MS Plus Ltd
and its controlled entitities

ABN 66 004 942 287

General Purpose Financial Report

30 June 2024

Contents

Directors' Report

The Directors present their report, together with the consolidated financial statements of the Group comprising MS Plus Ltd ("the Company" or "MS Plus"), and its controlled entities for the financial year ended 30 June 2024 and the auditor's report thereon.

1. MS Plus Ltd Board of Directors

The Directors of the Company at any time during or since the end of the financial year are:

Board Chair

Mr Garry Whatley BBus (Accounting and Information Technology), MBA, FAICD Extensive experience in information technology, telecommunications and consulting services in the corporate and government sectors	Independent Non-Executive Director Appointed – 4 August 2009 Board Chair from 1 August 2019 Deputy Chair from 19 December 2013 to 31 July 2019 Chair Nominations, Remuneration & Governance Committee

Board Deputy Chair

Ms Karen Hayes FAICD Extensive experience in management including the not-for-profit sector	Independent Non-Executive Director Appointed – 18 December 2013 End of Term – 1 November 2023 Deputy Chair from 1 January 2020 to 1 November 2023 Member Nominations, Remuneration & Governance Committee Chair of the Fundraising & Marketing Committee
Ms Adriana Zuccala BA, LLB (Hons), MCommrclLaw, FAICD Extensive experience in the financial services, property and legal sectors	Independent Non-Executive Director Appointed – 29 May 2019 Deputy Chair from 1 November 2023 Member Nominations, Remuneration & Governance Committee Chair of the Infrastructure Committee from July 2020

Directors

Ms Jennifer Bennett BA, PGCertMgt, FAICD Extensive experience as strategic advisor and management consultant working in Australia and the UK with top tier consulting firms	Independent Non-Executive Director Appointed – 3 April 2024 Member of the Program, Policy & Practice Committee

1. MS Plus Ltd Board of Directors (continued)

Directors (continued)

Mr Ron Brent LLB (ANU), Bec (ANU) Extensive Board and regulatory experience	Independent Non-Executive Director Appointed – 28 June 2017 Retired – 3 April 2024 Member of the Risk, Audit & Finance Committee
Ms Alison Brown BBus (Accounting), BA, CA, GAICD Extensive experience in finance and business, as an external auditor and in the not-for-profit sector	Independent Non-Executive Director Appointed – 20 April 2020 Chair of the Risk, Audit & Finance Committee
Ms Sharlene Brown Bachelor of Laws (LLB), Post grad in Legal Practice, AICD, Certificated Member of the Governance Institute of Australia Extensive experience in legal and not for profit sector	Independent Non-Executive Director Appointed – 24 June 2016 Member of the Risk, Audit & Finance Committee from June 2018 to May 2023 Member of Fundraising & Marketing Committee from July 2023 Chair of Community Engagement Committee
Mr Mathew Cleeve PostGradDip (Applied Finance & Investments), BEc Finance professional with extensive experience across equities and commodities, financial investment products, stockbroking, and Wealth Management	Independent Non-Executive Director Appointed – 5 April 2023 Member of the Risk, Audit & Finance Committee
Associate Professor Desmond Graham Dip Ap Sc (Nursing), Adv Cert MHN and MSc Extensive experience in health and not for profit sector	Independent Non-Executive Director Appointed – 24 June 2016 Chair of the Program, Policy & Practice Committee
Ms Corinne Habel MBA (International Finance), CPA, BSc (Accounting) Expertise and extensive experience in business development and fundraising in diverse not for profit sectors spanning humanitarian, hospitals, education, environment, arts and faith-based organisations.	Independent Non-Executive Director Appointed – 5 April 2023 Chair of the Fundraising & Marketing Committee from 1 November 2023
Professor Jeannette Lechner-Scott PhD, FRACP Extensive experience in specialised care for people with MS (PwMS) for the last 25 years, running an MS clinic with over 1,200 patients	Independent Non-Executive Director Appointed – 7 April 2021 Member of the Program, Policy & Practice Committee

1. MS Plus Ltd Board of Directors (continued)

Directors (continued)

Mr Scott McCorkell	Independent Non-Executive Director
Extensive experience in management, marketing and branding	Appointed – 18 December 2013 End of Term – 1 November 2023 Member of the Fundraising & Marketing Committee Member of the Infrastructure Committee
Ms Donna-Maree Vinci	Independent Non-Executive Director
GAICD, FGIA	Appointed – 5 April 2023
Accomplished IT executive and Director who has had a distinguished career in senior management (technology, digital and data) roles within the banking and finance sectors both in Australia and internationally	Member of the Infrastructure Committee

Independent Board Committee Members

Ms Ally Long (Risk, Audit & Finance Committee)	Appointed – February 2022
Mr Ian Blair (Program, Policy & Practice Committee)	Appointed – November 2023
Ms Fern Cargill (Marketing & Fundraising Committee)	Appointed – December 2023
Mr Lance Willie (Infrastructure Committee)	Appointed – August 2024

1 MS Plus Ltd Board of Directors (continued)

Directors' and Risk, Audit & Finance Committee meetings

	Board Meetings		Risk, Audit & Finance Committee Meetings	
	Held [1]	Attended	Held	Attended
Directors				
Mr Garry Whatley	10	9		
Ms Karen Hayes [2]	4	3		
Ms Adriana Zuccala	10	10		
Ms Jennifer Bennett [3]	2	2		
Mr Ron Brent [4]	8	3	10	9
Ms Alison Brown	10	9	12	12
Ms Sharlene Brown	10	9		
Mr Mathew Cleeve	10	10	12	11
Assoc Prof Desmond Graham	10	8		
Ms Corinne Habel	10	7		
Prof Jeannette Lechner-Scott	10	6		
Mr Scott McCorkell [2]	4	3		
Ms Donna-Maree Vinci	10	8		
Independent Board Committee Members				
Ms Ally Long			12	12
Mr Ian Blair [5]				
Ms Fern Cargill [6]				
Mr Lance Willie [7]				

(1) Meetings Director was eligible to attend

(2) End Term – 1 November 2023

(3) Appointed – 3 April 2024

(4) Retired – 3 April 2024

(5) Appointed – November 2023

(6) Appointed – December 2023

(7) Appointed – August 2024

Directors' Emoluments

No emoluments are paid to Directors. Directors are reimbursed expenses for expenditure reasonably incurred in attending meetings or other affiliated business.

2. Principal activities

The Group is a not-for-profit community service organisation incorporated under the provisions of the Corporations Act as a company limited by guarantee and is registered with the Australian Charities and Not-for-profits Commission (ACNC). The principal activities of the Group are to:

a) Provide services for people with multiple sclerosis (MS) and other related neurological conditions;
b) Provide information and support to people living with MS, families, carers, volunteers, health professionals and researchers;
c) Promote community awareness of MS and its impact on individuals, families and the community;
d) Advocate on behalf of people living with MS including their families and carers;
e) Raise funds to support the provision of services and activities outlined above; and
f) Provide private nursing, personal care and domestic assistance services to consumers in the home and community.

3. Review of operations and results of those operations

Key developments

Over the past year, the Group continued implementation of their five-year Strategic Plan - *Strategic Directions 2020 – 2025*. The Strategy was built on the outcomes from extensive stakeholder consultation with MS Plus staff, key stakeholders and the MS community to better understand what the future should look like for MS Plus:

- What will shape the organisation to meet the needs of and have the biggest impact on people living with MS, by responding to new and emerging reforms – to remain a viable, relevant and sustainable organisation.
- An evolving landscape in which the organisation operates – and the rapid pace, especially in terms of the expectations that customers have of their service providers.
- The continuously changing journey for those with MS: People living with MS now have a better quality of life as a result of advancements in healthcare.
- The evolving National Disability Insurance Scheme (NDIS) and changes to Aged Care having shifted the service landscape and brought significant changes to funding arrangements as a result of extensive reform, meaning organisations need to consider how to maintain their financial sustainability under new terms.
- The shift towards customer-centricity with the customer of today being much more discerning and demanding of their service providers.

The Strategy is supported by four strategic pillars.

- ***Person Centred***

  Firstly, an organisation which is driven by effective customer interactions with services tailored to the needs of clients, not only those living with MS but also other neurological disorders and services for those over 65 via My Aged Care. By broadening the service scope to support people with other neurological disorders the Board is seeking to provide, in turn, greater access to specialised services, overall, for people living with MS.

