dates for future reporting periods and which the consolidated 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 likely impact on the first time adoption of the Standard for the year ending 30 June 2020 includes:
- Change the recognition of most (if not all) capital grant funds currently recorded in the balance sheet for itemised assets already purchased. Any ongoing impact will depend on whether the Society secures similar-size capital grant funding for specific assets in the future.
- The recognition of revenue relating to the Society's other major contracts (DSQ, NDIS, DOHA etc.) will likely remain unchanged. Revenue will continue to be recognised as obligations are met (e.g. SDA – recognised monthly).
- The recognition of revenue relating to the Society's donations will likely remain unchanged. Donations tied to specific projects and/or gifted on the proviso for a defined purposes will be treated as revenue in the period(s) the performance obligations are met.

(s) 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.

Notes to the Financial Statements
for the year ended 30 June 2019

1. Statement of significant accounting policies (continued)

(t) Changes in accounting policies

There has been no change in the Society's accounting policies in the current or comparative periods.

(u) Impairment of assets

At each reporting date, the Society reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Society estimates the recoverable amount of the cash-generating unit to which the asset belongs.

2. Capital management

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

The Risk and Audit Committee operates under policies approved by the Executive Committee. Risk management policies are approved and reviewed by the Executive Committee on a regular basis. These include credit risk policies and future cash flow financing.

The entity's capital consists of retained earnings, supported by financial assets including cash and cash equivalents.

Management effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

Notes to the Financial Statements

for the year ended 30 June 2019

3. Statement of Profit or Loss and Other Comprehensive Income	**Consolidated Entity**		**Society**	
	2019	2018	**2019**	2018
	$	$	**$**	$
a. Sundry revenue				
Rental	**388,683**	259,051	**388,683**	259,051
Interest	**254,900**	87,982	**252,476**	80,881
Other	**36,313**	198,422	**36,313**	198,422
	679,897	545,455	**677,473**	538,353
b. Other expenses				
Facilities	**1,171,766**	996,764	**1,171,766**	996,764
Consultants & Legal fees	**553,129**	460,140	**549,479**	456,931
Administrative expenses	**495,728**	407,174	**495,593**	407,065
Office rent	**454,001**	95,084	**454,001**	95,084
Computer maintenance/software	**254,668**	171,898	**254,668**	171,898
Service delivery consumables	**177,580**	192,033	**177,580**	192,033
Telephone/Internet	**161,675**	146,841	**161,675**	146,841
Financial assistance to customers	**122,239**	86,715	**122,239**	86,715
	3,390,786	2,556,649	**3,387,001**	2,553,331

4. Cash and cash equivalents	**Note**	**Consolidated Entity**		**Society**	
		2019	2018	**2019**	2018
		$	$	**$**	$
Held in accounts in the name of the Society	4a	**10,856,155**	5,057,210	**10,856,155**	5,057,210
Held in accounts in the name of the Foundation		**429,852**	127,241	**-**	-
Cash on hand		**3,650**	4,050	**3,650**	4,050
		11,289,657	5,188,501	**10,859,805**	5,061,260

a) Surplus funds have been invested in short term deposits with original maturities of three months or less at higher interest rates.

5. Trade and other receivables	**Note**	**Consolidated Entity**		**Society**	
		2019	2018	**2019**	2018
		$	$	**$**	$
Current					
Income receivable		**456,273**	129,988	**456,273**	129,988
Trade receivables		**330,799**	318,161	**316,865**	317,442
Other receivables		**-**	-	**-**	-
		787,072	448,149	**773,138**	447,430
Non-Current					
Other receivables		**-**	-	**-**	-
		-	-	**-**	-

Notes to the Financial Statements
for the year ended 30 June 2019

6. ***Term deposits***		Consolidated Entity		Society	
		2019	2018	**2019**	2018
		$	$	**$**	$
Current					
Held in accounts in the name of the Society		**188,696**	8,681	**188,696**	8,681
		188,696	8,681	**188,696**	8,681

7. ***Financial assets***		Consolidated Entity		Society	
		2019	2018	**2019**	2018
		$	$	**$**	$
Current					
Shares held at cost		**12,943**	10,875	**12,943**	10,875
Managed Investment Portfolio	7a	**5,000,000**	-	**5,000,000**	-
		5,012,943	**10,875**	**5,012,943**	**10,875**

a) During the 2019 financial year, the Society appointed Perpetual Private to manage its investment portfolio.

