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ALL NEUROLOGICAL CONDITIONS**



**FINANCIAL STATEMENTS
For the year ended 30 June 2018**

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General information

The financial statements cover MSWA as an individual entity. The financial statements are presented in Australian dollars, which is MSWA's functional and presentation currency.

The financial statements were authorised for issue on 26 September 2018.

STATEMENT BY THE BOARD OF DIRECTORS

In the opinion of the Board of Directors of MSWA:

- (i) the attached financial statements and notes thereto comply with applicable accounting standards as described in Note 1 of the financial statements
- (ii) at the date of this statement, there are reasonable grounds to believe that MSWA will be able to pay its debts as and when they become due and payable;
- (iii) MSWA is complying with the Australian Charities and Not-for-profits Commission Act 2012;
- (iv) MSWA is collecting monies and goods and dispersing those monies and goods in accordance with MSWA' objectives.

Signed in accordance with a resolution of the Board of Directors by:



Director



Director

Dated this the 26 day of September 2018

RSM Australia Pty Ltd

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MSWA

Opinion

We have audited the financial report of MSWA, which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the Board of Directors.

In our opinion, the financial report of MSWA has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of MSWA's financial position as at 30 June 2018 and of its financial performance and cash flows for the year ended on that date; 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 MSWA 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 opinion.

Basis of Accounting

We draw attention to Note 1, which describes the basis of accounting. The financial report has been prepared to assist MSWA to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. 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 Board of Directors are responsible for the other information. The other information comprises the information included in MSWA's annual report for the year ended 30 June 2018, but does not include the financial report and the 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 Management and Board of Directors for the Financial Report

The Board of Directors of MSWA are responsible for the preparation of the financial report that gives a true and fair view in accordance with the basis of preparation described in Note 1 and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the Board of Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board of Directors are responsible for assessing MSWA'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 management either intends to liquidate MSWA or to cease operations, or has no realistic alternative but to do so.

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

RSM

RSM AUSTRALIA PTY LTD

A Whyte

ALASDAIR WHYTE
Director

Perth, WA
Dated: 27 September 2018

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
Revenue	4	58,580,213	52,944,277
Research		3,000,000	2,635,000
Prizes		10,365,811	10,116,639
Advertising		2,954,383	2,880,705
Event Expenses		282,428	260,646
Postage & Printing		1,022,829	1,087,785
Facility Expenses		2,389,858	2,048,896
Finance & Consulting		782,231	970,048
ICT Expenses		626,768	476,607
Staffing Expenses		35,422,874	30,708,347
Other Expenses		1,058,219	1,080,260
Total Expenses		57,905,401	52,264,933
Surplus for the year	5	674,812	679,344
Income tax expense	3	-	-
Surplus after income tax expense for the year attributable to members of MSWA		674,812	679,344
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit or loss when specific conditions are met</i>		-	-
Net change in fair value of available-for-sale financial assets		149,773	308,812
Other comprehensive income for the year		149,773	308,812
Total comprehensive income for the year attributable to members of MSWA		824,585	988,156

The accompanying notes form part of these financial statements



STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Note	2018 \$	2017 \$
Current Assets			
Cash and cash equivalents	6	7,009,051	10,906,709
Trade and other receivables	7	1,865,032	1,287,897
Other current assets	8	5,162,768	4,734,691
Financial assets	9	3,599,727	3,285,791
Total Current assets		17,636,578	20,215,088
Non Current Assets			
Financial assets	9	3,645,797	3,496,024
Property, plant and equipment	10	21,264,384	15,098,860
Total Non Current Assets		24,910,181	18,594,884
Total Assets		42,546,759	38,809,972
Current Liabilities			
Trade and other payables	11	7,155,911	4,906,396
Provisions for research		3,000,000	2,885,000
Employee benefits	12	2,817,457	2,490,935
Total Current Liabilities		12,973,368	10,282,331
Non Current Liabilities			
Employee benefits	12	1,059,082	837,917
Total Non Current Liabilities		1,059,082	837,917
Total Liabilities		14,032,450	11,120,248
Net Assets		28,514,309	27,689,724
Equity			
Retained Earnings			
Fair Value Reserve		1,249,840	1,100,067
Capital Investment Funds		5,995,684	5,681,748
Restricted funds		7,245,524	6,781,815
Unrestricted funds		21,268,785	20,907,909
Total Equity		28,514,309	27,689,724

