



Our focus is your vision

Macular Disease Foundation Australia

ABN 52 096 255 177

General Purpose (RDR) Financial Report
For the year ended 30 June 2013

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Report from the Chairman and Chief Executive Officer

FOR THE YEAR ENDED 30 JUNE 2013

The Foundation continues to work to protect the eye health of the Australian community. The Foundation's activities and programs are guided by a strong strategic framework which included:

- building healthy communities;
- development and strengthening of national and international relationships; and
- a strong position in the development of public policy.

During the year the Foundation entered a new phase of its growth extending its services to include all macular diseases, and changing its name from Macular Degeneration Foundation Limited to Macular Disease Foundation Australia. This change reflects the Foundation's commitment to servicing the needs of all those affected by macular disease, while recognising that macular degeneration is the leading cause of blindness and severe vision loss in Australia and the major focus for the Foundation's work.

The Foundation's strategic framework is underpinned by five key areas of focus: education, awareness, client services, representation and research. Building upon its work over the last 12 years, the expansion to service all macular diseases will be incorporated within these five pillars.

In January the Foundation's Patron, Ita Buttrose AO, OBE was awarded Australian of the Year 2013. This was a richly deserved recognition of Ita's extraordinary contribution to public life, including her commitment to older Australians and her various charitable causes. For over eight years Ita has tirelessly donated her time, energy and expertise to raising awareness of macular degeneration and the Foundation sincerely thanks her for her work and commitment.

Founding Director, Dr Paul Beaumont, was awarded the Member of the Order of Australia (AM) in the Queen's Birthday 2013 Honours List for his services to ophthalmology. The Foundation congratulates Dr Beaumont on this award which recognises his significant contribution particularly in the field of macular degeneration, and his vision in establishing the Foundation.

Australia continued to be a world leader in raising awareness of macular degeneration, thanks to the work of the Foundation. Ten years ago, the majority of Australians had not heard of macular degeneration, however today, according to Galaxy Research polling, over 90% of people in the age 50+ at-risk population know of the disease and over 70% in this group report having had their macula checked in the last two years.

The Foundation's awareness programs are multi-faceted, however, one of the major initiatives that has contributed to the awareness levels is the ongoing national TV and radio advertising campaign. Again, in August - September 2012, the Foundation's campaign went to air nationally with a new symptom awareness advertisement. Our sincere thanks go to Novartis for supporting the campaign and for their outstanding contribution to eye health in Australia.

Since its beginnings in 2001 a key goal of the Foundation was to support Australian researchers to find reasons and answers for macular degeneration. As a result of the generosity of so many supporters, in 2011 the Foundation launched the Macular Degeneration Research Grants Program now funding two world famous Australian researchers, and in 2013 the Foundation opened applications for the second major research grants awards to be announced on World Sight Day in October 2013. In December 2012 the Foundation awarded a two-year grant for the second Blackmores Dr Paul Beaumont Research Fellowship to Dr Bamini Gopinath, senior research fellow at the Millennium Centre for Eye Research, Westmead and the University of Sydney. The Foundation sincerely thanks Blackmores and the Blackmore Foundation for their support for this fellowship.

Report from the Chairman and Chief Executive Officer (cont)

FOR THE YEAR ENDED 30 JUNE 2013

The Foundation is committed to representing the macular disease community and has developed a strong voice in the eye health, disability and ageing sectors. We continue to represent the key issues to policy makers and advocate for equity of access to treatment and rehabilitation to improve the quality of life of those with macular disease and their family and carers. One of the key challenges has been the proposed new National Disability Insurance Scheme (DisabilityCare) and the Foundation continues to advocate for the terms to be amended to include those who acquire a disability over the age of 65 to be included. The 'Sight for Seniors' campaign is the key platform via which the Foundation, and the macular disease community, can convey their message to policy makers.

The Foundation continued to develop and strengthen its national alliances, but also expanded to forge new relationships internationally. In July 2012, the Foundation co-hosted with the US-based Angiogenesis Foundation, an expert summit on wet age-related macular degeneration which was attended by leading ophthalmologists from all over Australia. In April 2013 the Foundation co-hosted with the International Federation on Ageing, the inaugural Global Ageing and Vision Advocacy Summit in Barcelona, bringing together leaders in ageing and vision organisations from 11 countries to map a course for advocacy.

The Foundation is grateful for the generosity of its many loyal supporters and we extend our most sincere thanks for their dedication and ongoing commitment to the work of the Foundation. A special thanks to Foundation Ambassadors, Jean Kittson and Jan Utzon for their ongoing commitment and support of our cause.

Our major sponsors once again enabled us to initiate and implement new projects, and maintain and improve our existing services. Our sincere thanks to all our funders especially the Federal and NSW Governments, Blackmores, Novartis, Bayer, Profiel Foundation and ODMA. A special thank you also to Ernst & Young who so generously give their time and expertise as our auditors and to King & Wood Mallesons who support us with legal advice.

