

The Macular Disease Society
operating under the name

Macular Society

Report and Accounts

31 December 2015

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Henry Blofeld OBE***Gemma Craven*****Gwyneth Dickinson MBE*****Denis Norden CBE*****Peter Sallis OBE*****Directors and Officers of
the Company and Trustees
of the Society**

Richard Elliott***Chairman****(retired 25 September 2015)****John Dunston MA, ACIL, FRSA****Chairman****(from 25 September 2015)****Alan Walter*****Vice Chairman****Margaret Packham BSc(Hons),****MCIPD Vice Chairman****Tom Wilson FCA,****Honorary Treasurer****Moira Black CBE, MA, FCA****Toby Evans BA(Hons)***

Timothy ffytche LVO,
FRCS, FRCOphth

Alison Guthrie MCOptom
(appointed 24 June 2015)

Lucy Howe FRCOphth

Martyn Long CBE *

Alan MacFarlane *

Paul Ryb BA(Hons) *

Jane Touil BA(Hons), MA *
(retired 2 December 2015)

Valerie Wares *

Chief Executive and Company Secretary

Cathy Yelf
(interim Chief Executive
from 13 November 2014 to
12 February 2015). Appointed
CEO 12 February 2015.

The rules of the Society require that over 50% of the trustees are visually impaired. The symbol * indicates visual impairment.

Auditors

Clifford Fry, 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

Registered Office (and actual office address)

Crown Chambers
South Street, Andover
Hampshire SP10 2BN

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The Trustees of the Macular Disease Society submit their annual report and audited financial statements for the year ended 31 December 2015. 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 in 1987 by a group of patients and medical professionals. Since then it has grown into the largest patient group in the country for visually impaired people, having 15,874 voting members at the year end, 5,772 professional members and an additional c.4,000 members of our local groups who are not voting members of the Society.

Our objectives are to provide information and support to improve the lives of people affected by macular disease and to fund research to find a cure.

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. The Society has (at 31 December 2015) 310 peer support groups. The majority, 270, operate under the Society's charity number. 40 are 'affiliated' groups operating under the auspices of other organisations such as local societies for the blind. Each group that operates under our charity number has a chairman, treasurer and secretary and is required to follow the Society's operating guidelines. These groups submit annual financial returns at the year-end which 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. 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, the Trustees are elected at the AGM to serve a maximum period of six years, with a reappointment requirement after three years. Vacancies for Trustees are advertised in Sideview, the Society's quarterly magazine and elsewhere.

Applicants submit a letter showing their career profile and experience to the Chairman. Applications are reviewed by the Governance and Appointments Panel. Selected candidates are invited to a meeting with the Chairman and other Trustees 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.

Responsibilities of Trustees

Trustee responsibilities are set out in the Code of Conduct 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 ensure 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 ensure 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 the salaried staff and volunteers. The remuneration of senior staff is benchmarked against market information.

The Council (The Trustee Board) 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. These committees are:

- **Finance and Fundraising**
Reviews 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 having regard for comparators with charities of similar size operating outside London.

Assessment of public benefit

The Trustees have complied with the duty in Section 4 of the Charities Act 2006 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.

Review of 2015

The year was characterised by change both planned and unexpected, including the appointment of a new CEO, a new head of Communications and Marketing and the departure of the head of Services and Volunteering. The restructure of the services and volunteering department created new posts and began development of a regional structure for our services.

Adverse publicity about the activities of some charities and the subsequent Etherington report had an immediate impact on some income streams such as direct mail campaigns and, probably, our appeals. Some plans for 2015 and beyond have had to be cancelled or postponed.

A review of our volunteer-led services has demonstrated the need for further change in this area. While it has been an unsettling time for all staff and the Services & Volunteering team in particular, we now have a clearer understanding of our priorities.

Income has held up well in the circumstances and expenditure has been lower than forecast so that we ended the year in surplus rather than in deficit as planned. Given the uncertainties ahead this is a satisfactory way to end the year.

In December Trustees approved a new five year strategy for the Society to be implemented from 2016.

Progress against our 2015 Key Performance Indicators

- 1. Have our information services and support services improved quality of life?**
- 2. Have more people used our information and support services?**

We provided direct services to c.12,500 individuals who used our befriending, counselling, Skills for Seeing, Tech Talk, Daily Living, buddy and helpline services. Another c.9,300 people gained support and fellowship from attending our peer-support groups. We delivered our third conference on eccentric viewing for health and social care professionals.