The accompanying notes form part of these financial statements



STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2018

	Fair Value Reserve	Capital Investment Funds	Total Restricted Funds	Total Unrestricted Funds	Total
	\$	\$	\$	\$	
Balance at 1 July 2016	791,255	5,695,602	6,486,857	20,214,711	26,701,568
Surplus after income tax expense for the year	-	-	-	679,344	679,344
Total other comprehensive income for the year	308,812	-	308,812	-	308,812
Subtotal	308,812	-	308,812	679,344	988,156
Transfer to Capital Investment Funds	-	(13,854)	(13,854)	13,854	-
Balance at 30 June 2017	1,100,067	5,681,748	6,781,815	20,907,909	27,689,724
Balance at 1 July 2017	1,100,067	5,681,748	6,781,815	20,907,909	27,689,724
Surplus after income tax expense for the year	-	-	-	674,812	674,812
Total other comprehensive income for the year	149,773	-	149,773	-	149,773
Subtotal	149,773	-	149,773	674,812	824,585
Transfer to Capital Investment Funds	-	313,936	313,936	(313,936)	-
Balance at 30 June 2018	1,249,840	5,995,684	7,245,524	21,268,785	28,514,309

The accompanying notes form part of these financial statements



STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
Cash Flow from Operating Activities			
Receipts from fundraising, donations and other income		36,896,958	35,354,888
Grant receipts		21,764,583	16,425,260
Interest received		225,379	265,354
Dividends/distributions received		369,165	250,262
Payments to suppliers and employees		(55,751,436)	(47,916,092)
Net cash flows provided by operating activities	22(b)	3,504,649	4,379,672
Cash Flow from Investing Activities			
Proceeds from sale of property, plant and equipment		1,033,834	777,317
Payments for property, plant and equipment		(8,191,140)	(4,626,825)
Proceeds from sale of investments		3,057,072	4,470,000
Payments for investments		(3,302,073)	(4,450,000)
Net cash flows used in investing activities		(7,402,307)	(3,829,508)
Cash Flow from Financing Activities			
Net cash flows provided by financing activities		-	-
Net increase / (decrease) in cash and cash equivalents held		(3,897,658)	550,164
Cash and cash equivalents at the beginning of the financial year		10,906,709	10,356,545
Cash and cash equivalents at the end of the financial year	22(a)	7,009,051	10,906,709

The accompanying notes form part of these financial statements



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

1. Summary of Significant Accounting

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.

New, revised or amending Accounting Standards and Interpretations adopted

MSWA has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The impact of the Standards and Interpretations in issue but not yet adopted is being assessed by the Association.

The financial statements are for MSWA as an individual entity. MSWA is an association incorporated in Western Australia under the **Associations Incorporation Act 2015 of Western Australia**.

The financial statements were authorised for issue on 26 September 2018 by the Board of Directors.

Basis of Preparation

In the officers' opinion, MSWA is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the **Australian Charities and Not-for-profits Commission Act 2012**.

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', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

The officers have determined that the accounting policies adopted are appropriate to meet the needs of the members of MSWA. MSWA is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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 MSWA'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.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

1. Summary of Significant Accounting Policies (Cont.)

Accounting Policies

(a) Revenue

(i) Government grants

Government grants are derived from services and programs performed on behalf of the State, Commonwealth and Local governments, whereby MSWA has an obligation to deliver such services and programs. These are reciprocal transactions and are initially recognised in the statement of financial position until the period in which the services are provided, having regard to the stage of completion of activities and targets within each program, as specified in the funding and service contracts. Any grants received for services which have not been performed are recorded as deferred income in the statement of financial position.

