

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 2014

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Report from the Chairman and Chief Executive Officer

FOR THE YEAR ENDED 30 JUNE 2014

In 2013-2014 we continued to build upon our internationally recognised work in macular degeneration while entering a new and exciting phase in working with other macular diseases including diabetic eye disease and retinal vein occlusion. We are delivering effective and impactful programs and activities across the Australian macular disease landscape in the areas of education and awareness, research and client services. We strive always to represent the best interests of the macular disease community.

A particular highlight of this year was the continued investment in Australian researchers via the Macular Disease Foundation Australia Research Grants Program. This program was launched in 2011 to fulfil the Foundation's objective to support research to reduce the incidence and impact of macular degeneration and ultimately to find a cure for this chronic disease. In 2013 the Foundation awarded grants to two outstanding researchers: Professor Erica Fletcher (The University of Melbourne) and Associate Professor Damien Harkin (Queensland University of Technology) to undertake innovative, high impact research.

The grants were awarded on behalf of the Foundation by The Hon Peter Dutton, Minister for Health at an event at the Sydney Opera House. The event was set against the backdrop of the Foundation's unique photo tribute to the renowned Sydney Opera House architect Jørn Utzon who lived with macular degeneration in later life. The Foundation is indebted to his son and our Ambassador Jan Utzon for the gift and use of family photographs for the event and his ongoing commitment to the Foundation.

Since the research grants program launch, over \$1.5 million has been committed to world leading Australian researchers. We thank all donors and benefactors who generously support our research grants program.

Australia continued to be a world leader in raising awareness of macular degeneration, thanks to the work of the Foundation. Of the over 50, at-risk population over 90% are aware of macular degeneration and almost two in three people report as having had a macula check in the last two years. These awareness levels have a direct and substantial impact on early detection leading to saved sight.

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 television and radio advertising campaign. In May 2013, the Foundation continued this campaign airing a new advertisement which maintained the key message to have an eye test and macula check, as well as reinforcing the importance of seeking information and understanding from the Foundation. Our sincere thanks go to Bayer for their generous support of this campaign.

The television and radio campaign led up to and included Macular Degeneration Awareness Week. Now in its 14th year, the awareness week is a key fixture in the eye health calendar. This year the principle message was the promotion of the importance of self-monitoring one's eyes using an Amsler grid. With research showing that knowledge of the Amsler grid was low, it was an ideal opportunity to reinforce how a simple home test could save sight. Our continued thanks go to our partners Novartis and Blackmores for their ongoing support, along with assistance from Optometry Australia.

Our Patron Ita Buttrose AO OBE once again dedicated her time and expertise to the Foundation. She featured in media across Australia promoting risk reduction and early detection as well as the importance of nutrition for eye health through the relaunch of her popular cookbook *Eating for Eye Health - the Macular Degeneration Cookbook*. Ambassador Jean Kittson and her mother Elaine were also generous in their support of the Foundation, sharing their story of Elaine's challenges of being legally blind from macular degeneration which was aired extensively on television across the country.

This year, the impact of the national television and radio campaign as well as Macular Degeneration Awareness Week resulted in an unprecedented demand for the Foundation's services. Over the months of May and June, almost 5,000 Helpline calls were received, 4,000 information kits distributed, and over 130,000 website visits.

As part of our expansion into macular disease, this year the Foundation also directed its attention to diabetic eye disease. We signed a Memorandum of Understanding with Diabetes Australia and in October 2013 jointly undertook a media campaign on World Sight Day to highlight the frightening reality that diabetic eye disease is one of the most common complications of diabetes. More than a third of people with diabetes will develop some form of diabetic eye disease in their lifetime however up to 50% of Australians with diabetes do not undergo eye examinations at the recommended frequency of every two years.

Report from the Chairman and Chief Executive Officer (cont)

FOR THE YEAR ENDED 30 JUNE 2014

Our comprehensive education program once again reached out to those with and at risk of macular degeneration, providing information, understanding and guidance to almost 8,000 people in cities and regional areas across Australia. The program also engaged families and carers recognising the valuable, but often challenging role they have in supporting a person with reduced vision. The Foundation also provided education programs for health care professionals, with particular focus on how they can meet the needs of patients and carers.

In continuing our commitment to represent the best interests of the macular disease community, the Foundation is active in the eye health, disability and ageing sectors. We have fearlessly presented our community's key issues to policy makers, especially the advocating of equity of access to treatment and rehabilitation. Our goal is to improve the quality of life of those with macular disease, their family and carers.