- 3. Have we attracted and funded more research to move us closer to a cure, improved treatment and quality of life?**

We allocated £355,908 to research projects via our response-mode funding programme. In addition we provided £1,424 to support a PhD student, £7,827 for an extension to the Royal Holloway patient satisfaction survey project and we have allocated £20,000 for an extension to the eccentric learning app. We have also provided a £13,000 equipment grant to the stem cell research project at University College London led by Professor Robin Ali.

We commissioned a report on the impact of UK macular research in general and our own funded projects in particular. The work, by Professor Norman Waugh and Dr Pamela Royle of the University of Warwick provided evidence that the work is of high quality.

We completed work on our 'case for research funding' paper and began plans for an AMD research consortium to launch in 2016.

4. Have we designed campaigns based on issues identified as important to members with clearly articulated objectives and made tangible progress towards those objectives?

We launched the first ever Macular Week with the support of many of our groups, professional members and the optical chain Vision Express. The week was judged a success although firm targets were not assigned to this first week. We expect to build on the success in the coming years. The next phase of our 'Is It Real?' anti-smoking campaign reached 165,237 students who visited the

Macular Society hub on the Vivomiles.com site. They spent a total of 3,272 hours on the hub and 22,262 students completed one or more of the missions.

5. Has the level of awareness of the condition increased?

We have not commissioned formal awareness tracking and use the increased demand for, eg, helpline services as a proxy for increased awareness. In 2016 we will begin tracking awareness around campaigns.

6. Have we increased membership?

Voting members rose from 15,574 in December 2014 to 15,874 in December 2015. Professional members rose from 2,001 to 5,772 in the same period with the enrolment of Boots and Vision Express staff.

Priorities for 2016

Our priorities for 2016 are based upon the implementation of our new five year strategy that sets out five key objectives:

Objective 1: Increase awareness of macular disease and the Macular Society

- We will run at least three successful campaigns across all outlets and media and to appropriate audiences including:
 - ▶ Launch of our animated character Mac.
 - ▶ Dissemination of the case for research funding and the initiation of an AMD research consortium.
 - ▶ Delivery of a successful Macular Week.
- Develop the awareness of the volunteer role with associated volunteer resources for each campaign.
- Relaunch a dynamic website.
- Initiate awareness tracking.

Objective 2: Increase the provision of valued services for people affected by macular conditions across all ages.

- Complete the review of our services:
 - ▶ Develop a new model for our Skills for Seeing programme with the help of a working group including external experts.
 - ▶ Make changes to volunteer training and support to improve take up, activity and retention.
 - ▶ Review our evaluation, data collection and analysis to make processes efficient and purposeful.
 - ▶ Achieve overall 10% growth in service use.
 - 12,500 helpline calls.
 - 200 counselling clients.
 - Deliver Skills for Seeing to 350 learners.
- Increase peer support groups to 360 groups (c 10,890 members).

- Support at least 150 befriendeds.
- Deliver at least 150 daily living demonstrations.
- In Q3 initiate a review of our group network.
- Initiate impact assessment with the National Audit Office.

Objective 3: Building research capacity

- Complete and launch the case for research funding.
- Initiate the AMD consortium; convene the advisory panel and develop ideas for funding.
- Enlist the support of other funders and sight loss charities.
- Build strong research messages for campaigns and ensure these messages reach influencers and decision makers.
- Publicise our participant database.

- Continue to contribute to the patient and public participation responsibilities of NICE work and research studies.
- Commit at least £500k to research work.

Objective 4: Achieve our budget income of £3,033,000 (excluding local groups)

- Meet income targets as set out in the 2016 Budget and Plan.
- Develop new or adapted membership models to increase membership.
- Increase our membership by 2,000 by the end of the year.
- Continue to provide excellent 'customer care' to our members and supporters.
- Hold successful and inspiring events for members and supporters including our London conference and Macular Roadshows.

Objective 5: Make our organisation effective and efficient

- Review our induction processes (including for Trustees).
- Review KPIs and other performance management tools.
- Move to new IT provider, upgrade servers and remote access, move email to Cloud.
- Ensure our activities meet the highest standards of fundraising ethics and data protection.

Financial Review

The financial statements show a surplus for the year of £257,000 (2014: £16,000). Total funds at the year-end were £3,337,000 (2014: £3,080,000).