Funds or grants that compensate MSWA for expenses incurred are recognised as revenue in the statement of comprehensive income on a systematic basis in the same periods in which the expenses are incurred.

Funds or grants that compensate MSWA for the cost of an asset are recognised in the statement of comprehensive income as other income when the conditions attached to the funds received are substantially satisfied.

(ii) Non-government funds

Non-government funds and grant revenue is recognised in the statement of comprehensive income when it is controlled, unless any specific obligations attached to the funds have yet to be performed, when they are then recorded as deferred income in the statement of financial position until such conditions are met or services provided.

(iii) Donations, bequests and fundraising income

MSWA's donations and fundraising incomes received apart from raffle income, by their nature, can only be recognised when they are recorded in the books of MSWA. MSWA maintains effective controls over its raffle income, prior to the recording of this revenue in its financial records. Bequests and legacies are brought to account on a cash basis or in the case of bequest and legacies other than cash, according to the value of the bequest or legacy when the ownership passes to MSWA.

(iv) Finance income

Finance income comprises interest income on funds invested, dividend income, managed funds distributions and net gains on the disposal of available-for-sale financial assets. Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend income and distributions are recognised on the date that MSWA's right to receive payment is established.

All revenue is stated net of the amount of goods and services tax (GST).



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

1. Summary of Significant Accounting Policies (Cont.)

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost, less where applicable, accumulated depreciation and impairment losses.

Property

Freehold land and buildings are measured on the cost basis.

Plant and Equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

Depreciation

The depreciable amount of buildings and plant and equipment is depreciated on a straight line basis, whilst motor vehicles are depreciated using the reducing balance method, so as to depreciate assets over their useful lives to MSWA, commencing from the time an asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Buildings	2-2.5 %
Plant and Equipment	13-27 %
Motor Vehicles	22.5 %

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

Impairment

At each reporting date, MSWA reviews the carrying values of its tangible 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 comprehensive income.

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

No impairment has been recognised for the year ended 30 June 2018.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

1. Summary of Significant Accounting Policies (Cont.)

(c) 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 incorporated association'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 current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

(d) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sales financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Subsequent to initial recognition, available-for-sale financial assets are measured at fair value and changes therein, other than impairment losses, are recognised as a separate component of equity under the fair value reserve. When an investment is derecognised, the cumulative gain or loss in equity is transferred to the statement of comprehensive income.

Held-to-maturity investments

These investments have fixed maturities, and it is MSWA's intention to hold these investments to maturity. Any held-to-maturity investments held by MSWA are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

1. Summary of Significant Accounting Policies (Cont.)

(d) Financial Instruments (cont.)

Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively against other entities that share similar credit risk characteristics.

All impairment losses are recognised in the statement of comprehensive income. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to the statement of comprehensive income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets recognised at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in the statement of comprehensive income. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

No impairment has been recognised for the year ended 30 June 2018.

(e) Determination of fair values

A number of MSWA's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

Financial assets

The fair value of available-for-sale financial assets and other instruments are determined by reference to their quoted bid price at the reporting date.

Trade and other payables

These amounts represent liabilities for goods and services provided to MSWA prior to the end of the financial year and 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 within 30 days of recognition.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

1. Summary of Significant Accounting Policies (Cont.)

(g) 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 within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and 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 recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as 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.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, less bank overdrafts if any.

(i) 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 principle 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 interest. 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.

(j) Donated Assets and Services

Land, plant and equipment and goods received as donations (other than items held for resale) are recognised in the accompanying financial statements at their estimated fair values at the date they are received.