The Foundation is most grateful to the many donors, both individual and corporate, who give so generously in order that others may live better with macular disease. Thank you also to the people and organisations we work with including government and government departments, eye care professionals and their representative bodies, and low vision rehabilitation service providers.

Thank you to our staff and volunteers who work to ensure the delivery of quality services and outcomes. Good governance is a vital aspect of any organisation and we thank all the Foundation Board Directors for their guidance, commitment and expertise. Our robust fiscal disciplines, guided by the Board, help ensure our financial strength which enables us to continue to deliver our programs, plan for the future and grow to meet the increased demand for our services. Most importantly it enables us to achieve our vision to reduce the incidence and impact of macular disease in this country.

Elizabeth Carr
Chairman
BA (Hons) UWA
MPA Harvard University
FAICD
Date: 31.10.13

Julie Heraghty
Chief Executive Officer
BA DipEd

Date: 31.10.13

Directors' Report

Your directors submit their report for the year ended 30 June 2013.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Ms Elizabeth Carr - BA (Hons), MPA, FAICD

Dr Paul Beaumont - FRACS, FRANZCO

Mr Peter Brown

Mr Ashley Chapman - CPA, MACS

Mr Barry Clarke - FIPA

Mr Richard Grills

Prof Jill Keffe - PhD, OAM

Mr John McCarroll - B.Ec, GAICD

Mr Peter Reid - BA, LLB, FAICD

Mr Paul Rogan - BBus, FCPA, AICD

Dr Jim Runciman - FRACS, FRANZCO

Ms Suellen Tapsall - BA, MA, FAIM

Elizabeth Carr, Chairman – BA (Hons), MPA FAICD

Elizabeth Carr was an inaugural board member of the Foundation and in October 2006 accepted the position of chairman. Elizabeth's background incorporates both the private and public sectors. She has worked in senior executive positions for IBM and Macquarie Group and within senior levels of politics and government in NSW, WA, PNG and the USA.

Elizabeth has been a board chair and member for 18 years. She is also Chair of St Catherine's Aged Care Services, and a director of the Kokoda Track Foundation, and St Marys Anglican Girls School WA. She is a Member of the Environmental Protection Authority (WA) and a Director of the Safety, Return to Work and Support Board (NSW) and its associated Audit and Risk Committee and Investment Funds.

Elizabeth Carr is the Chairman of the Board and is a member of all committees.

Ashley Chapman, Deputy Chairman – CPA, MACS

Ashley Chapman retired in 2004 after a career in information technology spanning over forty years. His experience includes fifteen years with IBM in a variety of roles covering systems engineering, programming and education. Industry experience included banking and finance, airline, distribution and government utilities. After leaving IBM he became a partner in a CPA firm and then in 1978 he founded Management Control Systems, a company specialising in the development and marketing of financial systems for the distribution and manufacturing industries both in Australia and overseas.

Ashley Chapman is the Deputy Chairman of the Board and is a member of the Audit & Risk Committee, the Investment Sub-Committee, the Client Services Committee and the Board Nomination & Evaluation Committee.

Dr. Paul Beaumont – FRACS, FRANZCO

Dr Paul Beaumont is a Founding Director of the Foundation and served the first chairman's term. He is a regular speaker at international conferences and trains doctors worldwide in his approach to macular degeneration. He has had a particular interest in nutritional epidemiology and has been a pioneer in intensive counselling for patients with macular degeneration. He is a past chairman of the NSW Division of the Australian and New Zealand College of Ophthalmologists and of the Committee of Chairmen of the Australian College.

Dr Paul Beaumont is the Chair of the Medical Committee and a member of the Research Committee.

Directors' Report (continued)

DIRECTORS (continued)

Peter Brown

Peter Brown has spent thirty years in advertising and communication. He worked in London in consumer advertising and new product development before moving to Sydney in 1988, becoming Creative Director of a major healthcare agency. In 2005 Peter started his own company, spanning both consumer and healthcare advertising.

Peter Brown is a member of the Client Services Committee.

Barry Clarke – FIPA

Barry Clarke has over 40 years experience in the financial services sector in both executive and CEO roles. He is currently a director of the Royal Society for the Blind of SA and serves on its Client Advisory Committee and the Finance and Investment Committee. Barry is legally blind, having experienced the onset of macular degeneration over 20 years ago, therefore he has a clear understanding of the needs of people with vision impairment.

Barry Clarke is a member of the Client Services Committee and the Investment Sub-Committee.

Richard Grills

Richard Grills is the previous Managing Director of Designs For Vision, a company which supplies ophthalmic and optometric products throughout Australasia. Prior to founding Designs For Vision in 1978, Richard was a clinical & dispensing optician specialising in visual handicap. He conducted low vision clinics throughout NSW at hospitals and ophthalmic practices. Since 1974 he has been a lecturer in optics at Sydney University. Richard is the Chairman of the Optical Distributors & Manufacturers Association (ODMA) and a director of the Genetic Eye Foundation.