Following the surpluses we achieved in 2013 and 2014 we budgeted for a deficit in 2015. In the event several income streams were again ahead of budget and we made a surplus. The implementation of our 2016

priorities will mean that we will be using part of our surplus unrestricted reserves in order to reduce these reserves to a more realistic level for our longer-term needs.

Our spend on charitable activities in 2015 fell by 2.3%. We were intentionally cautious pending clarification of further fundraising regulations.

Reserves Policy

Unrestricted reserves at the year-end amounted to £2,345,000. Each year the Trustees consider the financial and other risks associated with the income and expenditure streams. This allows us to calculate the minimum level of reserves necessary to protect the Society from uncontrollable variances. Our current policy is to hold unrestricted reserves of a minimum of £850,000 representing 3 months of our costs budgeted for 2016, excluding costs covered by specific items of income.

Investment Policy

We invest funds not required in the short term with Ruffer LLP, an external investment manager. Portfolio performance is reviewed by the Finance Committee, which reports to the Board of Trustees. Ruffer are instructed not to invest in tobacco stocks due to the effect of smoking on eyesight. Ruffer's investment objectives are not to lose money on a 12 month rolling basis and to grow the portfolio at a higher rate than would be achieved by depositing in cash. Due to adverse market conditions these objectives were not met in 2015, with a 1% decrease in market value of the portfolio.

The Society's policy is to invest the remaining cash reserves in bank deposits or similar instruments. Of the £2,675,000 at the year-end (excluding cash held by local groups), £566,000 was on deposit with Nationwide, £600,000 with Lloyds TSB, £1,000,000 with Barclays and a further £166,000 with National Westminster. Interest income for the year amounted to £12,000 (2014: £12,000).

Research Grant Policy

Research grants are awarded by the Trustees based on the recommendations of the Research Committee which is chaired by an independent chairman, Professor Paul Bishop. The Committee invites applications for funding of research projects within research area priorities set by the Trustees. Applications are assessed by the Committee and those selected are awarded subject to independent peer review and sanction by Council. The progress of projects (which may last up to three years) is monitored by the Research Committee.

Risk Assessment

The Trustees have reviewed the major risks that the Society faces and believe the Society has sufficient resources to cope with any 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,
- computer failure; protected by annual computer disaster recovery reviews,
- data protection failure; protected by a comprehensive data protection policy (recently favourably audited by the ICO). This includes an Information Security Incident Management Policy and a review of data retention. We will complete development of an information asset and risk register in 2016.

Statement of Trustees' Responsibilities

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.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- 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. In so far as the Trustees are aware:

- 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 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.

Approved by the Board of Directors on 13 April 2016:



Mr John Dunston,
Chairman of the Council,
Macular Society

Independent Report of the Auditors

to the Trustees and Members of the Macular Disease Society

We have audited the financial statements of the Macular Disease Society for the year ended 31 December 2015 which comprise of a Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the charitable company's members and its Trustees those matters we are required to state to them in an auditor's 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 charitable company, the charitable company's members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on pages 13-14 the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Independent Report of the Auditors

to the Trustees and Members of the Macular Disease Society

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read

all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year 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, the Charities and Trustee Investment

(Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees.



**Simon Allenby FCA
(Senior Statutory Auditor)**

**For and on behalf of
Clifford Fry and Co
Chartered Accountants and
Statutory Auditors
St Mary's House, Netherhampton
Salisbury, Wiltshire SP2 8PU**

14 April 2016

Statement of Financial Activities

(incorporating an income and expenditure account).

For the year ended 31 December 2015

		£000	£000	£000	£000
		Unrestricted Funds	Restricted Funds	Total 2015	Total 2014
	Notes				
Income from:					
Donations and legacies	2(1)	2,463	427	2,890	2,753
Charitable activities	2(2)	-	626	626	612
Other trading activities	2(3)	45	176	221	273
Investment income & interest		22	-	22	23
Total income		2,530	1,229	3,759	3,661
Expenditure on:					
Raising funds	3(1)	678	-	678	794
Charitable activities	3(2)	1,665	1,153	2,818	2,885
Total expenditure		2,343	1,153	3,496	3,679
Net gains/(losses) on investments	8	(6)	-	(6)	34
Net income		181	76	257	16
Total funds brought forward	14	2,164	916	3,080	3,064
Total funds carried forward		2,345	992	3,337	3,080

