



Macular Society

Beating Macular Disease

The Macular Disease Society operating
under the name The Macular Society

Report and Accounts

31 December 2019

Macular Society Report and Accounts

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■ Patrons

Henry Blofeld OBE *
Gemma Craven *
Gwyneth Dickinson MBE *
Zac Shaw *
Maggie Norden
Patricia Greene *

The symbol * indicates visual impairment.

Macular Society Report and Accounts

Directors and Officers of the Company and Trustees of the Society

John Dunston MA, CF, FRSA, ACIL – Chair

Paul Ryb BA(Hons) * – Vice Chair

Alison Guthrie MCOptom – Vice Chair

(since 26 November 2019)

Richard Piller FCA, CTA – Honorary Treasurer

Margaret Packham BSc (Hons), MCIPD

Toby Evans BA(Hons), ACA *

(Retired 20 September 2019)

Timothy ffytche LVO, FRCS, FRCOphth

Martyn Long CBE * (Retired 20 September 2019)

Anna Fletcher LLB *

Alan Howell (Retired 24 May 2019)

Frances Luff BA (Hons)

Stephen Stacey MA, DPhil

Cecilia Bufton BSc (Hons), MBA

Steve Kendall * (Retired 26 November 2019)

Bill Best BSc (Hons) *

Sheena George, FRCOphth

(Appointed 9 April 2019)

Sobha Sivaprasad, FRCOphth

(Appointed 9 May 2019)

Robin Hamilton, FRCOphth

(Appointed 20 September 2019)

Cathy Yelf – Chief Executive and Company Secretary

Macular Society Report and Accounts

Auditors

Clifford Fry & Co, St. Mary's House,
Netherhampton, Salisbury, Wiltshire
SP2 8PU

Bankers

Barclays Bank Plc, South West London
Corporate Banking, 1 The Causeway,
Teddington, Middlesex TW11 0HB

Legal Advisers

Furley Page LLP, Admiral's Offices Main Gate
Road, The Historic Dockyard, Chatham, Kent
ME4 4TZ

Investment Managers

Ruffer LLP, 80 Victoria Street, London
SW1E 5JL

Rathbone Investment Management Ltd,
8 Finsbury Circus, Finsbury, London
EC2M 7AZ

Macular Society Report and Accounts

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Office (and
actual office
address)

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information

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Report of the Trustees

for year ended 31 December 2019

The Trustees of the Macular Disease Society submit their annual report and audited financial statements for the year ended 31 December 2019. The Trustees are also directors of the company and this report incorporates the information required in the directors' Strategic Report.

History and objectives

The Society was founded as a membership body in 1987 by a group of patients and medical professionals.

The objectives of the Society are to support medical research to find a cure for macular disease and to provide information, advice and other services to improve the lives of people affected by macular disease. We summarise these aims in this way:

Beating Macular Disease

Our vision:

An end to macular disease.

Our mission:

Beating macular disease with world class research and the best advice and support.

Our strategic aims:

- Finding a cure
- Providing the best advice and support
- Educating the public that 'vision matters'.

Report of the Trustees

for year ended 31 December 2019

Structure, Governance and Management

The Society is a Company Limited by Guarantee, without Share Capital, incorporated on 13 October 1987 and registered as a Charity on 10 December 1990. At the end of 2019, the Society has over 28,000 members – 14,282 voting members, 1,312 six months free trial members, 116 non-voting associate members, 8,445 non-voting professional members and c.4,000 additional members of local groups who are not voting members.

There are 426 peer support groups. The majority, 372, operate under the Society's charity number. 54 are 'affiliated' groups operating under the auspices of other organisations such as local societies for visually impaired people.

Each group that operates under our charity registration submits an annual financial return at the year-end and these are combined into the Society's financial statements.

The Society has been granted exemption from Income Tax under s.505 ICTA 1988 and exemption from Capital Gains Tax under s.256 ICTA 1992. The Charity and Company number are shown on the back page of this document.

Report of the Trustees

for year ended 31 December 2019

The Company was established under a Memorandum of Association which confirmed the objects and powers of the Company and is governed under its Articles of Association.

Under the Articles, each Trustee is appointed by Council to serve a maximum period of six years, with a reappointment requirement after three years. The exception to this is the Hon. Treasurer who may serve up to three three-year terms.

Vacancies for Trustees are advertised in Sideview (the Society's quarterly magazine) and elsewhere.

Applications are reviewed by the Governance and Appointments Panel. Selected candidates are invited to a meeting with the Chief Executive for a briefing on the Society and discussion of the role and responsibilities of Trustees. Trustee training takes place by means of the initial briefing and occasional study workshops.

The Council meets four times a year. In addition to the top level decision making undertaken by Council, preparatory work takes place in committees comprising a combination of Trustees, Society members, salaried staff and external advisers.

Report of the Trustees

for year ended 31 December 2019

These committees are:

- **Finance and Fundraising**
Reviews the annual budget, monitors financial and fundraising performance.
- **Research**
Allocates research funding and monitors output.
- **Governance and Appointments Panel**
Oversees governance and appoints Trustees and key employees.
Sets the remuneration of key management personnel.
- **Ethics Committee**
Reviews the Society's policies and activities to ensure the organisation operates to the highest ethical standards.