3. Review of operations and results of those operations (continued)

Key developments (continued)

- ***Virtual and Physical Hubs***

  The strategy is transforming the public face of MS Plus through the creation of both virtual and physical hubs, with development of wellbeing centres in both key metro and regional locations. At the same time the delivery of services through telehealth and employment programs will become a major part of the new face of MS Plus. These facilities and services are strongly focused on the delivery of allied health programs where the Board sees the greatest potential for growth into the future.

  The Board is also looking to expand MS Plus' Specialist Disability Accommodation offering, an area where there is demand and having capacity to grow additional revenue streams.

- ***Partnerships***

  The third pillar surrounds partnership – critical in this will be the development of more effective referral pathways to increase our pool of clients to broader neurological and aged care. This includes referrals from neurologists, clinicians, my aged care, acute health and other providers. Wellbeing centres will be ideal opportunities to expand on co-located complementary services to support clients with a wholistic care response. Partnership is also important when we consider fundraising, including from government, private development opportunities, trust and foundations, health providers and tertiary institutions.

- ***Growth***

  The fourth pillar involves a focus on growth in scale of service reach, both in terms of the number of participants and the types of services offered into the future through the NDIS, Aged Care and our employment services. The Board considers growth to greater scale as instrumental in terms of future sustainability.

During the year, delivery on the Board's Strategic Plan has included the following developments:

- Full implementation of the new front-end contact centre and Key Worker Model, including the Contact Management System.
- Implementation of Partnership Framework and Program.
- Implementation of Carers Strategy.
- Enhancement of the Aged Care Community Volunteers Visitors Scheme.
- Progressed the building of the MS Wellbeing Centre and Specialist Disability Accommodation Units as part of the Lidcombe Redevelopment.
- Delivered two new MS Plus Wellbeing Centres - Footscray and Hobart.
- Expansion of Allied Health services to now provide Dietetics and new locations for Physiotherapy to VIC and Occupational Therapy to NSW.
- Employment Support Service
  - Progressed the expansion of Employment Support Service to clients with other Acquired Neurological Conditions and into NDIS utilising Allied Health capacity.
  - Progressed the transition of Employment Support Service CRM to Job Ready.
- Revamped the leadership structure and performance monitoring systems of the Support Coordination Program.
- Continued growth of the Plan Management Service.

3. Review of operations and results of those operations (continued)

Key developments (continued)

- Appointment of an Aged Care Business Development Manager to progress expansion of services into Aged Care.
- Progressed Neuro-Qol baseline assessments with first reassessments from February 2024.
- Completed the implementation of the MS Plus brand
- Rollout of the MS Plus Services Marketing Strategy which has seen a huge growth in engagement with MS community across regular newsletters, social media platforms and Electronic Direct Mails
- Continued to refine the research fundraising program within MS Plus
- Continued growth of the Gifts in Wills program
- New retail management team which has improved sales
- Further progressed the rollout of the Diversity and Inclusion Strategy
- Successful ISO27001:2013 surveillance and extension audit, expanding the scope of standards compliance to all of MS Plus
- Implementation of a Data Management Strategy
- Consolidation of offices which has seen the closure of the St Leonards office with staff relocated to the Lidcombe office and the closure of the Bundoora office with staff relocated to the Blackburn office

3. Review of operations and results of those operations (continued)

Overview of the Group

The results of the Group's operations represent the operations of the Company and its subsidiaries, Multiple Sclerosis Services Limited ("MSSL") and MS Plus Healthy Ageing Pty Ltd ("MS Plus HA").

With effect from 18 March 2024, Nursing Port Stephens Pty Ltd's entity name was changed to MS Plus Healthy Ageing Pty Ltd.

	Note	2024 $	2023 $
Total revenue and other income from operations	5	60,047,812	51,669,951
Surplus from operating activities		9,259,766	1,221,940
Surplus from financing activities	7	826,632	1,499,722
Surplus from sale of property, plant and equipment		30,304	73,848
Income tax expense	27(f)	-	(25,976)
Net surplus/(deficit) for the year		10,116,702	2,769,534

The net surplus for the year has been calculated in accordance with Australian Accounting Standards (AASBs).

MSSL, a controlled entity of MS Plus, remains to act as a trustee of the Australian Home Care Services Unit Trust ("AHCS Trust"). As at 30 June 2019, MSSL had ceased trading operations. No decision to wind up MSSL has been made.

MS Plus HA, a controlled entity of MS Plus and operating under the business name of Care For You at Home, provides private nursing, personal care and domestic assistance services to consumers in the home and community.

3. Review of operations and results of those operations (continued)

Operating activities

The Group's surplus from operating activities during the year was $9,259,766 (2023: $1,221,940) which comprise the following activities:

	2024 $	2023 $
Income generating activities		
Bequest Program	3,597,253	2,806,083
Fundraising activities	1,655,326	1,159,384
Event surpluses and associated fundraising	712,923	716,083
Lotteries	91,895	433,772
MS Shops	102,714	355,628
	6,160,111	5,470,950
Engagement and wellbeing activities		
Intake and Wellbeing	(1,771,224)	(2,053,648)
Community Partnerships	(296,593)	(52,664)
Go For Gold Scholarships	(60,236)	(129,763)
Financial Assistance Program	(29,531)	(304)
Research and advocacy	(1,648,812)	(1,678,889)
	(3,806,396)	(3,915,268)
Service delivery activities	(678,305)	963,422
Capital development activities	11,387,204	2,874,465
Other operating activities	(3,802,848)	(4,171,629)
Surplus from operating activities	9,259,766	1,221,940

Income generating activities are those activities undertaken by the Group primarily to generate funds to support the Group's Engagement and Wellbeing programs now and into the future. These include revenue generated through fundraising events and campaigns, philanthropic donations and profits from other revenue generating activities such as MS Community Shops and lotteries.

Strategic Fundraising

The financial year ended 30 June 2024 delivered a mixture of fundraising success across various channels. What the Group has seen is further weak performances in our traditional mass fundraising areas (reflected right across the sector). Fundraising events and lotteries generally performed poorly throughout the year. With the exception of The May 50K and Fitzroy MS Mega Swim, most events returned reduced fundraising vs budget of around 20%, which again is aligned with sector benchmarking. The unfortunate cancellation of the MS Gong Ride due to high levels of rainfall had another significant material impact, albeit one that was entirely unpredictable.

3. Review of operations and results of those operations (continued)

Operating activities (continued)

The background of an uncertain economic outlook with consequent changes to the behaviour of events participants and lottery ticket buyers, continued from the previous year. In response to this MS Plus reduced the size of the events team throughout the year, with two phases of restructuring. The budget for the current financial year is, therefore, greatly less reliant on events and lottery activities.

Including non-operating income from Gifts in Wills, the overall net fundraising result was somewhat better than budget, at $5.4 million versus a budget of $4.1 million - an improvement of $1.3 million. However, most of this improvement resulted from an outstanding year for Gifts in Wills. In 2023-24, MS Plus received $4.94 million from Gifts in Wills. Without Gifts in Wills the operating surplus would have been $455,000 - $1.5 million below budget. Therefore, MS Plus remain overdependent on Gifts in Wills income, which is less predictable, although the maturity of our program enables us to predict revenue one to two years out with reasonable accuracy.

MS Plus Events generated a net surplus of $764,000, versus a budget of $2.3 million, caused mainly by the forced cancellation of the Gong Ride, but also underperformance against budget in other events, such as MS Walk Run + Roll and Mega Challenges.

Individual Giving (excluding Gifts in Wills) also missed its budget, delivering $76,000 versus a budget of $270,000. This was mainly caused by weakening results from lotteries and regular giving. By contrast, MS Plus' Cash Appeals did very well, achieving a net operating surplus of $858,000 to budget of $345,000. This was driven by much stronger creative direction from MS Plus' new agency and the introduction of research content broadening the audience.

Grants from Trusts and Foundations exceeded target (up by $40,000) as did MS Community Shops. We were especially pleased with the performance of the Shops in the first full year under their new management team. The Shops made a profit after overheads of $103,000 against a budgeted deficit of $50,000.

Fundraising for research was close to budget, with The May 50K reaching its participation and profit target but with fundraising being $50,000 short of the $2.5M target.