Richard Grills is a member of the Client Services Committee.

Professor Jill Keffe – PhD, OAM

Professor Jill Keffe is a member of the faculty of the L V Prasad Eye Institute in Hyderabad, India and has an Honorary Professorial position in the Department of Ophthalmology at the University of Melbourne. She is also a Technical Advisor to Lions Clubs International Foundation's SightFirst program. Her research focuses on the development and evaluation of eye care services that aim to prevent vision loss and blindness.

She was awarded the Order of Australia Medal for "services to public health particularly in the area of vision testing and as a contributor to the advancement of eye care education and practice".

Professor Jill Keffe is a member of the Client Services Committee.

John McCarroll - B.Ec, GAICD

John McCarroll is a Director at JB Were Ltd - Private Wealth Management. John has more than 30 years experience in the finance industry, initially in Europe and for the past 21 years in Australia. John holds a Bachelor of Economics from Monash University (Vic), is a Diploma member of the Australian Institute of Company Directors and was a director of the Australian Stockbrokers Foundation for over 19 years. He is also fluent in German.

John McCarroll is a member of the Investment Sub-Committee and the Board Nomination & Evaluation Committee.

Directors' Report (continued)

DIRECTORS (continued)

Peter Reid – BA, LLB, FAICD

Peter Reid has practised as a lawyer since 1972 specialising in international law and the energy and resources sector. He served as an Australian diplomat for seven years including a posting to the Australian Mission to the United Nations in New York. He then spent nine years as the Senior Exploration Counsel for Esso Australia and the past 26 years in private legal practice. He is a frequent speaker at international industry and professional conferences and has lectured at Sydney University Law School. He has served as a non-executive director of companies in both the private, public and not-for-profit sectors.

Peter Reid is a member of the Audit & Risk Committee, the Investment Sub-Committee and the Client Services Committee.

Paul Rogan – BBus, FCPA, AICD

Paul Rogan is a senior executive with more than twenty five years experience in the financial services sector both in Australia and the United Kingdom. He is currently the Chief Executive, Distribution Product and Marketing, of Challenger Limited and is a Director of its subsidiaries. He has served as an Executive Director on subsidiary boards of the National Australia Bank and MLC group, including as CEO of the Wealth Management operations in the UK and MLC Building Society. He is also a past chairman of the Victorian Building Society Association and past Counsellor on the Association of Australian Permanent Building Societies.

Paul Rogan is the Chair of the Audit & Risk Committee, the Investment Sub-Committee and the Research Committee.

Dr. Jim Runciman – FRACS, FRANZCO

Dr Jim Runciman is a fellow and past SA state chairman of the Royal Australian and New Zealand College of Ophthalmologists. Appointed to Macular Degeneration Foundation Board in 2003, Dr Runciman is a leading ophthalmologist with a special interest in retinal diseases and the support of those with vision impairment. He is a director of the Adelaide Eye and Retina Centre, has been a board member of the Royal Society for the Blind SA since 1995 and is a past president. Dr Runciman is also on the advisory boards of a number of Ophthalmic drug companies and is a consultant to Ellex Lasers R&D.

Dr Jim Runciman is a member of the Medical Committee and Research Committee.

Suellen Tapsall - BA, MA, FAIM

Suellen Tapsall is the director of AIM WA - UWA Business School Executive Education. In that role she successfully and effectively works with public and private sector organisations (in Western Australia, interstate and overseas) to build their individual and organisational leadership capability.

Suellen has extensive experience managing complex multi-stakeholder projects. Her career has been built around communications and stakeholder engagement, working as an academic leader and formerly in journalism and corporate communications. She is a former national president of the Journalism Education Association and has co-authored several books and major reports.

Suellen Tapsall is the Chair of the Client Services Committee and a member of the Research Committee.

Directors' Report (continued)

CORPORATE INFORMATION

Macular Disease Foundation Australia is a Company limited by guarantee that is incorporated and domiciled in Australia.

The registered office and principal place of business of the Company is Level 9, 447 Kent Street, Sydney, NSW 2000.

PRINCIPAL ACTIVITIES

The mission of Macular Disease Foundation Australia is to reduce the incidence and impact of macular disease in Australia. This is achieved through education, awareness, research, support and representation. Further details of operations during the year are included in the Chairman and CEO report.

SHORT AND LONG TERM OBJECTIVES

The short term objectives are to improve the awareness and understanding of macular disease, particularly macular degeneration, amongst patients, the general public, health care professionals and government; to support the macular disease community via the provision of support services and by advocating on their behalf to help improve quality of life; and by conducting research to help better understand the macular disease experience.

