Company number: 7193829 UK Registered Charity number: 1140288

THE FRED HOLLOWS FOUNDATION (UK)

(A charitable company limited by guarantee)

Report and Financial Statements Year ended 31st December 2018

Trustees' Report for the year ended 31st December 2018

Company limited by guarantee, UK Registered Charity number 1140288

The Fred Hollows Foundation (UK)

Legal and administrative information

Board of Trustees

S Bell (Chair)

J Dunstan

R Wormald

Senior Executive

V Sarah, Global Partnerships Executive (GPE),

who is charged with the executive management of FHF(UK) during 2018.

D Deiley is charged with executive management from April 2019

Registered Office

12-15 Crawford Mews

York Street

London, W1H 1LX +44(0)207 298 2340

Auditors

Ernst and Young LLP 1 More London Place London, SE1 2AF

Bankers

Royal Bank of Scotland 15 Foregate Street Chester, CH1 1HD

Company number

7193829

UK registered charity number

1140288

Website

http://unitedkingdom.hollows.org

Trustees' Report for the year ended 31st December 2018

Company limited by guarantee, UK Registered Charity number 1140288

The Fred Hollows Foundation (UK)

REPORT AND FINANCIAL STATEMENTS

For the year ended 31st December 2018

Table of Contents
Legal and Administrative Information
Trustees' Report
Chairman's Report4
Objectives5
Achievements, Performance and Development
Fundraising Report8
Financial Review9
How we Manage our Affairs11
Statement of Trustees' Responsibilities
Independent Auditors Report
Statement of Financial Activities
Balance Sheet
Notes to the Financial Statements

Acknowledgements......31

Chairman's report

The Fred Hollows Foundation (UK) continues to make real progress towards our goal of ending avoidable blindness, celebrating for the first time achieving one million eye operations and treatments in a single year and welcoming foreign branch new sister entities which share our strategic vision in the UAE and USA. The details and many other achievements and organisational developments are outlined within the pages of this report.

Stephen Bell acted as chair for our board following Richard Porter stepping down in May 2017 until 3 March 2018 when Stephen was officially elected as Chair.

Ian Wishart was appointed our new CEO in March 2018. Ian has been working to finalise the Strategic Framework throughout 2018. A formal launch was held in March 2019. Ian visited FHF(UK) and met with the UK Trustees on 11 July 2018 to discuss the Strategic Framework and engagement between the Australian and UK boards.

The Trustees, who are also directors of the charitable company for the purposes of the Companies Act, are proud to present this annual report and the audited financial statements of the organisation for the year ended 31st December 2018.

These accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)".

Governing document

The Fred Hollows Foundation (UK) is a registered charity (No. 1140288) and a not for profit company limited by guarantee (No. 7193829). The organisation is governed by its Articles of Association and Corporate Governance Charter (copies of which are available at the registered office) and a voluntary Board of Trustees.

Public Benefit Statement

The Fred Hollows Foundation (UK) develops its strategic plans to ensure that the organisation provides public benefit and achieves our aim of ending avoidable blindness. We do this by building support for the provision of universal access to high quality, affordable comprehensive eye care services.

Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing The Fred Hollows Foundation (UK)'s aims and objectives and in planning activities and setting policies for the year ahead.

On behalf of the Board of Trustees of The Fred Hollows Foundation (UK).

S. Bell

Chair

Date:

30 SEPTEMBER 2019

Stephen Boy

Objectives

Background

The Fred Hollows Foundation (UK) works to eliminate avoidable blindness in developing countries. Inspired by the work and example of the late ophthalmologist Professor Fred Hollows; the organisation was established in the UK in 1998 with a vision of a world where no one is needlessly blind.

The Fred Hollows Foundation (UK) is an independent and secular professional development organisation that aims to promote and preserve good health of the public anywhere in the world, with particular focus on eye care in developing countries. We do this broadly by

- a) Planning, managing and funding surgical and associated training programmes concerned with ocular surgery;
- Facilitating the delivery of comprehensive and quality eye care for the production of equipment and/or consumables required for best practice eye care;
- c) Fostering, promoting, assisting and conducting research into eye care, medicine and other matters relating to the health and well-being of individuals in developing countries, and disseminating the useful results thereof.

The critical risk facing the organisation relates to meeting the objectives of the donors through the implementation of high quality and sustainable programmes. Management undertakes regular reviews with the implementing countries and uses the global framework approach to ensure all monitoring and evaluation protocols are followed to mitigate potential issues from both a financial and non-financial perspective.

The organisation also optimises its impact through strategic partnerships and investment in seminal global initiatives which have a far wider impact beyond those where The Fred Hollows Foundation (UK) has a direct geographic footprint.

The way we undertake this work more specifically is outlined in the objectives below.