Our major sponsors once again enabled us to deliver new projects, and maintain and improve our existing services. Our sincere thanks go to all our partners especially the Federal and NSW Governments, Blackmores, Bayer, Novartis, Profield and Perpetual Foundation. We thank Ernst & Young who provide their expertise as our auditors and to King & Wood Mallesons who support us with legal advice.

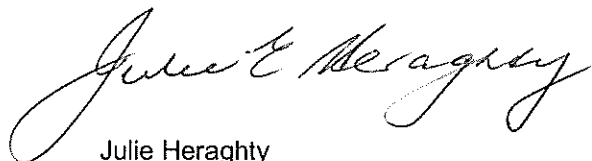
The Foundation is most grateful to the many donors, both individual and corporate, who give so generously in order that others may live better with macular disease. Thank you also to the people and organisations we work with including government and government departments, eye care professionals and 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 support 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: 30/10/14



Julie Heraghty
Chief Executive Officer
BA DipEd

Date: 30/10/14

Directors' Report

Your directors submit their report for the year ended 30 June 2014.

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
Mr Ashley Chapman - CPA, MACS
Dr Paul Beaumont - FRACS, FRANZCO (resigned 10 December 2013)
Mr Peter Brown
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
Assoc. Professor Nitin Verma (appointed 25 August 2014)

Ms 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 not-for-profit board chair and board 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), a director of the Safety, Return to Work and Support Board (NSW) and its associated Audit and Risk Committee and Investment Funds, and also chair of the Audit & Risk Committee for the Department of Family and Community Services.

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

Mr 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 (resigned 10 December 2013)

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 was the Chair of the Medical Committee and a member of the Research Committee before his resignation on 10 December 2013.

Directors' Report (continued)

DIRECTORS (continued)

Mr 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.

Mr 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.

Mr 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.

Prof Jill Keeffe – PhD, OAM

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

Mr 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 more than the past 20 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.

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

Directors' Report (continued)

DIRECTORS (continued)

Mr 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 The University of Sydney 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.

Mr Paul Rogan – BBus, FCPA, AICD

Paul Rogan is a senior executive with more than thirty 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 Runciman is a leading ophthalmologist with a special interest in retinal diseases and the support of those with vision impairment. He is a fellow and past SA state chairman of the Royal Australian and New Zealand College of Ophthalmologists, and has recently retired as a director of the Adelaide Eye and Retina Centre as well as from the board of the Royal Society for the Blind SA having served on it since 1995 including as a past president. He remains involved in ophthalmic research and is a consultant to Ellex Lasers R&D.

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

Ms 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.

Associate Professor Nitin Verma – FRANZCO, MD.MMeD, Dip NBE (appointed 25 August 2014)

Associate Professor Nitin Verma is a leading ophthalmologist with a special interest in retinal diseases and has published and presented more than 100 papers. He is a Consulting Ophthalmologist at the Hobart Eye Clinic and Calvary Hospital, Senior Lecturer at the Faculty of Medicine, University of Sydney, Senior Lecturer of Ophthalmology at the University of Tasmania and Head of Department of the eye clinic at the Royal Hobart Hospital. He is a Board Member and Fellow of the Royal Australian and New Zealand College of Ophthalmologists (RANZCO), and Board Member of RANZCO Eye Foundation and Foresight Australia and the national Hospitalier for St John Ambulance Australia. Assoc. Prof Verma is also the Honorary Consul in Tasmania for Timor Leste. He was awarded the Order of Australia in 2010 for his service to ophthalmology.

Assoc. Prof Verma is a member of the Medical Committee and 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.

In January 2013, the Company expanded to include all macular diseases (not just macular degeneration) and the long term objectives are to continue to expand the service provision to support the major macular diseases as well as 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 Company 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 Company'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 Company 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 or 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 2014 the Company had 14 members (2013: 20 members). The total liability of members would be \$14 (2013: \$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: 5	Meetings: 4	Meetings: 3	Meetings: 2
Ms Elizabeth Carr	6	3	2	3	2	3	2
Mr Ashley Chapman	6	5	4	5			2
Dr Paul Beaumont	1				2	3	
Mr Peter Brown	5			5			
Mr Barry Clarke	5		3	5			
Mr Richard Grills	5			5			
Prof Jill Keefe	4			3			
Mr John McCarroll	6		4				2
Mr Peter Reid	6	3	2	5			
Mr Paul Rogan	5	5	4			3	
Dr Jim Runciman	5				4	3	
Ms Suellen Tapsall	6			4		3	

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.

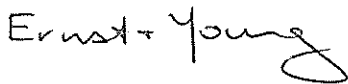
Signed in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'Elizabeth Carr', with a large, stylized flourish at the end.

