

The Fred Hollows Foundation (UK)

Report and Financial Statements

31 December 2015

Charity No. 1140288

Company No. 7193829

Trustees

S Bell
H Davies (until 14 May 2015)
J Dunstan
A Neill (until 14 May 2015)
R Porter (Chair)
M Wills (until 14 May 2015)
R Wormald

Senior Staff

V Sarah, Global Partnerships Executive

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers

Royal Bank of Scotland
15 Foregate Street
Chester CH1 1HD

Registered Office

12-15 Crawford Mews
York Street
London W1H 1LX

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Charity No. 1140288
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Trustees' report

The Trustees of The Fred Hollows Foundation (UK), who are also directors of the charitable company for the purposes of the Companies Act, present herein their annual report and the audited financial statements of the organisation for the year ended 31 December 2015.

These Accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE) effective April 2008.

Structure, Governance and Management

Governing document

The Fred Hollows Foundation (UK) is a registered charity (No. 1140288) and a company limited by guarantee (No. 7193829).

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, New Zealand, the United Kingdom, Kenya and most recently Hong Kong form a international group to achieve shared development objectives. The Fred Hollows Foundation (UK) now acts as a representative office of the global alliance, headquartered in Australia 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 UK representative office of The Fred Hollows Foundation in Australia.

Through its affiliations, The Fred Hollows Foundation (UK) is a member of:

- the International Agency for the Prevention of Blindness (IAPB), which supports a joint IAPB and World Health Organization (WHO) initiative - *VISION 2020: The Right to Sight*, and
- the International Coalition for Trachoma Control (ICTC), which supports the *WHO Alliance for the Global Elimination of Trachoma by the year 2020 (GET2020)*.

In addition, The Foundation and the International Diabetes Federation have entered in to a ten year partnership to increase the impact and influence the two organisations can have to prevent and reduce the impact of diabetic retinopathy and act collaboratively in regard to vision loss as a result of diabetes. These are global campaigns to eliminate the leading causes of avoidable blindness by 2020, including the organisation's key disease focus areas: cataract and refractive error, diabetic retinopathy and trachoma.

Trustees' report (continued)

to the members of The Fred Hollows Foundation (UK)

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.

Governance and management

The Board of Trustees of The Fred Hollows Foundation (UK) is responsible for the governance of the organisation. The Board meets up to three times a year to review performance and to agree plans relating to the organisation's financial, developmental and programmatic activities.

A strategy 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.

Trustees look to senior staff for high quality, well informed advice upon which to base 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).

During 2015 Trustees agreed the following:

- Reduce the existing number of Trustees from 7 to up to 5 members.
- Realign the UK Articles of Association with the Constitution of The Fred Hollows Foundation. This work will be completed in 2016.

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.

At the commencement of the period there were 7 Trustees. The resignation of three Trustees was adopted on 14 May 2015. There were no vacancies or new appointments in the year ended 31 December 2015.

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) *The 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.

Trustees' report (continued)

to the members of The Fred Hollows Foundation (UK)

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.

Reserves

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.

Under the global model, the amount of reserves needed are guaranteed by The Fred Hollows Foundation in Australia. The Trustees' free reserves target is to meet contractual and legal liabilities and ethical obligations. The current unrestricted funds are £114,873. Reserves are within the policy range at the end of 2015.

Public Benefit Statement

The Fred Hollows Foundation (UK) develops its strategic plans to ensure that the organisation provide public benefit and achieve our aim of ending avoidable blindness through 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.

Objectives, Activities and Performance

Development initiatives

The Fred Hollows Foundation (UK) works to eliminate avoidable blindness in developing countries. Inspired by the work and example of the late Professor Fred Hollows, the organisation was established 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, by:

- Planning, managing and funding surgical and associated training programmes concerned with ocular surgery
- Facilitating the delivery of comprehensive and quality eye care and for the production of equipment and/or consumables required for best practice eye care, and

Trustees' report (continued)

to the members of The Fred Hollows Foundation (UK)

- 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.

The organisation 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.

