



Our focus is your vision

Macular Degeneration Foundation Limited

ABN 52 096 255 177

GENERAL PURPOSE (RDR) FINANCIAL REPORT
For the year ended 30 June 2011

Contents to Financial Report

Chairman and Chief Executive Officer's Report.....	2
Directors' Report	7
Auditor's Independence Declaration	15
Statement of Comprehensive Income.....	16
Statement of Financial Position	17
Statement of Changes in Funds	18
Statement of Cash Flows	20
Notes to the Financial Statements	21
Directors' Declaration	40
Chairman's Declaration	41
Independent Auditor's Report	42

Chairman and Chief Executive Officer's Report

For the year ended 30 June 2011

The 2010-2011 year was a very special one as we celebrated the work of ten years of the Macular Degeneration Foundation. We continued to educate, raise awareness, provide much needed services to our clients and advocate on their behalf for accessibility and affordability of treatment and rehabilitation.

The highlight of 2010-2011 was the celebration of the Macular Degeneration Foundation's one decade of service in May, at a fundraising dinner to launch Macular Degeneration Awareness Week 2011. The dinner celebrated the work of the Foundation and its many supporters over the years and also launched the inaugural Macular Degeneration Foundation Research Grants Program, which aims to raise \$10m over the next 10 years.

At the dinner the Foundation was able to acknowledge the outstanding contributions of so many including the founding director, Dr Paul Beaumont, who had the vision in 2001 to develop a patient-focused organisation to improve the lives of Macular Degeneration (MD) patients, their family and carers.

Ten years later the Foundation is a powerhouse of innovation and compassion, high energy and quiet reflection. High quality attracts high quality and over the past decade the Foundation has been surrounded by men and women with an overflowing generosity of spirit. They have all sought to contribute in their own way, to help prevent this disease, to save sight and to better the lives of our fellow Australians affected by Macular Degeneration.

Our supporters including our patron, ambassadors, Board, CEO and employees, corporate and government sponsors, politicians, eye care professionals and our volunteers; have all contributed to making a real difference to the incidence and impact of this disease in Australia. Our particular thanks go to Foundation Patron, Ita Buttrose AO, OBE, who gives her time, energy and expertise to the Foundation's activities throughout the year and to our special Ambassador, Jean Kittson, for her tireless work in supporting our cause.

Ten years ago most Australians had not heard of Macular Degeneration or its debilitating effects on the lives of those with the disease and their carers. However in 2011, because of Dr Beaumont's vision, policy makers, the medical fraternity, corporations and citizens alike are aware of Macular Degeneration and are working together to make real difference to so many people.

Chairman and Chief Executive Officer's Report (continued)

For the year ended 30 June 2011

Key aspects of our work are good governance and ensuring we meet the needs and expectations of our MD community. In 2010-2011 we delivered a strong surplus and our financial strength enables us to continue to deliver our programs, plan for the future and grow to meet the increased demand for our services. It also enables us to support our new Research Grants Program to invest in finding reasons and answers for this disease. Our annual survey of clients found high rates of satisfaction with our services with 87% reporting being satisfied or very satisfied with MD Foundation services.

The Foundation has continued its focus in 2010-2011 on our five key areas: Awareness, Education, Client Services, Representation and Research.

Our key government grants from NSW Health and the Federal Department of Health and Ageing enabled the Foundation to continue to deliver its comprehensive education program to over 8,500 people across Australia, attend major expos and expand the education program to frontline health professionals.

The Foundation proudly sponsored a major symposium at the Asia Pacific Academy of Ophthalmology Congress held in Sydney in March 2011. The latest evidence and key issues related to Macular Degeneration and diet, genetics and the environment were presented by world leaders in the epidemiology of Macular Degeneration and chronic diseases. The presenters were Professor Johanna Seddon (Tufts University School of Medicine, Boston), Professor Paul Mitchell (University of Sydney) and Associate Professor Anushka Patel (University of Sydney).

