



Macular Disease Foundation Australia

ABN 52 096 255 177

General Purpose (RDR) Financial Report - 30 June 2020

**Macular Disease Foundation Australia
Directors' report
30 June 2020**

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2020.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Robert Kaye SC – LLM, LLB, MAICD
Brigadier John Fenwick – BA, MBA, GAICD, AFAIM
Mr Richard Grills
Ms Lisa Lusthaus – BSc App. Psych (Hons)
Ms Imelda Lynch – RN, BN, MHSN, GAICD
Professor Nitin Verma AM – FRANZCO, MD.MMed, Dip NBE
Mr Neil Wykes OAM – BCom, FCA, AGIA, ACIS

Mr Robert Kaye SC Chairman – LLM, LLB, MAICD

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 former Chair of Spicers Limited and HT & E Ltd, a non-executive director of Magontec Limited and a former nonexecutive 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.

Brigadier John Fenwick – BA, MBA, GAICD, AFAIM

John is a brigadier and Defence professional with over 29 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 (Masters in Vision Science) and also taught 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.

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Ms Lisa Lusthaus – BSc App. Psych (Hons)

Lisa Lusthaus is Council Secretariat at the Centre for Social Impact, University of New South Wales, Sydney. She has worked there 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, MHSM, GAICD

Imelda Lynch is CEO of the Heart Foundation South Australia/Northern Territory. 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 graduate of the Institute of Company Directors, Vice Captain of the Glenelg Golf Club and a member of the Research Committee.

Professor Nitin Verma AM FRANZCO, MD, MMed, Dip NBE

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 in private practice in Hobart at Hobart Eye surgeons and is Clinical Professor at the School of Medicine, University of Tasmania and Clinical Associate Professor, University of Sydney. He was head of the Department of Ophthalmology at the Royal Hobart Hospital, director of the Royal Australian and New Zealand College of Ophthalmologists (RANZCO), and Board Member of RANZCO Eye Foundation. He is the national Hospitalier for St John Ambulance Australia and also the Honorary Consul in Tasmania for Timor Leste. He was awarded the Order of Australia and order of Timor Leste in 2010 for his service to ophthalmology.

Professor Verma is the Chair of the Research Committee and a member of the Medical Committee of MDFA.

Mr Neil Wykes OAM – BCom, FCA, AGIA, ACIS

Neil Wykes is a senior executive with more than fifty years' experience in the finance and accounting services sector. He recently retired from the position of 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 and his membership of the ACNC Sector Forum. Neil received an OAM in 2007 for service to the community.

Neil Wykes is the Chair of the Audit & Risk Committee.

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.

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Short and long term objectives

The short term objectives are to improve the awareness and understanding of macular disease, 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 for achieving the objectives

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.

Impact of natural events

The Company reduced its appeal activities this year in response to the severe bushfire season and COVID-19. The increase in government income through multi-year contracts has allowed The Company to withstand the short term impacts of reduced appeal income. The Company also received government support through JobKeeper and the Economic Cashflow Boost and these are shown as separate items in the accounts.

The value of MDFA's investments has decreased during the financial year due to COVID-19, however the Australian Share Market has recovered since the start of the pandemic and the Directors will continue to monitor the investment portfolio.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

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 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 2020 the Company had 15 members (2019: 15 members). The total liability of members would be \$15 (2019: \$15).

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2020, and the number of meetings attended by each director were:

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	Full Board Attended	Full Board Eligible	Audit and Risk Committee Attended	Audit and Risk Committee Eligible	Medical Committee Attended	Medical Committee Eligible	Research Committee Attended	Research Committee Eligible
Mr Robert Kaye SC	5	6	4	4	-	-	-	-
Neil Wykes OAM	5	6	4	4	-	-	-	-
Professor Nitin Verma	2	6	-	-	1	4	2	2
Brigadier John Fenwick	5	6	2	4	-	-	-	-
Richard Grills	5	6	-	-	-	-	-	-
Lisa Lusthaus	5	6	-	-	-	-	-	-
Imelda Lynch	3	6	-	-	-	-	2	2

Eligible: represents the number of meetings held during the time the director held office or was a member of the relevant committee but excludes meetings where a member was granted leave of absence.