A large number of volunteers have donated significant amounts of their time to MSWA's programs, fundraising campaigns and management. The value of these donated services is not recognised in the accompanying financial statements as no objective basis is available to measure the value of such services.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

1. Summary of Significant Accounting Policies (Cont.)

(l) Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in the presentation for the current financial year.

(m) Provisions

Provisions are recognised when MSWA has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Liabilities relating to research grants are provided for in order to recognise MSWA's obligation to pay grants to external agencies in accordance with funding agreements that commit MSWA to pay these funds per agreed time frames. MSWA has recognised a current liability for research grants payable within the next 12 months, as a provision in the statement of financial position at balance date. Any amounts payable in excess of 12 months, but committed, have been disclosed as a commitment (Note 15).

(n) Fund accounting

On occasions MSWA may receive resources restricted for particular purposes or set aside amounts for designated or special purposes. To facilitate observance of these limitations, the financial statements list separately those funds which are restricted or special purpose and those funds which are unrestricted.

Currently MSWA maintains the following funds:

- Restricted funds which are:-

Those funds presently available for use, but expendable only for operating purposes specified by the donor. In addition, the Board of Directors may designate specific funds, where no purpose has been stated by the original donor, to this fund.

- Capital Investment funds which are:-

Funds designated by the Board of Directors, arising from the sale proceeds and interest earned on proceeds, from the former ownership of and investment in retirement villages. These funds are currently designated as funds for future investment as approved by the Board or for future capital expenditure by MSWA at the discretion of the Board of Directors.

- Unrestricted funds which are:-

Those funds presently available for use by MSWA at the discretion of the Board of Directors.

(o) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by MSWA for the annual reporting period ended 30 June 2018.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

2. Critical Accounting Judgements, Estimates and Assumptions

Critical accounting estimates and judgements

The Board evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within MSWA.

Key estimates — Impairment

MSWA assesses impairment at each reporting date by evaluating conditions specific to MSWA that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

No impairment has been recognised for the year ended 30 June 2018.

3. Income Tax

MSWA is exempt from income tax under the provisions of Section 50-5 of the Income Tax Assessment Act 1997.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

4. Operating Revenue

	2018	2017
	\$	\$
Operating activities		
Marketing & fundraising income	36,503,653	33,453,987
Government grants	20,399,670	17,414,569
Corporate services – Other	31,713	30,944
Other Income	1,007,663	1,352,125
Non-operating activities		
Corporate services – management fees	-	166,095
Profit on sale of non-current assets	42,971	23,160
Investment dividends/distributions	369,165	250,262
Interest	225,378	253,135
	58,580,213	52,944,277

MSWA conducts the Mega Home Lottery and car raffles in-house and maintains effective internal controls, prior to the recording of this revenue in its financial records.

5. Surplus of the Year

The surplus for the year has been determined after:

Profit on sale of property, plant & equipment	42,971	23,160
Depreciation of property, plant & equipment	(1,034,754)	(857,930)
Gross salaries and wages expense	(29,932,331)	(25,905,523)

6. Cash and Cash Equivalents

Unrestricted:

Cash on hand	6,600	6,300
Cash at bank	1,285,781	1,874,695
Cash on deposit at approved financial institutions (Note 6(a))	5,716,670	9,025,714
	7,009,051	10,906,709

(a) Cash on deposit at approved financial institutions of \$581,312 is held as security for the bank guarantees referred to in notes 10 & 22(c).



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2018

7. Trade and Other Receivables

	2018	2017
	\$	\$
Current		
Trade and other receivables	1,629,099	1,262,557
BAS receivable	235,933	25,340
	1,865,032	1,287,897

Trade and other receivable balances are all current.

(a) Impaired trade receivables

As at 30 June 2018, no current trade receivables were considered impaired (2017: \$nil).

