

“WE DISCOVER  
OUR OWN HUMANITY  
WHEN WE HELP  
OTHERS.”

– Professor Fred Hollows



# ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

30  
YEARS



The Fred Hollows  
Foundation

# ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

**Current Directors  
as at 22 March 2022**

Jane Madden (Chair)  
Helen Evans (Deputy Chair)  
Michael Johnson (Deputy Chair)  
Ruwan de Mel  
Katrina Fanning  
Anthony Hall  
Christine Hawkins  
Gabi Hollows

---

**Chief Executive Officer**

Ian Wishart

---

**Company Secretary**

Penelope Palmer

---

**Registered office and  
principal place of business**

Level 9, 320 Pitt Street,  
Sydney, NSW 2000 Australia

---

**Postal Address**

Locked Bag 5021,  
Alexandria NSW 2015, Australia

---

**ABN**

46 070 556 642

---

**Contact details**

Website: [www.hollows.org](http://www.hollows.org)

Donation Line: 1800 352 352

Telephone: +612 8741 1900

Facsimile: +612 8741 1999

Email: [fhf@hollows.org](mailto:fhf@hollows.org)

---

**Bankers**

Westpac Banking Corporation

---

**Auditors**

BDO Audit Pty Ltd

Directors' Report	4
Auditor's independence declaration	13
Consolidated Statement of income	14
Consolidated Statement of financial position	15
Consolidated Statement of cash flows	16
Consolidated Statement of changes in equity	17
<b>Notes</b>	18 - 38
1. General information and statement of compliance	
2. Summary of significant accounting policies	
3. Financial risk management objectives and policies	
4. Deferred grants	
5. Other income	
6. Trade and other receivables	
7. Plant and equipment	
8. Intangible assets	
9. Trade and other payables	
10. Provisions	
11. Leases	
12. Reserves	
13. Events subsequent to reporting date	
14. Limitation of members liability	
15. Contingent liabilities	
16. ACFID code of conduct	
17. Information furnished under the ACFID code of conduct	
18. Auditor's remuneration	
19. Related party disclosure	
20. Parent financial information	
21. Information furnished under the Charitable Fundraising Act (NSW)	
Directors' Declaration	39
Statement by Chair of Finance and Audit Committee	39
Independent Auditor's report	40 - 41

# DIRECTORS' REPORT

The Directors present this report to the Members of The Fred Hollows Foundation for the year ended 31 December 2021.

## Directors and Board Committee Meetings

The name of each person who was a Director during 2021 and the number of meetings each has attended are set out in the table below. The Board has established three Committees which report directly to it. The table also shows the number of Committee meetings held during the year and the attendance record of those Directors who were members of the Committees during 2021.

2021 Meetings	Date commenced current term	Board		Finance and Audit Committee		Governance and Nominations Committee		Programs and Partnerships Committee	
		A	B	A	B	A	B	A	B
No. of meetings		5		5		4		4	
Jane Madden (Chair from May 2021)	Feb 2021	5	5	-	-	2	2	-	-
John Brumby (retired as Chair and Director May 2021)	May 2018	3	3	-	-	2	2	-	-
Helen Evans (Deputy Chair)	May 2018	5	5	-	-	-	-	4	4
Michael Johnson (Deputy Chair)	May 2018	5	5	-	-	4	4	4	4
Ruwan de Mel	May 2019	5	5	-	-	-	-	4	4
Katrina Fanning	May 2019	5	5	3	5	-	-	-	-
Anthony Hall	May 2019	4	5	-	-	-	-	4	4
Christine Hawkins	May 2018	5	5	5	5	2	2	-	-
Gabi Hollows	April 1995	5	5	-	-	4	4	4	4
Paul Ruiz (retired February 2022)	May 2019	4	5	5	5	-	-	-	-
Paul Torzillo (retired May 2021)	May 2019	-	3	-	-	-	-	1	2

Note: Column A shows the number of meetings attended, while Column B shows the number of meetings held during the time each Director held office during the year.

Two Foundation members and associates who are not Directors also served on Board Committees during 2021 as set out below:

Finance and Audit Committee: Jason Billings (joined May 2021); Izabel Greco (joined May 2021)

## Our Vision

A world in which no person is needlessly blind or vision impaired.