Note – The 2014 comparatives have been restated throughout to reflect the adoption of FRS 102 (Note 14)

Balance Sheet

as at 31 December 2015

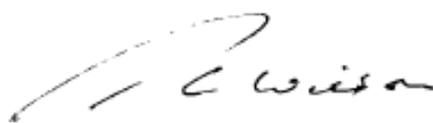
		2015		2014	
	Notes	£000	£000	£000	£000
Fixed assets:					
Tangible assets	7		16		17
Investments	8		857		865
Current assets:					
Stocks	9	3		8	
Debtors	10	187		523	
Cash and bank balances		2,675		2,238	
Cash held by local groups		301		273	
		<u>3,166</u>		<u>3,042</u>	
Current liabilities:					
Creditors: amounts falling due within one year	11	398		638	
		<u>3,166</u>		<u>3,042</u>	
Net current assets			<u>2,768</u>		<u>2,404</u>
Total assets less current liabilities			<u>3,641</u>		<u>3,286</u>
Research grants falling due after more than one year			304		206
Net assets			<u>3,337</u>		<u>3,080</u>
Funds					
Unrestricted funds			2,345		2,164
Restricted funds	13		992		916
Total funds			<u>3,337</u>		<u>3,080</u>

The notes on pages 21 to 31 form part of these accounts.

Approved by the Board of Trustees on 13 April 2016



Mr John Dunston, Chairman



Mr Tom Wilson, Hon. Treasurer

Statement of Cash Flows

	2015 £000	2014 £000
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	453	342
Cash flows from investing activities:		
Investment income and interest	22	23
Purchases of equipment	(12)	(14)
Proceeds of sale of investments	448	256
Purchase of investments	(414)	(296)
Decrease in cash held for investment	(32)	38
Net cash provided by (used in) investing activities	12	7
Change in the year	465	349
Cash at the beginning of the year	2,511	2,162
Cash at year end	2,976	2,511
Reconciliation of net income (expenditure) to net cash flow from operating activities:		
Net income/(expenditure) for the year	257	16
Adjustments for:		
Depreciation	13	8
(Gains)/losses on investments	6	(34)
Investment income and interest	(22)	(23)
(Increase)/decrease in stocks	5	2
(Increase)/decrease in debtors	336	126
(Increase)/decrease in creditors	(142)	247
Net cash provided by (used in) operations	453	342

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.

(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). The effect of the change to FRS 102 is set out in Note 14.

(c) 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 33 $\frac{1}{3}$ % for IT and film equipment and 20% for office equipment. Fixed assets purchased by local Groups are written off in the year of purchase.

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

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

(f) Legacies – legacies are accounted

for when it is probable that it will be received and the amount can be reliably ascertained.

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

(h) Grants received – where related to performance and specific deliverables, grants are accounted for when the Society earns the right to consideration.

(i) Expenditure – expenditure includes irrecoverable VAT.

(j) Research grants – unconditional research grants payable in future years are accrued for in the year awarded.

(k) Unrestricted Funds – Unrestricted Funds comprise income received without restriction as to its use.

(l) 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. Payroll and support costs are not charged to Restricted Fund projects unless the project agreement so allows.

(m) 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 2015

	2015 £000	2014 £000
2. Analysis of incoming resources		
(1) Donations and legacies		
Donations, appeals and unrestricted grants	745	657
Membership subscriptions	309	300
Fundraising events	467	474
Legacies (Note 16)	1,369	1,322
	<hr/> 2,890	<hr/> 2,753
Donations include £25,000 received from The Garfield Weston Foundation.		
£2,363,000 of the 2014 income was unrestricted and £390,000 restricted.		
(2) Income from charitable activities		
Grants for specified charitable activities	<hr/> 626	<hr/> 612
Grants for specified charitable activities include £45,000 (2014: £60,000) donations in kind for website support, valued at the cost provided by the donor.		
(3) Income from other trading activities		
Local group income (restricted)	176	226
Trading income (unrestricted)	45	47
	<hr/> 221	<hr/> 273
3. Analysis of resources expended		
(1) Costs of raising funds		
Employee remuneration (Note 5)	258	235
Support costs (Note 4)	54	58
Direct costs	323	438
Trading costs	32	50
Investment management costs	11	13
	<hr/> 678	<hr/> 794