8. ***Property, plant and equipment***	Consolidated Entity		Society	
	2019	2018	**2019**	2018
	$	$	**$**	$
Freehold land	**1,318,987**	963,987	**1,318,987**	963,987
Freehold buildings	**14,962,444**	17,457,813	**14,962,444**	17,457,813
less: accumulated depreciation	**(674,042)**	(525,723)	**(674,042)**	(525,723)
	14,288,402	16,932,090	**14,288,402**	16,932,090
Building improvements	**74,179**	10,909	**74,179**	10,909
less: accumulated depreciation	**(8,326)**	(5,615)	**(8,326)**	(5,615)
	65,853	5,294	**65,853**	5,294
Plant and equipment	**3,934,364**	2,264,266	**3,934,364**	2,264,266
less: accumulated depreciation	**(1,862,183)**	(1,436,938)	**(1,862,183)**	(1,436,938)
	2,072,181	827,328	**2,072,181**	827,328
Fixtures and fittings	**2,443,778**	126,416	**2,443,778**	126,416
less: accumulated depreciation	**(155,756)**	(49,046)	**(155,756)**	(49,046)
	2,288,022	77,370	**2,288,022**	77,370
Motor vehicles	**909,937**	684,118	**909,937**	684,118
less: accumulated depreciation	**(241,961)**	(199,197)	**(241,961)**	(199,197)
	667,976	484,921	**667,976**	484,921
Work in progress	**212,809**	96,276	**212,809**	96,276
Property, plant and equipment - at cost	**23,856,498**	21,603,785	**23,856,498**	21,603,785
Property, plant and equipment - accumulated depreciation	**(2,942,268)**	(2,216,519)	**(2,942,268)**	(2,216,519)
Net book amount	**20,914,230**	19,387,266	**20,914,230**	19,387,266

Notes to the Financial Statements
for the year ended 30 June 2019

8. Property, plant and equipment (continued)

a. Movements in carrying amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and end of the current and prior financial years:

For the year ended 30 June 2019	Land	Buildings	Building Improvement	Plant & Equipment	Fixtures & Fittings	Motor Vehicles	Work in Progress	TOTAL
Balance at the beginning of the year	963,987	16,932,090	5,294	827,328	77,370	484,921	96,276	19,387,266
Additions	355,000	1,092,867	63,270	380,462	163,008	816,392	116,533	2,987,532
Transfers	-	(3,343,459)	-	1,168,762	2,174,697	-	-	-
Transfer to assets held for sale	-	-	-	-	-	-	-	-
Disposals	-	-	-	4,138	(5,920)	(545,491)	-	(547,273)
Depreciation	-	(393,097)	(2,711)	(308,509)	(121,133)	(87,846)	-	(913,296)
Carrying amount at the end of the year	1,318,987	14,288,401	65,853	2,072,181	2,288,022	667,976	212,809	20,914,229

For the year ended 30 June 2018	Land	Buildings	Building Improvement	Plant & Equipment	Fixtures & Fittings	Motor Vehicles	Work in Progress	TOTAL
Balance at the beginning of the year	963,987	3,564,080	6,391	697,390	20,343	402,972	4,536,161	10,191,324
Additions	-	26,893	-	322,508	65,841	664,131	9,089,027	10,168,400
Transfers	-	13,528,912	-	-	-	-	(13,528,912)	-
Transfer to assets held for sale	-	-	-	-	-	-	-	-
Disposals	-	-	-	(1,901)	-	(508,376)	-	(510,277)
Depreciation	-	(187,795)	(1,097)	(190,669)	(8,814)	(73,806)	-	(462,181)
Carrying amount at the end of the year	963,987	16,932,090	5,294	827,328	77,370	484,921	96,276	19,387,266

Notes to the Financial Statements
for the year ended 30 June 2019

9. *Intangible assets*

	Note	Consolidated Entity		Society	
		2019	2018	**2019**	2018
		$	$	**$**	$
Software (separately acquired), at cost		**1,594,983**	1,460,830	**1,594,983**	1,460,830
less: accumulated amortisation		**(1,046,317)**	(786,821)	**(1,046,317)**	(786,821)
		548,666	674,009	**548,666**	674,009
Capital fundraising model, at cost		**302,267**	302,267	**302,267**	302,267
less: accumulated amortisation		**(181,535)**	(121,079)	**(181,535)**	(121,079)
		120,732	181,188	**120,732**	181,188
Trademarks, at cost		**48,310**	48,310	**48,310**	48,310
less: accumulated amortisation		**(19,339)**	(9,670)	**(19,339)**	(9,670)
		28,971	38,640	**28,971**	38,640
Net book amount		**698,369**	893,837	**698,369**	893,837

a. Movements in carrying amounts

Movements in the carrying amounts for each class of intangible asset between the beginning and end of the current and prior financial years:

