



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 2017

Contents to Financial Report

Report from the Chairman and Chief Executive Officer1

Directors' Report3

Auditor's Independence Declaration9

Statement of Comprehensive Income10

Statement of Financial Position11

Statement of Changes in Funds12

Statement of Cash Flows13

Notes to the Financial Statements14

Directors' Declaration27

Chairman's Declaration28

Independent Auditor's Report29

Report from the Chairman and Chief Executive Officer

FOR THE YEAR ENDED 30 JUNE 2017

The support of so many people in 2017 once again enabled us to undertake a range of highly successful activities in support of our vision to reduce the incidence and impact of macular disease in Australia.

Our education and awareness programs reached out to thousands of Australians conveying our key health messages in order to save sight. Our national helpline provided information, guidance and understanding to those in need and our extensive range of publications and resources supported our clients.

Our advocacy efforts were heightened in order to influence key decision makers in order to enhance the wellbeing of the macular disease community and to acknowledge this chronic disease as a national health priority. Our highly acclaimed research grants program opened for a fourth time, calling for applications from our world class Australian researchers to find answers to why Australians are still losing sight from macular disease and how to change this. To date we have committed \$3m to the program, due to the generosity of our donor community and major sponsor Blackmores, for important research projects.

Meeting the needs of the macular disease community to provide expert information, guidance and support serviced by caring and understanding people, is our highest priority. Our community includes those at risk, with disease and those with vision loss, along with family and carers. In meeting the needs of our community this year we helped over 8,300 people on the national Helpline, over 9,000 information kits were distributed, 7,000 people attended education sessions and public seminars across the country and a new website enabled thousands of people to connect with the Foundation for information and guidance.

The number of people with some evidence of age-related macular degeneration (AMD) is estimated at 1.25m in 2017, with a huge number undergoing treatment and many with vision loss and blindness.

Given that macular disease is the leading cause of blindness and severe vision loss in Australia, the key questions which are always paramount for the Foundation are how can we help more people? How can we better reach those who could benefit from our services in prevention, early detection, treatment and rehabilitation? How can we further engage with those in need to provide them with the information, guidance and support services offered by the Foundation?

Research undertaken in early 2017 confirmed that our services are highly valued by eye care professionals along with those living with macular disease, their families and carers. The research also guided us in the re-design of our engagement strategy to enhance the referral pathway with our eye care professional colleagues. Our strategic priority now centres on materially increasing the number of people that we help, and maintaining a quality service to meet the needs of the macular disease community.

To increase the delivery of quality services requires financial sustainability and during the year the Foundation's financial position strengthened. This enables us to continue to meet existing programs, plan for our intended growth in demand for our services and increase our support of research. For the year ended June 2017 the Foundation generated a net surplus of \$0.70m (2016: \$0.98m). Donations and bequests continue to support our financial position, reflecting the generosity of giving within our community, which is greatly appreciated.

Two long standing directors retired - Mr John McCarroll and Mr Ashley Chapman, each having served a term of 12 years contributing their skills, expertise and passion. On behalf of the Foundation we thank both sincerely for their outstanding contribution. The Foundation welcomed two new Directors - Mr Neil Wykes OAM and Ms Lisa Lusthaus, who bring a wealth of knowledge, experience and skills in support of our work.

Thank you to our Patron, Ita Buttrose AO OBE and our Ambassador Jean Kittson for their ongoing commitment and dedication. Sincere thanks are also due to State Governors who support our Foundation.

Report from the Chairman and Chief Executive Officer (cont)

FOR THE YEAR ENDED 30 JUNE 2017

Our partners, donors, funders and volunteers are the highly valued lifeline of our Foundation supporting our dedicated Board Directors and staff in achieving our vision, and we are indebted to them for their generous contributions.

Ultimately, our common goal is the desire to create a world where no one will lose sight from macular disease. In the interim, we continue to do everything possible to prevent blindness and to support those living with macular disease, and their families and carers.



Robert Kaye SC
Chairman
LLM, LLB, AICD

Date: 23 October 2017



Julie Heraghty
Chief Executive Officer
BA DipEd

Date: 23 October 2017

Directors' Report

The directors submit their report for the year ended 30 June 2017.