Objectives

The objectives are more specifically defined as:

- 1.1 The advancement of health;
- 1.2 The advancement of education:
- 1.3 The prevention or relief of poverty and the relief of those in need because of ill-health, disability or other disadvantage;

with a focus on the prevention and/or cure of blindness or vision loss.

Trustees' Report for the year ended 31st December 2018 Company limited by guarantee, UK Registered Charity number 1140288

The Fred Hollows Foundation (UK)

Key achievements in 2018

The Fred Hollows Foundation (UK) works within a global network of Fred Hollows entities domiciled elsewhere, including in Australia, Hong Kong, Kenya, United Arab Emirates, and United States of America which report results and achievements globally; and New Zealand.

In 2018, the following results were achieved globally:

- 929,106 eye operations and treatments were performed;
- Over 24.7 million people received antibiotic treatment for trachoma;
- 59,207 health workers received professional training;
- Just under GBP 2.5 million (AUD4,466,240) million worth of equipment was supplied;
- 666 medical facilities were constructed or renovated; and
- 2.4 million school children and community members were educated in eye health.

Achievements, Performance and Development

During 2018 The Fred Hollows Foundation (UK) significantly increased its trachoma elimination partnerships and practice development in line with the four action areas of the organisation's Global Trachoma Initiative:

- 1. Leadership and preferred practices: The organisation supported the strategic and operational capacity of the ICTC (International Coalition for Trachoma Control) to advocate for the elimination of trachoma as a public health problem and manage significant institutional partnerships for elimination initiatives. Our Global Partnership Executive (GPE) transitioned from Chair (2015-2017) to Immediate Past Chair (2017-2019) of the Coalition and The Fred Hollows Foundation (UK) plays a key role within the ICTC, and other global and regional alliances to support relevant activities. The GPE holds positions on the Neglected Tropical Disease Non-governmental Organisational Neglected Tropical Disease Network (NNN) as Co-Chair of the External Representation Committee and as The Foundation representative on the UK Coalition Against Neglected Tropical Diseases.
- 2. **Research and learning:** The organisation supported operational initiatives within the WHO GET2020 Alliance for (i) research to determine behaviours related to facial cleanliness, and (ii) evaluations to ensure quality surgical outcomes. The organisation also supported the development of a new global research strategy and continued to build relationships with academic and research institutions for future project initiatives. A new five year funded programme began in September 2017, called Stronger SAFE. It is working in partnership with the LSHTM, the Ethiopian Ministry of Health, the Oromia Regional Health Bureau, Monash University, and the Welcome Trust Sanger Institute to identify major routes of ocular Chlamydia trachomatis transmission and trial interruption routes with clinical trials. The programme involves field and laboratory work based in the Oromia region of Ethiopia. The Foundation provides operational support for this project including employment of 19 staff members within Ethiopia, and the platform for procurement and collaboration with local stakeholders.
- 3. Advocacy: The Foundation's Global Trachoma Initiative provides a framework for engagement to support elimination focussed programming until 2020. The Foundation supported a major NTD forum with WHO in March/April 2017 and advocacy preparatory to the Commonwealth Heads of Government Meeting (CHOGM) in London in April 2018. Externally and along with other ICTC members, the organisation participated in several international presentations, consultations, side events and workshops to focus on the role of sanitation and hygiene in the sustainable elimination of blinding trachoma.
- 4. SAFE (Surgery, Antibiotics, Facial Cleanliness and Environmental Improvement) interventions: The organisation provided technical support to national trachoma elimination programmes in Afghanistan, Australia, Eritrea, Ethiopia, Fiji, Kenya, Kiribati, Pakistan, Solomon Islands, Vanuatu and Vietnam. In addition, The Fred Hollows Foundation (UK) provided technical and management support to a range of Foundation teams and local partners in 25 countries to strengthen health systems for comprehensive eye care.

For example:

- In Pakistan: the organisation is coordinating a consortia of stakeholders including CBM, Sightsavers and WaterAid to implement the Government's national trachoma elimination programme with funding support from UK DFID.
- In Eritrea: the organisation is working directly with the Government to implement the national prevention of blindness programme, including the elimination of trachoma as a public health problem by 2020 with funding support from END Fund, and private corporate donor.
- Globally: the organisation is exploring the development of alternative health systems financing initiatives, with think tanks and potential project partners in the UK and Europe.

Fundraising Report

The Fred Hollows Foundation (UK) raises funds from a range of audiences including Trusts and Foundations, Corporate partners and individuals. The focus of fundraising during 2018 was large institutional donor funding for multiyear programming, achieving our first direct DFID grant through UK Aid Direct. Primarily the focus on disease area has been trachoma programming to reach through most marginalized and ensure full SAFE (Surgery for trichiasis (inturned eyelashes), Antibiotics, Facial cleanliness and Environmental improvement) implementation. This year has focused on upscaling the trachoma programming in Pakistan due to the receipt of this first UK Aid Direct grant.

Below are our key donors from 2018, listed alphabetically:

DFID - The UK Department for International Development

In 2018, DFID contributed £1,280,106 (2017: £746,100) to The Fred Hollows Foundation (UK) SAFE implementation activities in Ethiopia.

The Fred Hollows Foundation in Australia

For its role as a representative office of the global 'Fred Hollows' network, the organisation receives financial support for its operations. This involves the reimbursement of office operating expenses inclusive of salaries for employees, overseas and domestic travel, resource mobilisation initiatives and Trustee meeting expenses. These arrangements will be in place for the foreseeable future. In 2018 The Fred Hollows Foundation in Australia reimbursed expenses totalling £479,773 (2017: £600,656) to The Fred Hollows Foundation (UK). Amounts receivable at the year end from The Fred Hollows Foundation in Australia was £327,192 (2017: £1,056,383).

The Queen Elizabeth Diamond Jubilee Trust in the UK

The Queen Elizabeth Diamond Jubilee Trust is a charitable foundation established to celebrate the Diamond Jubilee of Her Majesty The Queen and commemorate her lasting legacy. Their mission is to enrich the lives of all people within the Commonwealth by working with partners to tackle avoidable blindness and empower a new generation of young leaders. The Trust's Trachoma Initiative is tackling blinding trachoma in 10 countries in three regions. In 2018, The Queen Elizabeth Diamond Jubilee Trust contributed £1,964,591 (2017: £1,249,158) to The Fred Hollows Foundation (UK) for trachoma programming activities in Kenya and The Pacific and the diabetic retinopathy work in The Pacific, Bangladesh and Pakistan.

The Rose Foundation in the UK

The Rose Foundation is a grant giving organisation which has committed to supporting the infrastructure and overheads of The Fred Hollows Foundation (UK) until 2035, subject to a six months break clause. The expenses covered by The Rose Foundation include the rent for the offices at Crawford Mews in London and all other associated maintenance and overheads. In 2018, The Rose Foundation contributed £61,500 (2017: £75,000) to The Fred Hollows Foundation (UK).

Financial Review

In 2018, The Fred Hollows Foundation (UK) had total income of £4,381,072 (2017 £3,016,139), comprising support listed by the value of contribution in 2018:

- The Queen Elizabeth Diamond Jubilee Trust £1,964,591 (2017: £1,249,158).
- DFID The UK Department for International Development £1,280,106 (2017: £746,100).
- The Fred Hollows Foundation in Australia £479,773 (2017: £600,656).
- The Rose Foundation £61,000 (2017: £75,000).
- Other donations from individuals, trusts and foundations £595,102 (2017: £345,225).

In 2018, The Fred Hollows Foundation (UK) incurred total expenditure of £4,355,848 (2017: £2,992,688) producing an overall surplus of £25,224 (2017: £23,451).

Total fund balances increased to £210,205 at the end of the year (2017: £184,981). Unrestricted reserves were higher than last year at £193,618 (2017: £155,306) based on the funding model used. Restricted fund balances were £16,587 (2017: £29,675).

Future prospects

During 2019, the organisation anticipates the following developments:

Programmatic

- Continuing to extend its development partnerships, resource mobilisation and advocacy work in pursuit of
 its objectives and goals.
- Working with the Neglected Tropical Disease Non-governmental Organisational Neglected Tropical Disease Network (NNN) to build capacity and advocacy globally focussing on WASH and cross sector collaborations.
- Working to rollout the first and second phases of the Stronger SAFE research project in Ethiopia.
- Developing a grant proposal for UK Aid Direct for Pakistan trachoma programming, with a focus on 'Lady Health Workers'. This grant was successful in early 2019.

Organisational

- Adoption of the Global Strategic Framework for 2019-2023.
- Meet compliance requirements under International Aid Transparency Initiative (IATI) registration.
- Recruitment for the three vacant positions, Grants Coordinator, Business Development and Strategy and new Finance Manager UK and Grants (Global). These roles were filled in 2019.

Going concern

The financial statements have been prepared on the going concern basis. The Fred Hollows Foundation in Australia has given the necessary assurances that sufficient resources will be made available such that the charity can meet its liabilities as and when they fall due, and for at least the twelve months from the date of approval of these financial statements.

Trustees' Report for the year ended 31st December 2018

Company limited by guarantee, UK Registered Charity number 1140288

The Fred Hollows Foundation (UK)

Reserves policy

The organisation's policy concerning reserves is to have funds available to meet liabilities as they fall due and meet any emergencies or financial difficulties. As part of the global 'Fred Hollows' network, the amount of reserves needed are guaranteed by The Fred Hollows Foundation in Australia. The UK Trustees' free reserves target is to meet

contractual and legal liabilities and ethical obligations.

The current unrestricted funds are £193,618 (2017: £155,306). Reserves are within the policy range at the end of 2018.

How we manage our Affairs

Governance and internal control

The Board of Trustees of The Fred Hollows Foundation (UK) is responsible for the governance of the local entity. The Board has provision to meet up to four times a year to review performance and to agree plans relating to the organisation's financial, operational, developmental activities. In 2018, Trustees had two formal meeting and five informal events, activities and briefings.

A strategic framework establishes our developmental and partnership focused priorities and a corporate governance charter sets out the principles and practices that Trustees uphold and implement to fulfil the public trust vested in them to protect Professor Fred Hollows' legacy and achieve his vision for a world without blindness.

Trustees look to senior staff for high quality, well informed advice upon which to base to inform discussions and decisions about the organisation's objectives, plans and strategies. The day to day running of the organisation has been delegated to the senior staff member, the Global Partnerships Executive (GPE) in 2018, however this was updated with the appointment of a formal Company Secretary in April 2019, Daryn Deiley. Mr Deiley acts as the local Company Secretary and is the senior member charged with management of The Fred Hollows Foundation (UK).

Appointment of trustees

The appointment of trustees and advisors

The appointment of new Trustees and advisors is the collective responsibility of the existing Board of Trustees. New Trustees who can help meet the strategic ambition of The Fred Hollows Foundation (UK) and provide an appropriate mix of expertise and experience are appointed. The maximum continuous, uninterrupted period for which a director can hold the office of director is two 3 year terms. Up to nine trustees can serve on the Board at any one time.

The Board of Trustees terms will be determined in line with the Articles of Association, with terms commencing with the new Articles as finalised in Q4 2018.

There are no new appointments in the year ending 31st December 2018, or up until the signing of the accounts. Stephen Bell has assumed the role of Acting Chair.

Trustee induction

Induction of new Trustees is performed by the Chair and the GPE. Trustees are presented with The Fred Hollows Foundation (UK) Orientation Pack for Board Members containing a strategy, governing document, legal responsibilities, corporate governance charter, minutes of previous Board meetings, conflict of interest policy, and programmatic goals and activities. New Trustees are also presented with a copy of the National Council for Voluntary Organisation's (NCVO) Good Trustee Guide. The induction concludes with a meeting with staff and a one-to-one meeting with the GPE to further discuss the organisation's global objectives, goals and strategies.

No new Trustees were inducted in the year ended 31st December 2018 or up until the signing of the accounts.

Organisational development

Since 2012, the organisation has operated as a representative office of the global 'Fred Hollows' network. It coordinates and leads a range of advocacy, programming, partnership, and resource mobilisation activities aligned with the organisation's strategy and relevant sectoral strategies and industry codes. The strategic objectives of the organisation remain the same.

The existing operational funding support from the Rose Foundation is in place through a lease until 2035. This generous support allows The Fred Hollows Foundation (UK) to maintain its premises in Central London.

The Fred Hollows Foundation (UK) hosts three positions, a part-time grants coordinator on secondment for The Foundation, and project coordination position and communications position for the International Coalition for Trachoma Control (ICTC).

During 2018, there were four additional staff members, one staff member hosted on secondment and two staff members resigned. The total number of full time organisational employees is nine, one part time and the number of hosted positions is three.

Related party

Affiliated interests

The Fred Hollows Foundation was established in Sydney, Australia, in 1992 by the late Professor Fred Hollows, a renowned ophthalmologist and humanitarian. Since then, The Foundation has established a worldwide reputation for strengthening health systems to develop comprehensive, high quality and affordable eye care systems in the developing world. Related entities in Australia, the United Kingdom, Kenya and most recently Hong Kong, United Arab Emirates and the United States of America, form an international 'Fred Hollows' network to achieve shared development objectives. The Fred Hollows Foundation (UK) acts as a local representative office of that global network which is headquartered in Australia and named The Fred Hollows Foundation.

The Fred Hollows Foundation in Australia is a key funding and project partner and the sole member of the UK charitable company. The Foundation is committed to supporting the ongoing development of the local representative office of the global network.

The Fred Hollows Foundation (UK) is an active:

- Member (and Co-Chair of the External Representation Committee) of the Neglected Tropical Disease NGO Network, which promotes effective NGO collaboration for a world without NTDs.
- Stakeholder of the WHO Alliance for the Global Elimination of Trachoma by the year 2020 (GET2020).
- Member (and current Immediate Past Chair) of the International Coalition for Trachoma Control (ICTC), which supports GET2020 objectives and priorities.
- Member of the UK Coalition Against NTDs, which is a collaborative partnership between UK organisations actively engaged in NTD research and implementation of sustainable NTD control programmes.
- A member of BOND, the UK development network, which promotes, supports and represents the work and interests of UK international development organisations through influence, training and networks.

The organisation's programmatic activities and objectives are aligned to both WHO's Global Plan of Action for Access to Universal Eye Health and the WHO SAFE (Surgery, Antibiotics, Facial Cleanliness and Environmental Improvement) treatment strategy for the elimination of trachoma as a public health problem; ensuring shared objectives and coordinated global activities to eliminate avoidable blindness.

The organisation also partners with Sightsavers through a strategic organisational partnership to leverage collective resources and work collaboratively across eye health and the broader global health agenda.

Trustees' Report for the year ended 31st December 2018
Company limited by guarantee, UK Registered Charity number 1140288
Pay policy for senior staff

The Fred Hollows Foundation (UK)

The Trustees and the GPE comprise the key management of the charity in charge of controlling and operating The Foundation on a day to day basis. All Trustees give of their time freely and no fees are paid to them. Staff salaries are regularly reviewed relative to benchmarks set by charities of a similar size and nature.

Risk management

Trustees are responsible for ensuring that the major risks facing the organisation are appropriately managed. Trustees, together with senior staff, identify and review risks and where appropriate develop policies, strategies or approaches to mitigate and manage risk. The risks and the systems and procedures implemented to deal with them are reviewed regularly.

Auditors

So far as each person who was a Trustee at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Trustees and the organisation's auditor, each Trustee has taken all the steps that they are obliged to take as a Trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution to appoint auditors will be put to the member (The Fred Hollows Foundation in Australia) of the charity after completion of the annual audit.

Registered office: 12-15 Crawford Mews, York Street, London, W1H 1LX

Signed on behalf of the Trustees

Trustee: Stephen Bell (Chair)
Date: 30 SEPTEMBER 2019

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and 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
- make judgments and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities Act 2011. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors Report to the member of The Fred Hollows Foundation (UK) for the year ended 31st December 2018

Charitable company audited under the Companies Act 2006

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF The Fred Hollows Foundation (UK)

Opinion

We have audited the financial statements of The Fred Hollows Foundation UK for the year ended 31st December 2018, which comprise the statement of financial activities, the balance sheet and the related notes1 to 21, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2018 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.

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 Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

Conclusions relating to going concern

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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast
 significant doubt about the charitable 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

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

Independent Auditors Report to the member of The Fred Hollows Foundation (UK) for the year ended 31st December 2018

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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ► The strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the [strategic report or the] directors' report included within the trustees' report.

We have nothing to report in respect of the following matters where 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. [or

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement [set out on page 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 give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charitable 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 management either intends to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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.

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

Use of our report

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. Our audit work has been undertaken so that we might state to the charitable company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stuart Darrington (Senior statutory auditor)

Grist Houry CLP

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

Date

30/9/19.

Notes:

- The maintenance and integrity of the http://unitedkingdom.hollows.org web site is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
- Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure account) For the year ended 31st December 2018

	NOTE	Unrestricted Funds	Restricted Funds	TOTAL 2018	TOTAL 2017
		£	£	£	£
INCOME FROM:		STA1	-	-	-
Donations and		488,583	_	488,583	525,545
Intercompany support		1000		400,303	323,343
Charitable activities			3,893,153	3,893,153	2,490,777
Other income		(664)	-,,,	(664)	(183)
TOTAL INCOME	3	487,919	3,893,153	4,381,072	3,016,139
EXPENDITURE ON:					
Raising funds	4	129,757	5,884	135,641	120,917
Charitable activities	5	319,850	3,900,357	4,220,207	2,871,771
TOTAL EXPENDITURE	9	449,607	3,906,241	4,355,848	2,992,688
NET INCOME/ (EXPENDITURE)		38,312	(13,088)	25,224	23,451
Total opening funds		155,306	29,675	184,981	161,530
TOTAL CLOSING	3	193,618	16,587	210,205	184,981

The statement of financial activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

BALANCE SHEET At 31st December 2018

The state of the s			
	NOTE	TOTAL	TOTAL
		2018	2017
Fixed Assets		£	£
Tangible assets	44		NO RECEIVED.
	11	6,949	11,141
		6,949	11,141
Current Assets			
Debtors			
Cash at the bank and in hand	13	499,411	1,209,518
The state of the s		175,655	364,683
Creditors: Amounts falling due within one		675,066	1,574,201
year	14	(467,082)	(1,380,672)
Net current assets			
Total assets less current liabilities		207,984	193,529
Provisions for liabilities and charges		214,933	204,670
TOTAL NET ASSETS	15	(4,728)	(19,689)
177. 178.00 NOTALISMAN AND N		210,205	184,981
THE FUNDS OF THE CHARITY:			
Restricted funds		92240400	
Inrestricted funds: General funds	17	16,587	29,675
SCHOOLSE STEELE		193,618	155,306
OTAL FUNDS			
		210,205	184,981

These financial statements are prepared in accordance with the Companies Acts 2006.