Through the Foundation Australia continued to be a world leader in raising awareness of Macular Degeneration with significant awareness programs undertaken nationally. The ongoing support of Novartis enabled the Foundation to continue the national TV and radio campaign with two waves of advertising in September-October 2010 and March-May 2011. The call to action to have an eye test and the macula checked resulted in thousands of Australians making eye health a priority, heeding early detection messages and for some the saving of their sight. This awareness campaign was funded by Novartis through a direct investment of \$2.7m (2010: \$2.3m) and the Foundation thanks Novartis for their contribution to eye health in Australia.

Chairman and Chief Executive Officer's Report (continued)

For the year ended 30 June 2011

Macular Degeneration Awareness Week 2011 was once again a great success and generated significant exposure with a record 31 million media impressions and the distribution of over 12,000 kits of MD materials through a range of outlets including optometrists and ophthalmologists. A key feature of the Awareness Week was the Foundation's launch of the first ever mEYE World Photographic Competition. This was a new initiative designed to raise awareness of the disease with a younger audience through the popular visual arts medium of photography.

Our sincere thanks go to Novartis, Blackmores, Optometry Association Australia, and bluedesk for their ongoing support which enables the week to be held each year.

The Foundation continued to service our clients with the Helpline receiving over 16,000 calls and our website visits reaching 250,000. The Foundation continued to grow its suite of publications with the inclusion of a fourth in our series of guides, Low Vision Aids and Technology – A Guide.

Representing our clients to government and other agencies to ensure the best outcomes for the Macular Degeneration community was a major focus in 2010-2011. The Foundation continued its campaign to make low vision aids and technologies more accessible and affordable and began to see some positive changes take place.

The Foundation ensured comprehensive responses to the Federal Government's major enquiries and reports by the Productivity Commission in 2010 on disability care and support and caring for older Australians. The Foundation provided detailed submissions to both enquiries and also appeared before both Commissions. The Foundation has, throughout all of the consultation processes in disabilities and aged care, continually stressed the critical nature of accommodating all aspects of Macular Degeneration in the final recommendations, especially access to low vision aids and technologies.

The Foundation continued to take its place at the international level via the Chief Executive Officer's position as secretary of AMD Alliance International and promoting the importance of Macular Degeneration at the international level.

Chairman and Chief Executive Officer's Report (continued)

For the year ended 30 June 2011

The ongoing support of our sponsors, including major supporters Novartis and Blackmores has made it possible for us to deliver our services to the Macular Degeneration community, to provide sustainability and certainty in our growth and to support the implementation of our strategic plan. In 2010 the Foundation welcomed new relationships with Bayer Australia and the Optical Distributors & Manufacturers Association (ODMA). Bayer Australia is providing funding for special programs such as audio-visual productions and ODMA supported the inaugural mEYE World Photo Competition.

The Foundation is most grateful for the very generous five year renewal of funding from the Profield Foundation which provides for a major part of our work in client services including our Helpline and publications.

In celebrating their 50th year, the Vincent Fairfax Family Foundation invited the Macular Degeneration Foundation to submit a proposal for funding and as a result the Foundation is the recipient of a grant that will allow the website to be upgraded and enhanced in 2012.

Our major sponsors once again enabled us to initiate and implement new projects, maintain and improve our existing services and reach new heights in education, awareness and research.

Blackmores has been a loyal and consistent supporter and they continue to be outstanding in their support of our work and their commitment to ensuring our key messages are heard by millions of Australians.

We appreciate and thank all our donors, supporters, partners and sponsors including governments and government departments, corporations, industry, eye care professionals and their representative bodies, rehabilitation service providers, foundations and associations with whom we work to deliver comprehensive services for clients. Thank you to our staff and volunteers who work to ensure the delivery of quality services and excellent outcomes. We extend a special thank you to Ernst & Young who so generously give their time and expertise as our auditors.

Chairman and Chief Executive Officer's Report (continued)

For the year ended 30 June 2011

The MD Foundation's Board of Directors and various Committees met throughout the year to provide strategic direction and governance oversight. The guidance and expertise of the Board has been invaluable in supporting the MD community to all supporters who contribute in so many ways to ensure the ongoing fulfilment of our vision, and especially to those who made generous donations to ensure our services can continue, your contribution is highly valued and appreciated.