				2015	2014
				£000	£000
	Direct costs	Support costs	Support costs		
	£000	£000	£000		
		(Note 5)	(Note 4)		
(2) Charitable activities					
Sideview & Digest	135	49	12	196	210
Educational information	209	218	54	481	521
Helpline & Counselling	64	147	37	248	256
Groups & Volunteers	173	529	135	837	690
Low Vision	73	138	34	245	283
Conferences	98	15	-	113	98
Research	420	92	23	535	588
Support to professionals	15	-	-	15	38
Local group activities	148	-	-	148	201
	<u>1,335</u>	<u>1,188</u>	<u>295</u>	<u>2,818</u>	<u>2,885</u>

2014 charitable expenditure was charged as to £1,068,000 to restricted reserves and £1,817,000 to unrestricted reserves.

4. Support costs

Rent and rates	74	74
Postage and office supplies	47	54
Telephone and IT	53	55
Depreciation	13	10
Recruitment	58	32
Bank charges	21	22
Governance	19	20
Other expenses	<u>64</u>	<u>81</u>
	349	348

The above costs are those that cannot be directly allocated to specific activities. The total has been apportioned pro rata to the apportionment of head office staff as follows:

Notes to the Accounts for the year ended 31 December 2015

	2015	2014
	£000	£000
4. Support costs (continued)		
Cost of fundraising	54	58
Cost of charitable activities	295	290
	<hr/>	<hr/>
	349	348

The support costs allocated to charitable activities have then been allocated to the individual activities pro rata to the apportionment of staff costs allocated to those activities. The resulting allocation is as shown in Note 3(2).

Governance costs include audit costs of £8,000 (2014: £7,000).

5. Employee remuneration

The average number of employees calculated on a full-time equivalent basis, analysed by function was:

	2015	2014
Management, governance and administration	5	5
Membership administration and customer care	5	4
Fundraising	6	5
Group development & volunteer coordination	11	9.5
Helpline and treatment advocacy	4	4
Low vision	2	2
Research	1	1
Education and awareness	4	4
Sideview and Digest	2	1.5
	<hr/>	<hr/>
	40	36

	2015	2014
	£000	£000
Salaries	1,279	1,179
National insurance	119	109
Pension costs	48	45
	<hr/>	<hr/>
	1,446	1,333

5. Employee remuneration (continued)

One employee received emoluments in the range £80,000 to £90,000, with a related defined contribution pension of £3,465. In 2014 one employee received emoluments, which included £15,000 in respect of compensation for loss of office, in the range of £110,000 - £120,000.

The total emoluments paid to the 4 key management personnel totalled £242,000 (2014: £272,000)

With the exception of fundraising payroll costs, the cost of those staff that are involved in specific activities has been allocated to those activities; the balance of the payroll has then 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.

The resulting allocation is as follows:

	2015	2014
	£000	£000
Cost of fundraising	258	235
Cost of charitable activities	1,188	1,098
	<u>1,446</u>	<u>1,333</u>

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

6. Pension scheme

The charity operates a defined contribution pension scheme. The above pension charge for the year represents contributions payable by the company to the scheme. Contributions totalling £7,860 (2014: £6,224) were payable to the scheme at the year-end and are included in creditors.

Notes to the Accounts for the year ended 31 December 2015

7. Tangible fixed assets

	IT & film equipment £000	Office equipment £000	Total £000
Cost:			
As at 1 January 2015	58	40	98
Additions	11	1	12
	<hr/>	<hr/>	<hr/>
As at 31 December 2015	69	41	110
Depreciation:			
As at 1 January 2015	50	31	81
Charge for year	9	4	13
	<hr/>	<hr/>	<hr/>
As at 31 December 2015	59	35	94
Net book amounts			
As at 31 December 2015	<hr/>	<hr/>	<hr/>
	10	6	16
As at 31 December 2014	<hr/>	<hr/>	<hr/>
	8	9	17

	2015 £000	2014 £000
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8. Investments

Market value as at 1 January	802	728
Acquisitions at cost	414	296
Disposals at carrying value	(448)	(256)
Net realised gains (losses) on disposals	(17)	11
Net unrealised gains	11	23
	<hr/>	<hr/>
Total investments at market value at 31 December	762	802
	<hr/>	<hr/>
Cash held for investment	95	63
	<hr/>	<hr/>
Total investments	857	865
	<hr/>	<hr/>
Total investments at market value	857	865
Total investments at historical cost	<hr/>	<hr/>
	852	870