These financial statements were approved by the Board of Trustees on 30 September 2019 and signed on its behalf by:

Stephen Bell

Trustee: Stephen Bell, Chair

Date: 30 SEPTEMBER 2019

The notes on pages 20 to 30 form part of these financial statements

Company registration no: 7193829

1. Accounting policies

Charity information

The Fred Hollows Foundation (UK) is a private company limited by guarantee incorporated in England and Wales. The registered office is 12-15 Crawford Mews, York Street, London, W1H 1LX. The charitable company is a Public Benefit Entity as defined by FRS102.

1.1. Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts have departed from the charities (Accounts and Reports) regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version which is referred to in the regulations which has since been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value if required. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 December 2018 are the third accounts of The Fred Hollows Foundation (UK) prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

As permitted by FRS 102, the company has taken advantage of the disclosure exemptions available under that standard in relation to the presentation of a cash-flow statement.

1.2. Going concern

The financial statements have been prepared on the going concern basis because The Fred Hollows Foundation in Australia has given the necessary assurances that sufficient resources will be made available so that the charity can meet its liabilities as and when they fall due, for at least the twelve months from the date of approval of these financial statements.

1.3. Charitable funds

The charity maintains a number of internal funds which include restricted and unrestricted funds:

- Unrestricted General funds: The General fund is the free fund of the charity.
- Unrestricted Designated funds: These funds are derived from donations and grants set aside to be used in accordance with the resolutions passed by the Trustees. Until expended, the funds are held in cash.
- Restricted funds: These funds are derived from donations, grants and bequests to be used in accordance with the wishes of the donor.

1.4. Income

The following activities were undertaken by the charity to generate voluntary income during the year:

- Researching and identifying prospective Trusts and Foundations, Corporate partners, individuals,
 Government aid agencies and large institutional donor development.
- Development and submission of funding applications to the aforementioned prospects.
- Relationship development with both existing and new funders.

These are included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- the Trustees are virtually certain they will receive the resources; and
- the monetary value can be measured with sufficient reliability.

Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resources and related expenditure are reported gross in the SoFA.

Grants and donations are only included in the SoFA when the charity has unconditional entitlement to the resources.

Incoming resources from tax reclaims are included in the SoFA at the same time as the gift to which they relate.

Donated services and facilities are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity.

The value of any voluntary help received is included in the financial statements when it is quantifiable.

Any investment income is included in the financial statements when receivable.

1.5. Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and the irrecoverable element of VAT is included in the expenses to which it relates.

Charitable expenditure includes grants payable together with costs associated with the delivery of such charitable activity. Associated costs include support costs and governance costs.

Grants are only recognised in the financial statements when a commitment has been made and there are no conditions to be met relating to the grant which remains in the control of the charity.

Governance costs include expenses relating to the preparation and examination of statutory financial statements, the costs of Trustee meetings and cost of any legal advice to Trustees on governance or constitutional matters.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g., directly if costs are entirely attributable to activities, or proportionately between costs of generating voluntary income, and costs relating to charitable activities. Costs not directly attributable to generating voluntary income, charitable activities or governance are split 8% towards generating voluntary income, 88% towards charitable activities and 4% towards governance costs.

Trustees' Report for the year ended 31st December 2018

Company limited by guarantee, UK Registered Charity number 1140288

The Fred Hollows Foundation (UK)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31st December 2018

1.6. Deferred income

Grants from Governments and other institutional donors where related to performance and specific deliverables are accounted for as the charity earns the right to consideration by its performance. Where income is received in advance of its recognition it is deferred and included in creditors. Where entitlement occurs before income being received the income is accrued.

1.7. Tangible fixed assets

Tangible fixed assets are capitalised at cost if they can be used for more than one year and are not project specific.

Depreciation is calculated on a straight line basis so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Software

5 years.

Computer equipment -

3-5 years.

Other equipment

5 years.

An annual impairment review is carried out with no impairments required in the year (2017 nil). The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

1.8. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9. Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10. Pension costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11. Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the Statement of Financial Activities.

1.12. Operating leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.13. Taxation

The charity is a registered charity and accordingly exempt from taxation on its charitable activities which fall within the scope of part 10 ITA 2007 and section 256 of the Taxation of Chargeable Gains Act 1992.