No successful organisation can exist without the support of the people it serves and we thank sincerely the entire Macular Degeneration community, patients, families, friends and carers for their continued support and encouragement.

In the next ten years we will continue to grow and build upon our good work with a real focus on both medical and social research. We need to find both reasons and answers for this disease. We need to find a cure while continuing to improve the lives of those with the disease. On behalf of the Macular Degeneration Foundation we invite everyone to join with us on the next exciting and rewarding ten years of this important journey.

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

Julie Heraghty
Chief Executive Officer
BA DipEd
Date:

Directors' Report

Your directors submit their report for the year ended 30 June 2011.

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.

Elizabeth Carr - BA (Hons), MPA, FAICD

Dr. Paul Beaumont - FRACS, FRANZCO

Peter Brown

Ashley Chapman - CPA, MACS

Barry Clarke - FIPA

Richard Grills

(Appointed: 16 March 2011)

Prof Jill Keefe - PhD, OAM

John McCarroll - B.Ec, GAICD

Peter Reid - BA, LLB, FAICD

Paul Rogan - BBus, FCPA, AICD

Dr. Jim Runciman - FRACS, FRANZCO

Suellen Tapsall - BA, MA, FAIM

Elizabeth Carr - BA (Hons), MPA, FAICD

(Chairman)

Elizabeth Carr was an inaugural board member of the MD Foundation and in October 2006 accepted the position of chairman.

Elizabeth's focus is the inter-dependence of the private and public sectors in order to enrich the economic and social fabric of Australia and its role in the international community. 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 16 years. She is presently a board member of the Kokoda Track Foundation, Kambala Anglican School for Girls NSW, St Marys Anglican Girls School WA and the Harvard Club of Australia.

Directors' Report (continued)

DIRECTORS (continued)

Dr. Paul Beaumont - FRACS, FRANZCO

Dr Paul Beaumont is a founding director of the Macular Degeneration 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 Beaumont is the chair of the Medical Committee and NSW state chairman for the MD Foundation.

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, bluedesk, spanning both consumer and healthcare advertising.

Ashley Chapman - CPA, MACS (Deputy Chairman)

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 is the Deputy Chairman of the MD Foundation.

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 a vision impairment.

Directors' Report (continued)

DIRECTORS (continued)

Richard Grills

Richard Grills is the 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.

Prof Jill Keefe - PhD, OAM

Professor Jill Keefe PhD, OAM is head of the Centre for Eye Research Australia (CERA) Population Health Unit at the University of Melbourne and is also the director of the World Health Organisation Collaborating Centre for the Prevention of Blindness at CERA. 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 Keefe describes her work as translating research to provide evidence for best practice in eye care and low vision services. A recent focus is in health services research and assessing the establishment and outcomes of innovative models of eye care.

She holds the position of First Vice-President of the International Council for Education of People with Visual Impairment (ICEVI), a global initiative seeking to provide education for all visually impaired people throughout the world.

John McCarroll - B.Ec, GAICD

John McCarroll is a Director at JB Were Ltd - Private Wealth Management. John has more than 29 years experience in the finance industry, initially in Europe and for the past 19 years in Australia. John is fluent in German. John is a director of the Australian Stockbrokers Foundation. John holds a Bachelor of Economics from Monash University (Vic) and is a Diploma member of the Australian Institute of Company Directors.

Directors' Report (continued)

DIRECTORS (continued)

Peter Reid - BA, LLB, FAICD

Peter Reid has practised as a lawyer since 1972 specialising in the energy and resources sector. He served as an Australian diplomat for seven years, spent nine years as the Senior Exploration Counsel for Esso Australia and the past 24 years in private legal practice. He is a frequent speaker at international industry and professional conferences. In 2004 he established his own legal practice, Energy & Resources Lawyers Pty Ltd.

Peter served as the inaugural chairman of the Governance Committee of the MD Foundation before it was incorporated into the current Audit and Risk Committee on which he now serves. He also serves on the Client Services Committee.

Paul Rogan - BBus, FCPA, AICD

Paul Rogan is a senior executive with more than twenty 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 is chairman of both the Audit and Risk Committee and the Research Committee for the MD Foundation.