Having only recently (January 2013) expanded the Foundation to include all macular diseases (not just macular degeneration), the long term objectives are to expand the service provision to support the major macular diseases. Also to continue to fund research to find reasons and answers for macular degeneration, and perhaps other macular diseases. In addition, strengthening the position of the Foundation in the health, ageing and disabilities sectors to ensure the needs of the macular disease community are fully met is another key long term objective.

STRATEGY

The strategy to achieve the Foundation's objectives includes: engaging with key allied organisations in the health, ageing and disabilities sectors; providing education and awareness programs with linkages to younger audiences with macular disease; and ensuring provision of ongoing research into macular degeneration.

PERFORMANCE MEASUREMENT

The Foundation will continue to evaluate its programs in order to assess its effectiveness and to guide future initiatives. This is done in a number of ways including: evaluating financial performance; employing external agencies to measure awareness levels; providing evaluation forms to users of its services and analysing and reporting on those results; capturing and analysing information recorded on the database.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There were no significant events occurring after the balance date which may affect either the Company's operations or results of those operations or the Company's state of affairs.

Directors' Report (continued)

MEMBERS' GUARANTEE

The Company is limited by guarantee. If the Company is wound up, the Company's constitution states that if upon winding-up or dissolution of the Company:

- a) there remains, after satisfaction of all its debts and liabilities, any property whatsoever, that property will not be paid to or distributed among the members but shall be given or transferred to some other institution or institutions, having objects similar to the objects of the Company, whose memorandum of association of constitution prohibits the distribution of its income and property among its or their members to an extent at least as great as imposed on the Company under its constitution, and being an institution or institutions accepted as a deductible gift recipient under sub-division 30-B, section 30-100 of the Income Tax Assessment Act 1997 by the Commissioner of Taxation or otherwise approved for these purposes by the Commissioner of Taxation or institutions by the Members at or before the time of dissolution.
- b) there is a deficit, each member and any members who ceased to be a member within 12 months of the winding up will contribute a maximum of \$1.

At 30 June 2013 the Company had 20 members (2012: 20 members). The total liability of members would be \$20 (2012: \$20).

DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director was as follows:

	Board	Audit & Risk Committee	Investment Sub-Committee	Client Services Committee	Medical Committee	Research Committee	Board Nomination Committee
Director	Meetings: 6	Meetings: 5	Meetings: 4	Meetings: 4	Meetings: 4	Meetings: 2	Meetings: 2
Ms Elizabeth Carr	6	5	4	2	2	2	2
Mr Ashley Chapman	6	5	4	4			2
Dr Paul Beaumont	2				4	2	
Mr Peter Brown	6			3			
Mr Barry Clarke	5		3	4			
Mr Richard Grills	5			1			
Prof Jill Keeffe	4			4			
Mr John McCarroll	4		3				2
Mr Peter Reid	6	5	4	3			
Mr Paul Rogan	4	5	4			2	
Dr Jim Runciman	5				4	2	
Ms Suellen Tapsall	4			4		1	

Directors' Report (continued)

AUDITOR INDEPENDENCE

The directors received an independence declaration from the auditor, Ernst & Young. A copy has been included on page 9 of the report.

Signed in accordance with a resolution of the directors.

Elizabeth Carr - BA (Hons), MPA, FAICD
Chairman
Date: 31.10.13

Auditor's Independence Declaration to the Directors of the Macular Disease Foundation Australia

In relation to our audit of the financial report of the Macular Disease Foundation Australia for the financial year ended 30 June 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Kathy Parsons
Partner
Sydney
31 October 2013

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 \$	2012 \$
Donations/Fundraising	3(a)	3,589,025	2,120,211
Government grants		469,898	459,300
Sale of products		18,823	24,964
Other income	3(b)	221,218	202,979
		<u>4,298,964</u>	<u>2,807,454</u>
Cost of sales		(4,656)	(16,393)
Employee benefits expense	3(c)	(1,135,045)	(1,154,709)
Depreciation expense	3(d)	(29,293)	(26,986)
Other expenses	3(e)	(2,516,259)	(1,254,736)
		<u>613,711</u>	<u>354,630</u>
Research grants program donations		280,016	182,534
Research grants program expenditures		(283,333)	(153,667)
Net research grants program (deficit)/surplus		<u>(3,317)</u>	<u>28,867</u>
Net Surplus of the year		610,394	383,497
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Net fair value gains/(losses) on available-for-sale financial assets		<u>230,841</u>	<u>(32,053)</u>
Other comprehensive income/(loss) for the year		<u>230,841</u>	<u>(32,053)</u>
Total comprehensive income for the year		<u>841,235</u>	<u>351,444</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