1.14. Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2. Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3.Income Received	Unrestricted Funds £	Restricted Funds £	TOTAL 2018 £	TOTAL 2017 £
General donations and intercompany support				
General donations	37,578	2	37,578	11,531
The Fred Hollows Foundation in Australia	451,005	28,768	479,773	600,656
b) Charitable Activities				
Rose Foundation		61,500	61,500	75,000
OFID		1,280,106	1,280,106	746,100
The Queen Elizabeth Diamond Jubilee Trust		1,964,591	1,964,591	
Other	(664)	558,188		1,249,158
			557,524	333,694
	487,919	3,893,153	4,381,072	3,016,139

Represented as follows by activity: Support for overseas programmes	Unrestricted Funds £	Restricted Funds £	TOTAL 2018 £	TOTAL 2017 £
Institutional funding: public bodies	*	1,280,106	1,280,106	746,100
Institutional funding: private organisations	*	2,026,091	2,026,091	1,324,158
Other Supporters	487,919	586,956	1,074,875	945,881
	487,919	3,893,153	4,381,072	3,016,139

4. Expenditure on raising funds

		irect osts	Staff Costs	Support Costs	TOTAL 2018	TOTAL 2017
Institution of the second	£		£	£	£	£
Institutional fundraising activities			95,031	5,896	100,927	90,731
Other fundraising activities	2,	842	12,504	776	16,122	13,472
Communication and PR			17,506	1,086	18,592	16,714
Total expenditure on raising funds	_2,8	842	125,041	7,758	135,641	120,917
5. Total expenditure on		Unr	estricted	Restricted	TOTAL	TOTAL
charitable activities		Fund	7.7	Funds	2018	TOTAL 2017
COSTS OF CHARITABLE ACTIVITIES		£		£	£	£
Overseas programmes Long term development		276,3	057	3 007 445		
Total multi sector programmes		276,3		3,897,415	4,173,772	2,452,51
<i>p</i> g		2/0,3	037	3,897,415	4,173,772	2,452,51
UK projects		Uni	restricted	Restricted	TOTAL	TOTAL
		Fun	nds	Funds	2018	2017
		£		£	£	£
ong term development		43,4	93	2,942	46,435	419,253
Total UK project costs		43,4	93	2,942	46,435	419,253
	Direct	Staff		Support	Total	
	Costs	Costs		Costs	2018	Total
	£	£		£	£	2017 £
Overseas programmes				_	-	r
Multisector overseas programmes unded by voluntary donations	3,849,899	238,53	34	85,339	4,173,772	2,452,517
JK projects	18,930	10,842		16,663	46,435	419,253
. Governance costs						
William Coata					2018	2017
Agoting costs and at					£	£
Neeting costs and others udit fees					3,184	7,430
eneral costs					9,600	18,354
taff costs					4,661	4,270
turi costs					10,842	8,085
						0,000

7. Support costs Staff costs General costs	Charitable	Generating	TOTAL	TOTAL
	Activities	Funds	2018	2017
	£	£	£	£
	249,376	125,041	374,417	273,842
Depreciation	98,050	7,414	105,464	104,706
	3,952	344	4,296	3,703
	351,378	132,799	484,177	382,251
3. Net resources for the year			2018	2017

8. Net resources for the year	2018	2017
This is stated after charging:	£	£
Depreciation		
Auditors' remuneration	4,296	3,703
Accountancy	9,600	18,354
Loss on disposal of fixed assets	2,310	2,075
Operating lease payments	664	182
parame payments	31,000	30,350

9. Trustees

Trustee indemnity insurance of £3,030 (2017: £2,841) is paid by The Fred Hollows Foundation in Australia to protect the charity from loss and to indemnify Trustees against the consequences, due to neglect or default on the part of the Trustees. None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10. Employees	2018	2017
	£	£
Gross wages and salaries	348,033	247,742
Employer's national insurance costs Pension costs – defined contribution scheme	38,299	26,864
ension costs – defined contribution scheme	21,295	12,997
	407,627	287,603

The average monthly number of employees during the year was made up as follows:

Programmes 5

One employee received remuneration in excess of £100,000 but not exceeding £110,000 (2017: one). No remuneration was paid to any Trustee or persons connected to a Trustee in the current or prior year.

The company pays pension at 9.5% of gross pay to each employee as part of standard terms of employment.

The Fred Hollows Foundation (UK)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31st December 2018

11. Tangible fixed assets		
	Equipment	
	£	
Cost:		
At 1 January 2018	21,562	
Additions	1,299	
Disposals		
At 31 December 2018	(1,618)	
Depreciation:		
At 1 January 2018	10,421	
Disposals	(423)	
Charge for the year	4,296	
At 31 December 2018	14,294	
	14,294	
Net book value:		
At 31 December 2017	11,141	
At 31 December 2018	6,949	
12. Financial instruments	2010	-22100
reserve in the second contraction and a second contraction of the seco	2018 £	2017
Carrying amount of financial assets	Ľ	£
Debt instruments measured at amortised cost		
	484,747	1,110,146
13. Debtors		
	2018	2017
amounts due from associate d	£	£
mounts due from associated undertakings repayments	327,192	1,056,383
ther receivables	13,434	99,372
artner advances	1,230	
archer advances	157,555	53,763
	499,411	1,209,518