(b) Fair value and credit risk

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

8. Other Current Assets

Prepayments	220,255	236,109
Inventory - Mega home lottery work in progress	4,942,513	4,498,582
	5,162,768	4,734,691

9. Financial Assets

Current

Held-to-maturity investments:

-Interest bearing deposits and cash held	3,599,727	3,285,791
	3,599,727	3,285,791

Non Current

Available-for-sale financial assets:

- units in un-listed unit trusts	3,645,797	3,496,024
	3,645,797	3,496,024
	7,245,524	6,781,815

The investments in unlisted managed unit trusts are professionally managed investment funds, whose underlying investments are listed equities on Australian and foreign securities exchanges. Redemption values of the units in these trusts are published daily (Note 20(b)).

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets. These assets are restricted.



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2018

10. Property, Plant and Equipment

	2018	2017
	\$	\$
Land and buildings		
Land		
Cost or deemed cost	3,974,939	3,974,939
Buildings		
Cost or deemed cost	15,791,092	10,742,281
	19,766,031	14,717,220
Buildings		
Accumulated depreciation	(2,449,877)	(2,241,577)
	17,316,154	12,475,643
Leasehold Land / Improvements		
Cost	1,235,390	548,651
Accumulated depreciation	(444,768)	(307,113)
	790,622	241,538
Plant and equipment		
Cost	3,686,473	2,516,052
Accumulated depreciation	(1,624,663)	(1,166,861)
	2,061,810	1,349,191
Motor Vehicles		
Cost	1,767,894	1,598,426
Accumulated depreciation	(672,096)	(565,938)
	1,095,798	1,032,488
	21,264,384	15,098,860

Movements in Carrying Amounts

Year to 30 June 2018	Land and Buildings \$	Leasehold Land / Improvements \$	Plant and Equipment \$	Motor Vehicles \$	Total \$
Balance at beginning of year	12,475,643	241,538	1,349,191	1,032,488	15,098,860
Additions	5,048,811	686,739	1,170,421	1,285,169	8,191,140
Disposals / Transfers	-	-	-	(990,862)	(990,862)
Depreciation expense	(208,300)	(137,655)	(457,802)	(230,997)	(1,034,754)
Carrying amount at end of year	17,316,154	790,622	2,061,810	1,095,798	21,264,384

Land and buildings at Wilson and Norbury Crescent, City Beach (known as the Margaret Doody Respite House), were provided as security to MSWA's banker for bank guarantees in favour of the Department of Racing and Gaming – being security for various lottery and raffle prizes. (refer Note 22(c)).



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2018

	2018 \$	2017 \$
11. Trade and Other Payables		
Creditors and accruals	4,733,629	3,858,321
Creditor for refurbishment fund accounts	62,661	53,367
Deferred income	2,359,621	994,708
	7,155,911	4,906,396
12. Employee Benefits		
Current		
Opening balance	2,490,935	2,047,394
Amounts provided for	2,693,014	2,434,043
Amounts used	(2,366,492)	(1,990,502)
	2,817,457	2,490,935
Non Current		
Opening balance	837,917	565,788
Amounts provided for	221,165	272,129
	1,059,082	837,917
Closing Balance	3,876,539	3,328,852
13. Total Restricted Funds		
Represented by:		
Interest bearing deposits and cash held (note 9)	3,599,727	3,285,791
Units in unlisted unit trusts (note 9)	3,645,797	3,496,024
	7,245,524	6,781,815
14. Remuneration of Auditors		
During the financial year the following fees were paid or payable for services provided by RSM Australia Pty Ltd, the auditor of MSWA:		
Audit services – RSM Australia Pty Ltd		
Audit of the financial statements	23,500	22,500
Audit of other services	-	4,000
	23,500	26,500



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2018

15. Commitments

Operating lease commitments

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Not later than one year	569,330	422,528
Later than one year but not later than 5 years	997,286	749,940

	1,566,616	1,172,468
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Research commitments

Not later than one year

Later than one year but not later than 5 years

	-	-
	1,000,000*	1,500,000

	1,000,000	1,500,000
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* A research funding agreement was entered into with the Perron Institute for Neurological and Translational Science on 28 June 2017, a commitment by MSWA for research into MS and Neuroplasticity.

A Contract has been signed on 25 October 2017 with a building contractor, to construct a high support accommodation centre and a service centre at Butler. The contract value is \$6,037,490 and, at 30 June 2018, work completed amounts to \$2,933,119, leaving an outstanding capital commitment of \$3,104,371 at that date.

Two contracts have been signed on 31 October 2017 and 27 April 2018 with a building contractor, to build two Mega Home Lottery Grand Prize Houses. The contract value is \$1,951,108 and, at 30 June 2018, work completed amounts to \$649,475, leaving an outstanding capital commitment of \$1,301,633 at that date.

16. Contingent Liabilities

In 1997 the Disability Services Commission (DSC), funded the acquisition by MSWA of land at Fern Road, Wilson for the amount of \$221,771 and subsequently, an agreement was entered into with Homeswest to construct 6 units on the land, at an estimated cost to Homeswest of \$533,972. Both organisations have the right to place caveats on the property to secure their interests. Should MSWA seek to dispose of the units, the DSC and Homeswest will both claim their respective share of the proceeds of sale (refer Note 10).

In 2009, the City of Cockburn donated land at 57 Redmond Road, Hamilton Hill, valued at \$565,000 and subsequently a joint venture agreement was entered into with the Department of Housing (DoH), to construct a complex containing 6 high support accommodation units on this land at a cost to DoH of \$729,665. Should MSWA seek to dispose of the complex, the DoH will be entitled to their share of the proceeds of sale (refer Note 10).

In 2014 MSWA entered in to a contract with the Disability Services Commission (DSC), to provide services to people with rapidly degenerating neurological diseases (NCCC Program). The DSC have funded \$550,000 of capital equipment which, at the end of the contract on 31 July 2019, will be required to be handed to the new contractor who may, or may not be, MSWA. The written down value of these assets at 30 June 2018 was Nil.



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2018

17. Event Subsequent to Reporting Date

A Contract has been signed on 2 July 2018 with a seller to purchase an office building at 154 Abernerthy Road, Belmont. The purchase value is \$4,675,000. Expected settlement date is 24 October 2018.

Other than above, no matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect MSWA's operations, the results of those operations, or MSWA's state of affairs in future financial years.

18. Related Party Information

(a) Members of the Board

The names of the members of the Board of Directors who serve in a voluntary capacity and are not remunerated, in office during any part of the year, were:

- Mr George Pampacos, President
- Mr Bill Hassell AM JP, Senior Vice President (Chair of Corporate Governance Committee)
- Ms Ros Harman, Vice President (Chair of Member Services Committee / Chair of Research Committee)
- Mr Horst Bemmerl, Treasurer
- Mr Greg Brindle, (Chair of Fundraising Committee)
- Mr Liam Roche (Chair of Audit and Risk Committee)
- Dr Greg Brotherson (Chair of Bulletin Editorial Committee)
- Prof Bill Carroll, Medical Advisor
- Mr David Jones
- Mr Jason Jordon
- Ms Glennys Marsdon
- Mr Michael Fay (elected Oct 2017)

(b) Transactions with MSWA

A Lottery Service agreement was entered into between MSWA and the Multiple Sclerosis Society of SA & NT whereby MSWA conducted Lotteries on behalf of Multiple Sclerosis Society of SA & NT. MSWA received \$1,263,513 profit share from the lotteries.

(c) Receivable from related parties

An amount of \$1,262,337 was receivable from the Multiple Sclerosis Society of SA & NT at the reporting date.

19. Segment Information

MSWA operates predominantly in one business and geographical segment, being in the support services to enhance the quality of life for people living with multiple sclerosis throughout Western Australia. To provide services, MSWA receives grant funding from the Government of Western Australia through its Disability Services Commission and the Health Department.