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
Ms Elizabeth Carr AM – BA (Hons), MPA, FAICD (retired 7 September 2016)
Mr Ashley Chapman – CPA, MACS (retired 6 December 2016)
Brigadier John Fenwick – BA, MBA, GAICD, AFAIM
Mr Richard Grills
Ms Lisa Lusthaus – BSc App. Psych (Hons) (appointed 1 April 2017)
Ms Imelda Lynch – RN, BN, MHSN, GAICD
Mr John McCarroll – BEc (retired 6 December 2016)
Mr Paul Rogan – BBus, CPA, AICD (retired 25 August 2017)
Mrs Suellen Tapsall – BA, MA, FAIM (retired 4 September 2017)
Associate Professor Nitin Verma AM – FRANZCO, MD.MMed, Dip NBE
Mr Neil Wykes OAM – BCom, FCA, AGIA, ACIS (appointed 13 March 2017)

Mr Robert Kaye SC, Chairman – LLM, LLB, AICD (appointed Chairman 7 September 2016)

Robert Kaye is a practising barrister and mediator and is also on the board of a number of ASX listed companies. He is chairman of Collins Foods Limited and Spicers Limited, a non-executive director of Magontec Limited and a former non-executive director of UGL 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 and is a member of the Audit and Risk Committee.

Ms Elizabeth Carr AM, 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 Chair of South Metropolitan TAFE (WA), icare Foundation, St Catherine's Aged Care Services (NSW), Seton Villa (NSW), St Mary's Anglican Girls School (WA) and Department of Family and Community Services Audit & Risk Committee (NSW). She is Deputy Chair of the Kokoda Track Foundation, a director of icare (NSW) and a member of the Environmental Protection Authority (WA). She is also a member of Urban Growth Development Corporation Audit & Risk Committee and 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.

Mr Ashley Chapman, Deputy Chairman – CPA, MACS (retired 6 December 2016)

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 was the Deputy Chairman of the Board and a member of the Audit and Risk Committee, the Client Services Committee and the Board Nomination and Evaluation Committee. Post his retirement from the Board, he continues as a member of the Client Services Committee and Audit & Risk Committee.

Directors' Report (continued)

DIRECTORS (continued)

Brigadier John Fenwick – BA, MBA, GAICD, AFAIM

John is a brigadier 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.

Brigadier 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 Lisa Lusthaus – BSc App. Psych (Hons) (appointed 1 April 2017)

Lisa Lusthaus is Council Secretariat at the Centre for Social Impact, University of New South Wales, Sydney. She has worked there for 10 years since its inception.

Early in her career, Lisa was a clinical researcher at the Prince Henry Hospital, Little Bay. She co-authored several articles in the field of neurosurgery. Subsequently, Lisa was employed as Research Psychologist at the Child Safety Centre, Royal Alexandra Hospital for Children, Camperdown. In addition to publishing numerous articles on childhood accidents, she worked with the David and the Helping Hand child safety program and served on the board of the Child Accident Prevention Foundation. For more than a decade Lisa was the publisher of MicroPress, Australia's Newspaper for Children, a unique national news bulletin for primary school children to encourage them to read about current affairs.

Ms Imelda Lynch – RN, BN, MHSN, GAICD

Imelda Lynch is Interim CEO of the Heart Foundation South Australia. She 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, and now holds a non-executive director role.

Imelda Lynch is a member of the Client Services Committee and the Research Committee.

Mr John McCarroll – BEc (retired 6 December 2016)

John McCarroll has more than 30 years experience in the finance industry, initially in Europe and then in Australia for the past 20 years. In 2017 John retired as a director at JB Were Ltd - Private Wealth Management. John was also a director of the Australian Stockbrokers Foundation for over 19 years.

John McCarroll was a member of the Audit and Risk Committee and the Board Nomination and Evaluation Committee.