During 2015 The Fred Hollows Foundation (UK) significantly increased its trachoma elimination partnerships and practice development in line with the four action areas of its 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 position itself to advocate for the elimination of trachoma as a public health problem and manage significant institutional funding for elimination initiatives. In addition, the organisation supported a new F&E Toolkit which supports program managers working to engage water, hygiene and sanitation partners. Our Global Partnership Executive is the current Chair and The Fred Hollows Foundation (UK) will play a key role within the ICTC and regional alliances to support relevant activities.
2. *Research and learning:* The organisation supported operational initiatives within the global alliance for formative research to determine behaviours related to facial cleanliness. This supports a Stronger SAFE initiative to further the initial formative research work, evaluations to ensure quality surgical outcomes and support of a new global research strategy, and build relationships with academic and research institutions for future project initiatives.
3. *Advocacy:* Along with several other ICTC partners, the organisation supported: the World Health Organization Neglected Tropical Disease Technical position; the new WHO WASH and Neglected Tropical Disease strategy; inclusion of a Sustainable Development Goal Indicator for Neglected Tropical Diseases; and planning and development of the new 2020 Roadmap for release in April 2016. To encourage collaborative and partnership efforts towards trachoma elimination. 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. Internally the organisation updated and agreed the Global Trachoma Initiative and creation of two new coordination groups to support trachoma programming until 2020.
4. *Global Costings Estimates:* On behalf of the ICTC, the organisation commissioned PricewaterhouseCoopers (PwC) to develop a model estimate of the cost of eliminating trachoma as a public health problem. The model informs the 2020 Roadmap and future advocacy and resource mobilisation initiatives.
5. *SAFE interventions:* The organisation provided technical support to national trachoma elimination programmes in Afghanistan, Australia, Cambodia, Eritrea, Ethiopia, Fiji, Kenya, Kiribati, Pakistan, Solomon Islands, Somaliland, Vanuatu. The GPE supported scale up programming in 10 countries in Africa funded by

Trustees' report (continued)

to the members of The Fred Hollows Foundation (UK)

UK DFID and The Queen Diamond Jubilee Trust and for 5 initiatives funded by the END Fund.

6. The Fred Hollows Foundation (UK) also provided technical and management support to a range of local partners in 21 countries to strengthen health systems for comprehensive eye care. For example:
 - *In the Pacific:* The Trachoma Initiative in the Pacific is working with the Ministries of Health in Fiji, Solomon Islands, Vanuatu and Kiribati, to enable them to declare their countries trachoma-free. The programme has increased the focus on trachoma elimination within the region. It works across a number of sectors including health, communicable diseases, water, sanitation and hygiene; and contributes to health system strengthening in the region. The four and a half year project is supported by The Queen Elizabeth Diamond Jubilee Trust.
 - *In Ethiopia:* In the country with the highest burden of trachoma, the organisation is one of several ICTC members supporting the Federal Government to strengthen the national elimination programme and to attract additional funding and programming partners. The UK Department for International Development is funding a five year programme to scale up existing SAFE interventions in four regions of the country. The organisation partnered with the Oromia Regional Health Bureau.
 - *In Kenya:* Kenya is targeting for the elimination of blinding trachoma and implements all aspects of the SAFE strategy. Under a five year funded programme the organisation has been scaling up its programme and aims to provide TT surgeries or other appropriate interventions, distribute antibiotics across all trachoma endemic counties, implement facial cleanliness interventions and support advocacy with Water, Sanitation and Hygiene (WASH) partners. It is also supported through funding by The Queen Elizabeth Diamond Jubilee Trust.

In 2015, the following results were achieved globally:

- 890,066 eye operations and treatments were performed;
- Over 8 million people received antibiotic treatment for trachoma;
- 64,613 health workers receiving professional training;
- AUD2,482,444 million worth of equipment supplied;
- 110 medical facilities were constructed or renovated; and
- 3,780,085 school children and community members educated in eye health.

Resource mobilisation

The Fred Hollows Foundation (UK) raises funds from a range of donors including Trusts and Foundations, Corporate partners and individuals. The focus of fundraising during

Trustees' report (continued)

to the members of The Fred Hollows Foundation (UK)

2015 was Government aid agencies and large institutional donor development with grant applications submitted in 2015 for programming which will commence in 2015/2016.

Organisational development

Since 2012, the organisation has operated as a representative office of the global group. 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.

In 2015 a new lease was signed to extend the existing operational funding support from the Rose Foundation until 2035. This generous support allows The Fred Hollows Foundation (UK) to maintain its premises in Central London.

The Fred Hollows Foundation (UK) hosts two positions, a resource mobilisation position for The Fred Hollows Foundation in Australia and a project coordination position for the International Coalition for Trachoma Control (ICTC).

During 2015, one additional member of staff was recruited and one position was discontinued; which has maintained the total number of organisational employees at three and the number of hosted positions at two.

Trustee Financial Review

In 2015, The Fred Hollows Foundation (UK) had total incoming resources of £2,196,930 (2014 £1,201,964), comprising:

- The Fred Hollows Foundation in Australia provided funding of £277,583 (2014 £488,852) to support programmatic activities.
- The Rose Foundation continued to support the operations of the charity donating £60,000 (2014 £40,000).
- Individual donations, other trusts and foundations income was £1,859,347 (2014 £673,112).

and expended resources of £2,124,311 (2014 £1,203,064) producing an overall surplus of £72,619 (2014: loss £1,100).

Total fund balances increased to £134,198 at the end of the year. Unrestricted reserves were higher at £114,873 based on the funding model used. Restricted fund balances were £19,325 representing an increase in the Rose Foundation funding in 2015.

The significant increase in income from individual donations, trusts and foundations, compared with 2014, reflects ongoing resource mobilisation efforts in line with associated program and partnership development, organisational strategies and annual work plans.

Trustees' report (continued)

to the members of The Fred Hollows Foundation (UK)

Plans for Future Periods

During 2016, the organisation anticipates:

- Continuing to extend its development, partnerships, resource mobilisation and advocacy work in pursuit of its objectives and goals
- Finalising the review and update of the Articles of Association to ensure that The Fred Hollows Foundation (UK) structures are aligned with its objectives and goals
- Working with the global group to meet incoming international financial reporting standards for consolidated accounts.

Disclosure of Information to the 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.

Auditors

A resolution to appoint auditors will be put to the members of the charity after completion of the annual audit.

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

R Porter
Chair



Date: 23 May 2016

Trustees' report (continued)

to the members of The Fred Hollows Foundation (UK)

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 auditor's report

to the members of The Fred Hollows Foundation (UK)

Independent auditor's report

to the members of The Fred Hollows Foundation (UK)

We have audited the financial statements of The Fred Hollows Foundation (UK) for the year ended 31 December 2015 which comprise the Statement of Financial Activities Account, the Balance Sheet and the related notes 1 to 11. 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 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 company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members 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 Statements of Trustees' Responsibilities set out on page 9, 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.

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 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 Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditor's report (continued)

to the members of The Fred Hollows Foundation (UK)

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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report 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 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
- 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 Trustees' Report.

Ernst + Young LLP

S Darrington (Senior statutory auditor)

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

London

Date: 25 May 2016

Statement of financial activities

(incorporating the income and expenditure account) for the year ended
31 December 2015

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>2015 Total</i>	<i>2014 Total</i>
<i>Notes</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<i>Incoming resources</i>				
Incoming resources from generated funds:				
Donations and grants	2	342,612	1,730,845	2,073,457
Other income		123,473	-	123,473
<i>Total incoming resources</i>		<u>466,085</u>	<u>1,730,845</u>	<u>2,196,930</u>
<i>Resources expended</i>				
Costs of generating funds:				
Costs of generating voluntary income	5	44,873	4,193	49,066
Charitable activities	5	331,981	1,716,967	2,048,948
Governance costs	5	24,201	2,096	26,297
<i>Total resources expended</i>		<u>401,055</u>	<u>1,723,256</u>	<u>2,124,311</u>
<i>Net income/ (expense) for the year</i>		65,030	7,589	72,619
<i>Net movement in funds</i>		65,030	7,589	72,619
<i>Reconciliation of funds</i>				
<i>Total funds brought forward</i>		<u>49,843</u>	<u>11,736</u>	<u>61,579</u>
<i>Total funds carried forward</i>		<u>114,873</u>	<u>19,325</u>	<u>134,198</u>

All amounts relate to continuing activities.

There are no recognised gains and losses other than the net income resources of £72,619 for the year ended 31 December 2015 (2014: £1,100 outgoing).

Balance sheet


at 31 December 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible assets	6	11,382	13,858
Current assets			
Debtors	7	157,862	237,001
Cash at bank and in hand		1,509,180	192,535
		<u>1,667,042</u>	<u>429,536</u>
Liabilities			
Creditors: amounts falling due within one year	8	1,529,417	362,091
		<u>137,625</u>	<u>67,445</u>
Net current assets		<u>149,007</u>	<u>81,303</u>
Total assets less current liabilities		<u>134,198</u>	<u>61,579</u>
Provisions for liabilities and charges	9	14,809	19,724
Net assets		<u>134,198</u>	<u>61,579</u>
Total funds		<u>114,873</u>	<u>49,843</u>
General funds		<u>114,873</u>	<u>49,843</u>
Unrestricted funds	10	114,873	49,843
Restricted funds	10	19,325	11,736
		<u>134,198</u>	<u>61,579</u>

These accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE) effective April 2008.

These financial statements were approved by the Trustees on 19 April 2016 and are signed on their behalf by:

23 May
R



R Porter

Chair

Notes to the financial statements (continued)

at 31 December 2015

Notes to the financial statements

at 31 December 2015

1. Accounting policies

Basis of preparation

These financial statements have been prepared on the basis of historic cost in accordance with:

- the Accounting and Reporting by Charities – Statement of Recommended Practice (SORP 2005);
- the Charities Act 2011; and
- the Financial Reporting Standards for Smaller Enterprises (FRSSE) effective April 2008.

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.

Incoming resources

The following activities were undertaken by the charity to generate voluntary incoming resources 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.

Notes to the financial statements (continued)

at 31 December 2015

1. Accounting policies (continued)

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.

Grants payable without performance conditions

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.

Liability recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Deferred revenue

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.

Provision

Provisions are recognised when the charity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Governance costs

Governance costs include costs of 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

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.

Pension costs

Contributions are included in the Statement of Financial Activities as they become payable.

Notes to the financial statements (continued)

at 31 December 2015

1. Accounting policies (continued)

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 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	–	20% per annum on a straight line basis.
Computer equipment	–	20% per annum on a straight line basis.
Other equipment	–	20% per annum on a straight line basis.

An annual impairment review is carried out with no impairments required in the year (2014 nil).

Irrecoverable VAT

Irrecoverable VAT is written off when the expenditure to which it relates is incurred and included in the relevant expenditure class along with the net amount.

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.

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.

Notes to the financial statements (continued)

at 31 December 2015

2. Donations and grants

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>2015 Total</i>	<i>2014 Total</i>
	£	£	£	£
General donations	65,029	-	65,029	3,939
The Fred Hollows Foundation in Australia	277,583	-	277,583	488,852
The Rose Foundation	-	60,000	60,000	40,000
Trusts and Foundations	-	1,670,845	1,670,845	652,256
Other	123,473	-	123,473	16,917
	<u>466,085</u>	<u>1,730,845</u>	<u>2,196,930</u>	<u>1,201,964</u>

The Fred Hollows Foundation in Australia

As The Fred Hollows Foundation (UK) acts as a representative office of the global alliance of The Fred Hollows Foundation, this includes financial support under the current operating model. This involves the reimbursement of office operating expenses inclusive of salaries for employees, overseas and domestic travel, resource mobilisation and Trustees meeting expenses for the foreseeable future. In 2015 The Fred Hollows Foundation in Australia reimbursed expenses totalling £277,583 (2014: £488,852) to The Fred Hollows Foundation (UK). Amounts receivable at the year end from The Fred Hollows Foundation in Australia was £81,082 (2014: £80,401)

The Rose Foundation

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. 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 2015, The Rose Foundation contributed £60,000 (2014: £40,000) to The Fred Hollows Foundation (UK).

The Queen Elizabeth Diamond Jubilee Trust

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 2015, The Queen Elizabeth Diamond Jubilee Trust contributed £1,105,280 (2014: £651,256) to The Fred Hollows Foundation (UK) for trachoma programming activities in Kenya and The Pacific.

DFID

In 2015, DFID contributed £565,565 (2014: £nil) to The Fred Hollows Foundation (UK) for trachoma programming activities in Ethiopia, Pakistan and The Pacific.

Notes to the financial statements (continued)

at 31 December 2015

3. Net outgoing resources for the year

This is stated after charging:

	2015	2014
	£	£
Depreciation	4,009	2,699
Audit of financial statements	12,500	9,000
Accountancy fees	3,171	148
	<u>19,680</u>	<u>11,847</u>

There were no Trustees' expenses reimbursed in 2015.

Trustee indemnity insurance of £2,690 (2014: £2,426) 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.

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 2015 were carried out by Frank Hirth PLC

- Payroll.

Fees relating to these services in 2015 were £2,831 (2014: £2,372).

Notes to the financial statements (continued)

at 31 December 2015

4. Staff costs

	<i>2015</i>	<i>2014</i>
	<i>£</i>	<i>£</i>
Gross wages and salaries	185,118	201,921
Employer's national insurance costs	21,922	21,608
Pension costs – defined contribution scheme	7,792	7,359
	<u>214,832</u>	<u>230,888</u>

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

	<i>2015</i>	<i>2014</i>
Programmes	<u>4</u>	<u>3</u>
	<u>4</u>	<u>3</u>

One employee received remuneration in excess of £100,000, but not exceeding £110,000 (2014: one). No remuneration was paid to any Trustee or persons connected to a Trustee in the current or prior year.