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2018

20. Financial Risk Management

The main risks MSWA is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk. MSWA does not hold financial instruments denominated in foreign currencies and does not use derivative instruments to manage risks associated with its financial instruments.

MSWA's policies for managing each of these risks are summarised below.

(a) Interest rate risk

MSWA is exposed to interest rate fluctuations on its cash at bank and cash on deposit. MSWA actively monitors interest rates for cash at bank and cash on deposit to maximise interest. The company accepts the risk in relation to fixed interest securities as they are held to generate income on surplus funds.

MSWA's exposure to interest rate risk, which is the risk that a financial instrument value will fluctuate as a result of changes in market interest rates and the effected weighted interest rates on these financial assets and financial liabilities, is as follows:

2018	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate	Non interest Bearing	Total
Financial Assets					
Cash and cash equivalents	1.92%	1,285,781	5,716,670	6,600	7,009,051
Trade and other receivables	0.00%	-	-	1,865,032	1,865,032
Total financial assets	1.64%	-	3,599,727	3,645,797	7,245,524
Other current assets	0.00%	-	-	5,162,768	5,162,768
Total Financial Assets		1,285,781	9,316,397	10,680,197	21,282,375
Financial Liabilities					
Trade and other payables	-	-	-	(10,155,911)	(10,155,911)
Total Financial Liabilities		-	-	(10,155,911)	(10,155,911)
Net Financial Assets		1,285,781	9,316,397	524,286	11,126,464
2017					
	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate	Non interest Bearing	Total
Financial Assets					
Cash and cash equivalents	2.11%	1,874,695	9,025,714	6,300	10,906,709
Trade and other receivables	0.00%	-	-	1,287,897	1,287,897
Total financial assets	1.50%	-	3,285,791	3,496,024	6,781,815
Other current assets	0.00%	-	-	4,734,691	4,734,691
Total Financial Assets		1,874,695	12,311,505	9,524,912	23,711,112
Financial Liabilities					
Trade and other payables	-	-	-	(7,791,396)	(7,791,396)
Total Financial Liabilities		-	-	(7,791,396)	(7,791,396)
Net Financial Assets		1,874,695	12,311,505	1,733,516	15,919,716



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2018

20. Financial Risk Management (Cont.)

Interest rate sensitivity

At 30 June 2018, if interest rates had changed by +/-1% during the entire year with all other variables held constant, surplus for the year and equity would have been \$106,022 lower/higher. (2017: \$141,861 lower/higher).

2018	Carrying Amount	+1% change		-1% change	
		Surplus	Equity	Surplus	Equity
Financial Assets	\$	\$	\$	\$	\$
Cash and cash equivalents	7,002,451	70,025	(70,025)	(70,025)	70,025
Interest bearing deposits	3,599,727	35,997	(35,997)	(35,997)	35,997
		<u>106,022</u>	<u>(106,022)</u>	<u>(106,022)</u>	<u>106,022</u>
2017	Carrying Amount	+1% change		-1% change	
		Surplus	Equity	Surplus	Equity
Financial Assets	\$	\$	\$	\$	\$
Cash and cash equivalents	10,900,409	109,004	(109,004)	(109,004)	109,004
Interest bearing deposits	3,285,791	32,857	(32,857)	(32,857)	32,857
		<u>141,861</u>	<u>(141,861)</u>	<u>(141,861)</u>	<u>141,861</u>

(b) Price risk

MSWA is exposed to unlisted unit trust index fund price risk. This arises from investments held by MSWA and classified on the statement of financial position as financial assets and correspondingly in the notes as available for sale financial assets. MSWA is not exposed to commodity price risk.

To manage its price risk in these investments, MSWA utilises the services of a professional firm of investment advisors. This organisation initially advised on a diversified portfolio based on the Board's limits, set for its investment funds. The investment advisors monitor and recommend their findings for any changes, additions or further diversification to MSWA's Board for consideration and implementation.