Auditor's independence declaration

A copy of the auditor's independence declaration is set out immediately after this directors' report.

Signed in accordance with a resolution of directors.



Robert Kaye SC
Chairman LLC, LLB, AICD

28 October 2020



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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE MEMBERS 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 2020 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.

Name of Firm: Allworths Assurance & Advisory Pty Ltd

Name of Director: 
Colleen Hosking, FCA

Address: Level 18, 31 Market Street, Sydney

Dated this day of 28th day of October 2020

Macular Disease Foundation Australia
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General information

The financial statements cover Macular Disease Foundation Australia as an individual entity. The financial statements are presented in Australian dollars, which is Macular Disease Foundation Australia's functional and presentation currency.

Macular Disease Foundation Australia is a company limited by guarantee that is incorporated and domiciled in Australia.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 October 2020. The directors have the power to amend and reissue the financial statements.

Macular Disease Foundation Australia's registered office and principal place of business is:

Level 9, 447 Kent Street, Sydney NSW 2000

The number of employees as at 30 June 2020 was 19 (including 3 part time staff)

The number of volunteers, including directors and other committee members as at 30 June 2020 was 39 (2019: 32)

Macular Disease Foundation Australia
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue	2	2,933,722	3,282,867
Other income	3	(126,147)	564,505
Total revenue		<u>2,807,575</u>	<u>3,847,372</u>
Expenses			
Employee Benefits Expense	4	(1,748,149)	(1,495,307)
Other Expenses	5	(1,068,866)	(1,129,849)
Leases	11	(147,187)	-
Depreciation expense		(9,225)	(12,846)
Amortisation expense		(39,854)	(29,979)
Total expenses		<u>(3,013,281)</u>	<u>(2,667,981)</u>
Operating surplus/(deficit)		(205,706)	1,179,391
Research grants donations and bequests		237,316	1,242,873
Research grants expenditure		<u>(349,944)</u>	<u>(448,000)</u>
Surplus/(deficit) before income tax expense		(318,334)	1,974,264
Income tax expense		-	-
Surplus/(deficit) after income tax expense for the year attributable to the members of Macular Disease Foundation Australia	20	(318,334)	1,974,264
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(deficit) for the year attributable to the members of Macular Disease Foundation Australia		<u>(318,334)</u>	<u>1,974,264</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Macular Disease Foundation Australia
Statement of financial position
As at 30 June 2020

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	6	2,691,713	2,452,471
Grants, sponsorships, donations & other receivables	7	363,009	226,167
Prepayments		25,877	23,024
Total current assets		<u>3,080,599</u>	<u>2,701,662</u>
Non-current assets			
Available-for-sale investments	8	7,468,779	7,630,522
Property, plant and equipment	9	7,200	14,488
Right-of-use assets	12	190,893	-
Intangible assets	10	280,643	150,155
Other assets	13	51,000	51,000
Total non-current assets		<u>7,998,515</u>	<u>7,846,165</u>
Total assets		<u>11,079,114</u>	<u>10,547,827</u>
Liabilities			
Current liabilities			
Trade and other payables	14	188,465	148,420
Lease liabilities	17	161,312	-
Provisions	15	100,608	62,839
Income in advance	16	709,055	137,500
Total current liabilities		<u>1,159,440</u>	<u>348,759</u>
Non-current liabilities			
Lease liabilities	18	38,940	-
Total non-current liabilities		<u>38,940</u>	<u>-</u>
Total liabilities		<u>1,198,380</u>	<u>348,759</u>
Net assets		<u>9,880,734</u>	<u>10,199,068</u>
Equity			
Retained funds	20	9,880,734	10,199,068
Total equity		<u>9,880,734</u>	<u>10,199,068</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Macular Disease Foundation Australia
Statement of changes in equity
For the year ended 30 June 2020