In summary, the year emphasises the value of MS Plus' modified strategy, which is to optimise the outcomes of MS Plus' traditional channels of events, shops and appeals, whilst building on the success of MS Plus' cash giving program to increase Gifts in Wills further and add in major donors as a channel. In this way, MS Plus will be able to emphasise higher growth, more profitable opportunities, whilst maintaining less profitable activities that give MS Plus valuable community engagement outcomes. The result for the year ended 30 June 2024 validates this strategy, although it is important to be aware that significant growth will take several years to achieve.

Engagement and Wellbeing

The MS Plus engagement and wellbeing programs function as the primary entry point of clients into MS Plus.

The full implementation of the redesign of our intake services, Plus Connect, was the highlight of this year. The redesign reflects our vision and commitment to a person-centred organisation that listens, understands and is responsive to the individual clients needs and those who support them. Key workers within the team acts as a trusted partner to the client, connecting with them at the first point of contact and continuing to be the single point of contact that guides them through internal and external wellbeing services.

Fundamental to this person-centred vision is a commitment to pursue excellence in delivery of safe and quality care across all our services. This resolve was strengthened by defining the 'MS Plus Clinical Governance Framework'. The framework providing the architecture for MS Plus systems, process and practices that will drive excellence and accountability at all levels of the organisation.

3. Review of operations and results of those operations (continued)

Operating activities (continued)

To collaborate with our partners strategically and effectively, a services partnership program was implemented to provide direction for mobilising shared resources, skills and expertise that will add genuine value to our clients.

Research and Advocacy

Research and advocacy include activities undertaken directly by the Group and activities undertaken in conjunction with MS Australia.

During the year, the Group committed:

- $1 million to MSA to continue support of research into remyelination and neuroprotective mechanisms, which will help identify potential treatments that are able to repair damage for people with MS; and
- $25,000 to University of Tasmania to continue support of a Massive Open Online Course (MOOC) on 'Understanding MS'.

Service Delivery

Service delivery activities are those activities undertaken by the Group which deliver a service to people affected by MS or other neurological conditions and which are primarily funded by fee for service arrangements or government grants.

- ***MS Plus Services***

  MS Plus' National Disability Insurance Scheme (NDIS) service offerings include Support Coordination, Allied Health, Plan Management, Supported Independent Living and Specialised Disability Accommodation. Telehealth services are being offered through all services.

  MS Plus also provides Employment Support Services (ESS) which is government funded through the Disability Employment Scheme (DES). MS Plus currently has two DES service offerings. The first is Job Active which assists in people living with MS to find suitable employment. This service is used as a supplement to MS Plus' Work Assist program. Work Assist is an outcome fee structure program of up to 26 weeks to support people living with MS maintain employment and then an ongoing monthly support service to support them to continue working at least 8 hours per week. MS Plus provides these services through our Allied Health clinicians, Physiotherapists and Occupational Therapists across New South Wales, Australian Capital Territory, Victoria and Tasmania.

- ***MS Plus Healthy Ageing trading as Care For You At Home ("CFYAH")***

  Care For You at Home experienced further developments during the year which include:

  - Name change to MS Plus Healthy Ageing Pty Ltd trading as Care For You at Home.
  - Restructure of operations with the departure of Director of Nursing and Clinical Manager with Care For You at Home now overseen by an Operations Manager. Employment of a People and Performance Partner to deliver improvements in the delivery of care as well as program performance.
  - Quality and Risk now centrally managed by MS Plus.
  - Adoption of MS Plus policies.
  - Rollout of MS Plus My Learning platform to staff.
  - Further changes to phone service including a monitored overflow phone service.
  - Ending of the Employee Collective Agreement with staff moving to relevant modern awards.

3. Review of operations and results of those operations (continued)

Operating activities (continued)

Referrals throughout the year have ebbed and flowed with positive gains offset by clients passing away or moving into residential aged care. This has been matched by the constant churn of care staff including clinical staff which remains a sector wide issue. However, CFYAH passed their first Aged Care Quality and Safety Commission audit and completed the mid cycle NDIS audit. With the introduction of the modern award to all care workers, changes to the way clients were charged for carer travel (including respite trips) were progressed with an equitable pricing structure to be included in the usual new financial year pricing announcements. CFYAH has maintained their strong relationship with the veteran community, not just by delivering supports via their veteran care and veterans nursing service but also by playing an active role in local ANZAC Commemorations in the region.

Work began in the latter half of 2023 to update the rostering system in use to one that will allow efficient delivery of rosters to staff and maintain good compliance with the relevant awards. Combined with providing staff internet capable tablets in the new financial year, CFYAH will be closer to operating in a near paperless way. The process of embedding an MS Plus physiotherapist at CFYAH to provide allied health supports commenced during the year. This will reduce the need to broker out these supports to other providers as well as provide a point of difference to other home care providers once the peer reviewed step mat program for addressing falls risk goes live in 2024.

Impairment of property, plant and equipment

No impairment loss was recognised in respect of property, plant and equipment.

Impairment of right of use asset

Under AASB 16, a lessee applies AASB 136 Impairment of Assets to determine whether a right of use asset is impaired.

No impairment loss was recognised in respect of right of use assets.

4. Future Developments

Any information regarding possible developments in the operations of MS Plus Ltd and its controlled entities Multiple Sclerosis Services Limited and MS Plus Healthy Ageing Pty Ltd in future financial years that may result in unreasonable prejudice to the Group, has not been disclosed in this report.

5. Environmental regulation

The Group's operations are not subject to any significant environmental regulations under either Commonwealth or State Legislation. However, the Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breaches of those environmental requirements as they apply to the Group.

6. Dividends

The Company's memorandum specifically prohibits the payments of dividends or bonuses to members.

7. Significant change in the state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review except as outlined in this Directors' report.

8. Indemnification and insurance of officers and auditor's indemnification

The Company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Company or of a related party:

a) indemnified or made any relevant agreements for indemnifying against a liability incurred as an officer or auditor, including costs and expenses in successfully defending legal proceedings; or

b) paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer or auditor for the costs or expenses to defend legal proceedings.

Since the end of the previous financial year, the Company has maintained insurance policies in respect of Directors' and officers' liability for both current and former Directors and Officers.

9. Events subsequent to reporting date

Between the end of the financial year and the date of this report, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of Directors, to affect significantly the operations or the state of affairs of the Group in future financial years.

The Group has secured additional borrowings of $3,000,000 repayable 30 June 2026.

10. Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 53 and forms part of the Directors' report for the financial year ended 30 June 2024.

This report is made in accordance with a resolution of the Directors.

Mr Garry Whatley

Director

Dated at Melbourne on the 4th day of September 2024.

Consolidated statement of surplus or deficit and other comprehensive income

For the year ended 30 June 2024

	Note	2024 $	2023 $
Revenue and other income			
Revenue		47,600,220	48,550,880
Other income		12,447,592	3,119,071
Total revenue and other income from operating activities	5	60,047,812	51,669,951
Expenditure			
Employee expenses	6	31,822,434	30,426,914
Client expenses		2,345,790	1,916,868
Information and technology expenses		2,174,603	1,888,895
Occupancy expenses		2,012,041	2,220,947
Depreciation	10,20	1,951,604	1,707,949
Advertising and marketing		1,859,825	2,167,570
Funds raised for MS Australia and MS state societies		1,815,377	2,651,151
Research and advocacy		1,648,812	1,678,889
Event and fundraising expenses		1,639,052	1,549,048
Legal and professional fees		1,207,720	1,264,386
Awards and prizes		864,840	999,269
Administration expenses		650,696	744,209
Amortisation	12	245,000	302,167
Other expenses		550,250	929,749
Total expenditure from operating activities		50,788,046	50,448,011
Surplus from operating activities		**9,259,766**	**1,221,940**
Finance income		1,101,528	1,726,846
Finance costs		(274,897)	(227,124)
Net finance income/(costs)	7	826,632	1,499,722
Surplus / (deficit) including finance activities		**10,086,398**	**2,721,662**
Surplus from sale of property, plant and equipment		30,304	73,848
Net surplus before income tax		**10,116,702**	**2,795,510**
Income tax expense	27(f)	-	(25,976)
Net surplus for the year		**10,116,702**	**2,769,534**
Total other comprehensive income		-	-
Total comprehensive income for the year		**10,116,702**	**2,769,534**