AS AT 30 JUNE 2013

	Notes	2013 \$	2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	1,846,820	2,479,487
Grants, sponsorship, donations and other receivables	5	1,417,411	922,684
Inventories	6	1,360	816
Prepayments		6,476	7,029
Total Current Assets		3,272,067	3,410,016
Non-current Assets			
Available-for-sale investments	7	2,504,211	1,835,293
Plant and equipment	8	88,390	93,796
Other assets		51,000	51,000
Total Non-current Assets		2,643,601	1,980,089
TOTAL ASSETS		5,915,668	5,390,105
LIABILITIES			
Current Liabilities			
Trade and other payables	9	371,550	408,000
Grant in advance		720,643	1,000,000
Total Current Liabilities		1,092,193	1,408,000
Non-current Liabilities			
Provisions	10	22,339	22,204
Total Non-current Liabilities		22,339	22,204
TOTAL LIABILITIES		1,114,532	1,430,204
NET ASSETS		4,801,136	3,959,901
FUNDS			
Retained funds		4,619,942	4,009,548
Net unrealised gains/(losses) reserve		181,194	(49,647)
TOTAL FUNDS		4,801,136	3,959,901

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of Changes in Funds

FOR THE YEAR ENDED 30 JUNE 2013

	Surplus funds	Restricted cash funds (a)	Research reserve (b)	Total Retained funds	Net unrealised (losses)/ gains reserve	Total funds
	\$	\$	\$	\$	\$	\$
At 30 June 2011	1,606,723	519,328	1,500,000	3,626,051	(17,594)	3,608,457
Surplus for the year	383,497	-	-	383,497	-	383,497
Other comprehensive income	-	-	-	-	(32,053)	(32,053)
Total comprehensive income/(loss) for the year	383,497	-	-	383,497	(32,053)	351,444
Income received in the year	(1,832,907)	1,650,373	182,534	-	-	-
Funds spent during the year	1,869,280	(1,715,613)	(153,667)	-	-	-
Net surplus of the year allocated to reserves	(221,133)	-	221,133	-	-	-
At 30 June 2012	1,805,460	454,088	1,750,000	4,009,548	(49,647)	3,959,901
Surplus for the year	610,394	-	-	610,394	-	610,394
Other comprehensive income	-	-	-	-	230,841	230,841
Total comprehensive income/(loss) for the year	610,394	-	-	610,394	230,841	841,235
Income received in the year	(1,691,823)	1,411,807	280,016	-	-	-
Funds spent during the year	1,870,575	(1,587,242)	(283,333)	-	-	-
Net surplus of the year allocated to reserves	(3,317)	-	3,317	-	-	-
At 30 June 2013	2,591,289	278,653	1,750,000	4,619,942	181,194	4,801,136

(a) Restricted cash funds

Generally where sponsorship contracts specify that funds must be used for a specific project or activity, cash received for this purpose but not yet spent by the Foundation is classified as restricted cash in the Statement of Changes in Funds.

(b) Research reserve

The directors have decided to allocate a portion of the net surplus for the year to undertake research activities in the future. Additionally, donations received and grants conceded specifically for the research grants program have been allocated to the research reserve.

Nature and purpose of reserve

Net unrealised gains/(losses) reserve

This reserve records gains or losses from movements in the fair value of available-for-sale financial assets.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 \$	2012 \$
Cash flows from operating activities			
Receipts from donations		3,139,463	3,315,804
Receipts from sale of products		18,823	24,964
Receipts from other income		28,415	13,739
Payments to suppliers and employees		(3,677,237)	(2,358,717)
Payments for research grants		(283,333)	(153,667)
Receipt of government grants		469,898	459,300
Interest received		76,232	84,939
Net cash flows from operating activities		<u>(227,739)</u>	<u>1,386,363</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(23,887)	(102,228)
Disposal of property, plant and equipment		0	564
Investment income received		18,959	93,605
Net payments for the purchase of available-for-sale investments		<u>(250,000)</u>	<u>(79,759)</u>
Net cash flows used in investing activities		<u>(254,928)</u>	<u>(87,818)</u>
Cash flows from financing activities			
Transfer to term deposits with greater than 3 months maturity		<u>(150,000)</u>	<u>(551,000)</u>
Net cash flows from financing activities		<u>(150,000)</u>	<u>(551,000)</u>
Net (decrease)/increase in cash and cash equivalents		(632,667)	747,545
Cash and cash equivalents at beginning of year		2,479,487	1,731,942
Cash and cash equivalents at end of year	4	<u>1,846,820</u>	<u>2,479,487</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

1. CORPORATE INFORMATION

The financial report of Macular Disease Foundation Australia for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the directors on 30 October 2013.

On 21 January 2013 the Company changed its name from Macular Degeneration Foundation Limited to Macular Disease Foundation Australia.

Macular Disease Foundation Australia is a Company limited by guarantee that is incorporated and domiciled in Australia.

The registered office and principal place of business of the Company is Level 9, 447 Kent Street, Sydney, NSW 2000.