Dr. Jim Runciman - FRACS, FRANZCO

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

Dr Runciman is the South Australian state chairman for the MD Foundation and on the Medical Committee as well as on the Advisory Boards of a number of Ophthalmic Drug Companies. He is a consultant to Ellex Lasers R&D.

Suellen Tapsall - BA, MA, FAIM

Suellen Tapsall is the director of AIM UWA Business School Executive Education. In that role she has extensive experience successfully and effectively ensuring that executive education programs and services are delivered to public and private sector organisations in Western Australia, interstate and overseas.

Directors' Report (continued)

DIRECTORS (continued)

Suellen Tapsall - BA, MA, FAIM (continued)

Suellen was formally the Associate Executive Dean of the Division of Arts at Murdoch University, a position which followed several decades in journalism, education and corporate communication. Suellen is a former national president of the Journalism Education Association and has co-authored several books and major reports.

Suellen is chairman of the Client Services Committee for the MD Foundation and the Western Australian state chair.

CORPORATE INFORMATION

Macular Degeneration Foundation Limited 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 the Macular Degeneration Foundation is to reduce the incidence and impact of macular degeneration (MD) 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 MD amongst MD patients, the general public, health care professionals and government; to support the MD 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 MD experience.

The long term objectives are to expand our service provision to include major macular diseases and to continue to fund research to find reasons and answers for MD. In addition, strengthening the position of the Foundation in the health, ageing and disabilities sectors to ensure the needs of the MD community are fully met is also an important long term objective.

STRATEGY

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

Directors' Report (continued)

PERFORMANCE MEASUREMENT

The Foundation will continue to evaluate its programs in order to assess their 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

The Foundation launched its Research Grants Program in May 2011 and on 13 October 2011 the Foundation announced the successful recipients of the grants. The grants were awarded to two separate research projects for which the Foundation will supply funding of \$694,000 over a 3 year period. In addition, a one year fellowship grant of \$40,000 was awarded.

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.

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 of their 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 2011 the Company had 19 members (2010: 19 members). The total liability of members would be \$19 (2010: \$19).

Directors' Report (continued)

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 were as follows:

Director	Board		Audit & Risk Committee		Client Services Committee		Medical Committee		Research Committee	
	A	B	A	B	A	B	A	B	A	B
Elizabeth Carr	5	5	4	5	2	4	3	4	2	2
Dr Paul Beaumont	3	5	-	-	-	-	4	4	2	2
Peter Brown	4	5	-	-	4	4	-	-	-	-
Ashley Chapman	4	5	5	5	4	4	-	-	-	-
Barry Clarke	5	5	-	-	3	4	-	-	-	-
Richard Grills	2	2	-	-	-	-	-	-	-	-
Professor Jill Keefe	2	5	-	-	1	4	-	-	-	-
John McCarroll	5	5	-	-	-	-	-	-	-	-
Peter Reid	4	5	2	5	2	4	-	-	-	-
Paul Rogan	5	5	5	5	-	-	-	-	2	2
Dr Jim Runciman	5	5	-	-	-	-	4	4	2	2
Suellen Tapsall	4	5	-	-	4	4	-	-	2	2

A No. of meetings attended

B No. of meetings eligible to attend

Directors' Report (continued)

AUDITOR INDEPENDENCE

The directors received an independence declaration from the auditor, Ernst & Young. A copy has been included on page 15 of the report.

Signed in accordance with a resolution of the directors.

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

Auditor's Independence Declaration to the Directors of Macular Degeneration Foundation Limited

In relation to our audit of the financial report of Macular Degeneration Foundation Limited for the financial year ended 30 June 2011, 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
Date:

Statement of Comprehensive Income

For the year ended 30 June 2011

	Notes	2011 \$	2010 \$
Donations/Fundraising	3(a)	2,079,247	1,774,556
Government grants		526,663	767,921
Sale of products		29,021	53,964
Revenue		2,634,931	2,596,441
Cost of sales		(22,937)	(24,643)
Gross profit		2,611,994	2,571,798
Other income	3(b)	319,824	112,447
Employee benefits expense	3(c)	(1,032,244)	(966,557)
Depreciation expense	3(d)	(26,650)	(28,725)
Other expenses	3(e)	(999,226)	(977,050)
Net surplus for the year		873,698	711,913
Other comprehensive (loss)/income			
Net fair value (losses)/gains on available-for-sale financial assets		(19,465)	29,838
Other comprehensive (loss)/income for the year		(19,465)	29,838
Total comprehensive income for the year		854,233	741,751