	Note	Consolidated Entity 2019	Consolidated Entity 2018	Society 2019	Society 2018
Software					
Balance at the beginning of the year		**674,009**	518,293	**674,009**	518,293
Additions		**134,153**	367,179	**134,153**	367,179
Transfers from property, plant and equipment	8a	**-**	-	**-**	-
Amortisation charge		**(259,496)**	(211,463)	**(259,496)**	(211,463)
Carrying amount at the end of the year		**548,666**	674,009	**548,666**	674,009
Capital fundraising model					
Balance at the beginning of the year		**181,188**	241,643	**181,188**	241,643
Additions		**-**	-	**-**	-
Transfers from property, plant and equipment	8a	**-**	-	**-**	-
Amortisation charge		**(60,456)**	(60,455)	**(60,456)**	(60,455)
Carrying amount at the end of the year		**120,732**	181,188	**120,732**	181,188
Trademarks					
Balance at the beginning of the year		**38,640**	48,310	**38,640**	48,310
Additions		**-**	-	**-**	-
Transfers from property, plant and equipment	8a	**-**	-	**-**	-
Amortisation charge		**(9,669)**	(9,670)	**(9,669)**	(9,670)
Carrying amount at the end of the year		**28,971**	38,640	**28,971**	38,640

Notes to the Financial Statements
for the year ended 30 June 2019

10. Trade and other payables	Note	Consolidated Entity		Society	
		2019	2018	**2019**	2018
		$	$	**$**	$
Current					
Trade payables		**745,645**	899,529	**745,646**	899,529
Accrued expenses		**1,122,417**	700,659	**1,140,822**	649,459
Unearned revenue	10a	**2,166,212**	3,241,539	**1,751,777**	3,241,539
Unearned capital income - Life at Annerley	10b	**18,735**	21,813	**18,735**	21,813
		4,053,009	4,863,540	**3,656,980**	4,812,340
Non-Current					
Unearned capital income - Life at Annerley	10b	**131,563**	158,269	**131,563**	158,269
		131,563	158,269	**131,563**	158,269

a. Unearned revenue

Unearned revenue includes $nil (2018: $172,994) of tied donations for the Clinical Trial of Adoptive Immunotherapy for Progressive MS which commenced in August 2015 and $721,000 (2018: $1,292,524) of tied donations for the Society's Project Dignity 120 Initiative.

Unearned revenue includes $414,435 (2018: $nil) 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.

b. Disability Services Queensland - Capital Funding for Life at Annerley

In the year-ended 30 June 2010, Disability Services Queensland provided capital funding for specified fixtures and fittings at the Society's Life at Annerley complex to the value of $486,784. This income is being released over the useful life of the underlying assets in order to match depreciation expense.

11. Borrowings	Consolidated Entity		Society	
	2019	2018	**2019**	**2018**
	$	$	**$**	$
Current				
Loan from private individuals	-	1,500,000	-	1,500,000
Bank loan secured	**711,212**	-	**711,212**	-
Non-current				
Bank loan secured	**5,345,352**	6,322,647	**5,345,352**	6,322,647
Total borrowings	**6,056,564**	**7,822,647**	**6,056,564**	**7,822,647**

Notes to the Financial Statements
for the year ended 30 June 2019

11. Borrowings (continued)

The Bank loan secured facility limit is $6,500,000 for a term of 10 years from initial advance (08/11/2017). The facility operates in two phases:

1) Construction Period. The default length is 24 months from the initial advance. During this period, interest on advances made are capitalised into the loan. No principal (or interest) repayments occur.
2) Balance of Facility term after construction period. Principal and interest payments occur until loan is paid back in full.

The Society was not in breach of any loan agreements permitting the lender to demand accelerated repayments at year end, nor did any breach occur during the year. The Society was not in default of any loans payable recognised at year end.

12. Provisions

	Consolidated Entity		Society	
	2019	2018	**2019**	2018
	$	$	**$**	$
Current				
Employee entitlements - long service leave	**259,688**	208,398	**259,688**	208,398
Employee entitlements - annual leave	**832,525**	710,820	**832,525**	710,820
	1,092,213	919,218	**1,092,213**	919,218
Non-Current				
Employee entitlements - long service leave	**156,311**	162,964	**156,311**	162,964
Total employee entitlements:				
- Annual leave	**832,525**	710,820	**832,525**	710,820
- Long service leave	**415,999**	371,362	**415,999**	371,362
	1,248,524	1,082,182	**1,248,524**	1,082,182

13. 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, Johanna Roche, Wendy Lovelace, Tracey Parker, Carmel Macmillan, Brett Bassett, Elizabeth Marshall and Vivienne Johnson.

These positions are in an honorary capacity.

Executive
Gerard Menses (appointed 02/01/19)
Lincoln Hopper (resigned 03/08/18)

Notes to the Financial Statements
for the year ended 30 June 2019

14. Cash flow information	Note	Consolidated Entity		Society	
		2019	2018	**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	4	**11,289,657**	5,188,501	**10,859,805**	5,061,260
Bank term deposits	6	**188,696**	8,681	**188,696**	8,681
		11,478,353	5,197,182	**11,048,501**	5,069,941
b. Reconciliation of cash flow from operating activities with net surplus / (deficit)					
Net surplus / (deficit)		**13,516,494**	(327,645)	**13,545,497**	104,669
Non-operating cash flows in net surplus:					
- Interest revenue		**(254,900)**	(88,024)	**(252,476)**	(80,922)
- Dividend revenue		**(897)**	(996)	**(897)**	(996)
- Net income from fundraising (including lotteries and unspent tied donations)		**(4,959,893)**	(6,290,153)	**(4,214,754)**	(6,402,034)
- Deposit repaid in relation to property		**1,000,000**	-	**1,000,000**	-
- Rent revenue		**(388,683)**	(259,051)	**(388,683)**	(259,051)
Non-cash flows in net surplus:					
- Net (gain) / loss on disposal of property, plant and equipment (excluding associated costs paid to suppliers)	(i)	**(13,859,155)**	(75,574)	**(13,859,155)**	(75,574)
- Unrealised gain on shares held at cost		**(2,068)**	-	**(2,068)**	-
- Depreciation and amortisation expense		**1,242,917**	743,769	**1,242,917**	743,769
Change in assets and liabilities:					
- (Increase)/decrease in trade receivables		**(338,923)**	225,912	**(325,708)**	214,139
- (Increase)/decrease in prepayments		**(120,289)**	19,587	**(120,289)**	19,587
- Increase/(decrease) in payables		**(837,237)**	(121,539)	**(1,182,066)**	(84,776)
- Increase/(decrease) in provisions		**166,342**	135,596	**166,342**	135,596
Cash flows from operations		**(4,836,292)**	(6,038,118)	**(4,391,340)**	(5,685,593)

(i) During the 2019 financial year, the Society disposed of its property, plant and equipment assets located at Dutton Park.

15. Capital commitments	Consolidated Entity		Society	
	2019	2018	**2019**	2018
	$	$	**$**	$
Capital expenditure projects contracted for and payable:				
Not later than one year	**495,000**	-	**495,000**	-
Later than one but not later than 5 years	-	-	-	-
Later than 5 years	-	-	-	-
	495,000	-	**495,000**	-

Notes to the Financial Statements
for the year ended 30 June 2019

16. Remuneration of auditors

	Consolidated Entity		Society	
	2019	2018	**2019**	2018
	$	$	**$**	$
Audit of the financial report	38,650	37,645	36,000	35,095
Preparation of financial statements	4,800	4,650	3,800	3,700
Advisory services	-	-	-	-
Total remuneration of auditor	**43,450**	42,295	**39,800**	38,795

17. Principal activities

The Society 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, which makes up the remainder of the consolidated group, 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		Society	
	2019	2018	**2019**	2018
	$	$	**$**	$
MS Clinic	**333,346**	171,217	-	-
Contribution to Multiple Sclerosis Research	**226,899**	380,595	**201,899**	227,595
	560,245	551,812	**201,899**	227,595

18. Economic dependency

The Society is dependent upon government funding for the provision of its services. Should this funding be removed, or significantly altered, the Society may not be able to continue to provide its current level of services. The current contract with the Department of Communities, Child Safety and Disability Services ends on 30 June 2019, and it is expected that NDIS income will replace this source of funding.

19. 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.

Notes to the Financial Statements
for the year ended 30 June 2019

20. 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.

21. Authorisation

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

Executive Committee Members' Declaration

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

In the opinion of the Executive Committee the financial report as set out on pages 4 to 25 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, and:

1. Presents a true and fair view of the financial position of the Multiple Sclerosis Society of Queensland and the consolidated entity as at 30 June 2019 and its performance for the year ended on that date.

2. As at the date of this statement, there are reasonable grounds to believe that the Multiple Sclerosis Society of Queensland will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Executive Committee and is signed for and on behalf of the Executive Committee by:

R Burrell
Chairman

Johanna Roche

J Roche
Treasurer

Dated this 16th day of September 2019.