In all its activities, the Macular Society Trustees and staff pay due regard to the Charity Governance Code.

The executive team comprises:

Cathy Yelf, Chief Executive

Emma Malcolm, Director of Fundraising and Marketing

Tessa Barrett, Director of Services

Karen Noble, Head of Finance

Rebecca Ward, HR Manager

John McKay, Head of IT and Data Insight
(from September 2019)

Executive
team

Report of the Trustees

for year ended 31 December 2019

Responsibilities of Trustees

Their pay is reviewed annually by the Governance and Appointments Panel and is set having regard to market information in respect of charities of equivalent size with head office operations located outside London.

Trustee responsibilities are set out in the Code of Conduct ('The Code') for Trustees. The principal duties are these: Trustees must, with the help of the Chief Executive, formulate and review regularly the Society's vision, values and long-term strategy as well as policies for their fulfilment. With the assistance of the Chief Executive and appropriate professional advisers, Trustees must make sure that the Society complies with regulatory and statutory requirements and must exercise overall control over the Society's financial affairs.

In addition to compliance with statutory requirements, Trustees should have a commitment to the development and implementation of good practice.

Trustees must make sure there is a clear understanding of the scope of authority delegated to the Chief Executive.

The Code also sets out the relationship between the staff and Trustees. It is the role of the Chief Executive to implement the Society's vision, values and long-term strategy through a combination of salaried staff and volunteers.

Report of the Trustees

for year ended 31 December 2019

Assessment of public benefit

The Trustees have complied with the duty in Part 1 Chapter 1 s4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission. The Trustees have had regard for the guidelines when reviewing the Society's aims and objectives and in planning for future activities.

In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set with the executive team.

The day to day management of the Macular Society is led by the Chief Executive on delegated authority from Council.

Review of 2019

Summary

2019 was year two of our five-year strategy period in which we will transform the Society into a leading funder of medical research and double the number of people we support with our unique and highly valued services.

It was a record year for the Society in many respects.

Our fundraised income grew by 3% to more than £5.3m. The developments in our fundraising strategy and tactics, begun in 2018, are now showing tangible results in most income streams. Although we have not begun all the planned new work, we

Report of the Trustees

for year ended 31 December 2019

Beating
Macular
Disease
by finding
a cure

have made considerable progress towards our five-year targets.

All our fundraising has one purpose; to enable us to fulfil our vision and mission.

We invested more than ever before in our research work, in total over £1.2m. Our Advice & Information Service recorded 16,474 support 'interactions' in the year, a 29% increase. The number of peer support groups has grown to a new record of 426.

2019 key achievements

- We invested over £1.2m in our work to find a cure for macular disease.
- £857,000 was given directly to medical research projects. These included a clinical trial of an intraocular lens and a study using Artificial Intelligence to analyse eye scans to learn about the development and progress of macular disease.
- The remainder of our spend on research work represents the cost of running our grants programme, the cost of educational and information services about medical research and the cost of participating in research, both ourselves as a representative of patient interests, and by using our database of 2,900

Report of the Trustees

for year ended 31 December 2019

patients to help research teams recruit people to their trials.

- We published a report detailing the impact our research has had since the inception of the Society.

Since the Macular Society was formed in 1987, we have funded 73 research projects with a total value of over £5.1m. Although the amount of money we have spent cannot rival that of larger medical research charities, we have ensured that our funding has been put to good use: it has gone to projects at a crucial time, when others may not have funded them, giving them time to develop findings so that they may access more significant resources from larger funders; it has supported researchers at early stages of their careers so that there are more people working to beat macular disease; and we have formed collaborations with other funders to enhance our financial contributions, allowing our support.

- We held a very successful seminar on the potential of gene editing (CRISPR-Cas 9) technology in ophthalmology for an international, invited group of world leaders in this field.

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- Our collaboration, Action Against AMD (AAAMD), made significant progress both in research undertaken and in influencing the research environment. AAAMD is a Charitable Incorporated Organisation (CIO) collaboration between the Macular Society and three other UK charities; Blind Veterans UK, Scottish War Blinded and Fight for Sight. The CEOs of the Founder Charities are Trustees of AAAMD along with three independent Trustees.

We have no further financial commitments to AAAMD but will continue to consider requests for direct grants for smaller-scale research projects.

2020 key targets

- Again, we will invest at least £1m in our work to find a cure for macular disease.
- We will introduce new funding streams for seed-corn funding of very early-stage projects as well as for commissioned research to address areas where we feel there is an unmet need for knowledge.
- We will part-fund a new post within NIHR to co-ordinate eye research done in the NHS. The commitment is c. £71,000 over three years. Our Research Manager will sit on the Steering Committee.

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Beating
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with the
best advice
and support

- We will continue our support of AAAMD by our CEO continuing as a Trustee and by advising on fundraising and communications.
- We will seek other opportunities to collaborate with all types of research organisations to maximize the value of all our work and to promote open access to research data.

2019 key achievements

- Our advice and information service provided support on 16,474 occasions (a 29% increase on 2018).
- We distributed more than 392,000 pieces of patient information to individuals and eye clinics (an increase of just over 11%).
- We grew our peer support groups to 426 and began new advice and peer support services specifically aimed at working age and young people.
- We improved our counselling service by creating better referral processes.