The notes on pages 19 to 51 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

As at 30 June 2024

	Note	2024 $	2023 $
Assets			
Cash and cash equivalents	8	5,894,945	15,780,523
Restricted cash		126,322	137,644
Trade and other receivables	9	5,129,484	5,941,378
Total current assets		11,150,751	21,859,545
Property, plant and equipment	10	55,582,370	23,644,842
Goodwill	11	2,775,214	2,775,214
Intangible assets	12	163,333	408,333
Investments	14	569,929	10,010,175
Trade and other receivables	9	70,122	64,998
Right-of-use assets	20	2,722,758	3,152,733
Total non-current assets		61,883,726	40,056,295
Total assets		73,034,477	61,915,840
Liabilities			
Trade and other payables	15	6,856,810	6,135,501
Contract liability	16	395,850	1,144,596
Employee benefits	17	4,873,270	4,489,206
Lease liabilities	20	840,678	704,609
Total current liabilities		12,966,608	12,473,912
Trade and other payables	15	1,000,000	-
Employee benefits	17	237,615	205,141
Lease liabilities	20	2,227,416	2,750,650
Total non-current liabilities		3,465,031	2,955,791
Total Liabilities		16,431,639	15,429,703
Net assets		56,602,838	46,486,137
Members' funds			
Retained earnings		56,522,838	46,284,359
Bequest reserves		-	71,778
Donation reserve		80,000	130,000
Total members' funds		56,602,838	46,486,137

The notes on pages 19 to 51 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 30 June 2024

	Note	Retained earnings $	Donation reserve $	Bequest reserve $	Total $
Balance at 1 July 2022		42,928,225	238,730	549,648	43,716,603
Net surplus for the year		2,769,534	-	-	2,769,534
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		2,769,534	-	-	2,769,534
Transfers to retained earnings from bequest reserve		477,870		(477,870)	-
Transfers from retained earnings to donation reserve		108,730	(108,730)	-	-
Balance at 30 June 2023		46,284,359	130,000	71,778	46,486,137
Balance at 1 July 2023		46,284,359	130,000	71,778	46,486,137
Net surplus for the year		10,116,701	-	-	10,116,701
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		10,116,701	-	-	10,116,701
Transfers to retained earnings from bequest reserve		71,778	-	(71,778)	-
Transfers to retained earnings from donation reserve		50,000	(50,000)	-	-
Balance at 30 June 2024		56,522,838	80,000	-	56,602,838

The notes on pages 19 to 51 are an integral part of these financial statements.

Consolidated statement of cash flows

For the year ended 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Cash receipts in the course of operations		49,782,185	50,442,261
Cash payments in the course of operations		(51,921,852)	(48,413,962)
Cash flows from the course of operations		(2,139,667)	2,028,299
Interest and dividend income received		599,396	1,027,869
Interest expense	7	(35,426)	-
Interest expense on lease liabilities	7,20	(239,471)	(227,124)
Net cash flows from operating activities		(1,815,168)	2,829,044
Cash flows from investing activities			
Payments for investments		-	(1,180,000)
Proceeds from sale of held-for-sale property, plant & equipment		-	600,000
Payments for business combinations		(500,000)	(500,000)
Proceeds from sale of property, plant and equipment		30,304	2,918
Government grant received for capital project		12,750,000	-
Net proceeds from investments		9,942,378	12,791,954
Payments for acquisition of property, plant and equipment		(29,152,073)	(8,613,127)
Net cash (used in)/from investing activities		(6,929,391)	3,101,745
Cash flows from financing activities			
Proceeds from short-term borrowings		2,000,000	-
Repayments of short-term borrowings		(2,000,000)	-
Payment of lease liabilities		(1,152,341)	(2,361,479)
Net cash used in financing activities		(1,152,341)	(2,361,479)
Net (decrease)/increase in cash and cash equivalents		(9,896,900)	3,569,310
Cash balance at beginning of the year		15,918,167	12,348,857
Cash balance at the end of the financial year		6,021,267	15,918,167
Reconciliation of cash balance at end of the year			
Cash and cash equivalents	8	5,894,945	15,780,523
Restricted cash		126,322	137,644
Cash balance at the end of the financial year		6,021,267	15,918,167

The notes on pages 19 to 51 are an integral part of these financial statements.

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For the year ended 30 June 2024

Notes to the consolidated financial statements

For the year ended 30 June 2024

1 General information

Basis of preparation

These general purpose financial statements - simplified disclosures have been prepared in accordance with the *Corporations Act 2001* , Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with the requirements of the law.

The financial statements comprise the consolidated financial statements of MS Plus Ltd (the Company) and the entities it controls (together the Group). For the purposes of preparing the consolidated financial statements, the Company is a not-for-profit entity.

The presentation currency used in these financial statements is Australian dollars ($). Amounts in these financial statements are stated in Australian dollars unless otherwise noted.

The consolidated financial statements have been prepared on the historical cost basis except as otherwise stated when measured at fair value. The methods used to measure fair values are discussed further in Note 3.

Statement of compliance

The Company does not have 'public accountability' as defined in AASB 1053 *Application of Tiers of Australian Accounting Standards* and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards - Simplified Disclosures.

Information about the Company

<u>Registered office and principal place of business</u>
54 Railway Road
Blackburn VIC 3130
Tel: (03) 9845 2700

The nature of the Group's operations and its principal activities are to:
a) Provide services for people with multiple sclerosis (MS) and other related neurological conditions;
b) Provide information and support to people living with MS, families, carers, volunteers, health professionals and researchers;
c) Promote community awareness of MS and its impact on individuals, families and the community;
d) Advocate on behalf of people living with MS including their families and carers;
e) Raise funds to support the provision of services and activities outlined above; and
f) Provide private nursing, personal care and domestic assistance services to consumers in the home and community.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

1 General information (continued)

Information about the Company (continued)

All entities comprising the Group are domiciled in Australia and structured and registered accordingly:

MS Plus Ltd

This company is registered as a charity with the Australian Charities and Not-for-Profits Commission (ACNC).

Multiple Sclerosis Services Limited

This company is registered as a charity with the ACNC.

MS Plus Healthy Ageing Pty Ltd

This company has been registered as a charity with the ACNC from 5 October 2022. This company was known as Nursing Port Stephens Pty Ltd up until 14 March 2024 when the name was changed to MS Plus Healthy Ageing Pty Ltd.

Details of the controlled entities comprising the Group are included in Note 23.

Going concern basis

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. As at 30 June 2024 the Group has an excess of current liabilities over current assets of $1.815 million, as the Group has been drawing on its cash reserves to fund a major capital project. Contributing to this deficiency is the classification of annual and long service leave liabilities of $3.095 million (2023: $3.167 million), as current liabilities which are not expected to be paid in full in the next 12 months. Leave entitlements that are taken during the year will be paid out of operational cash flows generated in the 30 June 2025 financial year and will be replenished by further leave entitlements accrued during the year.

The Group will complete this major capital project in 2025, drawing funds from existing and new financing facilities, redemption from the investment portfolio and sale of one existing property.

As at the date of this report, and having considered the above position, the Directors believe that the going concern basis of preparation is appropriate.

2 Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Key estimates and assumptions have been made on the following items:

- Note 11 - measurement of Goodwill
- Note 12 - measurement of Intangible Assets
- Note 13 - classification of the joint arrangement
- Note 20 - lease term: whether the Group is reasonably certain to exercise extension options.
- Recognition and measurement of provisions: key assumptions about the likelihood and magnitude of an outflow of resources.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

3 Detemination of fair value

A number of the Group'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.

(i) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(ii) Financial instruments

The fair value of financial assets and other financial instruments are determined as follows:

- Listed - by reference to their quoted bid price at reporting date,
- Unlisted - by reference to declared fund manager valuations at the reporting date, which are typically determined by reference to recent transaction values or commonly accepted valuation methodologies.

(iii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

4 Financial risk management

Overview

This note provides disclosure on the Group's exposure to financial risks, and the risk management applied to manage these risks.

Risk management approach to investments

The Group has a proportion of its total assets in investments and managed funds that trade in the financial markets, which include equities, currencies, commodities and fixed interest markets. Taking positions in these markets expose the Group's investments and managed funds to price fluctuations due to changes in credit, liquidity, currency, interest rate, political and economic conditions, locally and internationally.