The nature of the operations and principal activities of the Company are described in the directors' report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except available-for-sale investments, which have been measured at fair value.

The financial report is presented in Australian dollars (\$).

(a) Statement of compliance

The Company has early adopted AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements for the financial year beginning on 1 July 2010.

The Company is a non-for-profit entity. Therefore the consolidated financial statements of the Company are tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASB - RDRs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The adoption of AASB 1053 and AASB 2010-2 allowed the Company to remove a number of disclosures. There was no other impact on the current or prior year financial statements.

(b) Significant accounting judgements, estimates and assumptions

In applying the Company's accounting policies management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Company. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgments, estimates and assumptions. Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting judgements, estimates and assumptions (continued)

(i) Significant accounting judgements

Impairment of non-financial assets

The Company assesses impairment of all assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. These include economic and political environments and future expectations. If an impairment trigger exists the recoverable amount of the asset is determined. This involves value in use calculations, which incorporate a number of key estimates and assumptions.

(ii) Significant accounting estimates and assumptions

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary. Depreciation charges are included in Note 3.

(c) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Donations and fundraising

Revenue from donations is not brought to account until monies are actually received. Donations in kind are recorded at fair value.

Revenue from fundraising or corporate sponsorship is recognised at fair value when the Foundation obtains control of the contribution or the right to receive the contribution or when the related expenses are incurred.

No amounts are included in the financial statements for services donated by volunteers.

Interest

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

Sales of products

Revenue from sales of goods comprise revenue earned (net of returns, discounts and allowances) from the sale of goods purchased for resale. Sales revenue is recognised when the control of goods passes to the customer.

Investment income

Investment income comprises interest and dividends. Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

Dividends from listed entities are recognised when the right to receive a dividend has been established.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Revenue recognition (continued)

Bequests

Bequests are recognised when the Company is notified of an impending distribution or the legacy is received, whichever occurs earlier.

Government grants

The Foundation's activities are supported by grants received from federal and state governments. Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Revenue from government grants is recognised when the Foundation obtains control of the contribution or the right to receive the contribution or when the related expenses are incurred.

Research grants program donations

When donations are received specifically for the Research grants program, funds are recognised as income when monies are actually received and the Foundation obtains control over the donations. Donations received specifically for research grants are included within the research reserve. Grants awarded in respect of research are adjusted against the research reserve.

Restricted cash

Where corporate donations and government grants are received for specific projects the funds are included within restricted cash. Funds spent in respect of these projects are adjusted against restricted cash.

(d) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Company as a lessee

Operating lease payments are recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term. Lease incentives are recognised in the statement of comprehensive income as an integral part of the total lease expense.

(e) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(f) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Trade receivables are non-interest bearing and are generally on 30-90 day terms.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Trade and other receivables (continued)

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Company will not be able to collect the receivable. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(g) Inventories

Inventories comprise goods for resale and goods for distribution at no or nominal consideration as part of the Company's charitable activities.

Inventories of goods purchased for resale are valued at the lower of cost and net reasonable value. The cost of bringing each item to its present location and condition is determined on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

(h) Income tax

No income tax is payable by the Company as such income is exempt from income tax under the provisions of subdivision 50 of the Income Tax Assessment Act (1997). The Company has Deductible Gift Recipient (DGR) status.

(i) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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

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

(j) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in the statement of comprehensive income as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follow:

Plant and equipment - between 20% to 35% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

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

(k) Investments and other financial assets

Investments and financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired or originated. Designation is re-evaluated at each financial year end, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Recognition and Derecognition

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place.

Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or been transferred.

Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets, principally comprising equity and fixed income securities, together with managed funds, that are designated as available-for-sale or are not classified as any of the other three categories. After initial recognition available-for-sale securities are measured at fair value with gains or losses being recognised as other comprehensive income until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in other comprehensive income is recognised in profit or loss.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. External factors, such as changes in expected future processes, technology and economic conditions, are monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(m) Trade and other payables

Trade payables and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

Trade creditors are non-interest bearing and are normally settled on 60-day terms. Other creditors are non-trade payables, are non-interest bearing and also have an average term of 60 days.

(n) Grant in advance

Grant in advance relates to sponsor funding. The funding agreements states that the Foundation becomes entitled to the funds when the costs are incurred. These costs were not incurred before year end and the grant income has been deferred.