Directors' Report (continued)

DIRECTORS (continued)

Mr Paul Rogan – BBus, CPA, AICD (retired 25 August 2017)

Paul Rogan is a seasoned executive with more than thirty years' experience in the financial services sector both in Australia and the United Kingdom. He is the founder of a fintech start up, Retirement Essentials. Prior to that he held a number of senior executive roles at Challenger Limited including six years as Chief Executive, Distribution, Marketing and Research. Paul was a director of various Challenger subsidiaries. He has also 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.

Paul Rogan was the Chair of the Audit and Risk Committee and, post his retirement from the Board, remains a member of the Committee.

Mrs Suellen Tapsall – BA, MA, FAIM (retired 4 September 2017)

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 was 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.

Mr Neil Wykes OAM – BCom, FCA, AGIA, ACIS (appointed 13 March 2017)

Neil Wykes is a senior executive with more than fifty years' experience in the finance and accounting services sector and is currently the General Manager, Audit & Risk for Ramsay Health Care (part time). He retired as a partner from Ernst & Young in 2010 after 43 years, 28 as a partner, having been responsible for the audit of major companies globally and also many not-for-profit organisations. Neil has been involved with the support of the Foundation via his role at Ernst & Young since its beginnings in 2001.

Neil makes significant contributions to the support of the not-for-profit sector including roles with National Trust of Australia (NSW) and Variety - the Children's Charity. Neil received an OAM in 2007 for service to the community.

Neil Wykes became Chair of the Audit & Risk Committee following Paul Rogan's retirement from the Board.

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 materially increasing the number of people that are helped by building a strong and engaged brand; ensuring sustainable quality service delivery in meeting the needs of the macular disease community; and being recognised by our stakeholders as the authoritative voice of the macular disease community.

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 2017 the Company had 17 members (2016: 17 members). The total liability of members would be \$17 (2016: \$17).

DIRECTORS' MEETINGS

The number of meetings of directors (and meetings of Committees) held during the year and the number of meetings attended by each director (whilst in office) was as follows:

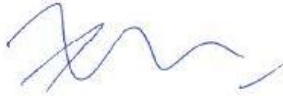
	Board		Audit & Risk Committee		Client Services Committee		Medical Committee		Research Committee	
	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible
Mr Robert Kaye SC	7	7	4	5						
Ms Elizabeth Carr	1	1	1	1	1	1	1	1	1	1
Mr Ashley Chapman	3	3	3	3	2	2				
Brig. John Fenwick	6	6	5	5						
Mr Richard Grills	6	6			2	3				
Ms Lisa Lusthaus	1	2								
Ms Imelda Lynch	5	5			3	3			2	2
Mr John McCarroll	3	3	3	3						
Mr Paul Rogan	7	7	5	5						
Ms Suellen Tapsall	6	6			3	3			2	3
Assoc.Prof. Nitin Verma	4	4					1	4	3	3
Mr Neil Wykes	3	3	1	1						

Directors' Report (continued)

AUDITOR INDEPENDENCE

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

Signed in accordance with a resolution of the directors.

A handwritten signature in blue ink, appearing to read 'R. Kaye', with a horizontal line underneath.

Robert Kaye SC
Chairman
LLM, LLB, AICD

Date: 23 October 2017

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 2017 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 any applicable code of professional conduct.



Ernst & Young



Kathy Parsons
Partner
23 October 2017

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 \$	2016 \$
Donations/Fundraising	3(a)	2,446,986	2,302,471
Government grants		761,635	697,475
Sale of products		7,206	7,478
Other income	3(b)	575,080	636,408
		<u>3,790,907</u>	<u>3,643,832</u>
Employee benefits expense	3(c)	(1,384,489)	(1,235,087)
Depreciation expense	3(d)	(9,970)	(28,290)
Other expenses	3(e)	(1,420,400)	(1,590,781)
		<u>976,048</u>	<u>789,674</u>
Research grants program donations		407,085	805,722
Research grants program expenditures		(684,216)	(615,832)
Net research grants program (deficit)/surplus		<u>(277,131)</u>	<u>189,890</u>
Net Surplus of the year		<u>698,917</u>	<u>979,564</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		241,079	(479,429)
		<u>241,079</u>	<u>(479,429)</u>
Other comprehensive income/(expense) for the year		<u>241,079</u>	<u>(479,429)</u>
Total comprehensive income/(expense) for the year		<u><u>939,996</u></u>	<u><u>500,135</u></u>