14. Creditors: Amounts	s due within one year		2018	2017
			£	£
Accruals			F.046	22.00
Deferred income			5,046	5,000
			462,036	1,375,672
			467,082	1,380,672
15. Provisions for liabi	lities			Annual
				Leave
				£
At 1 January 2018				10.500
Accrued during the yea	ar			19,689 26,320
Taken during the year				(41,281)
At 31 December 2018				4,728
			-	1,120
16. Deferred				
income				
	Brought	Amounts	Amounts	Carried
	Forward	Released	Deferred	Forward
The Over-	£	£	£	£
The Queen	714,176	1,964,591	1,520,097	269,682
Elizabeth Diamond Jubilee Trust				
DFID				
Other	320,349	1,280,106	1,177,487	217,730
	341,147	557,725	191,202	(25,376)
	1,375,672	3,802,422	2,888,786	462,036
17. Restricted	Brought	Income	Ev	
Funds	Forward	Received	Expenditure	Carried
	£	£	£	Forward
The Rose	29,669	61,500		£
Foundation	ಸರ್ವಾ ಪ್ರವಹಿಕ ೆ	01,300	73,551	17,618
roundation			2 121	
	5	1 202 150	1 202 707	(543)
DFID	5 1	1,293,159	1,293,707	71070.COD 5000F1
DFID The Queen	5 1	1,293,159 1,975,419	1,975,908	(488)
DFID The Queen Elizabeth Diamond	5 1			1100 LOD 500 500 500 500 500 500 500 500 500 50
roundation DFID The Queen Elizabeth Diamond Jubilee Trust Other	5	1,975,419	1,975,908	1100 LOD 500 500 500 500 500 500 500 500 500 50
DFID The Queen Elizabeth Diamond Jubilee Trust	5 1 29,675			1100 LOD 500 500 500 500 500 500 500 500 500 50

Trustees' Report for the year ended 31st December 2018

Company limited by guarantee, UK Registered Charity number 1140288

The Fred Hollows Foundation (UK)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31st December 2018

18. Analysis of net assets between funds Total fixed assets	Unrestricted Funds £	Restricted Funds £	2018 £	2017 £
Tangible fixed assets	5,259	1,690	6.949	11.141
Net current assets	188,359	14,897	203,256	173,840
Net assets at 31st December 2018	193,618	16,587	210,205	184,981

19. Other financial commitments

At 31st December 2018 the charity had annual commitments under cancellable operating leases as set out below:

Land and buildings	2018	2017
	£	£
Operating lease which expires September 2037 however can be terminated with 6 months of notice:	30,000	30,000

20. Share capital

The company has no share capital being limited by guarantee. The guarantors will contribute a maximum of £10 each in the event of liquidation.

21. Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2018	2017
	£	£
Aggregate compensation	88,155	108,321

The ultimate controlling party is The Fred Hollows Foundation in Australia (registered charity ABN number: 46070556642) which is a not for profit entity and a limited company whose registered office is at 61 Dunning Avenue, Rosebery, New South Wales 2018, Australia.

Trustees' Report for the year ended 31st December 2018 Company limited by guarantee, UK Registered Charity number 1140288

The Fred Hollows Foundation (UK)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31st December 2018

The following services were carried out by The Fred Hollows Foundation in Australia without charging any costs to The Fred Hollows Foundation (UK):

- · Book keeping
- · Management accounting
- Annual financial statements preparation
- Indemnity insurance premium.

The following services in 2018 were carried out by Frank Hirth PLC:

Payroll. Fees relating to these services in 2018 were £3,815 (2017: £3,245).

Trustees' Report for the year ended 31st December 2018

Company limited by guarantee, UK Registered Charity number 1140288

The Fred Hollows Foundation (UK)

Acknowledgements
UK donors and Memberships for 2018

UK Donors (listed alphabetically)

We acknowledge the tremendous support extended to us by the following partners and sincerely thank them.

Our Major Institutional Donors:

- The Queen Elizabeth Diamond Jubilee Trust
- United Kingdom Department for International Development.

Other Donors:

- Anglo International Management Limited
- Joy Limited
- · The Rose Foundation
- Mr Spears
- Star Qualities Limited.

Organisational Memberships

The Fred Hollows Foundation (UK) is an active:

- Member (and current Co-Chair of the External Representation Committee) of the Neglected Tropical Disease NGO Network, which promotes effective NGO collaboration for a world without NTDs.
- Stakeholder of the WHO Alliance for the Global Elimination of Trachoma by the year 2020 (GET2020)
- Member (and current Immediate Past Chair) of the International Coalition for Trachoma Control (ICTC), which supportsGET2020 objectives and priorities.
- Member of the UK Coalition Against NTDs, which is a collaborative partnership between UK organisations actively engaged in NTD research and implementation of sustainable NTD control programmes.
- A member of BOND, the UK development network, which promotes, supports and represents the work and interests of UK international development organisations through influence, training and networks.