The Group has established an Investment Committee to manage the investment portfolio. The investment portfolio is managed in accordance with a documented investment strategy which includes investment objectives, risk management processes and governance standards.

The broad investment objective is to generate a reliable income stream to support MS Plus' mission activities and to maintain the real value of the investment portfolio over time given constraints aimed at controlling risk and volatility of returns to an acceptable level. The strategic asset allocation used for the portfolio would be considered "balanced".

4 Financial risk management (continued)

Currency and market risk

The Group is only exposed to foreign currency risk to the extent that it holds corporate debt securities and equity securities denominated in foreign currencies as part of its structured investment portfolio. The Group's investment policy describes the risk management strategies employed by the Group.

The Group is only exposed to market price risk to the extent that it holds tradeable corporate debt securities and equity securities as part of its structured investment portfolio. The Group's investment policy describes the risk management strategies employed by the Group.

The objective of the investment policy is to generate a reliable income stream to support the Group's mission activities and to maintain the real value of the investment portfolio over time given constraints aimed at controlling risk and volatility of returns to an acceptable level.

The Group uses an external investment advisor to construct a diversified portfolio of debt and equity securities which is expected to generate the required return with the minimum risk. Risk management strategies include:

- Assessing the risk profile of the Group as it relates to investments through a regular structured process;
- Establishing a strategic asset allocation to match the assessed risk profile based on historical modelling and expected asset class returns and volatility;
- Undertaking due diligence to assess expertise and track record before selecting fund managers for inclusion on the approved investments schedule;
- Selecting fund managers whose management styles are consistent with the requirements of the investment strategy and monitoring the activities of those fund managers on a regular basis;
- Limiting the exposure of the Group to any one fund manager; and
- Where appropriate, instructing managers to invest only in investment grade securities.

Interest rate risk

The Group is only exposed to interest rate risk to the extent that it holds corporate debt securities as part of its structured investment portfolio. The Group's investment policy describes the risk management strategies employed by the Group.

Based on advice from its external investment advisor, the Group invests in a diversified range of fixed and variable rate debt securities as part of its overall investment portfolio. The Group monitors interest rates and interest rate trends and adjusts the mix between fixed and variable rate debt securities to achieve its investment objectives.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

4 Financial risk management (continued)

Other financial risk

The Group may be exposed to other financial risks arising out of its operations. These are summarised as follows:

Credit and trade receivables risks

A significant part of the Group's operations is providing welfare and community service programs on behalf of the State, Local and Commonwealth Governments and therefore credit risk on trade and other amounts receivable is not considered significant as these typically comprise amounts owing from government bodies.

Liquidity risk

The Group's financial obligations are adequately covered by cash and liquid investments. Sufficient liquidity is provided to meet operational and capital expenditure needs, and these are factored into cash flow forecasts and are constantly reviewed and updated.

Other risk management initiatives

The Group's operating environments are constantly evolving and becoming more complex to manage. The Board recognises these complexities, and continues to work in close collaboration with the Risk, Audit and Finance Committee.

The purpose of this Committee is to provide advice to the Board on matters relating to the financial performance of and integrity of the Group, and risk management issues as they apply to the Group's strategic plan.

Capital management

The Directors' policy is to maintain a strong capital base so as to sustain future development of the business. The board of Directors monitors the return on capital.

There were no changes to the Group's approach to capital management from the previous year.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

	Note	2024 $	2023 $
5 Revenue			
(a) Revenue and other income from operating activities			
Revenue			
Sales and lottery income		3,976,869	4,802,912
Rendering of services		28,639,719	27,928,253
Donation and sponsorship income		10,043,772	12,333,065
Bequest income		4,939,860	3,486,650
		47,600,220	48,550,880
Other income			
Specific purpose funding / income		192,002	50,584
Government grant for capital project		11,387,204	2,874,465
Other income		868,386	194,022
		12,447,592	3,119,071
Revenue and other income from operating activities		60,047,812	51,669,951

	2024 $	2023 $
(b) Disaggregation of revenue from contracts with customers		
Revenue from contracts with customers has been disaggregated based on type		
Type of good or service		
Sales and lottery income	3,976,869	4,802,912
Government grants	3,016,894	2,849,973
Government grant for capital project	11,387,204	2,874,465
Fee for service income	25,121,298	24,805,793
Event income	501,526	272,487
Total disaggregated revenue	44,003,792	35,605,630
Donation and sponsorship income	10,043,772	12,333,065
Bequest income	4,939,860	3,486,650
Other income	1,060,388	244,606
Total revenue and other income not from contracts with customers	16,044,020	16,064,321
Revenue and other income from operating activities	60,047,812	51,669,951

	2024 $	2023 $
6 Employee expenses		
Employee expenses		
Wages, salaries and other employee expenses	29,022,249	27,496,187
Contribution to defined contribution superannuation funds	2,839,893	2,683,317
Movement in liability for annual leave	(5,041)	(137,250)
Movement in liability for long service leave	(34,666)	384,659
Total employee expenses	31,822,434	30,426,914

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

		Note	2024 $	2023 $
7	**Net finance (costs)/income**			
	Finance Income			
	Interest income		27,445	43,159
	Dividend income - Equity securities at FVTPL		571,951	984,710
	Financial assets at FVTPL - net change in fair value		502,132	698,976
			1,101,528	1,726,846
	Finance costs			
	Interest expense		(35,426)	-
	Interest expense on lease liabilities		(239,471)	(227,124)
	Financial assets at FVTPL - net change in fair value		-	-
			(274,897)	(227,124)
	Net finance income/(costs)		826,632	1,499,722
8	**Cash and cash equivalents**			
	Bank balances		5,892,645	15,777,434
	Cash on hand		2,300	3,089
			5,894,945	15,780,523
	Disclosed as:			
	Cash and cash equivalents		5,894,945	15,780,523
			5,894,945	15,780,523
9	**Trade and other receivables**			
	Current			
	Trade receivables [1]		2,202,186	1,159,898
	Other receivables [2]		202,122	306,906
	Trade receivables due to related parties	22	379,092	379,249
	Prepayments		526,059	546,152
	Accrued income		1,820,025	3,549,174
			5,129,484	5,941,378
	Non-current			
	Other receivables [2]		70,122	64,998
			70,122	64,998

[1] Trade receivables are shown net of an allowance for impairment losses of $43,772 (2023: $40,318).

[2] Other receivables includes a current receivable of $199,173 (2023: $303,957) and a non-current receivable of $70,122 (2023: $64,998) from the Portable Long Service Leave Authorities in Victoria and the ACT.

Impairment losses on trade receivables recognised in the surplus or deficit were $63,011 (2023: $59,959).

The average credit period on sale of goods and rendering of services is below 30 days. No interest is charged on the trade receivables.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

	Note	2024 $	2023 $
10 Property, plant and equipment			
Land and buildings			
At cost		18,323,525	18,272,365
Accumulated depreciation		(7,025,941)	(6,577,687)
Carrying amount		11,297,584	11,694,678
Plant and equipment			
At cost		5,649,579	5,240,606
Accumulated depreciation		(4,751,637)	(4,467,413)
Carrying amount		897,942	773,193
Leasehold improvements			
At cost		1,884,253	-
Accumulated depreciation		(210,598)	-
Carrying amount		1,673,655	-
Capital work in progress			
At cost		41,713,189	11,176,971
Carrying amount		41,713,189	11,176,971
Total carrying amounts		55,582,370	23,644,842

Movement in carrying values	Land and buildings $	Plant and equipment $	Leasehold improve-ments $	Capital work in progress $	Total $
Balance at 1 July 2023	11,694,678	773,193	-	11,176,971	23,644,842
Additions	51,160	335,352	920,283	31,598,150	32,904,945
Capitalisation of WIP	-	97,962	963,970	(1,061,932)	-
Disposals	-	-	-	-	-
Depreciation	(448,254)	(308,565)	(210,598)	-	(967,417)
Balance at 30 June 2024	11,297,584	897,942	1,673,655	41,713,189	55,582,370

At 30 June 2023, an independent valuation of the Group's land and buildings was performed by m3property. The total market value of the Group's land and buildings (excluding capital work in progress) was $32,775,000. At 30 June 2024, the equivalent carrying value is $11,297,584.

Assets pledged as security

Freehold land and buildings with a carrying amount of $6,750,287 (2023: $6,881,209) have been pledged to secure borrowings and bank guarantees of the Group. Under the terms of the financing facilities, the Group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity. At 30 June 2023, the equivalent market value was $22,925,000.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

11 Goodwill

The goodwill of $2,775,214 arising from the acquisition of MS Plus Healthy Ageing Pty Ltd (formerly known as Nursing Port Stephens Pty Ltd) consists of potential generation of future earnings based on expected future discounted cash flows and the existing workforce.

	2024 $	2023 $
Carrying amount		
Gross carrying amount	2,775,214	2,775,214
Accumulated impairment losses	-	-
	2,775,214	2,775,214

	2024 $
Movement in carrying amount	
Balance at 1 July 2023	2,775,214
Changes arising from business combinations	-
Impairment losses	-
Other changes	-
Balance at 30 June 2024	2,775,214

An impairment test was performed at 30 June 2024 and no impairment loss was identified.

12 Intangible assets

	2024 $	2023 $
Client relationships		
At cost	735,000	735,000
Accumulated amortisation	(571,667)	(326,667)
Carrying amount	163,333	408,333

Client relationships were acquired as part of the acquistion of MS Plus Healthy Ageing Pty Ltd (formerly known as Nursing Port Stephens Pty Ltd). This intangible asset has been recognised separately from goodwill and has been recognised at fair value at the acquisition date of 28 February 2022. Subsequent to initial recognition, client relationships acquired have been amortised and are reported at cost less accumulated amortisation.

The amortisation period has been assessed as three years from date of acquisition.
Refer to Note 27(j)(i).

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

	2024 $	2023 $
13 Equity-accounted investees		
Interest in joint venture	-	-

Blue Sky Boundaries Pty Ltd (BSB) was a joint venture in which the Group had joint control and a 50% ownership interest. It was one of the Group's strategic partners and was principally engaged in the operation of cycling events organised by the Group as fundraising activities.

During the year, the BSB Board applied to the Australian Securities and Investments Commission to deregister BSB via voluntary deregistration and wound-up the joint venture. This decision now allows the Group to improve fundraising event efficiencies and gives the Group greater control over the delivery and strategy of events.

	Note	2024 $	2023 $
14 Investments			
Non-current Investments			
Equity securities - at FVTPL		-	4,841,822
Other financial assets - at FVTPL		569,929	5,168,353
		569,929	10,010,175
15 Trade and other payables			
Current			
Trade payables [(i)]		719,588	2,888,038
Other trade payables and accrued expenses		4,506,927	754,159
Payables due to related entities	22	1,630,296	2,048,860
Post combination consideration - Acquisition of Nursing Port Stephens		-	444,444
		6,856,811	6,135,501
Non-current			
Payables due to related entities		1,000,000	-
		1,000,000	-

[(i)] The average credit period on purchases of goods and services is less than 30 days.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

	Note	2024 $	2023 $
16 Contract liability			
Current			
Government funding received in advance		278,649	217,933
Government capital grants received in advance		-	542,088
Other income received in advance		117,201	384,575
		395,850	1,144,596
17 Employee benefits			
Current			
Salaries and incentives		1,777,738	1,321,493
Liability for annual leave		1,558,446	1,563,487
Liability for long service leave		1,537,086	1,604,226
		4,873,270	4,489,206
Non-current			
Liability for long service leave		237,615	205,141
		237,615	205,141

18 Commitments

(a) Redevelopment agreement

The Group has entered into a binding agreement with the Government of New South Wales to redevelop its Lidcombe facility. Construction of the site is well underway. The cost of the redevelopment has been partially funded by capital grants from the Government which are specified in the agreement. The quantum of the funding is not disclosed on the basis that it is commercially sensitive.

	2024 $	2023 $
(b) Capital expenditure commitments		
Capital expenditure commitments contracted for:		
Lidcombe redevelopment project	9,666,029	39,400,853
Hobart Wellbeing Centre	-	714,158
Watsonia Specialist Disabilty Accommodation	827,523	-
	10,493,552	40,115,011
Payable		
Within one year	10,493,552	36,860,872
Later than one year but no later than 5 years	-	3,254,139
	10,493,552	40,115,011

The Group has access to an undrawn loan facility (see note 21) to partially finance the Lidcombe redevelopment project.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

19 Contingencies

The Group's property located at 54 Railway Road, Blackburn was partially funded by the State Government of Victoria. The contribution is secured by a Property Deed of Charge over the property. In the event that the building, is no longer used for social or public benefit, the Victorian Government is entitled to a refund equivalent to 17% of the market value of the property on any day or, if the property is sold, 17% of the sale price. Should the Group sell the Blackburn property, it would make an application to the Victorian Government to transfer the deed of charge to an alternative property asset.

The Group's property located at 5 Station Avenue, McKinnon, was partially funded by the State Government of Victoria. The contribution is secured by a Property Deed of Charge over the property. In the event that the building, is no longer used for social or public benefit, the Victorian Government is entitled to a refund equivalent to 47.99% of the market value of the property on any day or, if the property is sold, 47.99% of the sale price. Should the Group sell the McKinnon property, it would make an application to the Victorian Government to transfer the deed of charge to an alternative property asset.

The Group's development of a new health facility at 80 Betty Cuthbert Drive, Lidcombe is partially being funded by Property NSW (PNSW). The funding agreement requires the Group to complete construction of the new facility. PNSW must transfer the title of the land to the Group as soon as practicable after the later of the date of registration of the Plan of Subdivision; and the earlier of the Date of Practical Completion, the Sunset Date, or termination of the funding agreement as a result of an unrectified Default Event. In the event that the facility is not completed by the Sunset Date or the funding agreement is terminated, the Group must refund to PNSW any amount paid by PNSW to the Group as at the date the land is transferred.

The Group acknowledges that the funding and transfer of land from PNSW are provided to the Group on the expectation that the new health facility at 80 Betty Cuthbert Drive, Lidcombe will generate a public neurological health benefit over a period of 15 years. Should the Group sell the land or grant a long term lease or concurrent lease for a premium, assignment or other similar dealing, the Group must offer to return the land to PNSW or as directed by PNSW, compensate PNSW at a price to be determined in accordance with the funding agreement.

The Group's property located at 2 Tallawalla Street, Beverly Hills which was renovated in 2019 had been funded by the NSW Government. The funding agreement requires the Group to use the property for its intended purpose for a period of 40 years and the NSW Government retains an equity interest in the property until the 40 year period is concluded.

At 30 June 2024, the Group has bank guarantees of $1,227,134. Assets have been pledged as security against guarantees (refer Note 10).

The Directors are of the opinion that a provision is not required in respect of the above contingencies because the Group continues to satisfy the relevant conditions.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

20 Leases

See accounting policy in Note 27(n)

(a) Leases as lessee

The Group leases shop and office premises as well as equipment. Most leases typically run for approximately three years. Leases generally provide the Group with a right of renewal at which time all terms are renegotiated. Lease payments comprise a base amount plus an incremental contingent rental. Contingent rentals are typically based on movements in the Consumer Price Index.

(i) Right-of-use assets

	Land and buildings	Plant and equipment	Total
Balance at 1 July 2023	3,066,067	86,666	3,152,733
Additions to right-of-use assets	734,450	-	734,450
Depreciation charge for the year	(950,563)	(33,627)	(984,190)
Derecognition of right-of-use assets [1]	(180,235)	-	(180,235)
Balance at 30 June 2024	2,669,719	53,039	2,722,758

	Note	2024 $	2023 $
(ii) Lease liabilities			
Current			
Lease liabilities		840,678	704,609
		840,678	704,609
Non-current			
Lease liabilities		2,227,416	2,750,650
		2,227,416	2,750,650
(iii) Amounts recognised in profit or loss			
Interest on lease liabilities	7	(239,471)	(227,124)
Depreciation of right-of-use assets		(984,190)	(936,426)
Derecognition of right-of-use assets [1]		(180,235)	(356,991)
		(1,403,896)	(1,520,541)

[1] Derecognition of right-of-use assets have been realised from the early exit of leases where the Group did not exercise options available in the lease contract.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

	Note	2024 $	2023 $
20 Leases (continued)			
(iv) Amounts recognised in statement of cash flows			
Cash outflows for leases		(1,152,341)	(2,361,479)

(v) Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period.

The Group has estimated that all lease extensions will be exercised.