This reduced the number of inappropriate referrals in the first half of the year but better communication with potential referring agencies saw referrals increase by nearly 50% in the second half of the year.

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- Other services broadly delivered to target except our befriending service, which saw a fall in available volunteers. With an increase in the length of each befriending relationship, the service is now at full capacity with a wait list.
- We have created a robust impact evaluation framework through which we can assess and report on a more meaningful value of our services.

2020 key targets

- We have devised a longer-term strategy for delivering services to a much larger number of people. The strategy is based on doubling the size of our existing one-to-one and face-to-face services, with the exception of our group network. We do not believe that it is feasible to double the size of this area of our work on both cost grounds and on the available volunteer resource but we anticipate continued, incremental growth. We will instead invest in the creation of digital services that have the capacity to reach many more people cost-effectively.
- We will consolidate our group peer-support network to improve the robustness, sustainability and appeal of the groups.

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for year ended 31 December 2019

New groups will only be set up where there is very strong demand and an enthusiastic and capable group of volunteers.

- We will create a suite of digital services that will sit alongside our traditional programmes. They will encompass all our work; advice and information, practical and emotional support; support tailored to the needs of people with central vision loss; support tailored to different age groups.
- We will continue to develop bespoke advice and information services for working age and young people and their families. As well as peer-support, we will encourage the creation of user-generated content on our digital platforms.
- We will strengthen our volunteer network with new support materials.
- We will promote our services to eye care professionals and work with partners to develop links between them and the Society so that more people can benefit from the services we provide.
- We will demonstrate the value and impact of our work by implementing our impact framework using high quality data and a qualitative approach.

Report of the Trustees

for year ended 31 December 2019

Beating
Macular
Disease by
educating
the public
that 'vision
matters'

2019 key achievements

- We distributed of 2,245 eye health packs containing information about eye care, diet and encouraging regular eye examinations.
- We also placed more than 3,000 press items that reached an audience of circa 48 million.
- We shared news, information and advice to circa 26,000 people who receive our e-newsletter each month.
- We also shared the same to more than 10,000 people who follow us on Facebook and more than 11,000 on Twitter.
- We provided information and advice to circa 370,000 people who visited our website.
- We worked with colleagues across the sector to raise the profile of eye health with policy makers in National Eye Health Week, Macular Week and on World Eye Health Day.
- We advocated for improved care where we believed that NHS clinics were failing patients, by engaging local trusts, commissioners and political figures.

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Beating
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2020 key targets

- We will distribute 2,000 + eye health packs in May, June and July.
- Our television advertising campaign in Macular Week 2020 will both encourage giving and raise awareness of macular disease.
- We will work with other charities and corporate partners to demonstrate to public policymakers the impact of macular disease and the increasing need to make it a public health priority. We will do this by holding joint parliamentary events and participating in consultations and policy development.
- We will hold a series of patient information days in hospital eye clinics to promote eye health messages and to educate patients and clinicians about accessing good quality information and support.
- We will participate in CET accredited training for optical professionals to educate them on patient needs and how better to meet those needs.

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for year ended 31 December 2019

Financial Review

The financial statements show a surplus for the year of £283k (2018: £340k). Total funds at the year-end were £3,646k (2018: £3,363k).

We set a deficit budget once again for 2019. With our fantastic donors and volunteers, we achieved higher income in some areas. There was also an underspend in our individual giving fundraising campaigns. Together, these resulted in a year-end surplus. The underspend in fundraising will create slippage in achieving our five-year income target of £12m p.a.

Reserves policy

Unrestricted reserves at the year-end amounted to £2,584k (2018: £2,310k). Each year the Trustees consider the financial and other risks associated with our income and expenditure streams. This allows us to calculate a minimum level of reserves necessary to protect the Society from uncontrollable variances. Our current policy, which remains unchanged, is to hold unrestricted reserves of a minimum representing three to four months of our costs budgeted for 2020. This amounts to £1.3m for the forthcoming year.

Investment policy

We invested funds not required in the short term with Ruffer LLP, an external investment manager. The Portfolio performance is reviewed regularly by the Finance & Fundraising Committee, which reports to Council. Ruffer is

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instructed not to invest in tobacco stocks due to the effect of smoking on eyesight.

Ruffer's performance during 2019 did not meet the requirements of the Society.

In September 2019, the Trustees agreed to withdraw the funds invested with Ruffer and invest them with Rathbone Investment Management Ltd (Rathbones). The funds transferred from Ruffer amounted to £978k. In addition, The Society added cash of £343k to bring the total funds under management in line with the minimum reserve set for 2020. Rathbones are similarly instructed not to invest in tobacco stocks. The total fund ended the year at £1,315k.

The Society's policy is to invest the remaining cash reserves in bank deposits or similar instruments. Of the £2,840k at the year-end (excluding cash held by local groups), £320k was on deposit with Nationwide, £600k with Lloyds TSB, £400k with NatWest and £900k with Barclays. The remaining cash is on current account with Barclays. Interest income for the year amounted to £9k (2018: £6k).

Research grants are awarded by trustees on the recommendations of the Research Committee which is chaired by an independent chair.

