



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 2016

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Report from the Chairman and Chief Executive Officer

FOR THE YEAR ENDED 30 JUNE 2016

In 2016 Macular Disease Foundation Australia celebrated the milestone of 15 years of work towards reducing the incidence and impact of macular disease in Australia.

The Foundation has been fortunate to have had the dedication and commitment of so many people to our cause over these 15 years and in doing so, have each contributed to saving sight and improving the quality of life for those with vision loss and blindness.

Once again, our education, awareness and activities reached out to thousands of Australians in cities and rural and remote areas conveying our key health messages on prevention, early detection, treatment and rehabilitation. Our national helpline provided information, guidance and understanding to those in need and our extensive range of publications and resources supported our clients. In 2015-16 the Foundation sought to bring our eye health messages to the culturally and linguistically diverse Australian communities. Our advocacy activities continued to drive accessibility and affordability of treatments and rehabilitation ensuring equity of access for the macular disease community, especially in the area of treatment for diabetic eye disease and access to aids and technologies for those with vision loss and blindness.

A highlight of our year was the awarding of our third round of Macular Disease Foundation Australia Research Grants to outstanding Australian researchers. In 2015 \$1.3 million was awarded on World Sight Day, 8 October by The Governor-General, His Excellency General the Honourable Sir Peter Cosgrove, bringing our total commitment to research since 2011 to almost \$3 million. The generosity of our supporters now places the Foundation as one of the leading sources in Australia of research funding for macular degeneration.

During the year the Foundation's financial position strengthened which enables us to continue to meet the growing demand for our programs and services and increase our support of research. For the year ended June 2016 the Foundation generated a net surplus of \$1.0 million (2015: \$1.4m). Bequests and donations continue to be a significant driver of our result which reflects the generosity of giving of our community, which is greatly appreciated.

As we celebrate 15 years of achievement we have, as part of good governance, dedicated time and resources to planning for the future of the Foundation. The environment in which we operate is one of ongoing change with significant challenges including government regulation, securing funding, increasing and changing needs of our clients and new modes of communication. Whatever the reason, we need to anticipate and plan for change, be responsive, meet the challenges and ensure that our work continues to meet the needs of our community.

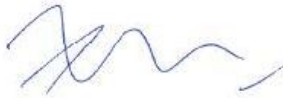
To this end, the Board and senior management worked together throughout 2015-16 to produce a new strategic plan. This plan will enable us to meet our vision by supporting the activities we undertake for the macular disease community and ensuring service delivery by capable and caring people in a sustainable financial environment. Our sustainability must be underpinned by innovation and resourcefulness and driven by diverse sources of funding and strong governance capabilities.

A principle of good governance is directors having a maximum term which ensures renewal and underpins diversity. The Board renewal program has continued this year with the retirement of two directors. Our Chair, Elizabeth Carr, retired in September 2016 having made significant contributions to the Foundation over more than 12 years, initially as an inaugural director from 2001 to 2003, and then returning as Chair from 2006. Ophthalmologist, Dr Jim Runciman, retired in December 2015, having served as director for almost 12 years from 2004. Both have given outstanding dedicated service, much valued expertise and steadfast commitment. On behalf of the macular disease community we thank you sincerely for your contribution to the Foundation.

Report from the Chairman and Chief Executive Officer (cont)

FOR THE YEAR ENDED 30 JUNE 2016

In this 15th year a special thank you to our supporters, partners, donors, funders and volunteers. Thank you to our Patron, Ita Buttrose AO OBE whose ongoing commitment to the Foundation is so valued. Thank you to all our dedicated Board members and our staff whose contribution is embodied in our values of respect, compassion, trust, integrity and excellence.



Robert Kaye SC
Chairman
LLM, LLB, AICD
Date: 31.10.16



Julie Heraghty
Chief Executive Officer
BA DipEd
Date: 31.10.16

Directors' Report

The directors submit their report for the year ended 30 June 2016.

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.

Mr Robert Kaye SC – LLM, LLB, AICD (appointed 1 July 2016)
Ms Elizabeth Carr – BA (Hons), MPA, FAICD (retired 7 September 2016)
Mr Ashley Chapman – CPA, MACS
Colonel John Fenwick – BA, MBA, GAICD, AFAIM
Mr Richard Grills
Ms Imelda Lynch – RN, BN, MHSN, GAICD
Mr John McCarroll – BEc
Mr Paul Rogan – BBus, FCPA, AICD
Dr Jim Runciman – FRACS, FRANZCO (retired 8 December 2015)
Ms Suellen Tapsall – BA, MA, FAIM
Associate Professor Nitin Verma – AM, FRANZCO, MD.MMed, Dip NBE

Mr Robert Kaye SC, Chairman – LLM, LLB, AICD (appointed to the Board 1 July 2016, appointed Chairman 7 September 2016)

Robert Kaye is a practising barrister and is also on the board of a number of ASX listed companies. He is chairman of Collins Foods Limited and Spicers Limited and a non-executive director of UGL Limited and Magontec Limited. In 1978, Robert was admitted to legal practice and prior to this, was employed as a solicitor at Allen Allen & Hemsley. Thereafter, he pursued his legal career at the NSW Bar and was appointed Senior Counsel in 2003, practising in commercial law. He has been extensively involved in an array of commercial matters both advisory and litigious in nature and served on a number of NSW Bar Association committees including the Professional Conduct Committee.

Robert Kaye is the Chairman (from 7 September 2016) and is a member of the Audit and Risk Committee.

Ms Elizabeth Carr, Chairman – BA (Hons), MPA, FAICD (retired 7 September 2016)

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

Elizabeth has been a board chair and board member for over 20 years. She is also Chair of South Metropolitan TAFE (WA), St Catherine's Aged Care Services (NSW), and Seton Villa (NSW). She is a director of the iCare (NSW) (and its associated Audit & Risk Committee and Remuneration and Nominations Committee), Kokoda Track Foundation and St Marys Anglican Girls School (WA) and a member of the Environmental Protection Authority (WA). Elizabeth is chair of the Audit and Risk Committees for the Department of Family and Community Services (NSW), Urban Growth Development Committee and Australian Technology Park, a Member of the Harvard Club of Australia Council and a Facilitator for the Australian Institute of Company Directors.

Elizabeth Carr was the Chairman of the Board and a member of all Committees up to her retirement on 7 September 2016.

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.

Directors' Report (continued)

DIRECTORS (continued)

Colonel John Fenwick – BA, MBA, GAICD, AFAIM

John is a colonel and Defence professional with over 27 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 command and staff positions.

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 a director of the Optical Distributors & Manufacturers Association (ODMA) and the Genetic Eye Foundation, and is the Chair of the Essilor Vision 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.

Ms Imelda Lynch – RN, BN, MHSN, GAICD

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 and Brain Injury SA.

Imelda Lynch is a member of the Client Services Committee and the Research Committee (appointed 31 March 2016).

Mr John McCarroll – BEc

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 and the Board Nomination and Evaluation 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, Marketing and Research at 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.

Directors' Report (continued)

DIRECTORS (continued)

Dr Jim Runciman – FRACS, FRANZCO (retired 8 December 2015)

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 Director Custom Education at University of Melbourne. In this role she leads a team who work with the University's academics to develop and deliver open-enrolment and tailored programs in Australia and overseas. Suellen previously led a joint venture in Executive Education on behalf of the University of Western Australia and the Australian Institute of Management WA.

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 past national president of the Journalism Education Association and has co-authored several books and major reports. Her current research is in consumer perceptions of value, with particular relevance to the cruise ship travel sector.

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

Associate Professor Nitin Verma – AM, FRANZCO, MD.MMed, Dip NBE

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 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

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

Directors' Report (continued)

MEMBERS' GUARANTEE

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

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

At 30 June 2016 the Company had 17 members (2015: 17 members). The total liability of members would be \$17 (2015: \$17).

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:

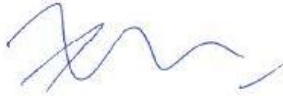
	Board		Audit & Risk Committee		Client Services Committee		Medical Committee		Research Committee		Board Nomination Committee	
	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible
Ms Elizabeth Carr	6	6	5	5	2	4	2	4	3	4	2	2
Mr Ashley Chapman	6	6	5	5	4	4					2	2
Col John Fenwick	6	6	5	5								
Mr Richard Grills	5	6			4	4						
Ms Imelda Lynch	5	6			3	4						
Mr John McCarroll	4	6	3	5							1	2
Mr Paul Rogan	4	6	5	5								
Dr Jim Runciman	3	3					2	2	2	2		
Ms Suellen Tapsall	6	6			3	4			4	4		
Assoc.Prof Nitin Verma	3	6					3	4	4	4		

Directors' Report (continued)

AUDITOR INDEPENDENCE

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

Signed in accordance with a resolution of the directors.

A handwritten signature in blue ink, appearing to read 'R. Kaye', with a stylized flourish at the end.

Robert Kaye SC
Chairman
LLM, LLB, AICD


Date: 31.10.16

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 2016, 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
31 October 2016

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 \$	2015 \$
Donations/Fundraising	3(a)	2,302,471	3,102,238
Government grants		697,475	515,658
Sale of products		7,478	10,238
Other income	3(b)	636,408	409,521
		<u>3,643,832</u>	<u>4,037,655</u>
Employee benefits expense	3(c)	(1,235,087)	(1,207,243)
Depreciation expense	3(d)	(28,290)	(31,972)
Other expenses	3(e)	(1,590,781)	(1,631,536)
		<u>789,674</u>	<u>1,166,904</u>
Research grants program donations		805,722	566,736
Research grants program expenditures		(615,832)	(375,949)
Net research grants program (deficit)/surplus		<u>189,890</u>	<u>190,787</u>
Net Surplus of the year		<u>979,564</u>	<u>1,357,691</u>
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Net fair value gains/(losses) on available-for-sale financial assets		(479,429)	41,903
		<u>(479,429)</u>	<u>41,903</u>
Other comprehensive income/(expense) for the year		<u>(479,429)</u>	<u>41,903</u>
Total comprehensive income/(expense) for the year		<u>500,135</u>	<u>1,399,594</u>

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

Statement of Financial Position

AS AT 30 JUNE 2016

	Notes	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	1,118,430	1,364,501
Grants, sponsorship, donations and other receivables	5	1,384,647	863,796
Prepayments		14,961	14,528
Total Current Assets		<u>2,518,038</u>	<u>2,242,825</u>
Non-current Assets			
Available-for-sale investments	6	5,665,953	5,671,953
Plant and equipment	7	15,735	41,231
Other assets		51,000	51,000
Total Non-current Assets		<u>5,732,688</u>	<u>5,764,184</u>
TOTAL ASSETS		<u>8,250,726</u>	<u>8,007,009</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	8	299,643	299,380
Provisions	9(a)	96,681	103,952
Grant in advance		527,626	799,090
Total Current Liabilities		<u>923,950</u>	<u>1,202,422</u>
Non-current Liabilities			
Provisions	9(b)	42,304	20,250
Total Non-current Liabilities		<u>42,304</u>	<u>20,250</u>
TOTAL LIABILITIES		<u>966,254</u>	<u>1,222,672</u>
NET ASSETS		<u>7,284,472</u>	<u>6,784,337</u>
FUNDS			
Retained funds		7,372,722	6,393,158
Net unrealised gains/(losses) reserve		(88,250)	391,179
TOTAL FUNDS		<u>7,284,472</u>	<u>6,784,337</u>

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 2016

	Surplus funds	Restricted cash funds (a)	Research reserve (b)	Total Retained funds	Net unrealised gains reserve	Total funds
	\$	\$	\$	\$	\$	\$
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
Surplus for the year	979,564	-	-	979,564	-	979,564
Other comprehensive income	-	-	-	-	(479,429)	(479,429)
Total comprehensive income/(expense) for the year	979,564	-	-	979,564	(479,429)	500,135
Income received in the year	(1,868,661)	1,062,939	805,722	-	-	-
Funds spent during the year	1,673,472	(1,057,640)	(615,832)	-	-	-
Net surplus of the year allocated to Surplus funds	1,024,890	-	(1,024,890)	-	-	-
At 30 June 2016	6,092,541	115,181	1,165,000	7,372,722	(88,250)	7,284,472

(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

As at 30 June 2016, the Company has adjusted the Research Reserve to reflect its maximum future Research Grant funding commitments of \$1,165,000. This is a maximum future commitment as the research grant agreements are contingent on the research institutions complying with certain milestones set out in the agreements and does not reflect expected future fundraising for research via donations, bequests or similar.

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 2016

	Notes	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from donations		2,582,295	3,428,230
Receipts from sale of products		3,927	16,367
Receipts from other income		6,514	2,196
Payments to suppliers and employees		(2,764,456)	(2,724,177)
Payments for research grants		(615,832)	(375,949)
Receipt of government grants		697,475	515,658
Interest received		45,399	48,636
Net cash flows from/(used in) operating activities	12	<u>(44,678)</u>	<u>910,961</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,794)	(11,617)
Disposal of property, plant and equipment		-	-
Investment income received		51,401	30,775
Net payments for the purchase of available-for-sale investments		-	(1,000,000)
Net cash flows from/(used in) investing activities		<u>48,607</u>	<u>(980,842)</u>
Cash flows from financing activities			
Transfer to term deposits with greater than 3 months maturity		(250,000)	250,000
Net cash flows from/(used in) financing activities		<u>(250,000)</u>	<u>250,000</u>
Net (decrease)/increase in cash and cash equivalents		(246,071)	180,119
Cash and cash equivalents at beginning of year		1,364,501	1,184,382
Cash and cash equivalents at end of year	4	<u><u>1,118,430</u></u>	<u><u>1,364,501</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 2016

1. CORPORATE INFORMATION

The financial report of Macular Disease Foundation Australia for the year ended 30 June 2016 was authorised for issue in accordance with a resolution of the directors on 31 October 2016.

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 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 and Australian Accounting Standards - Reduced Disclosure Requirements (AASB - RDRs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB).

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 2015:

- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments; *and*
- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2016

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 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 of 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.

AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality

Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality
The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Company for the annual reporting year ending 30 June 2016. The directors' have not yet assessed the impact of these new or amended standards and interpretation on the Company's financial report.

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 2016

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 2016

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 for research are restricted for use to the Research Grants Program.

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 2016

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 2016

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 2016

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 are recognised in provisions 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 2016

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 2016

	2016 \$	2015 \$
3. REVENUE AND EXPENSES		
(a) Donations/Fundraising		
Donations	328,134	313,410
Corporate sponsorship	1,765,915	2,0836,351
Bequests	208,422	705,477
Total donations/fundraising income	<u>2,302,471</u>	<u>3,102,238</u>
(b) Other income		
Bank interest received	44,116	52,650
Income on investments	364,883	320,738
Gain on disposal of investments	227,171	33,937
Other income	238	2,196
Total other income	<u>636,408</u>	<u>409,521</u>
(c) Employee benefits expense		
Wages and salaries	1,098,881	1,093,110
Workers' compensation costs	8,632	7,589
Defined contribution plan expense	101,493	98,395
Annual leave	(9,517)	(14,512)
Long service leave	24,300	16,313
Other staff costs	11,298	6,348
Total employee benefits expense	<u>1,235,087</u>	<u>1,207,243</u>
(d) Depreciation expense		
Depreciation of non-current assets		
Plant and equipment	28,290	31,972
Total depreciation expense	<u>28,290</u>	<u>31,972</u>
(e) Other expenses		
Education and prevention programs	898,312	1,044,689
Research (non grants program) expense	11,021	14,000
Communication expense	83,918	160,421
Repairs and maintenance	29,005	19,337
Rental expense	128,002	127,031
Insurance	18,327	17,790
Administration expense	128,463	119,055
Property and equipment cost	60,979	67,799
Consultancy Fees	231,542	61,149
Sundry expenses	1,212	265
Total other expenses	<u>1,590,781</u>	<u>1,631,536</u>
4. CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	618,430	614,501
Short-term deposits	500,000	750,000
	<u>1,118,430</u>	<u>1,364,501</u>

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
5. GRANTS, CORPORATE SPONSORSHIP AND OTHER RECEIVABLES		
Grants/Corporate sponsorship receivable	391,050	-
Short term deposits	750,000	500,000
Other receivables	211,605	321,870
GST receivable	31,992	41,926
Carrying amount of grants, corporate sponsorship and other receivables	<u>1,384,647</u>	<u>863,796</u>

Allowance for impairment loss

No allowance for impairment loss has been recognised by the Company (2015: \$nil).

6. AVAILABLE-FOR-SALE INVESTMENTS

At Fair Value

Investment portfolio	5,665,953	5,671,953
	<u>5,665,953</u>	<u>5,671,953</u>

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

7. PLANT AND EQUIPMENT

Plant and equipment		
At cost	178,551	175,757
Accumulated depreciation	(162,816)	(134,526)
Net carrying amount	<u>15,735</u>	<u>41,231</u>

Movement in property, plant and equipment

Plant and equipment		
Balance at the beginning of the year		
At cost	175,757	164,140
Accumulated depreciation	(134,526)	(102,554)
Net carrying amount	41,231	61,586
Additions	2,794	11,617
Disposals (net of depreciation)	-	-
Depreciation charge for the year	(28,290)	(31,972)
Balance at the end of the year – net carrying amount	<u>15,735</u>	<u>41,231</u>

No property, plant or equipment is pledged as security for liabilities at the reporting date (2015: none).

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
8. TRADE AND OTHER PAYABLES (CURRENT)		
Trade creditors	142,082	157,967
Other creditors	157,561	141,413
	<u>299,643</u>	<u>299,380</u>
9. PROVISIONS		
(a) Current		
Annual Leave	55,985	65,502
Long service leave	40,696	38,450
	<u>96,681</u>	<u>103,952</u>
(b) Non-current		
Long service leave	<u>42,304</u>	<u>20,250</u>

10. COMMITMENTS AND CONTINGENCIES

(a) Commitments

Operating lease commitments – Company as lessee

On 31 May 2016, 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:

	2016 \$	2015 \$
Within one year	140,527	161,418
After one year but not more than five years	625,763	40,680
More than five years	38,477	-
	<u>804,767</u>	<u>202,098</u>

Research Grant Commitments

Since 2011 the Company has operated a Research Grants Program by entering into agreements with research institutions to provide research grants. All grant funding is conditional upon compliance with milestones as set out in the agreements. As at balance date the Company's potential future commitments to research grants were \$1,165,000 (FY15: \$1,583,000). During the financial year ended 30 June 2016 the Company entered into agreements with 7 research institutions to provide research grants. These grants are typically three years in duration.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
(b) Contingencies		
<i>Guarantee</i>		
The Company has arranged a rental guarantee facility of \$51,000 (2015: \$51,000) with National Australia Bank Limited to guarantee rental payments in the eventuality that the Company cannot meet its rental obligations.		
11. AUDITOR REMUNERATION		
Audit of financial statements		
Ernst & Young	30,000	28,000
12. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash flows from operating activities		
Surplus for the year	979,564	1,357,691
Working capital adjustments		
- (Increase)/decrease in other receivables	(270,850)	(101,251)
- (Increase)/decrease in prepayments	(433)	426
- Increase/(decrease) in trade and other payables	263	7,453
- Increase/(decrease) in grant in advance	(271,464)	(146,163)
- Increase/(decrease) in provisions	14,783	1,802
Depreciation	28,290	31,972
Investment income	(524,831)	(240,969)
Net cash flows from/(used in) operating activities	(44,678)	910,961

13. EVENTS AFTER BALANCE DATE

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

14. RELATED PARTY DISCLOSURES

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

Ms Elizabeth Carr (retired 7 September 2016)
 Mr Ashley Chapman
 Colonel John Fenwick
 Mr Richard Grills
 Ms Imelda Lynch
 Mr John McCarroll
 Mr Paul Rogan
 Dr Jim Runciman (retired 8 December 2015)
 Ms Suellen Tapsall
 Associate Professor Nitin Verma

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2016

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 \$2,534 (2015: \$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 \$629,607 which includes all remuneration including superannuation (2015: \$626,809).

(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:

	2016 \$	2015 \$
Income		
Donations/Fundraising	3,109,999	3,671,169
Other income	636,171	407,325
Sale of products	8,828	10,238
Total Income	<u>3,754,998</u>	<u>4,088,732</u>

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2016

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

	Notes	2016 \$	2015 \$
Expenses			
Education		143,105	76,810
Awareness		532,402	594,469
Support services		455,213	740,817
Representation		200,942	225,938
Cost of providing services		1,331,662	1,638,034
Research		865,815	562,172
Cost of providing services and research		2,197,477	2,200,206
Management		460,407	392,589
Fundraising		117,550	136,412
Total Expenses		2,775,434	2,729,207
Surplus for the year (excluding Government Grants and related costs)		979,564	1,359,525
(a) Gross proceeds from fundraising			
Costs of fundraising		(117,550)	(136,412)
Net Surplus obtained from fundraising appeals		2,992,449	3,534,757
(b) Application of net surplus obtained from fundraising appeals			
Providing services and research		2,197,477	2,200,206
Cost of operations		794,972	1,334,551
		2,992,449	3,534,757

	2016 \$	%	2015 \$	%
(c) Comparisons of certain monetary figures and percentages				
Total cost of fundraising / Gross income from fundraising	<u>117,550</u> 3,109,999	3.8	<u>136,412</u> 3,671,169	3.7
Net surplus from fundraising / Gross income from fundraising	<u>2,992,449</u> 3,109,999	96.2	<u>3,534,757</u> 3,671,169	96.3
Total costs of services / Total expenditure	<u>2,657,884</u> 2,775,434	95.8	<u>2,592,795</u> 2,729,207	95.0
Total costs of services / Total income received	<u>2,657,884</u> 3,754,998	70.8	<u>2,592,795</u> 4,088,732	63.4


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 2016 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.

On behalf of the Board



Robert Kaye SC
Chairman
LLM, LLB, AICD


Date: 31.10.16

Chairman's 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 Statement of Comprehensive Income gives a true and fair view of all income and expenditure of the Company with respect to fundraising appeals;
- (b) the Statement of Financial Position gives a true and fair view of the state of affairs of the Company with respect to fundraising appeals;
- (c) the provisions and regulations of the NSW Charitable Fundraising Act 1991 and the WA Charitable Collection Act (1946) and the conditions attached to the authority to fundraise have been complied with by the Company; and
- (d) the 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.

On behalf of the Board



Robert Kaye SC
Chairman
LLM, LLB, AICD

Date: 31.10.16

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

Report on the financial report

We have audited the accompanying financial report of Macular Disease Foundation Australia, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Act 2012 and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the Australian Charities and Not-for-Profits Commission Act 2012. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion the financial report of Macular Disease Foundation Australia is in accordance with the *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 2016 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 2015* and the requirements of the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*

We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991* and the *WA Charitable Collections Act (1946)*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2015* and the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*.

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


Opinion

In our opinion:

- a) the financial report of Macular Disease Foundation Australia has been properly drawn up and associated records have been properly kept during the financial year ended 30 June 2016, in all material respects, in accordance with:
 - i sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991*;
 - ii
 - iii sections 10(6) and 11 of the *NSW Charitable Fundraising Regulations 2015*;
 - iv the *WA Charitable Collections Act (1946)*; and
 - v the *WA Charitable Collections Regulations (1947)*.
- b) the money received as a result of fundraising appeals conducted by the company during the financial year ended 30 June 2016 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Acts and Regulations.



Ernst & Young



Kathy Parsons
Partner
Sydney
31 October 2016