The company continues to pay pension at 9.5% of gross pay

Notes to the financial statements (continued)

at 31 December 2015

5. Total resources expended

	Basis of allocation	Cost of generating funds		Activities		Governance		2015 Total	2014 Total
		Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted		
		£	£	£	£	£	£	£	£
<i>Costs directly allocated to activities</i>									
Trachoma Elimination	direct	-	-	1,497,339	-	-	-	1,497,339	789,323
Diabetic Retinopathy	direct	-	-	173,507	-	-	-	173,507	-
Outreach Services	direct	-	-	-	-	-	-	-	1,000
Global Practice & Capacity Building	direct	-	-	-	39,293	-	-	39,293	38,755
Advocacy & Resource Mobilisation	direct	-	-	-	105,645	-	-	150,645	44,153
Staff Costs - salaries	direct	-	26,287	-	-	-	-	26,287	-
Direct Support	%	-	2,536	-	9,860	-	448	12,845	26,805
Professional Fees	Direct	-	-	-	-	-	15,727	15,77	9,000
<i>Support costs allocated to fundraising activities</i>									
Staff costs – salaries & relocation	%	-	14,569	-	160,261	-	7,285	182,115	230,888
Office Support Costs	%	1,884	940	20,727	10,974	942	471	35,938	31,221
Rent & Support Services	%	2,309	541	25,394	5,948	1,154	270	35,616	31,919
		<u>4,193</u>	<u>44,873</u>	<u>1,716,967</u>	<u>331,981</u>	<u>2,096</u>	<u>24,201</u>	<u>2,124,311</u>	<u>1,203,064</u>

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.

Notes to the financial statements (continued)

at 31 December 2015

6. Tangible fixed assets

	<i>Equipment</i>
	£
<u>Cost:</u>	
At 1 January 2015	19,167
Additions	1,534
At 31 December 2015	<u>20,701</u>
<u>Depreciation:</u>	
At 1 January 2015	5,309
Charge for the year	4,010
At 31 December 2015	<u>9,319</u>
<u>Net book value:</u>	
At 31 December 2015	<u>11,382</u>
At 31 December 2014	<u>13,858</u>

7. Debtors

	2015	2014
	£	£
Debtors	8,381	-
Amounts due from associated undertaking	81,082	80,401
Prepayments	10,318	10,930
Accrued income	58,081	144,579
Receivables other	-	1,091
	<u>157,862</u>	<u>237,001</u>

8. Creditors: amounts falling due within one year

	2015	2014
	£	£
Charitable activities – Amounts due to associated undertaking	447,686	214,620
Accruals	10,800	20,791
Deferred income	1,070,931	126,539
Other creditors	-	141
	<u>1,529,417</u>	<u>362,091</u>

Notes to the financial statements (continued)

at 31 December 2015

9. Provisions for Liabilities

	<i>Annual Leave</i>
	£
At 1 January 2015	19,723
Arising during the year	(4,914)
At 31 December 2015	<u>14,809</u>

10. Funds

(a) Movements of funds for the year

Restricted funds

	<i>At 1 January 2015</i>	<i>Incoming resources</i>	<i>Outgoing resources</i>	<i>At 31 December 2015</i>
	£	£	£	£
The Rose Foundation	11,736	60,000	52,411	19,325
DFID	-	565,565	565,565	-
The Queen Elizabeth Diamond Jubilee Trust	-	1,105,280	1,105,280	-
	<u>11,736</u>	<u>1,730,845</u>	<u>1,723,256</u>	<u>19,325</u>

Unrestricted funds

	<i>At 1 January 2015</i>	<i>Incoming resources</i>	<i>Outgoing resources</i>	<i>At 31 December 2015</i>
	£	£	£	£
General funds	49,843	466,085	401,055	114,873

(b) Analysis of net assets between funds

	<i>Unrestricted Funds</i>	<i>Restricted funds</i>	<i>Total 2015</i>	<i>Total 2014</i>
	£	£	£	£
Tangible fixed assets	9,913	1,469	11,382	13,858
Net current assets	104,960	17,856	122,816	47,721
	<u>114,873</u>	<u>19,325</u>	<u>134,198</u>	<u>61,579</u>

Notes to the financial statements (continued)

at 31 December 2015

11. Other financial commitments

At 31 December 2015 the charity had annual commitments under cancellable operating leases as set out below:

	<i>Land and buildings</i>	
	<i>2015</i>	<i>2014</i>
	£	£
Operating lease which expires February 2035 however can be terminated with 6 months notice:	<u>5,000</u>	<u>2,500</u>