	Surplus funds \$	Restricted cash funds \$	General research reserve \$	Research legacy reserve \$	Net unrealised gain/(loss) reserve \$	Total equity
Balance at 1 July 2018	6,963,774	52,377	882,808	-	325,845	8,224,804
Surplus after income tax expense for the year	1,974,264	-	-	-	-	1,974,264
Income received/(transferred) in the year	(1,342,873)	100,000	592,873	650,000	-	-
Funds (spent)/transferred during the year	550,377	(102,377)	(448,000)	-	-	-
Unrealised gain transferred to surplus funds	325,845	-	-	-	(325,845)	-
Balance at 30 June 2019	<u>8,471,387</u>	<u>50,000</u>	<u>1,027,681</u>	<u>650,000</u>	<u>-</u>	<u>10,199,068</u>

	Surplus funds \$	Restricted cash funds \$	General research reserve \$	Research legacy reserve \$	Net unrealised gain/(loss) reserve \$	Total equity
Balance at 1 July 2019	8,471,387	50,000	1,027,681	650,000	-	10,199,068
Deficit after income tax expense for the year	(318,334)	-	-	-	-	(318,334)
Income received/(transferred) in the year	(337,316)	100,000	237,316	-	-	-
Funds (spent)/transferred during the year	450,420	(100,476)	(349,944)	-	-	-
Balance at 30 June 2020	<u>8,266,157</u>	<u>49,524</u>	<u>915,053</u>	<u>650,000</u>	<u>-</u>	<u>9,880,734</u>

(a) Restricted cash funds

Generally where sponsorship outlines that funds should 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 Equity.

(b) Research reserve and research legacy

As at 30 June 2020, the Company has adjusted the Research Reserve to reflect its maximum future Research Grant funding commitments of \$915,053 (2019: \$1,027,681). 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.

During 2019 there was a bequest made of \$650,000 which was earmarked as a research legacy. The Research Committee are reviewing a plan to issue seed grant funding to support new research. An announcement is expected during FY21 in respect of this matter. This is in addition to the \$915,053 mentioned above.

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

Macular Disease Foundation Australia
Statement of cash flows
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from donations (including bequests)		1,327,820	3,076,165
Receipts from sponsorship		429,000	651,402
Receipts from sale of products		7,818	3,322
Receipts from other income		2,992	-
Receipts for government grants		1,685,500	742,100
Payments to suppliers, employees and others		(2,879,882)	(2,596,393)
Payments to research grants		<u>(349,944)</u>	<u>(448,000)</u>
		223,304	1,428,596
Interest received		<u>3,261</u>	<u>10,678</u>
Net cash from operating activities	21	<u>226,565</u>	<u>1,439,274</u>
Cash flows from investing activities			
Payments for property, plant and equipment	9	(1,937)	(527)
Payments for intangibles	10	(170,342)	(92,168)
Proceeds from investments		<u>184,956</u>	<u>117,470</u>
Net cash from investing activities		<u>12,677</u>	<u>24,775</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		239,242	1,464,049
Cash and cash equivalents at the beginning of the financial year		<u>2,452,471</u>	<u>988,422</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>2,691,713</u></u>	<u><u>2,452,471</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended applicable Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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.

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).

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets.

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 and amortisation charges are included in the Statement of profit or loss and other comprehensive income.

Note 1. Significant accounting policies (continued)

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

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.

Sale 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.

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.

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 legacy is received.

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.

Macular Disease Foundation Australia
Notes to the financial statements
30 June 2020

Note 1. Significant accounting policies (continued)

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.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities 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.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are non-interest bearing and are generally due for settlement within 30 to 90 day terms.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Note 1. Significant accounting policies (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Property, 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.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 to 60 days of recognition.