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

Statement of Financial Position

AS AT 30 JUNE 2017

	Notes	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	1,262,389	1,118,430
Grants, sponsorship, donations and other receivables	5	1,124,211	1,384,647
Prepayments		12,539	14,961
Total Current Assets		2,399,139	2,518,038
Non-current Assets			
Available-for-sale investments	6	6,351,550	5,665,953
Plant and equipment	7	6,765	15,735
Other assets		51,000	51,000
Total Non-current Assets		6,409,315	5,732,688
TOTAL ASSETS		8,808,454	8,250,726
LIABILITIES			
Current Liabilities			
Trade and other payables	8	197,274	299,643
Provisions	9(a)	117,286	96,681
Grant in advance		218,133	527,626
Total Current Liabilities		532,693	923,950
Non-current Liabilities			
Provisions	9(b)	51,293	42,304
Total Non-current Liabilities		51,293	42,304
TOTAL LIABILITIES		583,986	966,254
NET ASSETS		8,224,468	7,284,472
FUNDS			
Retained funds		8,071,639	7,372,722
Net unrealised gains/(losses) reserve		152,829	(88,250)
TOTAL FUNDS		8,224,468	7,284,472

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 2017

	Surplus funds	Restricted cash funds (a)	Research reserve (b)	Total Retained funds	Net unrealised gain/(loss) reserve	Total funds
	\$	\$	\$	\$	\$	\$
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)	-	-	-
Research reserve funds 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
Surplus for the year	698,917	-	-	698,917	-	698,917
Other comprehensive income	-	-	-	-	241,079	241,079
Total comprehensive income for the year	698,917	-	-	698,917	241,079	939,996
Income received in the year	(1,542,196)	1,135,111	407,085	-	-	-
Funds spent during the year	1,783,916	(1,099,700)	(684,216)	-	-	-
Surplus funds allocated to research reserve	(193,131)	-	193,131	-	-	-
At 30 June 2017	6,840,047	150,592	1,081,000	8,071,639	152,829	8,224,468

(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 2017, the Company has adjusted the Research Reserve to reflect its maximum future Research Grant funding commitments of \$1,081,000. 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 2017

	Notes	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from donations		2,522,299	2,582,295
Receipts from sale of products		4,826	3,927
Receipts from other income		6,340	6,514
Payments to suppliers and employees		(2,816,226)	(2,764,456)
Payments for research grants		(684,216)	(615,832)
Receipt of government grants		761,635	697,475
Interest received		39,260	45,399
Net cash flows from/(used in) operating activities	12	<u>(166,082)</u>	<u>(44,678)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,000)	(2,794)
Disposal of property, plant and equipment		-	-
Investment income received		61,041	51,401
Net payments for the purchase of available-for-sale investments		-	-
Net cash flows from/(used in) investing activities		<u>60,041</u>	<u>48,607</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		143,959	(246,071)
Cash and cash equivalents at beginning of year		1,118,430	1,364,501
Cash and cash equivalents at end of year	4	<u><u>1,262,389</u></u>	<u><u>1,118,430</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 2017

1. CORPORATE INFORMATION

The financial report of Macular Disease Foundation Australia for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the directors on 23 October 2017.