A change in the market value of these investments by +/-5%, with all other variables held constant would have increased (decreased) MSWA's total equity as shown below.

Financial Assets	Carrying amount	+5% change equity	-5% change equity
	\$	\$	\$
Available-for-sale financial assets	(3,645,797)	(182,290)	182,290

(c) Liquidity risk

MSWA manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

All trade and other payables are payable within one year.



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2018

20. Financial Risk Management (Cont.)

(d) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

MSWA is exposed to credit risk in respect of funds deposited with banks and other financial institutions. Funds are only deposited with those banks and financial institutions approved by the Board.

(e) Net Fair Values

The financial assets and liabilities in the statement of financial position are carried at amounts that approximate their net fair values.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

21. Fair Value Measurements

MSWA measures and recognises the following assets at fair value on a recurring basis after initial recognition

- available-for-sale financial assets; and

MSWA does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

a. Fair Value Hierarchy

Accounting standards require the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2018

21. Fair value Measurements (Cont.)

b. Valuation techniques

MSWA selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by MSWA are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

		30 June 2018			
	Note	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
Recurring fair value measurements					
Financial assets					
Available-for-sale financial assets:					
–	9	3,645,797	-	-	3,645,797
Total financial assets recognised at fair value		3,645,797	-	-	3,645,797

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2018

21. Fair value Measurements (Cont.)

					30 June 2017				
					Note	Level 1	Level 2	Level 3	Total
						\$	\$	\$	\$
Recurring fair value measurements									
Financial assets									
Available-for-sale financial assets:									
– Shares in un-listed unit trust									
				9	3,496,024	-	-	3,496,024	
Total financial assets recognised at fair value						3,496,024	-	-	3,496,024

c. Disclosed Fair Value Measurements

- Trade and other receivables
- Trade and other payables

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used:

Description	Note	Fair Value Hierarchy Level	Valuation Technique(s)	Inputs Used
Assets				
Trade and other receivables	7	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets
Liabilities				
Trade and other payables	11	3	Income approach using discounted cash flow methodology	Market interest rates for similar liabilities

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2018

22. Cash Flow Information

(a) Reconciliation of cash and cash equivalents

For the purposes of this Cash Flow Statement, cash and cash equivalents includes:

- i) cash on hand, cash at banks and cash in at call deposits with banks or financial institutions, net of bank overdrafts; and
- ii) Investment in money market instruments maturing within less than 3 months.

Cash and cash equivalent at the end of the year is shown in the statement of financial position as:

	2018 \$	2017 \$
Cash on hand & at bank	1,292,381	1,880,995
Deposits at call	5,716,670	9,025,714
	7,009,051	10,906,709
(b) Reconciliation of net cash flows provided by operating activities to surplus		
Surplus	674,812	679,344
Non cash flows		
Depreciation	1,034,754	857,930
(Gain) on sale of non-current assets	(42,971)	(23,160)
Net distributions from investments re-invested	(68,936)	(6,146)
Changes in assets and liabilities:		
Change in receivables	(577,135)	542,853
Change in other assets	(428,077)	(63,234)
Change in creditors	2,364,515	1,676,415
Change in provisions	547,687	715,670
	3,504,649	4,379,672

(c) Bank loan facilities

MSWA had access to the following bank facilities at balance date:

Bank Guarantee Facility (100% of Facility used)	4,586,850	4,586,850
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23. MSWA Details

The principal place of business of MSWA is at:

MSWA
29 Parkhill Way,
Wilson WA 6107



RSM Australia Pty Ltd

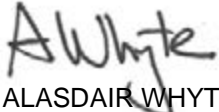
Level 32, Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61(0) 8 92619100
F +61(0) 8 92619111
www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of MSWA for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM
RSM AUSTRALIA PTY LTD


ALASDAIR WHYTE
Director

Perth, WA
Dated: 26 September 2018