Research grants

Report of the Trustees

for year ended 31 December 2019

Risk assessment

The current Chair is James Bainbridge, Professor of Retinal Studies at University College London and Consultant Ophthalmologist at Moorfields Eye Hospital. The Committee invites applications for funding of research projects within research area priorities set by the Trustees.

Applications are independently peer-reviewed and assessed by the Committee. Selected projects are formally approved by Council. The progress of projects (which may last up to three years) is monitored by the Research Committee and periodically reported to Council.

The Trustees have reviewed the major risks that the Society faces and believe the Society has sufficient resources to cope with foreseeable, adverse conditions. The major risks that might impact the Society have been assessed and we are satisfied with the actions taken to mitigate exposure to these risks. The most significant of these risks are:

- a reduction in our income generation; protected by the holding of a minimum reserve requirement,
- protection of our bank deposits and investment portfolio; protected by setting maximum deposit holdings with individual banks and spreading risk through our investment portfolio holdings,

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Our approach to fundraising

- computer failure; protected by annual computer disaster recovery exercises,
- data protection failure; protected by a comprehensive data protection policy.

This includes an Information Security Incident Management Policy, a review of data retention and annual staff and volunteer training,

- hurt to vulnerable adults; protected by two safeguarding officers, policies covering the expectations of staff and volunteers, the safeguarding of vulnerable adults and whistleblowing and the use of the Disclosure and Barring Service.

Everyone who supports us may be assured that we comply with the regulatory standards for fundraising. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice. Several members of the fundraising team, including the Director, are members of the Institute of Fundraising.

It has cost us £4,034k to provide our services and fund our research programme, all of which came from fundraised income.

Our fundraising includes our membership programme, encouraging donations and gifts

Report of the Trustees

for year ended 31 December 2019

in Wills, running events and operating a lottery and raffle.

This year we launched our Groups Research Appeal, inviting our support groups to donate to fundraise for a specific research project. During 2019, the number of individual donations showed a small increase, and the amount raised from legacies increased.

We use third-party suppliers to help us raise funds, particularly where we do not have the expertise in-house. We have safeguards in place when working with suppliers so that we protect our supporters and the reputation of the Society, including a requirement that they comply with the Code of Fundraising Practice. Our website carries our complaints policy for the public and clearly explains how an individual may complain. We received five complaints in 2019 (2018: two).

We responded to all complaints within five days. Complaints are dealt with in line with our fundraising complaints policy. Most serious complaints are escalated to our Chief Executive and Trustees so they may review our activities in the light of the complaint. We report the number of complaints we have received to the Fundraising Regulator.

Report of the Trustees

for year ended 31 December 2019

Statement of Trustees' Responsibilities

We are registered with the Fundraising Preference Service so that individuals are able to opt out from receiving fundraising communications from us. We actioned 50 requests from the Service in 2019.

In addition to our general fundraising policy we have an agreed operating procedure to protect vulnerable people. Our fundraisers (both staff and agents) are familiarised with the procedure to make sure that it is applied properly. The procedure is published on our website.

The Trustees, who are also directors of the Macular Disease Society for the purposes of company law, are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period.

Report of the Trustees

for year ended 31 December 2019

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves

Disclosure
of
information
to auditors

Report of the Trustees

for year ended 31 December 2019

Post balance sheet events

aware of any relevant audit information and to establish that the auditors are aware of that information.

- the Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The coronavirus (Covid-19) pandemic, first reported in China in December 2019, will have a far-reaching but currently unquantifiable impact on the Society's activities and its ability to raise funds in 2020. The directors and senior management team are confident that the steps taken during the first half of 2020, in accordance with UK government guidance and orders to mitigate risks to personal health, will allow the Society to continue its activities for the foreseeable future. The Going Concern accounting policy, as outlined in note 1(c), remains prudent for these financial statements and for the Society's future activities.

This report was approved by the Council of Trustees and signed on its behalf on 12 May 2020.



John Dunston,
Council Chair, Macular Society

Independent Auditors Report

to the Members of the Macular Disease Society

Opinion

We have audited the financial statements of The Macular Society (the ‘Company’) for the year ended 31 December 2019, which comprise the Statement of Financial Activities and retained earnings, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company’s affairs as at 31 December 2019 and of its surplus for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors’ responsibilities for the audit of

Independent Auditors Report

to the Members of the Macular Disease Society

Conclusions relating to going concern

the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report,

Independent Auditors Report

to the Members of the Macular Disease Society

other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees, for which the financial statements are prepared is consistent

Opinion on
other matters
prescribed
by the
Companies
Act 2006

Independent Auditors Report

to the Members of the Macular Disease Society

Matters on which we are required to report by exception

- with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement on 25-27, the directors are responsible for the preparation of the financial statements and for being

Independent Auditors Report

to the Members of the Macular Society

Auditors' responsibilities for the audit of the financial statements

satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 ISAs (UK) 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 these financial statements.

Use of our report

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

This report is made solely to the Company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members for our audit work, for this report, or for the opinions we have formed.

S M Allenby FCA (Senior statutory auditor)



for and on behalf of
Clifford Fry & Co LLP

St Mary's House, Netherhampton,
Salisbury, Wiltshire SP2 8PU

29 May 2020

Statement of Financial Activities

(incorporating an income and expenditure account).