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 Company has adopted the following amended Australian Accounting Standard as of 1 July 2016:

- AASB 2015-2 : *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*

The nature and the impact of the new standard is described below:

This Standard amends AASB 101 *Presentation of Financial Statements* to clarify existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying the Standard in determining what information to disclose, where and in what order information is presented in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Significant accounting judgements, estimates and assumptions

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

(i) Significant accounting judgements

Impairment of non-financial assets

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

(ii) Significant accounting estimates and assumptions

Estimation of useful lives of assets

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

(a) Revenue recognition

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

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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Bequests

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

Government grants

The 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 2017

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 realisable 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 2017

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 2017

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 2017

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 2017

	2017 \$	2016 \$
3. REVENUE AND EXPENSES		
(a) Donations/Fundraising		
Donations	601,675	328,134
Corporate sponsorship	1,517,812	1,765,915
Bequests	327,499	208,422
Total donations/fundraising income	<u>2,446,986</u>	<u>2,302,471</u>
(b) Other income		
Bank interest received	38,603	44,116
Income on investments	362,821	364,883
Gain on disposal of investments	173,439	227,171
Other income	217	238
Total other income	<u>575,080</u>	<u>636,408</u>
(c) Employee benefits expense		
Wages and salaries	1,186,952	1,098,881
Workers' compensation costs	8,000	8,632
Defined contribution plan expense	109,748	101,493
Annual leave	12,069	(9,517)
Long service leave	17,525	24,300
Other staff costs	50,195	11,298
Total employee benefits expense	<u>1,384,489</u>	<u>1,235,087</u>
(d) Depreciation expense		
Depreciation of non-current assets		
Plant and equipment	9,970	28,290
Total depreciation expense	<u>9,970</u>	<u>28,290</u>
(e) Other expenses		
Education and prevention programs	813,028	898,312
Research (non grants program) expense	9,480	11,021
Communication expense	-	83,918
Repairs and maintenance	43,197	29,005
Rental expense	146,751	128,002
Insurance	19,028	18,327
Administration expense	82,373	128,463
Property and equipment cost	64,962	60,979
Consultancy Fees	240,902	231,542
Sundry expenses	679	1,212
Total other expenses	<u>1,420,400</u>	<u>1,590,781</u>
4. CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	512,389	618,430
Short-term deposits	750,000	500,000
	<u>1,262,389</u>	<u>1,118,430</u>

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
5. GRANTS, CORPORATE SPONSORSHIP AND OTHER RECEIVABLES		
Grants/Corporate sponsorship receivable	396,000	391,050
Long term deposits	500,000	750,000
Other receivables	210,530	211,605
GST receivable	17,681	31,992
Carrying amount of grants, corporate sponsorship and other receivables	1,124,211	1,384,647

Allowance for impairment loss

No allowance for impairment loss has been recognised by the Company (2016: \$nil).

6. AVAILABLE-FOR-SALE INVESTMENTS

At Fair Value

Investment portfolio	6,351,550	5,665,953
	6,351,550	5,665,953

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	179,551	178,551
Accumulated depreciation	(172,786)	(162,816)
Net carrying amount	6,765	15,735

Movement in property, plant and equipment

Plant and equipment		
Balance at the beginning of the year		
At cost	178,551	175,757
Accumulated depreciation	(162,816)	(134,526)
Net carrying amount	15,735	41,231
Additions	1,000	2,794
Disposals (net of depreciation)	-	-
Depreciation charge for the year	(9,970)	(28,290)
Balance at the end of the year – net carrying amount	6,765	15,735

No property, plant or equipment is pledged as security for liabilities at the reporting date (2016: none).

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
8. TRADE AND OTHER PAYABLES (CURRENT)		
Trade creditors	68,050	142,082
Other creditors	129,224	157,561
	<u>197,274</u>	<u>299,643</u>
9. PROVISIONS		
(a) Current		
Annual Leave	72,239	55,985
Long service leave	45,047	40,696
	<u>117,286</u>	<u>96,681</u>
(b) Non-current		
Long service leave	<u>51,293</u>	<u>42,304</u>

10. COMMITMENTS AND CONTINGENCIES

(a) Commitments

Operating lease commitments – Company as lessee

On 22 September 2016, the Company entered into a lease agreement with a term of 5 years and an option to renew for a further period of 3 years.

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

	2017 \$	2016 \$
Within one year	145,691	140,527
After one year but not more than five years	518,549	625,763
More than five years	0	38,477
	<u>664,240</u>	<u>804,767</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 \$1,081,000 (FY16: \$1,165,000).