Note 1. Significant accounting policies (continued)

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Income in advance

Income in advance relates to sponsor funding and government contracts. 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.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Macular Disease Foundation Australia
Notes to the financial statements
30 June 2020

Note 2. Revenue

	2020	2019
	\$	\$
<i>Donations/Fundraising</i>		
Donations	485,913	557,392
Corporate Sponsorship	580,667	597,132
General Bequests	615,364	1,256,243
	<u>1,681,944</u>	<u>2,410,767</u>
<i>Government grants</i>		
NSW - SESIAH	386,500	377,100
DOH Peak	375,000	375,000
DOH NAP	314,278	120,000
COVID-19 Cash Boost	50,000	-
COVID-19 JobKeeper Subsidy	126,000	-
	<u>1,251,778</u>	<u>872,100</u>
Revenue	<u>2,933,722</u>	<u>3,282,867</u>

In the year ended 30 June 2020, 9% of all revenue is provided by pharmaceutical companies for projects supporting the macular disease community.

Note 3. Other income

	2020	2019
	\$	\$
Income on investments	341,828	609,237
Interest income	3,261	10,678
Other income	3,362	544
Sales of products	7,818	3,322
(Loss)/Gain on disposal of investments	(202,439)	(273,317)
Unrealised (Loss)/Gain on investments	(279,977)	214,041
Other income	<u>(126,147)</u>	<u>564,505</u>

Note 4. Employee Benefits Expense

	2020	2019
	\$	\$
Wages and salaries	1,460,316	1,340,406
Workers' compensation costs	10,695	12,948
Superannuation	141,246	121,866
Annual leave	124,676	16,704
Long service leave	-	(9,976)
Other staff costs	11,216	13,359
	<u>1,748,149</u>	<u>1,495,307</u>

Macular Disease Foundation Australia
Notes to the financial statements
30 June 2020

Note 5. Other Expenses

	2020	2019
	\$	\$
Education and prevention programs	615,714	527,055
Research (non grants program) expense	8,720	8,928
Repairs and maintenance	65,266	53,725
Rental expense	-	154,552
Insurance	14,912	14,159
Administration expense	120,554	115,176
IT and equipment cost	94,439	50,094
Consultancy fees	148,705	205,953
Sundry expenses	556	207
	<u>1,068,866</u>	<u>1,129,849</u>

Rental expense is nil in the year ended 30 June 2020 due to the adoption of AASB 16 Leases from 1 July 2019.

Note 6. Current assets - cash and cash equivalents

	2020	2019
	\$	\$
Cash at bank and in hand	<u>2,691,713</u>	<u>2,452,471</u>

Note 7. Current assets - Grants, sponsorships, donations & other receivables

	2020	2019
	\$	\$
Grants/Corporate sponsorship receivable	247,500	2,750
Other receivables	115,509	223,417
	<u>363,009</u>	<u>226,167</u>

Allowance for Impairment loss

No allowance for impairment loss has been recognised by the Company (2019:Nil).

Note 8. Non-current assets - Available-for-sale investments

Presented at fair value:

	2020	2019
	\$	\$
Investment Portfolio	<u>7,468,779</u>	<u>7,630,522</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.

Macular Disease Foundation Australia
Notes to the financial statements
30 June 2020

Note 9. Non-current assets - property, plant and equipment

	2020	2019
	\$	\$
Plant and equipment - at cost	207,188	205,251
Less: Accumulated depreciation	<u>(199,988)</u>	<u>(190,763)</u>
	<u><u>7,200</u></u>	<u><u>14,488</u></u>

Movement in property, plant and equipment

Plant and equipment		
Balance at the beginning of the year at cost	205,251	205,542
Accumulated depreciation	(190,763)	(178,734)
Additions	1,937	527
Disposals	-	(817)
Accumulated depreciation - disposals	-	817
Depreciation charge for the year	<u>(9,225)</u>	<u>(12,847)</u>
Balance at the end of the year - net carrying amount	<u><u>7,200</u></u>	<u><u>14,488</u></u>

No property, plant or equipment is pledged as security for liabilities at the reporting period date (2019:none).

Note 10. Non-current assets - Intangible assets

	2020	2019
	\$	\$
Intangible assets - at cost	361,564	191,223
Less: Accumulated amortisation	<u>(80,921)</u>	<u>(41,068)</u>
	<u><u>280,643</u></u>	<u><u>150,155</u></u>

Movements in intangible assets

Intangible assets		
Balance at the beginning of the year at cost	191,223	99,054
Accumulated amortisation	(41,068)	(11,088)
Additions	170,342	92,168
Amortisation charge for the year	<u>(39,854)</u>	<u>(29,979)</u>
Balance at the end of the year - net carrying amount	<u><u>280,643</u></u>	<u><u>150,155</u></u>

The increase to intangible assets – at cost is related to investments in a new MDFA web portal and related technology to better serve the macular disease community.

Note 11. Leases

	2020	2019
	\$	\$
Depreciation expense of right-of-use assets	155,954	-
Interest expense on lease liabilities	13,166	-
AASB 16 Implementation Impact	<u>(21,933)</u>	<u>-</u>
	<u><u>147,187</u></u>	<u><u>-</u></u>

Macular Disease Foundation Australia
Notes to the financial statements
30 June 2020

Note 12. Non-current assets - right-of-use assets

	2020	2019
	\$	\$
Right of Use - Lease PV	346,847	-
Right of Use - Accum Depn	(155,954)	-
	<u>190,893</u>	<u>-</u>

Comparative amounts are not restated as the liability is calculated as the present value of outstanding rentals, discounted using the incremental borrowing rates at the date of transition. The asset is then set equal to the liability.

Note 13. Non-current assets - Other assets

	2020	2019
	\$	\$
Term deposit on Bank Guarantee	<u>51,000</u>	<u>51,000</u>

The Company has arranged a rental guarantee facility of \$51,000 (2019: \$51,000) with National Australia Bank Limited to guarantee rental payments in the eventuality that the Company cannot meet its rental obligations.

Note 14. Current liabilities - trade and other payables

	2020	2019
	\$	\$
Trade payables	55,489	66,298
BAS payable	59,046	2,017
Other payables	73,930	80,105
	<u>188,465</u>	<u>148,420</u>

Note 15. Current liabilities - provisions

	2020	2019
	\$	\$
Annual leave	<u>100,608</u>	<u>62,839</u>

Leave liability increased this year with additional headcount (including funded roles) and low levels of leave taken during the pandemic.

Note 16. Current liabilities - Income in advance

	2020	2019
	\$	\$
National Strategic Action Plan Con Edu	200,000	-
National Strategic Action Plan HCP Edu	275,722	-
Sponsorship Agreement	233,333	137,500
	<u>709,055</u>	<u>137,500</u>

Macular Disease Foundation Australia
Notes to the financial statements
30 June 2020

Note 17. Current liabilities - lease liabilities

	2020 \$	2019 \$
Lease liability	<u>161,312</u>	<u>-</u>

Note 18. Non-current liabilities - lease liabilities

	2020 \$	2019 \$
Lease liability	<u>38,940</u>	<u>-</u>

Refer to Note 12 for further information regarding implementation of AASB 16 Leases.

Note 19. Equity - Net unrealised gains/(losses) reserve

Due to the adoption of AASB 9 Financial Instruments in 2019, unrealised gains and losses which were taken to profit and loss via other comprehensive income (OCI), now form part of retained funds.

Note 20. Equity - Retained funds

	2020 \$	2019 \$
Retained surpluses at the beginning of the financial year	10,199,068	7,898,959
Surplus/(deficit) after income tax expense for the year	(318,334)	1,974,264
Transfer from unrealised gains/(losses) reserve to retained funds	-	325,845
	<u>9,880,734</u>	<u>10,199,068</u>
Retained surpluses at the end of the financial year		

Note 21. Reconciliation of net cash flows from operating activities

	2020 \$	2019 \$
Net cash flows from operating activities		
Surplus/(deficit) for the year	(318,334)	1,974,264
- Decrease/(increase) in trade and other receivables	(136,842)	127,771
- Decrease/(increase) in prepayments	(2,853)	(3,086)
- (Decrease)/increase in trade and other payables	40,045	25,121
- (Decrease)/increase in income in advance	571,555	(195,630)
- (Decrease)/Increase in provisions	76,709	6,729
Depreciation and amortisation	49,079	42,825
Investment income	(505,629)	(597,995)
Net loss on investments	482,416	59,275
AASB 16 Leases Implementation	(29,581)	-
Net cash flows used in operating activities	<u>226,565</u>	<u>1,439,274</u>

Note 22. 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. The Company implemented lease accounting on 1 July 2019. Refer Notes 11, 12, 17 and 18 for details on Right of Use asset and Lease liability.

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2019 are as follows:

Macular Disease Foundation Australia
Notes to the financial statements
30 June 2020

Note 22. Commitments (continued)

	2020	2019
	\$	\$
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	154,552
One to five years	-	189,697
	<u>-</u>	<u>344,249</u>

Research Grant Commitments

Since 2011 the Company has operated a Research Grants Program by entering into agreements with research institutions to provide research projects. For FY21 a study into estimating the costs and associated impact of new public provision models of care for intravitreal injections has been commissioned. All research funding is conditional upon compliance with milestones as set out in the agreements. As at balance date the Company's potential future research commitments were \$915,053 (2019: \$1,027,681).

	2020	2019
	\$	\$
Research grant commitments		
A summary of research grant commitments by year are as follows:		
2020	-	300,000
2021	383,798	300,000
2022	186,937	150,000
2023	79,321	-
Unallocated Donations	<u>264,997</u>	<u>277,681</u>
	<u>915,053</u>	<u>1,027,681</u>

Research Legacy

During 2019 there was a bequest made of \$650,000 which has been earmarked as a research legacy. The Research Committee are reviewing a plan to issue seed grant funding to support new research. An announcement is expected during FY21 in respect of this matter. This is in addition to the \$915,053 mentioned above.

Other Commitments

During 2019 the Company committed to a third party for the development of a web portal and an agreement was signed. During the year ended 30 June 2020 further commitments were made amounting to \$37,787 (2019: \$34,525) plus GST payable within 12 months of balance date.

Note 23. Auditor remuneration

	2020	2019
	\$	\$
Audit of financial statements		
Allworths Assurance & Advisory - Audit	13,250	13,250
Assistance with preparation of GP(RDR) Financial Report	3,050	3,050
Other service	-	3,063
	<u>16,300</u>	<u>19,363</u>

Macular Disease Foundation Australia
Notes to the financial statements
30 June 2020

Note 24. Related party transactions

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

Mr Robert Kaye SC
Mr Neil Wykes OAM
Professor Nitin Verma
Brigadier John Fenwick
Mr Richard Grills
Ms Lisa Lusthaus
Ms Imelda Lynch

There have been no transactions with directors and their related parties during the financial year (2019: \$Nil).

Note 25. Key management personnel disclosures

The key management personnel of Macular Disease Foundation Australia during the financial year were:

Dee Hopkins (Chief Executive Officer)
Leonie Walton (Director, Marketing & Fundraising)
Anthony Lehner (Medical Affairs Manager) Resigned 6 December 2019
Kay Loboz (Medical Affairs Manager) Started on 6 April 2020
Christina Ly (National Program Manager) Started 30 September 2019
Colette Kinsella (Partnership Manager) Resigned 23 October 2019
Brett Sato (Finance Manager) Resigned 27 August 2020
Rebecca Sobczak (Operations Manager) Started on 9 March 2020
Sabine Ostrowski (Education & Relationship Manager – VIC/SA/TAS) Effective from 1 February 2020

(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 \$6,347 (2019: \$4,997). Directors are reimbursed for reasonable expenses incurred in attending meetings and carrying out activities on behalf of the Company.

Key management personnel received gross remuneration of \$889,244 (2019: \$765,412) which includes all remuneration including superannuation.

(b) Loans to key management personnel

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

There have been no other transactions and balances with key personnel and their related parties during the financial year.

Note 26. 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:

	2020	2019
	\$	\$
Income		
Donations/fundraising	<u>1,262,436</u>	<u>1,430,982</u>

Macular Disease Foundation Australia
Notes to the financial statements
30 June 2020

Note 26. Information and declaration to be furnished under the charitable fundraising act 1991 (continued)

	2020	2019
	\$	\$
Total Donations - Programs	485,913	557,392
Total Donations - Research	184,676	221,854
Corporate Income	580,667	647,132
Other	11,180	4,604
	<u>1,262,436</u>	<u>1,430,982</u>

	2020	2019
	\$	\$
Bequest Income	668,003	2,227,262

According to the NSW Charitable Fundraising Act 1991 No 69 Part 1 section 5(3c), the bequest income listed above does not however, constitute a fundraising appeal for the purposes of this Act.

	2020	2019
	\$	\$
Prevention & Early Detection	522,962	497,049
Support & Services	309,624	440,386
Voice with the MD Community	166,363	63,333
Cost of providing services	<u>998,949</u>	<u>1,000,768</u>
Research & Data	<u>467,798</u>	<u>555,623</u>
Management	393,163	372,635
Fundraising	<u>381,318</u>	<u>310,286</u>
Total expenses	<u>2,241,228</u>	<u>2,239,312</u>

	2020	2019
	\$	\$
(a) Proceeds from fundraising		
Gross proceeds	1,262,436	1,430,982
Costs of fundraising	<u>(381,317)</u>	<u>(310,286)</u>
Net surplus obtained from fundraising appeals	<u>881,119</u>	<u>1,120,696</u>

	2020	2019
(b) Application of net surplus obtained from fundraising appeals		
Providing services and research	<u>1,466,746</u>	<u>1,556,391</u>

Cost of providing services and research in 2020 & 2019 exceeded the net surplus raised by fundraising (excluding bequests).

Macular Disease Foundation Australia
Notes to the financial statements
30 June 2020

Note 26. Information and declaration to be furnished under the charitable fundraising act 1991 (continued)

	2020	2020 %	2019	2019 %
Comparisons of certain monetary figures and percentages				
Total cost of fundraising /	<u>381,318</u>	30.2%	<u>310,286</u>	21.7%
Gross income from fundraising	1,262,436		1,430,982	
Net surplus from fundraising /	<u>881,119</u>	69.8%	<u>1,120,695</u>	78.3%
Gross income from fundraising	1,262,436		1,430,982	
Total costs of services /	<u>1,859,909</u>	83.0%	<u>1,929,027</u>	86.1%
Total expenditure	2,241,227		2,239,313	

Prior year comparative balances have been amended to follow the current year allocation under the 4 strategic pillars of MDFA

- Pillar 1 - Prevention & Early Detection
- Pillar 2 - Support & Services
- Pillar 3 - Voice with the MD Community
- Pillar 4 - Research & Data

Note 27. Events after the reporting period

No matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Macular Disease Foundation Australia
Directors' declaration
30 June 2020

In the directors' opinion:

(a) The financial statements and notes of the Company are in accordance with 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 2020 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-Profit Commission Regulation 2013.

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they are due.

On behalf of the Board



Robert Kaye SC
Chairman LLC, LLB, AICD

28 October 2020

**Macular Disease Foundation Australia
Chairman's declaration
30 June 2020**

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

28 October 2020



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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 2020, the statement of comprehensive income, the statement of changes in equity and the 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 2020 and of its financial performance for the year then ended; 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 related 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 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 judgement 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)*

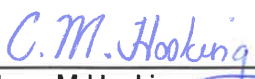
We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991* and the *WA Charitable Collections Act (1946)*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination on a test 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 2020, 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 2020 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Acts and Regulations.



Colleen M Hosking
28 October 2020
SYDNEY NSW 2000