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

Statement of Financial Position

As at 30 June 2011

	Notes	2011 \$	2010 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	1,731,942	1,534,402
Grants, sponsorship, donations and other receivables	5	307,266	286,339
Inventories	6	16,201	2,476
Prepayments		5,490	13,624
Total Current Assets		2,060,899	1,836,841
Non-current Assets			
Available-for-sale investments	7	1,760,773	1,170,644
Plant and equipment	8	22,225	33,161
Total Non-current Assets		1,782,998	1,203,805
TOTAL ASSETS		3,843,897	3,040,646
LIABILITIES			
Current Liabilities			
Trade and other payables	9	220,783	276,422
Total Current Liabilities		220,783	276,422
Non-current Liabilities			
Provisions	10	14,657	10,000
Total Non-current Liabilities		14,657	10,000
TOTAL LIABILITIES		235,440	286,422
NET ASSETS		3,608,457	2,754,224
FUNDS			
Retained funds		3,626,051	2,752,353
Net unrealised (losses)/gains reserve		(17,594)	1,871
TOTAL FUNDS		3,608,457	2,754,224

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 2011

	<i>Surplus funds</i>	<i>Restricted cash funds (a)</i>	<i>Research reserve (b)</i>	<i>Retained funds</i>	<i>Net unrealised (losses)/ gains reserve</i>	<i>Total funds</i>
	\$	\$	\$	\$	\$	\$
At 1 July 2009	1,286,928	153,512	600,000	2,040,440	(27,967)	2,012,473
Income received in the year	-	1,560,911	-	1,560,911	-	1,560,911
Cash spent in the year	-	(1,571,222)	-	(1,571,222)	-	(1,571,222)
Surplus for the year	222,224	-	500,000	722,224	-	722,224
Other comprehensive income	-	-	-	-	29,838	29,838
Total comprehensive income for the year	222,224	(10,311)	500,000	711,913	29,838	741,751
At 30 June 2010	1,509,152	143,201	1,100,000	2,752,353	1,871	2,754,224
Income received in the year	-	1,427,743	-	1,427,743	-	1,427,743
Cash spent in the year	-	(1,051,616)	-	(1,051,616)	-	(1,051,616)
Surplus for the year	97,571	-	400,000	497,571	-	497,571
Other comprehensive loss	-	-	-	-	(19,465)	(19,465)
Total comprehensive income/(loss) for the year	97,571	376,127	400,000	873,698	(19,465)	854,233
At 30 June 2011	1,606,723	519,328	1,500,000	3,626,051	(17,594)	3,608,457

The above statement of changes in funds should be read in conjunction with the accompanying notes.

Statement of Changes in Funds (continued)

For the year ended 30 June 2011

(a) Restricted cash funds

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

(b) Research reserve

The directors have decided to allocate a portion of the net surplus for the year to undertake research activities in the future. Once funds are utilised for the purposes mentioned, these funds are re-allocated to surplus funds.

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 2011

	Notes	2011 \$	2010 \$
Cash flows from operating activities			
Receipts from donations		2,266,245	1,689,237
Receipts from sale of products		31,923	59,360
Receipts from events to raise funds		75,767	-
Receipts from other income		36,971	-
Payments to suppliers and employees		(2,287,311)	(1,981,330)
Receipt of government grants		526,663	844,713
Interest received		63,318	39,338
Net cash flows from operating activities		<u>713,576</u>	<u>651,318</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(15,714)	(10,671)
Investment income received		147,129	46,519
Net payments for the purchase of available-for-sale investments		<u>(647,451)</u>	<u>(535,194)</u>
Net cash flows used in investing activities		<u>(516,036)</u>	<u>(499,346)</u>
Cash flows from financing activities			
Net cash flows from financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		197,540	151,972
Cash and cash equivalents at beginning of year		1,534,402	1,382,430
Cash and cash equivalents at end of year	4	<u><u>1,731,942</u></u>	<u><u>1,534,402</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 2011

1 CORPORATE INFORMATION

The financial report of Macular Degeneration Foundation Limited for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the directors on 31 October 2011.