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
(b) Contingencies		
<i>Guarantee</i>		
The Company has arranged a rental guarantee facility of \$51,000 (2016: \$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	30,000
12. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash flows from operating activities		
Surplus for the year	698,917	979,564
Working capital adjustments		
- Decrease/(increase) in other receivables	10,435	(270,850)
- Decrease/(increase) in prepayments	2,422	(433)
- (Decrease)/increase in trade and other payables	(102,369)	263
- Decrease in grant in advance	(309,493)	(271,464)
- Increase in provisions	29,594	14,783
Depreciation	9,970	28,290
Investment income	(505,558)	(524,831)
Net cash flows used in operating activities	(166,082)	(44,678)
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:		
Mr Robert Kaye SC		
Ms Elizabeth Carr AM (retired 7 September 2016)		
Mr Ashley Chapman (retired 6 December 2016)		
Brigadier John Fenwick		
Mr Richard Grills		
Ms Lisa Lusthaus (appointed 1 April 2017)		
Ms Imelda Lynch		
Mr John McCarroll (retired 6 December 2016)		
Mr Paul Rogan		
Mrs Suellen Tapsall		
Associate Professor Nitin Verma		
Mr Neil Wykes OAM (appointed 13 March 2017)		

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2017

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 (Director, Research & Policy)
 Leonie Walton (Director, Marketing & Fundraising)

(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 \$4,422 (2016: \$2,534). 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 \$636,630 which includes all remuneration including superannuation (2016: \$629,607).

(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

Mr Paul Rogan received \$27,500 for professional services for the year ended 30 June 2017 (2016: nil). These services were provided on terms considerably more favourable than Mr Rogan's commercial terms.

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:

	2017 \$	2016 \$
Income		
Donations/Fundraising	2,854,288	3,109,999
Other income	574,863	636,171
Sale of products	10,525	8,828
Total Income	3,439,676	3,754,998

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2017

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

	Notes	2017 \$	2016 \$
Expenses			
Education		92,171	143,105
Awareness		493,748	532,402
Support services		389,716	455,213
Representation		180,189	200,942
Cost of providing services		1,155,824	1,331,662
Research		930,445	865,815
Cost of providing services and research		2,086,269	2,197,477
Management		523,143	460,407
Fundraising		131,347	117,550
Total Expenses		2,740,759	2,775,434
Surplus for the year (excluding Government Grants and related costs)		698,917	979,564
(a) Gross proceeds from fundraising		2,854,288	3,109,999
Costs of fundraising		(131,347)	(117,550)
Net Surplus obtained from fundraising appeals		2,722,941	2,992,449
(b) Application of net surplus obtained from fundraising appeals			
Providing services and research		2,086,269	2,197,477
Cost of operations		636,672	794,972
		2,722,941	2,992,449

	2017 \$	%	2016 \$	%
(c) Comparisons of certain monetary figures and percentages				
Total cost of fundraising / Gross income from fundraising	<u>131,347</u> 2,854,288	4.6	<u>117,550</u> 3,109,999	3.8
Net surplus from fundraising / Gross income from fundraising	<u>2,722,941</u> 2,854,288	95.4	<u>2,992,449</u> 3,109,999	96.2
Total costs of services / Total expenditure	<u>2,609,412</u> 2,740,759	95.2	<u>2,657,884</u> 2,775,434	95.8
Total costs of services / Total income received	<u>2,609,412</u> 3,439,676	75.9	<u>2,657,884</u> 3,754,998	70.8


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 *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 2017 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: 23 October 2017

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: 23 October 2017

Independent Auditor's Report to the Members of Macular Disease Foundation Australia

Report on the Financial Report

Opinion

We have audited the financial report of Macular Disease Foundation Australia (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance 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*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

.As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 2017, in all material respects, in accordance with:
 - i. sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991*;
 - ii. sections 10(6) and 11 of the *NSW Charitable Fundraising Regulations 2015*;

- iii. the WA Charitable Collections Act (1946); and
 - iv. the WA Charitable Collections Regulations (1947).
- b) the money received as a result of fundraising appeals conducted by the company during the financial year ended 30 June 2017 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
23 October 2017