	2015	2014
	£000	£000
8. Investments (continued)		
Revaluation unrealised gain/(loss)	<u>5</u>	<u>(5)</u>
Investments are further analysed as follows:		
Listed equities (UK £53K, Overseas £303K)	356	442
Listed fixed interest and index linked Investments (UK £173k, Overseas £173k)	346	339
Other investments	60	21
Cash held for investments	95	63
	<u>857</u>	<u>865</u>
9. Stocks comprise diaries & cards for sale	<u>3</u>	<u>8</u>
10. Debtors & prepayments		
Legacies (Note 16)	105	411
Gift aid	23	47
Prepayments	55	60
Other receivables	4	5
	<u>187</u>	<u>523</u>
11. Creditors & accruals: amounts falling due within one year		
Research grants committed not yet paid	227	397
Creditors	87	134
Accruals & other payables	84	66
Social security and other taxes	-	41
	<u>398</u>	<u>638</u>

12. 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 Belfast;** study of reticular pseudodrusen in AMD.
- **University of Southampton;** study of molecular mechanisms driving RPE dysfunction in AMD patients.
- **UCL Institute of Ophthalmology;** realising the potential of the UK Biobank Research Resource.
- **University of Wisconsin-Madison;** modulating mitochondrial dynamics in the retinal pigment epithelium.
- **Warwick Medical School;** analysis of research into macular disease in the UK.

	Charged to reserves	
	Restricted £000	Unrestricted £000
University of Belfast	82	
University of Southampton	94	
UCL Institute of Ophthalmology	54	
University of Wisconsin-Madison	126	
Other	15	
Salary, support and other costs	66	98
	<hr/>	<hr/>
Total charge to reserves	437	98
Total research expenditure – Note 3(2)		<u>535</u>

13. 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 Research prospectus fund for the development of a business case for future funding of research
- A Big Lottery Fund (NE) for volunteer coordination in the North of England

13. Restricted funds (continued)

- A Big Lottery Fund (Wales) for 2 part time Regional Managers to set up new groups in Wales, support existing groups and train volunteers
- A Big Lottery Fund (NI) 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
- A Special Projects fund for specified current year activities

	As at 1 Jan 2015 £000	Movement in year Income £000	Expenses £000	As at 31 Dec 2015 £000
Research	467	505	(437)	535
Research prospectus	-	55	(21)	34
Big Lottery Fund (NE)	37	87	(103)	21
Big Lottery Fund (Wales)	-	66	(27)	39
Big Lottery Fund (NI)	-	39	(39)	-
Groups & Volunteers	55	186	(226)	15
Professional liaison	14	-	(14)	-
Marketing and PR	70	-	(23)	47
Local Groups	273	176	(148)	301
Special projects	-	115	(115)	-
	916	1,229	(1,153)	992

Restricted income includes:

- £55,000 from the Clothworkers' Foundation for the Research prospectus
- £100,000 from the Masonic Samaritan Fund for research
- £10,079 from the Community Foundation serving Tyne & Wear and Northumberland for groups and eccentric viewing training in the North East of England.

14. Funds brought forward

Funds brought forward have been restated to reflect the requirements of FRS 102. Membership income, part of which was previously deferred, is now fully accounted for on receipt. Opening unrestricted reserves have accordingly been increased by £113,000.

In addition various FRS 102 reallocations have been made in the 2014 comparatives for all income lines, costs of raising funds, expenditure on charitable activities and support costs. These reallocations do not affect the surplus for that year.

15. Analysis of net assets between funds

	Unrestricted funds £000	Restricted funds £000	Total funds £000
Fixed assets & Investments	873	-	873
Net assets	1,472	992	2,464
	<u>2,345</u>	<u>992</u>	<u>3,337</u>

16. Trustee remuneration

The Trustees received no remuneration during the year (2014: nil). During the year 9 Trustees (2014: 9) were reimbursed for travel and out of pocket expenses totalling £5,603 (2014: £8,065).

17. Legacies

Legacies totalling an estimated £362,000 (2014:£575,000) have been excluded from income as the criteria for recognition had not been met by the time of audit sign off of the accounts.

18. Commitments

As at 31 December 2015 the Society had annual office rent commitments under non-cancellable operating leases of £60,000 (2014: £60,000) expiring in more than 5 years.

19. 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.

20. Ultimate controlling party

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



Macular Society
Crown Chambers,
South Street, Andover,
Hampshire SP10 2BN

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

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