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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

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

(a) Statement of compliance

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

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

Notes to the Financial Statements (continued)

For the year ended 30 June 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Statement of compliance (continued)

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

(b) Significant accounting judgements, estimates and assumptions

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

(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.

Make-good provision

A provision was made for the anticipated costs of future restoration of leased premises. The related carrying amounts are disclosed in Note 10.

Allowance for impairment loss on trade receivables

Where receivables are outstanding beyond the normal trading terms, the likelihood of the recovery of these receivables is assessed by management. This assessment is based on supportable past collection history and historical write-offs of bad debts.

Notes to the Financial Statements (continued)

For the year ended 30 June 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Estimation of useful lives of assets

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

(c) Revenue recognition

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

Donations and fundraising

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

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

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

Interest

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

Sales of products

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

Notes to the Financial Statements (continued)

For the year ended 30 June 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Revenue recognition (continued)

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

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 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Leases

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

Company as a lessee

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

(e) Cash and cash equivalents

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

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

(f) Trade and other receivables

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

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 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Inventories

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

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

(h) Income tax

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

(i) Other taxes

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

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

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

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

Notes to the Financial Statements (continued)

For the year ended 30 June 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Plant and equipment

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

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

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

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

Disposal

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

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

(k) Investments and other financial assets

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

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

Notes to the Financial Statements (continued)

For the year ended 30 June 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Investments and other financial assets (continued)

Recognition and Derecognition

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

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

Available-for-sale investments

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

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

Notes to the Financial Statements (continued)

For the year ended 30 June 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of non-financial assets

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

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

(m) Trade and other payables

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

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

(n) 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 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) 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 2011

	2011 \$	2010 \$
3 REVENUE AND EXPENSES		
(a) Donations/Fundraising		
Donations	969,338	911,846
Corporate sponsorships	919,609	792,990
Bequests	190,300	69,720
Total donations/fundraising income	<u>2,079,247</u>	<u>1,774,556</u>
(b) Other income		
Bank interest received	63,318	49,338
Income on investments	147,129	63,109
Event income	75,767	-
Other income	33,610	-
Total other income	<u>319,824</u>	<u>112,447</u>
(c) Employee benefits expense		
Wages and salaries	830,844	759,038
Workers' compensation costs	8,225	4,424
Defined contribution plan expense	60,435	53,320
Annual leave	6,325	8,670
Long service leave	14,657	-
Other staff costs	111,758	141,105
Total employee benefits expense	<u>1,032,244</u>	<u>966,557</u>
(d) Depreciation expense		
Depreciation of non-current assets		
Plant and equipment	<u>26,650</u>	<u>28,725</u>
Total depreciation expense	<u>26,650</u>	<u>28,725</u>

Notes to the Financial Statements (continued)

For the year ended 30 June 2011

	2011 \$	2010 \$
3 REVENUE AND EXPENSES (continued)		
(e) Other expenses		
Education and prevention programmes	592,112	537,672
Research expense	31,915	103,213
Communication expense	89,425	65,258
Repairs and maintenance	26,042	27,898
Rental expense	72,644	70,847
Insurance	14,924	15,185
Administration expense	97,812	71,742
Property and equipment cost	34,262	65,600
Loss on disposal of investments	37,857	17,972
Sundry expenses	2,233	1,663
Total other expenses	<u>999,226</u>	<u>977,050</u>

4 CASH AND CASH EQUIVALENTS

Cash at bank and in hand	1,231,942	1,030,128
Short-term deposits	500,000	504,274
	<u>1,731,942</u>	<u>1,534,402</u>

5 GRANTS, CORPORATE SPONSORSHIP AND OTHER RECEIVABLES

Grants/Corporate sponsorship receivable	252,947	228,230
Other receivables	54,319	58,109
Carrying amount of grants, corporate sponsorship and other receivables	<u>307,266</u>	<u>286,339</u>

Allowance for impairment loss

No allowance for impairment loss has been recognised by the Company (2010: \$nil).