(vi) Nominal future minimum lease payments

The nominal future minimum lease payments arising under the Group's lease contracts at the end of the reporting period are as follows:

		2024 $	2023 $
Not later than one year		1,020,366	1,006,855
Later than one year and not later than five years		2,569,617	2,903,601
Later than five years		-	167,559
		3,589,983	4,078,015

21 Borrowings

The Group has access to a construction loan facility of $10,130,000 as at 30 June 2024, undrawn. Once construction is complete, the Group will enter discussions to convert the existing construction loan into a long term corporate market loan facility. In the prior year, the Group had access to a $5,000,000 facility, undrawn.

Assets have been pledged as security against borrowings (refer note 10)

Notes to the consolidated financial statements (continued)
For the year ended 30 June 2024

22 Related parties

Identity of related parties

The Group has a related party relationship with the entities listed below:
- Multiple Sclerosis Australia
- Multiple Sclerosis Research Australia
- Blue Sky Boundaries Pty Ltd

Multiple Sclerosis Australia (MSA)

MSA, a related company, operates solely for the benefit of its members, the State Multiple Sclerosis Societies (the State Societies) including the Company. As a result, all surplus funds of MSA are expended on behalf of the State Societies and MSA is also funded by contributions from the State Societies. The Group is a member of MSA.

Multiple Sclerosis Research Australia (MSRA)

MSRA is a subsidiary of MSA established to coordinate and fund research activities on behalf of MSA and the State Societies.

Blue Sky Boundaries Pty Ltd (BSB)

BSB was the joint venture vehicle which, prior to deregistration, used to manage some of the Group's major fundraising events (refer Note 13).

Transactions with related parties

During the year, entities within the Group entered into the following transactions with related parties who are not members of the Group:

	Revenue		Expenditure	
	2024	2023	2024	2023
	$	$	$	$
Multiple Sclerosis Australia				
- National subscription fees	-	-	648,812	626,869
- Direct research funding	-	-	1,000,000	1,000,000
- National contribution to research operations	-	-	-	-
- Research fundraising activities	914,182	790,139	1,630,256	1,571,316
- Other	4,757	415	-	17,006
Multiple Sclerosis Research Australia	-	-	-	-
Blue Sky Boundaries				
- Chargeback of expenses	-	47,355	-	-
- Management fees	-	83,178	-	-
- Registration revenue and merchandise	-	-	-	649,020

	2024	2023
	$	$
Assets and liabilities with related parties		
Net (payable) to Multiple Sclerosis Australia	(2,251,164)	(1,669,572)
Net (payable) to Multiple Sclerosis Research Australia	-	-
Net (payable) to Blue Sky Boundaries Pty Ltd	-	-
Net amount owing	(2,251,164)	(1,669,572)

All of the above amounts are non interest bearing and are expected to be paid within twelve months from the balance sheet date.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

22 Related parties (continued)

Transactions with directors and key management personnel

(i) No remuneration is paid to directors.
(ii) There were no loans to directors at any time during the financial year.
(iii) The key management personnel compensation was $1,612,357 for the year (2023: $1,792,793).

23 Subsidiaries

	Place of incorporation and operation	2024	2023
Parent entity			
MS Plus Ltd	Australia		
Significant subsidiaries and their controlled entity			
Multiple Sclerosis Services Limited (dormant)	Australia	100%	100%
MS Plus Healthy Ageing Pty Ltd	Australia	100%	100%

24 Parent entity disclosures

As at, and throughout the financial year ending 30 June 2024, the parent entity of the Group was MS Plus Ltd.

	2024 $	2023 $
Results of the parent entity		
Surplus for the year	9,800,925	2,180,345
Other comprehensive income	-	-
Total comprehensive income for the year	9,800,925	2,180,345
Financial position of the parent entity at year end		
Current assets	10,438,266	21,196,201
Total assets	72,295,140	61,143,821
Current liabilities	15,029,634	13,173,949
Total liabilities	17,471,392	16,120,994
Net assets	54,823,748	45,022,827
Total equity of the parent entity at year end		
Accumulated surplus	54,743,748	44,821,049
Bequest reserve	-	71,778
Donation reserve	80,000	130,000
Total Equity	54,823,748	45,022,827

Investments in controlled entities are recorded in the Company's statement of financial position at their acquisition cost.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

25 Members' guarantee

MS Plus Ltd is a company limited by guarantee. If the company is wound up, the Constitution states that each member or former member in the previous year is limited to a guaranteed amount of $5, for:

a) payment of the company's debts and liabilities contracted before the time they ceased to be a

b) the costs, charges and expenses of winding up.

At 30 June 2024 the number of members was 191 (2023: 209).

26 Remuneration of auditors

	2024 $	2023 $
Deloitte and related network firms		
Audit or review of financial reports:		
- Group	147,300	137,300
- Subsidiaries and joint operations	-	-
	147,300	137,300
Statutory assurance services required by legislation to be provided by the auditor	-	-
Other assurance and agreed-upon procedures under other legislation or contractual arrangements	28,765	23,468
Total	176,065	160,768

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

27 Significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable return from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Revenue

The Group has applied AASB 15 and AASB 1058. Revenue is measured based on the conditions specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contract with customers.

Nature and timing of satisfaction of performance obligations, including significant payment terms	**Revenue recognition under AASB 15 and AASB 1058**
Goods sold	
Goods sold includes the sale of goods through MS Community Shops and sale of merchandise associated with events. Invoices and/or receipts are generated at the point of sale and are usually payable immediately and before the goods are released to the customer.	Revenue from the sale of goods (net of discounts) is recognised in the Statement of Surplus or Deficit and Other Comprehensive Income and is measured at the fair value of the consideration received or receivable. Revenue from the sale of goods is recognised when the goods are delivered or released to the customer at a point in time.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

27 Significant accounting policies (continued)

(b) Revenue (continued)

Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under AASB 15 and AASB 1058
Lottery and raffle ticket sales Customers purchase raffle or lottery tickets online or from approved vendors. Tickets are issued on payment of the ticket price.	Revenue from the sale of raffle and lottery tickets is recognised when the obligations associated with the raffle or lottery, including the prize draws, have occurred at a point in time.
Event registration ticket sales Event participants purchase tickets for events in advance of an event taking place. Entry to event is issued to the participant on payment of registration.	Revenue from the registration ticket is recognised when the obligations associated with the event have occurred at a point in time.
Fees for Services Services are provided to clients based on an agreed service plan. Claims for services are processed monthly inerval at a minimum either from the funding provider, nominated plan manager or individual.	Revenue from services rendered is recognised in the Statement of Surplus or Deficit and Other Comprehensive Income and is measured at the fair value of the consideration received or receivable. Revenue is recognised at the time the service is delivered to the customer over time.
Government revenue - programs State, Commonwealth and local governments contract for the delivery of services and programs on their behalf. Funding of government services is normally paid monthly or quarterly.	Revenue is recognised in the period in which the services are provided, having regard for performance obligations and performance targets within each program as specified in the funding and service contracts. Any funding received for services which have not been performed and for which there is a refund obligation is recorded as deferred income or funding in advance (contract liability) in the consolidated statement of financial position.

Notes to the consolidated financial statements (continued)
For the year ended 30 June 2024

27 Significant accounting policies (continued)

(b) Revenue (continued)

Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under AASB 15 and AASB 1058
Government revenue for client specific expenses State, Commonwealth and local governments reimburse specific expenses associated with clients. Reimbursement claims are raised when the reimburseable expenses are incurred. Reimbursement is usually received within 30 days.	Government reimbursements associated with a service program are recognised at the time the reimbursement claim is raised.
Government revenue - asset funding State and Commonwealth Governments enter into project delivery agreements to facilitate the purchase or construction of an asset. The timing of funding receipts may or may not align with the project delivery schedule.	Government grants funding an asset purchase or construction are recognised over-time when performance obligations are satisfied. Under AASB 15, the Group uses input methods to measure progress. The method is based on the Group's efforts and inputs towards satisfying performance obligations, relative to total expected inputs to satisfy performance obligations. When the Group measures progress over-time, it considers costs incurred.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

27 Significant accounting policies (continued)

(c) Other income

(i) Donation and sponsorship income

Donations and sponsorships are received from fundraising activities, philanthropic trusts and foundations and various other sources. These are recognised as revenue when received except when any specific obligations attached to the funds have yet to be performed. Where specific obligations have yet to be performed the funds are recorded as contract liability in the consolidated statement of financial position.