Elizabeth Carr - BA (Hons), MPA, FAICD
Chairman
Date: 30/10/14

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 2014, 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
30 October 2014

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 \$	2013 \$
Donations/Fundraising	3(a)	3,053,293	3,589,025
Government grants		480,747	469,898
Sale of products		19,024	18,823
Other income	3(b)	344,524	284,780
		<u>3,897,588</u>	<u>4,362,526</u>
Cost of sales		(6,564)	(4,656)
Employee benefits expense	3(c)	(1,327,185)	(1,135,045)
Depreciation expense	3(d)	(32,847)	(29,293)
Other expenses	3(e)	(2,075,868)	(2,579,821)
		<u>455,124</u>	<u>613,711</u>
Research grants program donations		330,400	280,016
Research grants program expenditures		(369,999)	(283,333)
Net research grants program (deficit)/surplus		<u>(39,599)</u>	<u>(3,317)</u>
Net Surplus of the year		415,525	610,394
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>168,082</u>	<u>230,841</u>
Other comprehensive income/(loss) for the year		<u>168,082</u>	<u>230,841</u>
Total comprehensive income for the year		<u>583,607</u>	<u>841,235</u>

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

Statement of Financial Position

AS AT 30 JUNE 2014

	Notes	2014 \$	2013 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	1,184,382	1,846,820
Grants, sponsorship, donations and other receivables	5	1,012,457	1,417,411
Inventories	6	88	1,360
Prepayments		14,954	6,476
Total Current Assets		2,211,881	3,272,067
Non-current Assets			
Available-for-sale investments	7	4,419,856	2,504,211
Plant and equipment	8	61,586	88,390
Other assets		51,000	51,000
Total Non-current Assets		4,532,442	2,643,601
TOTAL ASSETS		6,744,323	5,915,668
LIABILITIES			
Current Liabilities			
Trade and other payables	9	291,927	325,516
Provisions	10(a)	80,013	46,034
Grant in advance		945,253	720,643
Total Current Liabilities		1,317,193	1,092,193
Non-current Liabilities			
Provisions	10(b)	42,387	22,339
Total Non-current Liabilities		42,387	22,339
TOTAL LIABILITIES		1,359,580	1,114,532
NET ASSETS		5,384,743	4,801,136
FUNDS			
Retained funds		5,035,467	4,619,942
Net unrealised gains/(losses) reserve		349,276	181,194
TOTAL FUNDS		5,384,743	4,801,136

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 2014

	Surplus funds	Restricted cash funds (a)	Research reserve (b)	Total Retained funds	Net unrealised (losses)/ gains reserve	Total funds
	\$	\$	\$	\$	\$	\$
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
Surplus for the year	415,525	-	-	415,525	-	415,525
Other comprehensive income	-	-	-	-	168,082	168,082
Total comprehensive income/(loss) for the year	415,525	-	-	415,525	168,082	583,607
Income received in the year	(1,095,290)	764,890	330,400	-	-	-
Funds spent during the year	1,277,208	(907,209)	(369,999)	-	-	-
Net surplus of the year allocated to reserves	(89,599)	-	89,599	-	-	-
At 30 June 2014	3,099,133	136,334	1,800,000	5,035,467	349,276	5,384,743

(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 Company 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 2014

	Notes	2014 \$	2013 \$
Cash flows from operating activities			
Receipts from donations		4,143,874	3,139,463
Receipts from sale of products		20,297	18,823
Receipts from other income		25,305	28,415
Payments to suppliers and employees		(3,382,955)	(3,677,237)
Payments for research grants		(369,999)	(283,333)
Receipt of government grants		480,747	469,898
Interest received		97,111	76,232
Net cash flows from operating activities		1,014,380	(227,739)
Cash flows from investing activities			
Purchase of property, plant and equipment		(6,043)	(23,887)
Disposal of property, plant and equipment		0	0
Investment income received		29,225	18,959
Net payments for the purchase of available-for-sale investments		(1,600,000)	(250,000)
Net cash flows used in investing activities		(1,576,818)	(254,928)
Cash flows from financing activities			
Transfer to term deposits with greater than 3 months maturity		(100,000)	(150,000)
Net cash flows from financing activities		(100,000)	(150,000)
Net (decrease)/increase in cash and cash equivalents		(662,438)	(632,667)
Cash and cash equivalents at beginning of year		1,846,820	2,479,487
Cash and cash equivalents at end of year	4	1,184,382	1,846,820

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 2014

1. CORPORATE INFORMATION

The financial report of Macular Disease Foundation Australia for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the directors On 30 October 2014.

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

2.1 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 (\$).

2.2 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 not-for-profit entity. Therefore the 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.

2.3 Changes in accounting policies, new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year.

New and amended standards and interpretations

The Company has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2013:

- AASB 13 Fair Value Measurement
- AASB 19 Employee Benefits (Revised 2011)

Adoption of these Standards did not have material effect on the financial position or performance of the Company.

Several other amendments apply for the first time in 2013/2014. However, they do not impact the annual financial statements of the Company.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies, new and amended standards and interpretations (continued)

The nature and the impact of each new standards and amendments is described below:

AASB 13 Fair Value Measurement

AASB 13 establishes a single source of guidance under Australian Accounting Standards for all fair value measurements. AASB 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under Australian Accounting Standards. AASB 13 defines fair value as an exit price. As a result of the guidance in AASB 13, the Company re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities.

Application of AASB 13 has not materially impacted the fair value measurements of the Company.

AASB 119 Employee Benefits

This standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. However, this does not change the classification of the liability merely the measurement.

2.4 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:

(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.

(a) 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:

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Revenue recognition (continued)

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 Company 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.

Bequests

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

Government grants

The Company'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 Company 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 Company 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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) 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.

(c) 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.

(d) 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.

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.

(e) 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.

(f) 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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) 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.

(h) 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.

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.

(i) 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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Investments and other financial assets (continued)

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.

(j) 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.

(k) 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.

(l) Grant in advance

Grant in advance relates to sponsor funding. The funding agreements states that the Company 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.

(m) 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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) 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.

(o) Fair Value measurement

The Company measures financial instruments, such as, available-for-sale investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
3. REVENUE AND EXPENSES		
(a) Donations/Fundraising		
Donations	919,196	882,341
Corporate sponsorship	1,962,644	2,249,013
Bequests	171,453	457,671
Total donations/fundraising income	<u>3,053,293</u>	<u>3,589,025</u>
(b) Other income		
Bank interest received	66,375	97,326
Income on investments	208,981	107,851
Gain on disposal of investments	43,863	63,562
Other income	25,305	16,041
Total other income	<u>344,524</u>	<u>284,780</u>
(c) Employee benefits expense		
Wages and salaries	1,117,962	1,031,826
Workers' compensation costs	7,596	8,538
Defined contribution plan expense	96,326	84,182
Annual leave	33,979	(5,759)
Long service leave	20,048	135
Other staff costs	51,274	16,123
Total employee benefits expense	<u>1,327,185</u>	<u>1,135,045</u>
(d) Depreciation expense		
Depreciation of non-current assets		
Plant and equipment	32,847	29,293
Total depreciation expense	<u>32,847</u>	<u>29,293</u>
(e) Other expenses		
Education and prevention programs	1,673,943	2,084,777
Research (non grants program) expense	22,814	28,944
Communication expense	68,490	52,775
Repairs and maintenance	20,388	35,558
Rental expense	122,858	131,203
Insurance	17,535	18,565
Administration expense	93,908	118,255
Property and equipment cost	54,302	108,372
Sundry expenses	1,630	1,372
Total other expenses	<u>2,075,868</u>	<u>2,579,821</u>
4. CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	934,382	596,820
Short-term deposits	250,000	1,250,000
	<u>1,184,382</u>	<u>1,846,820</u>

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
5. GRANTS, CORPORATE SPONSORSHIP AND OTHER RECEIVABLES		
Grants/Corporate sponsorship receivable	4,551	550,000
Short term deposits	750,000	650,000
Other receivables	257,906	217,411
Carrying amount of grants, corporate sponsorship and other receivables	<u>1,012,457</u>	<u>1,417,411</u>

Allowance for impairment loss

No allowance for impairment loss has been recognized by the Company (2013: \$nil).

6. INVENTORIES

Finished goods

At cost	88	1,360
Total inventory at the lower of cost and net realisable value	<u>88</u>	<u>1,360</u>

7. AVAILABLE-FOR-SALE INVESTMENTS

At Fair Value

Investment portfolio	4,419,856	2,504,211
	<u>4,419,856</u>	<u>2,504,211</u>

The Company has an investment portfolio comprising of securities listed on the Australian Stock Exchange, 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	164,140	179,574
Accumulated depreciation	(102,554)	(91,184)
Net carrying amount	<u>61,586</u>	<u>88,390</u>

Movement in property, plant and equipment

Plant and equipment		
Balance at the beginning of the year		
At cost	179,574	165,686
Accumulated depreciation	(91,184)	(71,890)
Net carrying amount	<u>88,390</u>	<u>93,796</u>
Additions	6,043	23,887
Disposals (net of depreciation)	-	-
Depreciation charge for the year	(32,847)	(29,293)
Balance at the end of the year – net carrying amount	<u>61,586</u>	<u>88,390</u>

During the year, \$21,477 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 \$6,043 of additions during the year. No property, plant or equipment is pledged as security for liabilities at the reporting date (2013: none).

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2013

	2014 \$	2013 \$
9. TRADE AND OTHER PAYABLES (CURRENT)		
Trade creditors	125,842	73,072
Other creditors	160,715	162,071
GST payable	5,370	90,373
	<u>291,927</u>	<u>325,516</u>
10. PROVISIONS		
(a) Current		
Annual Leave	<u>80,013</u>	<u>46,034</u>
(b) Non-current		
Long service leave	<u>42,378</u>	<u>22,339</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:

	2014 \$	2013 \$
Within one year	155,209	149,240
After one year but not more than five years	202,098	357,307
More than five years	-	-
	<u>357,307</u>	<u>506,547</u>

Research Grant Commitments

In 2012 the Company 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 Company 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 (2013: \$51,000) with National Australia Bank Limited to guarantee rental payments in the eventuality that the Company cannot meet its rental obligations.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2014

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 Keeffe
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 (2013: \$2,512). Directors are reimbursed for the reasonable expenses incurred in attending meetings or carrying out activities on behalf of the Company.

Key management personnel received gross remuneration of \$623,190 which includes all remuneration including superannuation (2013: \$588,205).

(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 2014

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:

	2014 \$	2013 \$
Income		
Donations/Fundraising	3,408,998	3,884,081
Other income	319,219	268,739
Sale of products	19,024	19,823
Total Income	<u>3,747,241</u>	<u>4,172,644</u>

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2014

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

	Notes	2014 \$	2013 \$
Expenses			
Education		80,611	71,845
Awareness		1,361,173	1,477,524
Support services		539,611	443,289
Representation		211,398	529,171
Cost of providing services		2,192,793	2,521,829
Research		602,075	506,675
Cost of providing services and research		2,794,868	3,028,504
Management		401,270	419,367
Fundraising		135,578	113,806
Total Expenses		3,331,716	3,561,677
Surplus for the year (excluding Government Grants and related costs)		415,525	610,966
(a) Gross proceeds from fundraising		3,408,998	3,884,082
Costs of fundraising		(135,578)	(113,806)
Net Surplus obtained from fundraising appeals		3,273,420	3,770,276
(b) Application of net surplus obtained from fundraising appeals			
Providing services and research		2,794,868	3,028,504
Cost of operations		478,552	741,772
		3,273,420	3,770,276

	2014 \$	%	2013 \$	%
(c) Comparisons of certain monetary figures and percentages				
Total cost of fundraising /	135,578	4.0%	113,806	2.9%
Gross income from fundraising	3,408,998		3,884,082	
Net surplus from fundraising /	3,273,420	96.0%	3,770,276	97.1%
Gross income from fundraising	3,408,998		3,884,082	
Total costs of services /	3,196,139	95.9%	3,447,871	96.8%
Total expenditure	3,331,716		3,561,677	
Total costs of services /	3,196,139	85.3%	3,447,871	82.6%
Total income received	3,747,241		4,172,644	

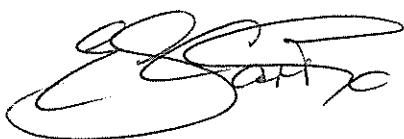
Directors' Declaration

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* and the *Australian Charities and Not-for Profits Commission Act 2012*, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.
- (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

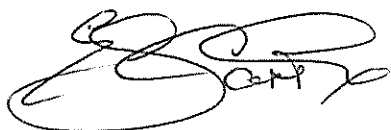
Date: 30/10/14

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 2014;
- (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 2014;
- (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 2013 to 30 June 2014; 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: 30/10/14

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 2014, 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, the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012* 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* and the *Australian Charities and Not-for-Profits Commission Act 2012*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion the financial report of Macular Disease Foundation Australia is in accordance with the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (a) giving a true and fair view of the financial position of Macular Disease Foundation Australia at 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the *Corporations Regulations 2001* and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Report on the requirements of the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2008*

We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991*. 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*.

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 Act 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 2014, in all material respects, in accordance with:
 - i sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991*; and
 - ii sections 9(6) and 10 of the *NSW Charitable Fundraising Regulations 2008*.
- b) the money received as a result of fundraising appeals conducted by the company during the financial year ended 30 June 2014 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Act and Regulations.


Ernst & Young


Kathy Parsons
Partner
Sydney
30 October 2014