Notes to the Financial Statements (continued)

For the year ended 30 June 2011

	2011 \$	2010 \$
6 INVENTORIES		
<i>Finished goods</i>		
At cost	16,201	2,476
Total inventory at the lower of cost & net realisable value	<u>16,201</u>	<u>2,476</u>

7 AVAILABLE-FOR-SALE INVESTMENTS

<i>At Fair Value</i>		
Investment portfolio	1,760,773	1,170,644
	<u>1,760,773</u>	<u>1,170,644</u>

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

8 PLANT AND EQUIPMENT

Plant and equipment		
At cost	173,548	157,833
Accumulated depreciation	(151,323)	(124,672)
Net carrying amount	<u>22,225</u>	<u>33,161</u>

Movement in property, plant and equipment

Plant and equipment		
Balance at the beginning of the year		
At cost	157,833	147,162
Accumulated depreciation	(124,672)	(95,947)
Net carrying amount	33,161	51,215
Additions	15,714	10,671
Depreciation charge for the year	(26,650)	(28,725)
Balance at the end of the year - net carrying amount	<u>22,225</u>	<u>33,161</u>

Notes to the Financial Statements (continued)

For the year ended 30 June 2011

	2011 \$	2010 \$
--	------------	------------

8 PLANT AND EQUIPMENT (continued)

No property, plant or equipment is pledged as security for liabilities at the reporting date (2010: none).

9 TRADE AND OTHER PAYABLES (CURRENT)

Trade creditors	76,769	125,130
Other creditors	106,051	110,532
GST payable	199	9,322
Annual leave accrued	37,764	31,438
	<u>220,783</u>	<u>276,422</u>

10 PROVISIONS

Non-current

Long service leave	14,657	-
Make-good - leased premises	-	10,000
	<u>14,657</u>	<u>10,000</u>

Long service leave provision

The Long service leave provision relates to the entitlement for employees who have been employed with the company for in excess of 5 years.

Make-good provision

On the 15 September 2011, the company entered into a new lease agreement for a term of 5 years. As such, the company moved out of its old premises and subsequently received confirmation that no make good was required on these old premises. In relation to the new lease, the company also received confirmation from the lessor that no make good would be required in the event of leaving the premises. Therefore, the provision for make good has been removed from the financial statements.

Notes to the Financial Statements (continued)

For the year ended 30 June 2011

11 COMMITMENTS AND CONTINGENCIES

(a) Commitments

Operating lease commitments – Company as lessee

On the 15 September 2011, the company entered into a new 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:

	2011	2010
	\$	\$
Within one year	127,057	72,913
After one year but not more than five years	595,806	109,105
More than five years	33,900	-
	<u>756,763</u>	<u>182,018</u>

(b) Contingencies

Guarantee

The Company has arranged a guarantee facility of \$9,056 (2010: \$9,056) with National Australia Bank Limited for the rental of the office.

12 EVENTS AFTER BALANCE DATE

The Foundation launched its Research Grants Program in May 2011 and on 13 October 2011 the Foundation announced the successful recipients of the grants. The grants were awarded to two separate research projects for which the Foundation will supply funding of \$694,000 over a 3 year period. In addition, a one year fellowship grant of \$40,000 was awarded.

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.

Notes to the Financial Statements (continued)

For the year ended 30 June 2011

13 RELATED PARTY DISCLOSURES

The directors of the Macular Degeneration Foundation Limited during the financial year were:

Elizabeth Carr

Dr Paul Beaumont

Peter Brown

Ashley Chapman

Barry Clarke

Richard Grills (Appointed: 16 March 2011)

Professor Jill Keefe

John McCarroll

Peter Reid

Paul Rogan

Dr Jim Runciman

Suellen Tapsall

The key management personnel of the Macular Degeneration Foundation Limited during the financial year were:

Julie Heraghty (Chief Executive Officer)

Lucy Walker (General Manager)

Rob Cummins (Research and Policy Manager) (Appointed: 6 September 2010)

Janice Clarkson (Communications Manager)

(a) Compensation of key management personnel

The directors do not receive remuneration for services performed in their role as director of the Company, besides the contract premiums paid in relation to Association Liability Insurance of \$2,197 (2010: \$4,235). Directors are reimbursed for the reasonable expenses incurred in attending meetings or carrying out activities on behalf of the Foundation.