Where the Group acts as Principal for certain fundraising campaigns, gross revenue received from donations is recognised on receipt under the scope of AASB 1058.

Where donations received for specific expenditure based on MS Plus terms have not been spent in the same year of receipt, the funds are transferred to the Donation Reserve until the funds are spent on the specific items.

(ii) Bequests

Bequests receipts are recognised as revenue at fair value on receipt.

Where a generic obligation has been expressed (e.g. restricted to a specific activity) which has yet to be performed the funds are transferred to the Bequest Reserve until such time as the obligation has been satisfied.

(iii) Specific purpose funding / income

The Group receives funding from trusts and foundations for specific purposes. These funds are initially recorded in the consolidated statement of financial position as Specific Purpose Funds which is specific class of contract liability. When the obligations attached to the funds are satisfied, the funds are recognised as revenue.

(iv) Services of volunteers

A substantial number of volunteers donate a significant amount of their time to the activities of MS Plus Ltd. However, as no objective basis exists for recording and assigning fair values to these services, they are not reflected in the financial statements as either revenue or expenses.

(d) Finance income and expense

Finance income comprises interest income on funds invested, dividend and distribution income and gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues in surplus or deficit using the effective interest method. Dividend and distribution income is recognised in surplus or deficit on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance costs comprise interest expense on borrowings and finance leases, losses on disposal of available-for-sale financial instruments and impairment losses recognised on financial assets (other than trade receivables). All borrowing costs are recognised in surplus or deficit using the effective interest method.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

27 Significant accounting policies (continued)

(e) Employee Benefits

(i) Short-term benefits

Short-term employee benefits are expensed as the related service is provided. Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to reporting date based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers' compensation insurance.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in surplus or deficit when they are due.

(iii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on high quality Australian corporate bonds that have maturity dates approximating the terms of the Group's obligations.

(iv) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(f) Income tax

The Group entities are exempt bodies for income tax purposes for the whole reporting period and accordingly no provision for income tax is made.

MS Plus Healthy Ageing Pty Ltd (formerly Nursing Port Stephens Pty Ltd) became a registered charity on 5 October 2022 and became exempt from income tax on this same date. At 30 June 2023, an income tax receivable was recorded to reflect income tax paid during the first half of the year that was later recovered from the ATO.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

27 Significant accounting policies (continued)

(g) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ('GST'), except where the amount of GST incurred is not recoverable from the Australian Taxation Office ('ATO'). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the consolidated statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(h) Assets held for sale

Assets that are expected to be recovered primarily through sale or distribution rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter, generally the assets are measured at lower of their carrying amount and their fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in surplus or deficit. Gains are not recognised in excess of any cumulative impairment loss.

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of property, plant and equipment at 1 July 2004, the date of transition to AASBs, was determined by reference to its fair value at that date.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and gains are recognised in surplus or deficit.

(ii) Subsequent expenditure

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as incurred.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

27 Significant accounting policies (continued)

(i) Property, plant and equipment (continued)

(iii) Depreciation

Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

• buildings	40 to 50 years
• building improvements	2 to 25 years
• computer hardware	2 to 10 years
• motor vehicles	4 to 7 years
• office equipment	3 to 13 years
• furniture and fittings	3 to 25 years
• plant and equipment	1 to 13 years
• leasehold improvements	lower of 25 years or leased period

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(j) Intangible assets

(i) Client relationships

Client relationships were recognised as an intangible asset separately from goodwill on the acquisition of MS Plus Healthy Ageing (formerly Nursing Port Stephens Pty Ltd) as they could be separately identified and met the contractual legal criteria.

Client relationships are amortised over three years.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in surplus or deficit as incurred.

27 Significant accounting policies (continued)

(k) Financial instruments

(i) *Recognition and initial measurement*

Trade receivables and debt securities are initially recognised on the date that they are originated. All other financial assets and financial liabilities are recognised on the date at that the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or a financial liability is initially measured at fair value plus, for an item not at Fair Value Through Profit or Loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) *Classification and subsequent measurement*

Financial assets

On initial recognition, a financial asset is classified as measured at:
- amortised cost;
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTPL if doing so eliminates or substantially reduces an accounting mismatch that would otherwise arise.

Financial assets - Subsequent measurement and gains and losses:

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in surplus or deficit.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other finanical liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in surplus or deficit. Any gain or loss on derecognition is also recognised in surplus or deficit.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

27 Significant accounting policies (continued)

(l) Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for Estimated Credit Losses ('ECLs') on:
- financial assets measured at amortised cost; and
- contract assets.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and whe estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

27 Significant accounting policies (continued)

(l) Impairment (continued)

(i) Non-derivative financial assets (continued)

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activies in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated each year at the same time.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing the value in use of other non-financial assets, the Group estimates Depreciation Replacement Cost ('DRC') based on external independent valuation.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to assets or groups of assets that are expected to benefit from the synergies of the combination.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

27 Significant accounting policies (continued)

(l) Impairment (continued)

(ii) Non-financial assets (continued)

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in surplus or deficit.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Provisions for restructuring are recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

27 Significant accounting policies (continued)

(n) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for aperiod of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in AASB 16.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration int eh contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use assets reflects that the Group will exercise a purchase option. In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalities for early termination of a lease unless the Group is reasonably certain not to terminate early.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

27 Significant accounting policies (continued)

(n) Leases (continued)

(i) As a lessee (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes is assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilies for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payemnts associated with these leases as an expense on a straight-line basis over the lease term.

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substanitally all of the risks and rewards incdiental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

27 Significant accounting policies (continued)

(o) Goodwill

Goodwill is initially recognised and measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

27 Significant accounting policies (continued)

(p) New and amended accounting standards

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2023:

- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies Definition of Accounting Estimates

Effective for annual reporting periods beginning on or after 1 January 2024:

- AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants
- AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback
- AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements

Effective for annual reporting periods beginning on or after 1 January 2027:

- AASB 18 - Presentation and Disclosure in Financial Statements and AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments

28 Subsequent events

Between the end of the financial year and the date of this report, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of Directors, to affect significantly the operations or the state of affairs of the Group in future financial years except as noted below.

The Group has secured additional borrowings of $3,000,000 repayable by 30 June 2026.

Directors' declaration

For the year ended 30 June 2024

In the opinion of the directors of MS Plus Ltd ("the Company"):

(a) the Company is not publicly accountable;

(b) the consolidated financial statements and notes that are set out on pages 19 to 51 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

(i) giving a true and fair view of the financial position of the Group as at 30 June 2024 and of its performance, as represented by the results of its operations for the financial year ended on that date; and

(ii) complying with the Australian Accounting Standards - Simplified Disclosures and the Australian Charities and Not-for-profits Commission Regulation 2013; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given declarations on the integrity of the annual financial statements, risk management and internal control environment from management for the financial year ended 30 June 2024.

This statement is made in accordance with a resolution of the Board of MS Plus Ltd and is signed for and on behalf of the Board by:

Mr Garry Whatley
Director

Dated at Melbourne on the 4th day of September 2024.

Deloitte.

Deloitte Touche Tohmatsu
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4 September 2024

The Board of Directors
MS Plus Ltd
54 Railway Road
Blackburn VIC 3130

Dear Board Members

Auditor's Independence Declaration to MS Plus Ltd

In accordance with section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of MS Plus Ltd.

As lead audit partner for the audit of the financial report of MS Plus Ltd for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and

- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Lefevre

Isabelle Lefevre
Partner
Chartered Accountant

Deloitte Touche Tohmatsu
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Independent Auditor's Report to the Members of MS Plus Ltd

Opinion

We have audited the financial report of MS Plus Ltd (the "Entity") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of surplus or deficit and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information and other explanatory information, and the declaration by the Directors.

In our opinion, the accompanying financial report of the Group is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Other Information

The Directors are responsible for the other information. The other information obtained at the date of this auditor's report comprises the information included in the Directors' Report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not and will 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the ACNC Act and for such internal control as the 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 Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Deloitte.

Auditor's Responsibilities for the Audit of the Financial Report (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Lefevre

Isabelle Lefevre
Partner
Chartered Accountants
Melbourne, 4 September 2024