(o) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(p) Employee leave benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

	2013 \$	2012 \$
3. REVENUE AND EXPENSES		
(a) Donations/Fundraising		
Donations	882,341	874,289
Corporate sponsorship	2,249,013	1,113,455
Bequests	457,671	132,467
Total donations/fundraising income	<u>3,589,025</u>	<u>2,120,211</u>
(b) Other income		
Bank interest received	97,326	83,928
Income on investments	107,851	107,469
Other income	16,041	11,582
Total other income	<u>221,218</u>	<u>202,979</u>
(c) Employee benefits expense		
Wages and salaries	1,031,826	943,637
Workers' compensation costs	8,538	6,662
Defined contribution plan expense	84,182	79,441
Annual leave	(5,759)	14,030
Long service leave	135	7,547
Other staff costs	16,123	103,392
Total employee benefits expense	<u>1,135,045</u>	<u>1,154,709</u>
(d) Depreciation expense		
Depreciation of non-current assets		
Plant and equipment	29,293	26,986
Total depreciation expense	<u>29,293</u>	<u>26,986</u>
(e) Other expenses		
Education and prevention programs	2,084,777	841,195
Research (non grants program) expense	28,944	38,928
Communication expense	52,775	54,540
Repairs and maintenance	35,558	32,603
Rental expense	131,203	114,218
Insurance	18,564	16,072
Administration expense	118,255	77,588
Property and equipment cost	108,372	53,857
Loss/(Gain) on disposal of investments	(63,562)	20,470
Sundry expenses	1,372	5,265
Total other expenses	<u>2,516,258</u>	<u>1,254,736</u>
4. CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	596,820	979,487
Short-term deposits	1,250,000	1,500,000
	<u>1,846,820</u>	<u>2,479,487</u>

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
5. GRANTS, CORPORATE SPONSORSHIP AND OTHER RECEIVABLES		
Grants/Corporate sponsorship receivable	550,000	331,985
Short term deposits	650,000	500,000
Other receivables	217,411	90,699
Carrying amount of grants, corporate sponsorship and other receivables	<u>1,417,411</u>	<u>922,684</u>

Allowance for impairment loss

No allowance for impairment loss has been recognized by the Company (2012: \$nil).

6. INVENTORIES

Finished goods

At cost	1,360	816
Total inventory at the lower of cost and net realisable value	<u>1,360</u>	<u>816</u>

7. AVAILABLE-FOR-SALE INVESTMENTS

At Fair Value

Investment portfolio	2,504,211	1,835,293
	<u>2,504,211</u>	<u>1,835,293</u>

The Company has an investment portfolio comprising of securities listed on the Australian Stock Exchange, other managed funds, fixed income securities and bank bills, diversified across a number of asset classes. The fair value of the investment portfolio has been independently determined by reference to published price quotations in active markets. The investment portfolio is managed by an independent investment management firm.

8. PLANT AND EQUIPMENT

Plant and equipment		
At cost	179,574	165,686
Accumulated depreciation	(91,184)	(71,890)
Net carrying amount	<u>88,390</u>	<u>93,796</u>

Movement in property, plant and equipment

Plant and equipment		
Balance at the beginning of the year		
At cost	165,686	173,548
Accumulated depreciation	(71,890)	(151,323)
Net carrying amount	<u>93,796</u>	<u>22,225</u>
Additions	23,887	102,228
Disposals (net of depreciation)	0	(3,671)
Depreciation charge for the year	(29,293)	(26,986)
Balance at the end of the year – net carrying amount	<u>88,390</u>	<u>93,796</u>

During the year, \$10,000 of fully depreciated plant and equipment was written off leading to a reduction in the cost and accumulated depreciation. The cost reduction was offset by \$23,887 of additions during the year. No property, plant or equipment is pledged as security for liabilities at the reporting date (2012: none).

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
9. TRADE AND OTHER PAYABLES (CURRENT)		
Trade creditors	73,072	76,092
Other creditors	162,071	138,288
GST payable	90,373	141,827
Annual leave accrued	46,034	51,793
	<u>371,550</u>	<u>408,000</u>

10. PROVISIONS

Non-current

Long service leave	22,339	22,204
	<u>22,339</u>	<u>22,204</u>

11. COMMITMENTS AND CONTINGENCIES

(a) Commitments

Operating lease commitments – Company as lessee

On the 15 September 2011, the company entered into a lease agreement with a term of 5 years and also an option to renew. As such, the disclosure below includes payments on the remaining term of the old lease and the entire term of the new lease.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

	2013 \$	2012 \$
Within one year	149,240	143,500
After one year but not more than five years	357,307	506,547
More than five years	-	-
	<u>506,547</u>	<u>650,047</u>

Research Grant Commitments

In 2012 the Foundation entered into agreements with two research institutions to provide research grants. Both of these grants are three years in duration and were provided to the Centre for Eye Research (\$400,000) and the University of Sydney (\$294,000). The grant funding is conditional upon compliance with milestones as set out in the agreements.

In October 2013, the Foundation entered into agreements with two research institutions to provide research grants. Both of these grants are three years in duration and were provided to the University of Melbourne (\$400,000) and the Queensland University of Technology (\$200,000). The grant funding is conditional upon compliance with milestones as set out in the agreements.