Key management personnel received gross remuneration of \$491,849 which includes both salary and superannuation (2010: \$475,275).

(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 2011

13 RELATED PARTY DISCLOSURES (continued)

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

Mr. Peter Brown is the director of bluedesk. bluedesk received \$8,400 for services rendered for the year ended 30 June 2011 (2010: \$7,650). The Foundation has received these services on terms more favourable to it than bluedesk's normal commercial terms.

Dr Paul Beaumont is a member of the Medical Advisory Board of Novartis and Alcon. He has received honoraria for giving lectures on Age-related Macular Degeneration from Novartis and Blackmores and has been conducting research and running controlled trials on Age-related Macular Degeneration which are sponsored by these companies. He does not have shares in any company which sponsors the Macular Degeneration Foundation Limited.

Total sponsorship directly received by MD Foundation from Novartis totalled \$490,000 for the year ended 30 June 2011 (2010: \$457,000).

Mr John McCarroll is employed by JBWere Ltd. Since August 2008 JBWere have managed the Foundation's investment portfolio. Mr John McCarroll made a donation of \$1,800 to the Foundation in the year ended 30 June 2011 (2010: \$nil).

Mr Peter Reid made a donation of \$500 to the Foundation in the year ended 30 June 2011 (2010: \$500).

Notes to the Financial Statements (continued)

For the year ended 30 June 2011

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

Macular Degeneration Foundation Limited

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 the Macular Degeneration Foundation Limited.

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

	Notes	2011 \$	2010 \$
Income			
Donations/Fundraising	3(a)	2,079,247	1,774,556
Government grants		526,663	767,921
Other income	3(b)	319,824	112,447
Sale of products		29,021	53,964
Total Income		<u>2,954,755</u>	<u>2,708,888</u>
Expenses			
Education		283,079	306,404
Awareness		465,220	472,565
Support services		438,074	429,278
Representation		97,529	54,806
Cost of providing services		<u>1,283,902</u>	<u>1,263,053</u>
Research		173,269	208,530
Cost of providing services and research		<u>1,457,171</u>	<u>1,471,583</u>
Management		428,242	373,127
Fundraising		195,644	152,265
Total Expenses		<u>2,081,057</u>	<u>1,996,975</u>
Surplus for the year		873,698	711,913
(a) Gross proceeds from fundraising		2,079,247	1,774,556
Costs of fundraising		(195,644)	(152,265)
Net Surplus obtained from fundraising appeals		<u>1,883,603</u>	<u>1,622,291</u>
(b) Application of net surplus obtained from fundraising appeals			
Providing services and research		1,447,172	1,471,583
Cost of operations		436,431	150,708
		<u>1,883,603</u>	<u>1,622,291</u>

Notes to the Financial Statements (continued)

For the year ended 30 June 2011

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

(c) Comparisons of certain monetary figures and percentages	2011		2010	
	\$	%	\$	%
Total cost of fundraising / Gross income from fundraising	<u>195,644</u> 2,079,247	9.4%	<u>152,265</u> 1,774,556	8.6%
Net surplus from fundraising / Gross income from fundraising	<u>1,883,603</u> 2,079,247	90.6%	<u>1,622,291</u> 1,774,556	91.4%
Total costs of services / Total expenditure	<u>1,885,413</u> 2,081,057	90.6%	<u>1,844,710</u> 1,972,332	93.5%
Total costs of services / Total income received	<u>1,885,413</u> 2,954,755	63.8%	<u>1,844,710</u> 2,708,888	68.1%

Directors' Declaration

In accordance with a resolution of the directors of Macular Degeneration Foundation Limited, I state that:

In the opinion of the directors:

- (a) The financial statements and notes of the Company for the financial year ended 30 June 2011 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001* ;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

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

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 the Macular Degeneration Foundation Limited, 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 2011;
- (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 2011;
- (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 2010 to 30 June 2011; 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: