



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 2015

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Report from the Chairman and Chief Executive Officer

FOR THE YEAR ENDED 30 JUNE 2015

The 2014-2015 year was an exciting one in the Foundation's history as we continued to improve the eye health of Australians by reducing the incidence and impact of macular disease. We are proud of our ongoing internationally recognised success as a world leader in awareness of macular degeneration, and our achievements as we launched into a broader campaign to raise awareness of diabetic eye disease.

During the year the Foundation's financial capacity continued to strengthen which enables us to continue to meet the increasing demand for our programs and services. In the year ended June 2015 the Foundation generated a net surplus of \$1.36 million (2014: \$0.4m). This was primarily through significant growth in bequests, a generosity of giving which is greatly appreciated but is of course an unknown in terms of sustainable income.

The ongoing ability of the Foundation to achieve its mission in a manner which is sustainable is dependent upon maintaining the strong financial position it has established and the ongoing contributions from its wide supporter base of corporations, government, foundations and individual donors and bequestors. The ageing population and the increasing prevalence of diabetes will continue to place high demands on the Foundation's services to support those with age-related macular degeneration and diabetic eye disease. Additionally, the services delivered to those with other macular diseases will also continue to be a priority. The generosity of those who support the Foundation makes a vital contribution to funding the delivery of services and the Research Grants Program.

The Foundation has a key objective to fund Australian research in macular degeneration. Subsequent to year end, in October 2015, the Foundation granted a record \$1.3 million to Australian researchers via its Research Grants Program. This included the inaugural Blackmores Macular Disease Foundation Research Grant. This brings our total commitment to research grants to \$2.8 million since the program launched in 2011.

Our 15th annual Macular Degeneration Awareness Week asserted its position as a highlight on the public health calendar when State Governors across Australia agreed to be the Foundation's *Custodians of Vision*. The participating Governors had their eyes tested by an ophthalmologist and supported the communication of our key eye health messages to the Australian community. Their generous contribution played a significant role in this years' campaign success.

The Foundation's first diabetic eye disease awareness advertising campaign was undertaken in 2015 with the aim to increase awareness of this disease and encourage those with diabetes to have regular eye tests. Over 1.1 million Australians have diabetes and all are at risk of diabetic eye disease. The Foundation's National Research Advisor, Professor Paul Mitchell, has stated that many people with the more common type 2 diabetes will have had the disease for many years by the time they are diagnosed. A large proportion of these people will develop potentially blinding diabetic retinopathy within five to ten years of their diabetes diagnosis.

As part of our work in this area, in collaboration with Diabetes Australia, the Foundation played a significant role in the production of a Deloitte Access Economics report on the economic impact of diabetic macular edema – the major and growing cause of vision loss in Australians with diabetes.

Our Patron, Ita Buttrose AO, OBE, once again was tirelessly committed in her support for the Foundation, helping us communicate key messages on macular disease throughout the year, and particularly in her promotion of Macular Degeneration Awareness Week and the mEYE World Photographic Competition. We thank Ita Buttrose has been Patron of the Foundation for over a decade, dedicating her time and expertise to promote prevention and early detection of macular degeneration. Thanks also to Ambassadors Jean Kittson and Jan Utzon, who continue to commit to the Foundation's work in raising awareness of disease and the impact on individuals, their families and carers.

Our sincere thanks go to all our major sponsors and partners who once again helped enable us to meet our objectives in education, awareness, and research. They also supported the Foundation so that we could provide client services and be the voice of the macular disease community. A special thanks to the Federal and NSW Governments, Bayer, Blackmores, Mylan, Novartis, and the Perpetual and Profield Foundations.

Report from the Chairman and Chief Executive Officer (cont)

FOR THE YEAR ENDED 30 JUNE 2015

The Foundation is most grateful to the many donors and supporters, both individual and corporate, who give so generously so that the Foundation can undertake its work in prevention, early detection and support for those at risk of, or living with, macular disease and associated vision loss and blindness. 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.



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

Date: 11.11.15



Julie Heraghty
Chief Executive Officer
BA DipEd

Date: 11.11.15

Directors' Report

Your directors submit their report for the year ended 30 June 2015.

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
Mr Peter Brown (resigned 8 December 2014)
Mr Barry Clarke – FIPA (resigned 8 December 2014)
Colonel John Fenwick – BA, MBA, GAICD, AFAIM (appointed 24 June 2015)
Mr Richard Grills
Professor Jill Keefe – PhD, OAM (resigned 8 December 2014)
Ms Imelda Lynch – RN, BN, MH SN, GAICD (appointed 24 June 2015)
Mr John McCarroll – B.Ec, GAICD
Mr Peter Reid – BA, LLB, FAICD (resigned 8 December 2014)
Mr Paul Rogan – BBus, FCPA, AICD
Dr Jim Runciman – FRACS, FRANZCO
Ms Suellen Tapsall – BA, MA, FAIM
Associate Professor Nitin Verma – AM, FRANZCO, MD.MMed, Dip NBE (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 over 20 years. She is also Chair of St Catherine's Aged Care Services (NSW), and Seton Villa (NSW). She is 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, Chair of the Audit and Risk Committee for the Department of Family and Community Services (NSW), and a Member of the Harvard Club of Australia Council.

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 and Risk Committee, the Client Services Committee and the Board Nomination and Evaluation Committee.

Mr Peter Brown (resigned 8 December 2014)

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 was a member of the Client Services Committee.

Directors' Report (continued)

DIRECTORS (continued)

Mr Barry Clarke – FIPA (resigned 8 December 2014)

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 was a member of the Client Services Committee and the Investment Sub-Committee.

Colonel John Fenwick, BA, MBA, GAICD, AFAIM (appointed 24 June 2015)

John is a colonel and Defence professional with over 25 years experience in the Army. His career spans being a helicopter pilot to leading and managing at numerous levels in the Defence Force in a variety of positions. He is currently the director of a program of several Army materiel projects and their project managers, managing multiple stakeholders and funding approvals with Government.

John is a graduate of the Australian Defence Force Academy and the Royal Military College at Duntroon. He holds an MBA specialising in Accounting and Finance from Deakin University and a BA in Economics and Information Systems from UNSW. John is a graduate of the Australian Institute of Company Directors and an Associate Fellow with the Australian Institute of Management.

Colonel John Fenwick is a member of the Audit and Risk 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 ophthalmic optics at Sydney University and also teaches at UTS (orthoptics) and Notre Dame University (ophthalmic nurses). Richard is the Chairman of the Optical Distributors & Manufacturers Association (ODMA) and a director of the Genetic Eye Foundation. He is a member of the visiting advisory board at both UNSW Optometry School and UTS Orthoptic School.

Richard Grills is a member of the Client Services Committee.

Prof Jill Keeffe – PhD, OAM (resigned 8 December 2014)

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 was a member of the Client Services Committee.

Ms Imelda Lynch – RN, BN, MHSN, GAICD (appointed 24 June 2015)

Imelda Lynch has a nursing background with extensive executive and health administration experience having spent 25 years in leadership positions in both the public and private health sectors.

She was founding CEO of Bellberry Limited, the first provider of independent human research ethics committees in Australia, a position she stepped down from in 2014. She now holds a non-executive director role with Bellberry.

Imelda Lynch is a member of the Client Services Committee.

Directors' Report (continued)

DIRECTORS (continued)

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 Audit and Risk Committee (from 30 March 2015) and the Board Nomination and Evaluation Committee.

Mr Peter Reid – BA, LLB, FAICD (resigned 8 December 2014)

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 was a member of the Audit and 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 and Risk Committee. He was Chair of the Research Committee up to 8 December 2014.

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.

Directors' Report (continued)

DIRECTORS (continued)

Associate Professor Nitin Verma – AM, 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 Head of the Department of Ophthalmology at the Royal Hobart Hospital, Clinical Associate Professor at the School of Medicine, University of Tasmania and Sydney, and is in private practice at Hobart Eye Surgeons. 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 the national Hospitalier for St John Ambulance Australia. Assoc. Professor 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. Professor Verma is the Chair of the Research Committee (from 8.12.14) and a member of the Medical 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.

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 potentially 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; engaging 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

On 8 October 2015 the Company announced research grants funding of \$1.3 million for 6 recipients commencing in 2016.

There were no other 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 2015 the Company had 17 members (2014: 14 members). The total liability of members would be \$17 (2014: \$14).

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	
	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible
Ms Elizabeth Carr	5	5	5	5	4	4	2	4	4	4	2	2	2	2
Mr Ashley Chapman	5	5	5	5	4	4	3	4					2	2
Mr Peter Brown	1	3					1	2						
Mr Barry Clarke	2	3					1	2						
Col John Fenwick	1	1	0	0										
Mr Richard Grills	5	5					3	4						
Prof Jill Keeffe	1	3					2	2						
Ms Imelda Lynch	1	1					0	0						
Mr John McCarroll	4	5			3	4							2	2
Mr Peter Reid	3	3	3	3	2	2	2	2						
Mr Paul Rogan	4	5	4	5	3	4					1	1		
Dr Jim Runciman	5	5							4	4	2	2		
Ms Suellen Tapsall	5	5					4	4			2	2		
Dr Nitin Verma	4	4							2	4	1	1		

Note: At the 24 June 2015 Board meeting, the Investment Sub-Committee was consolidated into the Audit and Risk Committee.

Directors' Report (continued)

AUDITOR INDEPENDENCE

The directors received an independence declaration from the auditor, Ernst & Young. A copy has been included on page 10 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 loop at the end.

Elizabeth Carr - BA (Hons), MPA, FAICD
Chairman
Date: 11.11.15

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

In relation to our audit of the financial report of Macular Disease Foundation Australia for the financial year ended 30 June 2015, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Australian Charities and Not-for profits Commission Act 2012* or any applicable code of professional conduct.



Ernst & Young



Kathy Parsons
Partner
11 November 2015

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014 \$
Donations/Fundraising	3(a)	3,102,238	3,053,293
Government grants		515,658	480,747
Sale of products		10,238	12,460
Other income	3(b)	409,521	344,524
		<u>4,037,655</u>	<u>3,891,024</u>
Employee benefits expense	3(c)	(1,268,392)	(1,327,185)
Depreciation expense	3(d)	(31,972)	(32,847)
Other expenses	3(e)	(1,570,387)	(2,075,868)
		<u>1,166,904</u>	<u>455,124</u>
Research grants program donations		566,736	330,400
Research grants program expenditures		(375,949)	(369,999)
Net research grants program (deficit)/surplus		<u>190,787</u>	<u>(39,599)</u>
Net Surplus of the year		<u>1,357,691</u>	<u>415,525</u>
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Net fair value gains on available-for-sale financial assets		<u>41,903</u>	<u>168,082</u>
Other comprehensive income for the year		<u>41,903</u>	<u>168,082</u>
Total comprehensive income for the year		<u>1,399,594</u>	<u>583,607</u>

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

Statement of Financial Position

AS AT 30 JUNE 2015

	Notes	2015 \$	2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	1,364,501	1,184,382
Grants, sponsorship, donations and other receivables	5	863,796	1,012,545
Prepayments		14,528	14,954
Total Current Assets		2,242,825	2,211,881
Non-current Assets			
Available-for-sale investments	6	5,671,953	4,419,856
Plant and equipment	7	41,231	61,586
Other assets		51,000	51,000
Total Non-current Assets		5,764,184	4,532,442
TOTAL ASSETS		8,007,009	6,744,323
LIABILITIES			
Current Liabilities			
Trade and other payables	8	299,380	291,927
Provisions	9(a)	103,952	80,013
Grant in advance		799,090	945,253
Total Current Liabilities		1,202,422	1,317,193
Non-current Liabilities			
Provisions	9(b)	20,250	42,387
Total Non-current Liabilities		20,250	42,387
TOTAL LIABILITIES		1,222,672	1,359,580
NET ASSETS		6,784,337	5,384,743
FUNDS			
Retained funds		6,393,158	5,035,467
Net unrealised gains reserve		391,179	349,276
TOTAL FUNDS		6,784,337	5,384,743

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 2015

	Surplus funds	Restricted cash funds (a)	Research reserve (b)	Total Retained funds	Net unrealised gains reserve	Total funds
	\$	\$	\$	\$	\$	\$
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 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
Surplus for the year	1,357,691	-	-	1,357,691	-	1,357,691
Other comprehensive income	-	-	-	-	41,903	41,903
Total comprehensive income for the year	1,357,691	-	-	1,357,691	41,903	1,399,594
Income received in the year	(1,649,478)	1,082,742	566,736	-	-	-
Funds spent during the year	1,485,143	(1,109,194)	(375,949)	-	-	-
Net surplus of the year allocated to reserves	(9,213)	-	9,213	-	-	-
At 30 June 2015	4,283,276	109,882	2,000,000	6,393,158	391,179	6,784,337

(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 2015

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from donations		3,428,230	4,143,874
Receipts from sale of products		16,367	20,297
Receipts from other income		2,196	25,305
Payments to suppliers and employees		(2,724,177)	(3,382,955)
Payments for research grants		(375,949)	(369,999)
Receipt of government grants		515,658	480,747
Interest received		48,636	97,111
Net cash flows from operating activities	12	<u>910,961</u>	<u>1,014,380</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(11,617)	(6,043)
Disposal of property, plant and equipment		-	-
Investment income received		30,775	29,225
Net payments for the purchase of available-for-sale investments		<u>(1,000,000)</u>	<u>(1,600,000)</u>
Net cash flows used in investing activities		<u>(980,842)</u>	<u>(1,576,818)</u>
Cash flows from financing activities			
Transfer to term deposits with greater than 3 months maturity		<u>250,000</u>	<u>(100,000)</u>
Net cash flows from/(used in) financing activities		<u>250,000</u>	<u>(100,000)</u>
Net (decrease)/increase in cash and cash equivalents		180,119	(662,438)
Cash and cash equivalents at beginning of year		<u>1,184,382</u>	<u>1,846,820</u>
Cash and cash equivalents at end of year	4	<u><u>1,364,501</u></u>	<u><u>1,184,382</u></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 2015

1. CORPORATE INFORMATION

The financial report of Macular Disease Foundation Australia for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 11 November 2015.

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 Charities and Not-for-Profits Commission Act 2012, 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 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 Charities and Not-for-Profits Commission Act 2012, Australian Accounting Standards - Reduced Disclosure Requirements (AASB - RDRs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

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 2014:

- AASB 1031 Materiality
- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments
- AASB 1053 Application of Tiers of Australian Accounting Standards

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2015

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 1013 Materiality

The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed. AASB 2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. The amendments are effective from 1 July 2014.

AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments

The Standard contains three main parts and makes amendments to a number Standards and Interpretations.

- Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1.
- Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.
- Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 *Hedge Accounting* into AASB 9 *Financial Instruments*.

Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements

The Standard makes amendments to AASB 1053 Application of Tiers of Australian Accounting Standards to:

- clarify that AASB 1053 relates only to general purpose financial statements;
- make AASB 1053 consistent with the availability of the AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* option in AASB 1 *First-time Adoption of Australian Accounting Standards*;
- clarify certain circumstances in which an entity applying Tier 2 reporting requirements can apply the AASB 108 option in AASB 1; permit an entity applying Tier 2 reporting requirements for the first time to do so directly using the requirements in AASB 108 (rather than applying AASB 1) when, and only when, the entity had not applied, or only selectively applied, applicable recognition and measurement requirements in its most recent previous annual special purpose financial statements; and
- specify certain disclosure requirements when an entity resumes the application of Tier 2 reporting requirements.

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:

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Significant accounting judgements, estimates and assumptions (cont'd)

(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:

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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 2015

	2015 \$	2014 \$
3. REVENUE AND EXPENSES		
(a) Donations/Fundraising		
Donations	940,632	919,196
Corporate sponsorship	1,456,129	1,962,644
Bequests	705,477	171,453
Total donations/fundraising income	3,102,238	3,053,293
(b) Other income		
Bank interest received	52,650	66,375
Income on investments	320,738	208,981
Gain on disposal of investments	33,937	43,863
Other income	2,196	25,305
Total other income	409,521	344,524
(c) Employee benefits expense		
Wages and salaries	1,093,110	1,117,962
Workers' compensation costs	7,589	7,596
Defined contribution plan expense	98,395	96,326
Annual leave	(14,512)	33,979
Long service leave	16,313	20,048
Other staff costs	67,497	51,274
Total employee benefits expense	1,268,392	1,327,185
(d) Depreciation expense		
Depreciation of non-current assets		
Plant and equipment	31,972	32,847
Total depreciation expense	31,972	32,847
(e) Other expenses		
Education and prevention programs	1,044,689	1,673,943
Research (non grants program) expense	14,000	22,814
Communication expense	160,421	68,490
Repairs and maintenance	19,337	20,388
Rental expense	127,031	122,858
Insurance	17,790	17,535
Administration expense	119,055	93,908
Property and equipment cost	67,799	54,302
Sundry expenses	265	1,630
Total other expenses	1,570,387	2,075,868
4. CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	614,501	934,382
Short-term deposits	750,000	250,000
	1,364,501	1,184,382

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
5. GRANTS, CORPORATE SPONSORSHIP AND OTHER RECEIVABLES		
Grants/Corporate sponsorship receivable	-	4,551
Short term deposits	500,000	750,000
Other receivables	321,870	257,994
GST receivable	41,926	-
Carrying amount of grants, corporate sponsorship and other receivables	863,796	1,012,545

Allowance for impairment loss

No allowance for impairment loss has been recognised by the Company (2014: \$nil).

6. AVAILABLE-FOR-SALE INVESTMENTS

At Fair Value

Investment portfolio	5,671,953	4,419,856
	5,671,953	4,419,856

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.

7. PLANT AND EQUIPMENT

Plant and equipment		
At cost	175,757	164,140
Accumulated depreciation	(134,526)	(102,554)
Net carrying amount	41,231	61,586

Movement in property, plant and equipment

Plant and equipment		
Balance at the beginning of the year		
At cost	164,140	179,574
Accumulated depreciation	(102,554)	(91,184)
Net carrying amount	61,586	88,390
Additions	11,617	6,043
Disposals (net of depreciation)	-	-
Depreciation charge for the year	(31,972)	(32,847)
Balance at the end of the year – net carrying amount	41,231	61,586

No property, plant or equipment is pledged as security for liabilities at the reporting date (2014: none).

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
8. TRADE AND OTHER PAYABLES (CURRENT)		
Trade creditors	157,967	125,842
Other creditors	141,413	160,715
GST Payable	-	5,370
	<u>299,380</u>	<u>291,927</u>
9. PROVISIONS		
(a) Current		
Annual Leave	65,502	80,013
Long service leave	38,450	-
	<u>103,952</u>	<u>80,013</u>
(b) Non-current		
Long service leave	<u>20,250</u>	<u>42,387</u>

10. 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 for 3 years.

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

	2015 \$	2014 \$
Within one year	161,418	155,209
After one year but not more than five years	40,680	202,098
More than five years	-	-
	<u>202,098</u>	<u>357,307</u>

Research Grant Commitments

In 2011 the Company launched its Research Grants Program and subsequently the Company has entered into agreements with research institutions to provide research grants. All 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).

(b) Contingencies

Guarantee

The Company has arranged a rental guarantee facility of \$51,000 (2014: \$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 2015

	2015 \$	2014 \$
11. AUDITOR REMUNERATION		
Audit of financial statements		
Ernst & Young	28,000	27,810
12. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash flows from operating activities		
Surplus for the year	1,357,691	415,525
Working capital adjustments		
- (Increase)/decrease in other receivables	(101,251)	506,226
- (Increase)/decrease in prepayments	426	(8,478)
- Increase/(decrease) in trade and other payables	7,453	(33,589)
- Increase/(decrease) in grant in advance	(146,163)	224,610
- Increase/(decrease) in provisions	1,802	54,027
Depreciation	31,972	32,847
Investment income	(240,969)	(176,788)
Net cash flows from operating activities	910,961	1,014,380

13. EVENTS AFTER BALANCE DATE

On 8 October 2015 the Company announced research grants funding of \$1.3 million for 6 recipients commencing in 2016.

There were no other 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.

14. RELATED PARTY DISCLOSURES

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

Ms Elizabeth Carr
 Mr Peter Brown (resigned 8 December 2014)
 Mr Ashley Chapman
 Mr Barry Clarke (resigned 8 December 2014)
 Colonel John Fenwick (appointed 24 June 2015)
 Mr Richard Grills
 Professor Jill Keefe (resigned 8 December 2014)
 Ms Imelda Lynch (appointed 24 June 2015)
 Mr John McCarroll
 Mr Peter Reid (resigned 8 December 2014)
 Mr Paul Rogan
 Dr Jim Runciman
 Ms Suellen Tapsall
 Associate Professor Nitin Verma (appointed 25 August 2014)

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2015

14. RELATED PARTY DISCLOSURES (CONT'D)

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 (2014: \$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 \$626,809 which includes all remuneration including superannuation (2014: \$623,190).

(b) Loans to key management personnel

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

(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.

15. 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:

	2015 \$	2014 \$
Income		
Donations/Fundraising	3,671,169	3,408,998
Other income	407,325	319,219
Sale of products	10,238	12,460
Total Income	4,088,732	3,740,677

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 2015 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

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: 11.11.15

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 2015;
- (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 2015;
- (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 2014 to 30 June 2015; 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.

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

Elizabeth Carr - BA (Hons), MPA, FAICD
Chairman
Date: 11.11.15

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 (the 'registered entity'), which comprises the statement of financial position as at 30 June 2015, 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 registered entity 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 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 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 registered 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 *Australian Charities and Not-for-Profits Commission Act 2012*. We have given to the directors of the registered entity 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 2015 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 2015, 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 2015 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
11 November 2015