For the year ended 31 December 2019

		£'000 Unrestricted Funds	£'000 Restricted Funds	£'000 Total 2019	£'000 Total 2018
	Notes				
Income from:					
Donations and legacies	2(1)	3,488	1,034	4,522	4,446
Charitable activities	2(2)	-	516	516	446
Other trading activities	2(3)	71	196	267	255
Investment income & interest	2(4)	17	-	17	16
Total income		3,576	1,746	5,322	5,163
Expenditure on:					
Raising funds	3(1)	1,049	-	1,049	1,045
Charitable activities	3(2)	2,297	1,737	4,034	3,714
Total expenditure		3,346	1,737	5,083	4,759
Net income before Gains/(losses) on investments		230	9	239	404
Net gains/(losses) on investments	8	44	-	44	(64)
Net income		274	9	283	340
Total funds brought forward		2,310	1,053	3,363	3,023
Total funds carried forward		2,584	1,062	3,646	3,363

There are no recognised gains or losses other than those disclosed above.
All income and expenditure derives from continuing activities.

Balance Sheet

As of 31 December 2019

		2019		2018	
	Notes	£'000	£'000	£'000	£'000
Fixed assets:					
Tangible assets	7		46		36
Investments	8		1,315		931
Current assets:					
Stocks	9	7		8	
Debtors	10	439		491	
Cash and bank balances		2,840		2,730	
Cash held by local groups		354		329	
		<u>3,640</u>		<u>3,558</u>	
Current liabilities:					
Creditors: amounts falling due within one year	11	1,012		916	
		<u></u>		<u></u>	
Net current assets			2,628		2,642
Total assets less current liabilities			<u>3,989</u>		<u>3,609</u>
Creditors: amounts due after more than one year	12		343		246
Net assets	15		<u>3,646</u>		<u>3,363</u>
Funds					
Unrestricted funds			2,584		2,310
Restricted funds	14		1,062		1,053
Total funds			<u>3,646</u>		<u>3,363</u>

The notes on pages 37 to 51 form part of these accounts.

Approved by the Council of Trustees on 12 May 2020



John Dunston, Council Chair



Richard Piller FCA, CTA, Hon. Treasurer

Statement of Cash Flows

For the year ended 31 December 2019

	2019	2018
	£'000	£'000
Cash flows from operating activities		
Operating surplus for the year (including interest received and investment income)	283	340
Adjustments for:		
Depreciation of fixed assets	29	22
(Gain)/loss on disposals of investments	(44)	64
Decrease/(increase) in receivables	52	148
Decrease/(increase) in stock	1	3
Increase/(decrease) in payables	193	156
Net cash from operating activities	514	733
Cash flows from investing activities		
Proceeds from sale of investments	818	483
Purchases of investments	(1,158)	(483)
Purchases of fixed assets	(39)	(35)
Net cash from investing activities	(379)	(35)
Net increase/(decrease) in cash and cash equivalents	135	698
Cash and cash equivalents at beginning of year	3,059	2,361
Cash and cash equivalents at end of year	3,194	3,059

Notes to the accounts

For the year ended 31 December 2019

1. Accounting policies

(a) Basis of preparation – the net income of the Society arises solely from continuing activities. The accounts have been prepared on the accruals basis and combine the financial activities of the Society and local Groups. They have been prepared in £ sterling and rounded to the nearest thousand.

(b) Accounting convention – the accounts have been prepared under the historical cost convention and in accordance with the applicable United Kingdom Accounting Standards, the Charities Statement of Recommended Practice (FRS 102) and the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

(c) Going Concern – After reviewing the Charitable

Company's forecasts and projections, the Trustees have a reasonable expectation that the Company has adequate resources to continue its activities for the foreseeable future. The Company, therefore, continues to adopt the going concern basis in preparing its financial statements.

(d) Depreciation of Tangible Fixed Assets – depreciation is charged on a straight line basis by reference to the expected useful lives of the assets concerned. The rates used are 33⅓% for IT and film equipment and 20% for office equipment. Fixed assets purchased by local Groups are written off in the year of purchase.

(e) Investments – investments are stated at market value. Unrealised gains and losses are recognised in the statement of financial activities.

Notes to the accounts

For the year ended 31 December 2019

(f) Stocks – stocks are valued at the lower of cost and estimated realisable value.

(g) Legacies – Legacies are accounted for when it is probable that they will be received and the amount can be reliably ascertained.

(h) Debtors – Debtors are measured at amortised cost less any impairment.

(i) Creditors – Creditors and provisions are recognised where the Charitable Company has a present obligation resulting from past events that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts which may be due.

(j) Financial Instruments – The Charitable Company has financial assets and financial liabilities of a kind which qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors.

Investments, including bonds, held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure.

(k) Donated services – donated services are included at estimated valuation.

Notes to the accounts

For the year ended 31 December 2019

- (l) Volunteers** – The Charitable Company has in the region of 1,400 volunteers. The financial value which these volunteers make is not incorporated within these financial statements.
- (m) Local Groups** – In order to reflect correctly the stewardship of the Charitable Company over activities of its local support groups, their results are included in the SOFA and their cash balances at the year end are included in the Balance Sheet as restricted funds. The amounts have been incorporated based on returns received by the Charitable Company by 21 February 2020.
- (n) Grants received** – where related to performance and specific deliverables, grants are accounted for when the Society earns the right to the consideration.
- (o) Expenditure** – expenditure includes irrecoverable VAT.
- (p) Research grants** – unconditional research grants payable in future years are accrued for in the year awarded.
- (q) Unrestricted Funds** – Unrestricted Funds comprise income received without restriction as to its use.
- (r) Restricted Funds** – Restricted Funds comprise income received for the purposes specified by the donor. Expenditure which meets these criteria is applied to the related Fund.
- (s) Resources expended** – resources expended are allocated to the particular activity where the cost relates directly to that activity. Payroll and support costs are apportioned to these activities on the bases set out in Notes 4 and 5.

Notes to the accounts

For the year ended 31 December 2019

	2019	2018
	£'000	£'000
2. Analysis of incoming resources		
(1) Donations and legacies		
Donations, appeals and unrestricted grants	1,205	1,077
Membership subscriptions	280	291
Fundraising events	571	635
Legacies (Note 17)	2,466	2,443
	<u>4,522</u>	<u>4,446</u>
<p>£3,337k of the 2018 income was unrestricted and £1,109k restricted.</p>		
(2) Income from charitable activities		
Grants for specified charitable activities	463	363
Other	53	83
	<u>516</u>	<u>446</u>
<p>The income for 2018 was all restricted.</p>		
(3) Income from other trading activities		
Local group income (restricted)	196	193
Trading income (unrestricted)	71	62
	<u>267</u>	<u>255</u>
(4) Income from Investments and Interest		
Interest received	9	6
Investment Income	8	10
	<u>17</u>	<u>16</u>
<p>The income for 2018 was all unrestricted.</p>		

New Ambition costs of £ Nil (2018 £237,000) were included in Direct costs in 2019.

Notes to the accounts

For the year ended 31 December 2019

	2019	2018
	£'000	£'000
3. Analysis of resources expended		
(1) Costs of raising funds (unrestricted)		
Employee remuneration (Note 5)	503	419
Support costs (Note 4)	103	90
Direct costs	395	495
Trading costs	40	30
Investment management costs	8	11
	<u>1,049</u>	<u>1,045</u>

				2019	2018
				£'000	£'000
	Direct costs	Staff costs	Support costs		
	£'000	£'000	£'000		
		(Note 5)	(Note 4)		
(2) Charitable activities					
Publications	80	47	10	137	252
Educational information	217	199	42	458	594
Advice & Information & Counselling	112	175	37	324	310
Groups & Volunteers	163	984	206	1,353	1,096
Low Vision	40	197	41	278	199
Conferences	37	-	-	37	74
Research	907	251	53	1,211	995
Support to professionals	20	37	8	65	34
Local group activities	171	-	-	171	160
	<u>1,747</u>	<u>1,890</u>	<u>397</u>	<u>4,034</u>	<u>3,714</u>

2018 charitable expenditure was charged as to £1,552k to restricted reserves and £2,057k to unrestricted.

Notes to the accounts

For the year ended 31 December 2019

	2019	2018
4. Support costs	£'000	£'000
Rent and rates	77	77
Postage and office supplies	57	48
Telephone and IT	93	109
Depreciation	29	22
Recruitment	23	10
Bank charges	14	13
Governance	26	16
Other expenses	181	135
	<u>500</u>	<u>430</u>

The support costs allocated to charitable activities have been allocated pro rata to the apportionment of staff costs allocated to those activities. The resulting allocation is shown in Note 3(2). Governance costs include audit costs of £7,200 (2018: £6,780).

5. Employee remuneration

The average number of full and part-time employees in the year was 69 (2018:64). The average number of employees calculated on a full-time equivalent basis, analysed by function was:

	2019	2018
Management, governance and administration	6	6
Customer care and membership administration	6	8
Fundraising	15	11
Group development & volunteer coordination	14	13
Advice & Information and treatment advocacy	5	4
Low vision	5	4
Research	2	2
Education and awareness	7	7
Sideview and Digest	1	2
	<u>61</u>	<u>57</u>

Notes to the accounts

For the year ended 31 December 2019

	2019	2018
	£'000	£'000
Salaries	2,087	1,746
National insurance	198	162
Pension costs	108	81
	<u>2,393</u>	<u>1,989</u>

The number of employees whose emoluments*, as defined for taxation purposes amounted to over £60,000 in the year and to whom retirement benefits are accruing under money purchase pension schemes are:

	2019	2018
	Number	Number
£60,000-£70,000	1	2
£70,000-£80,000	1	1
£80,000-£90,000	1	1
	<u>3</u>	<u>4</u>

The total emoluments paid to the three key managers amounted to £222,000 (2018: 4 key managers £279,000)

*Emoluments for these purposes exclude pension contributions

The cost of staff that are involved in specific activities has been allocated to those activities; the balance of the payroll has been allocated pro rata to the direct cost allocation. The central finance raising payroll costs have been allocated to specific activities pro rata to the funds raised for those activities.

	2019	2018
	£'000	£'000
Cost of fundraising	503	419
Cost of charitable activities	1,890	1,570
	<u>2,393</u>	<u>1,989</u>

The payroll costs allocated to individual charitable activities is as set out in Note 3(2).

Notes to the accounts

For the year ended 31 December 2019

6. Pension scheme

The charity operates a defined contribution pension scheme. The pension charge for the year £108k (2018: £81k) represents contributions payable by the company to the scheme. Contributions totaling £17,330 (2018: £12,422) were payable to schemes at the year-end and are included in Creditors.

7. Tangible fixed assets

	IT & film equipment £'000	Office equipment £'000	Total £'000
Cost:			
As at 1 January 2019	89	21	110
Additions	31	8	39
Disposals	-	-	-
As at 31 December 2019	<u>120</u>	<u>29</u>	<u>149</u>
Depreciation:			
As at 1 January 2019	60	14	74
Charge for year	25	4	29
Disposals	-	-	-
As at 31 December 2019	<u>85</u>	<u>18</u>	<u>103</u>
Net book amounts:			
As at 31 December 2019	<u>35</u>	<u>11</u>	<u>46</u>
As at 31 December 2018	<u>29</u>	<u>7</u>	<u>36</u>

Notes to the accounts

For the year ended 31 December 2019

	2019	2018
	£'000	£'000
8. Investments		
Market value as at 1 January 2019	834	944
Acquisitions at cost*	1,006	437
Disposals at carrying value	(818)	(483)
Net realised gains (losses) on disposals	(14)	39
Net unrealised gains	58	(103)
	<hr/>	<hr/>
Total investments at market value at 31 December 2019	1,066	834
Cash held for investment	249	97
	<hr/>	<hr/>
Total investments	1,315	931
	<hr/>	<hr/>
Total investments at market value	1,315	931
Total investments at historical cost	1,236	902
	<hr/>	<hr/>
Revaluation unrealised gain	79	29
	<hr/>	<hr/>
Investments are further analysed as follows:		
Listed equities (UK £263k, Overseas £241k)	504	274
Listed fixed interest and index linked Investments (UK £184k, Overseas £174k)	358	400
Other investments	204	160
Cash held for investments	249	97
	<hr/>	<hr/>
	1,315	931
	<hr/>	<hr/>

*Acquisitions include an additional cash injection into the portfolio of £343k (2018:£Nil)

Notes to the accounts

For the year ended 31 December 2019

	2019	2018
	£'000	£'000
9. Stocks comprise diaries & cards for sale	<u>7</u>	<u>8</u>
10. Debtors & prepayments		
Legacies (Note 17)	333	250
Gift aid	38	50
Prepayments	65	81
Other debtors	3	110
	<u>439</u>	<u>491</u>
11. Creditors & accruals: amounts falling due within one year		
Research grants committed not yet paid	760	720
Trade creditors	102	95
Accruals & other payables	150	57
National insurance and other taxes	-	44
	<u>1,012</u>	<u>916</u>
12. Creditors: amounts falling due after more than one year		
Research grants committed not yet paid	283	196
Accruals and other payables	60	50
	<u>343</u>	<u>246</u>

Notes to the accounts

For the year ended 31 December 2019

13. Analysis of research grants

Grant payments have been made or accrued during the year for the following research projects, all of which are with universities and other medical institutions:

- **University of Nottingham** – promoting functional vision through modern digital technology therapy.
- **Ulster University** – a polymersomal based eye drop formulation to enhance delivery of dry payloads to the posterior of the eye.
- **Barts and The London School of Medicine** – a novel peptide-based injection for wet age-related macular degeneration.
- **City University of London** – investigating the impact of practitioner advice about lifestyle modification in age-related macular degeneration.
- **Belfast Health & Social Care Trust** – efficacy and safety of the Scharioth Macular lens in advanced macular disease.
- **University College London** – evaluation of age-related macular degeneration using artificial intelligence and optical coherence tomography.
- **AAAMD** – an additional grant towards research into repurposing drugs for use in treating macular disease.

Notes to the accounts

For the year ended 31 December 2019

13. Analysis of research grants (continued)

	Charged to reserves	
	Restricted £0'00	Unrestricted £'000
University of Nottingham	167	
Ulster University	91	
Barts & The London School of Medicine	149	
City University of London	78	
Belfast Health and Social Care Trust	155	
University College London	126	
AAAMD	91	
Salary, support and other costs	245	109
Total charge to reserves	1,102	109
Total research expenditure – Note 3(2)		1,211

14. Restricted funds

The Society's Restricted funds, into which are paid amounts received with a specific request that the income should be used to fund specified activities, comprise:

- A Research fund for research activities
- A National Lottery Community Fund for a part time Regional Manager to set up new groups and support existing groups in Northern Ireland
- A Groups and Volunteers fund for support to local groups and volunteers
- A Professional Liaison fund for support to professional members
- A Local Groups fund representing cash and deposits held by local groups to fund their future activities
- Special Project funds for specified current year activities

Notes to the accounts

For the year ended 31 December 2019

14. Restricted funds (continued)

	As at 1 Jan 2019 £'000	Movement in year		As at 31 Dec 2019 £'000
		Income £'000	Expenses £'000	
Research	643	1,107	(1,102)	648
National Lottery Community Fund	4	38	(42)	-
Groups & Volunteers	5	310	(315)	-
Professional Liaison	12	-	(12)	-
Counselling	-	95	(35)	60
Local Groups	329	196	(171)	354
SFS Pilot	60	-	(60)	-
	<u>1,053</u>	<u>1,746</u>	<u>(1,737)</u>	<u>1,062</u>