(b) Contingencies

Guarantee

The Company has arranged a rental guarantee facility of \$51,000 (2012: \$51,000) with National Australia Bank Limited to guarantee rental payments in the eventuality that the Foundation cannot meet its rental obligations.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2013

12. EVENTS AFTER BALANCE DATE

There were no significant events occurring after the balance date which may affect either the Company's operations or results of those operations or the Company's state of affairs.

13 RELATED PARTY DISCLOSURES

The directors of Macular Disease Foundation Australia during the financial year were:

Ms Elizabeth Carr
Dr Paul Beaumont
Mr Peter Brown
Mr Ashley Chapman
Mr Barry Clarke
Mr Richard Grills
Prof Jill Keefe
Mr John McCarroll
Mr Peter Reid
Mr Paul Rogan
Dr Jim Runciman
Ms Suellen Tapsall

The key management personnel of Macular Disease Foundation Australia during the financial year were:

Julie Heraghty (Chief Executive Officer)
Lucy Walker (General Manager)
Rob Cummins (Research and Policy Manager)
Janice Clarkson (Communications Manager)

(a) Compensation of key management personnel

The directors do not receive remuneration for services performed in their role as directors of the Company, besides the contract premiums paid in relation to Directors' and Officers' Liability Insurance of \$2,512 (2012: \$2,367). Directors are reimbursed for the reasonable expenses incurred in attending meetings or carrying out activities on behalf of the Foundation.

Key management personnel received gross remuneration of \$588,205 which includes all remuneration including superannuation (2012: \$568,109).

(b) Loans to key management personnel

There have been no loans made to key management personnel during the financial year.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2013

13 RELATED PARTY DISCLOSURES (CONTINUED)

(c) Other transactions and balances with Directors, key management personnel and their related parties

There have been no other transactions and balances with Directors, key management personnel and their related parties during the financial year.

14. INFORMATION AND DECLARATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991

Macular Disease Foundation Australia

Income received and the cost of raising income for specific fundraising has been audited and all revenue and expenses have been recognised in the financial statements of Macular Disease Foundation Australia.

Income and expenses after the allocation of employment costs to each activity is set out below:

	2013 \$	2012 \$
Income		
Donations/Fundraising	3,884,081	2,314,326
Other income	205,177	191,398
Sale of products	19,823	24,964
Total Income	<u>4,109,081</u>	<u>2,530,687</u>

Directors' Declaration

In accordance with a resolution of the directors of Macular Disease Foundation Australia, I state that:

In the opinion of the directors:

- (a) The financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due.
- (c) In respect of the Company:
 - (i) The provisions of the NSW Charitable Fundraising Act 1991, the regulations under the Act and the conditions attached to the fundraising authority have been complied with (as the State in which the Company is incorporated); and
 - (ii) The internal controls exercised by the Company are appropriate and effective in accounting for all income received.

On behalf of the Board

Elizabeth Carr - BA (Hons), MPA, FAICD
Chairman
Date: 31.10.13

Chairman's Declaration

By the Chairman in respect of fundraising appeals pursuant to section 7 (5) of the Charitable Fundraising Act 1991 – Regulation

I, Elizabeth Carr, Chairman of Macular Disease Foundation Australia, declare, in my opinion:

- (a) the financial report gives a true and fair view of all income and expenditure of the Company with respect to fundraising appeals, for the financial year ended 30 June 2013;
- (b) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal, as at 30 June 2013;
- (c) the provisions of the Charitable Fundraising Act 1991 and the Regulations and the conditions attached to the authority have been complied with for the year 1 July 2012 to 30 June 2013; and
- (d) internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied by the Company from any of its fundraising appeals.

Elizabeth Carr - BA (Hons), MPA, FAICD
Chairman
Date: 31.10.13

Independent auditor's report to the members of Macular Disease Foundation Australia

Report on the financial report

We have audited the accompanying financial report of Macular Disease Foundation Australia, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included on page 9 of this report.

Auditor's Opinion

In our opinion the financial report of Macular Disease Foundation Australia is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the financial position of Macular Disease Foundation Australia at 30 June 2013 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Report on the requirements of the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2008* and the requirements of the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*

We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991* and the *WA Charitable Collections Act (1946)*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2008* and the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non compliance may occur and not be detected. An audit is not designed to detect all instances of non compliance with the requirements described in the above-mentioned Acts and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion:

- a) the financial report of Macular Disease Foundation Australia has been properly drawn up and associated records have been properly kept during the financial year ended 30 June 2013, in all material respects, in accordance with:
 - i sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991*;
 - ii sections 9(6) and 10 of the *NSW Charitable Fundraising Regulations 2008*;
 - iii the *WA Charitable Collections Act (1946)*; and
 - iv the *WA Charitable Collections Regulations (1947)*.



- b) the money received as a result of fundraising appeals conducted by the foundation during the financial year ended 30 June 2013 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Acts and Regulations.

Ernst & Young

Kathy Parsons
Partner
Sydney
31 October 2013