Restricted income includes:

- £15,000 from the Blindcraft Charitable Trust for supporting people with macular conditions in Scotland.
- £30,000 from Garfield Weston Foundation.
- £22,748 from the Masonic Charitable Foundation for Emotional Support Services, so that no one faces sight loss alone.
- £37,500 from the National Lottery Community Fund for supporting older people with macular disease in Northern Ireland.
- £20,000 from the National Lottery Community Fund for support services in Northern Ireland.
- £3,000 from the Three Oaks Trust to support our work in West Sussex.
- £15,000 from the RS Macdonald Charitable Trust for filling in gaps in macular services in Scotland.

Notes to the accounts

For the year ended 31 December 2019

15. Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Fixed assets & Investments	1,361	-	1,361
Net assets	1,223	1,062	2,285
	<u>2,584</u>	<u>1,062</u>	<u>3,646</u>

16. Trustee remuneration

The Trustees received no remuneration during the year (2018: nil).

During the year 8 Trustees (2018: 11) were reimbursed for travel and out of pocket expenses amounting to £3,439 (2018: £5,104).

17. Legacies

Legacies of an estimated £890,200 (2018: £817,700) have been excluded from income as the criteria for recognition had not been met.

18. Commitments

As at 31 December 2019 the Society had the following annual office rent commitments under non-cancellable operating leases:

	2019 £'000	2018 £'000
Payable within one year	60	60
Payable from one year to five years	175	235
Payable after five years	0	0
	<u>235</u>	<u>295</u>

Notes to the accounts

For the year ended 31 December 2019

19. Analysis of changes in net debt

	As at 1 Jan 2019 £'000	Cash flows £'000	As at 1 Jan 2019 £'000
Cash and cash equivalents			
Cash	3,059	135	3,194
Borrowings			
Debts due in under 1 year	(916)	(96)	(1,012)
Debts due after 1 year	(246)	(97)	(343)
	(1,162)	(193)	(1,355)
Total	1,897	(58)	1,839

20. Share capital and members' guarantees

The Company is limited by guarantee and has no share capital. Each member, whilst a member or within 12 months of ceasing membership, undertakes to contribute on a winding up such amount, not exceeding £1, as may be required.

21. Ultimate controlling party

The Society was controlled throughout the current and previous year by the Board of Trustees.

22. Financial Instruments

At the balance sheet date the charity held financial assets at amortised cost of £371k (2018: £410k), financial assets at fair value of £3,194k (2018: £3059k) and financial liabilities at amortised cost of £1,355k (2018: £1,118k).

Notes to the accounts

For the year ended 31 December 2019

23. Related Party Transaction

During the year a grant payment was made to Action Against AMD amounting to £91,000 (2018: £50,000).

The Macular Society and Action Against AMD are related by virtue of Cathy Yelf (CEO) being a Trustee of Action Against AMD, together with the CEOs of the other founding charities plus three independent Trustees. No balance was owing to AAAMD at the year end.

24. Post Balance Sheet Event

The coronavirus (Covid-19) pandemic, first reported in China in December 2019, will have a far-reaching but currently unquantifiable impact on the Society's activities and its ability to raise funds in 2020. The directors and senior management team are confident that the steps taken during the first half of 2020, in accordance with UK government guidance and orders to mitigate risks to personal health, will allow the Society to continue its activities for the foreseeable future. The Going Concern accounting policy, as outlined in note 1 (c), remains prudent for these financial statements and for the Society's future activities.

Professor James Bainbridge

CHAIR

Professor of Retinal Studies
at University College London
and Consultant Ophthalmologist
at Moorfields Eye Hospital

Professor Bal Dhillon

Professor of Clinical
Ophthalmology, University of
Edinburgh and Hon Consultant
Ophthalmic Surgeon at Princess
Alexandra Eye Pavilion

Professor Phil Luthert

Professor of Pathology,
Head of Department of
Eye Pathology, Institute of
Ophthalmology, University
College London

Stephen Stacey

Macular Society Trustee
and lay member

Bill Best

Macular Society Trustee
and lay member

Steve Kendall

Macular Society Trustee
and lay member (to July 2019)

Professor Tom Margrain

Cardiff Centre for Vision Sciences,
College of Biomedical and
Life Sciences, Cardiff University

Professor Luminita Paraoan

Eye and Vision Science, Institute
of Ageing and Chronic Disease,
University of Liverpool

Dr Imre Lengyel

Senior Lecturer, Centre for
Experimental Medicine,
School of Medicine, Dentistry
and Biomedical Science,
Queen's University Belfast

Professor Alexander Foss

Consultant Ophthalmologist,
Department of Ophthalmology,
Nottingham University Hospitals
NHS Trust

Macular Society



Beating Macular Disease

Macular Society
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Company Registered Numbers:
England and Wales 2177039
Isle of Man: 005738F

Registered Charity Numbers:
England and Wales: 1001198,
Scotland: SC042015, Isle of Man: 1123