## Our Contribution

The Fred Hollows Foundation's contribution is for a year on year increase in cases of **blindness and vision impairment averted** and **years of sight saved**. We focus on ensuring gender equity, inter-country and internal equity are achieved in this impact.

## Our Values

Our values of **integrity, empowerment, collaboration**, and **action** underpin every aspect of our work both here in Australia and around the globe.

## 2021 in reflection

For almost 30 years, The Fred Hollows Foundation (and referred to as The Foundation from hereon) has continued Fred Hollows' legacy and mission to end avoidable blindness. Clarity of our vision, purpose, contribution and values are important factors in our success.

The second year of the global COVID-19 pandemic impacted all aspects of The Foundation's work during 2021, making it another difficult year for our teams and partners. Like all international NGOs, Australian businesses and charities large and small, we had to manage through high infection rates, the uncertainty of lockdowns, border closures and unpredictable operating conditions.

Blindness and vision loss don't stop during a global pandemic. In fact, the enormous disruption caused by COVID-19 has only made the situation worse. People who could have accessed treatment and care have been unable to. The backlog has grown, making our work even more critical. In 2021, there are more people with vision loss and blindness as a result of the pandemic and this burden is disproportionately felt by women and girls and people in marginalised and vulnerable communities.

In all the countries where we work, our eye health services have resumed. But they have resumed in a new "COVID-19 safe" way. The Foundation has supported the provision of Personal Protective Equipment, new ways of working and adapted programs to recognise the need for social-distancing and other safety precautions. We are constantly revising our guidance and support for safe working environments for staff, partners and patients. We will continue to resource this work for as long as needed, because the safety of everyone we work with is our number one priority.

We are particularly grateful for the tremendous dedication of The Foundation's global team, our many local partners, volunteers and supporters – whether they are government and institutional funders, corporates, community fundraisers or regular donors. This year's results are a reflection of all of your support and commitment to Fred's vision and as a result, it is pleasing to see our revenue and operations coming back toward pre COVID-19 levels.

Further Information on The Foundation's inspirational work and impact by country and region will be provided in detail, in our Annual Report.

## Operating results for the year

The consolidated financial results of The Foundation for the year ended 31 December 2021 were:

	2021	2020
	\$000	\$000
Revenue	94,549	84,747
Expenditure	83,705	70,003
Operating Surplus	10,844	14,744

## Financial outcomes 2021:

- The Foundation starts its 30th Anniversary year in a strong financial position, despite two years of significant disruption.
- During both 2020 and 2021 we protected The Foundation's future and ensured financial and organisational sustainability, while continuing to support eye health services wherever it was safe and possible to do so.
- The Foundation has no debt and has a strong contingency reserve – which is best practice and has us well placed for the long-term.
- Despite continuing disruption caused by the pandemic, programs in all of the countries where we work were able to increase throughout 2021. At year end, The Foundation's programming spend was a 28% increase on 2020.
- The Foundation remains committed to delivering on our mission and promise to our supporters. As COVID-19 begins to move from the pandemic to endemic phase The Foundation is increasing its activities to pre-pandemic levels, where local regulations allow.
- Our reserves show that we are in a financial position to manage the continuing disruption caused by the pandemic but also to rebuild and surpass pre COVID-19 operating levels.
- Supporters and donors can be assured that their continuing support will be reflected in a continuous increase in programs and services to those in need as we emerge from the global pandemic, delivering on Fred's vision of a world where no person is needlessly blind or vision impaired.
- We are grateful to our many generous donors who have continued to believe in our mission even during what has now been two years of significant global disruption with both health and financial impacts for them and their families.

## Significant events after the balance date

The ongoing global pandemic with COVID-19 continues to cause operational challenges to The Foundation's planned work. Despite this, other decisions and actions have ensured it has not had a significant detrimental impact on the financial results of The Foundation. However, we are aware there is a backlog of our critical work to reduce vision loss and blindness as a result of

the pandemic. For this reason, we have planned to use funds from our accumulated surplus for future programming to ensure we can reduce the backlog once operating conditions have stabilised.

The Directors are not aware of any other material events occurring after balance date of this report that would require further disclosure in these financial statements.

## Indemnification and insurance of directors

The Fred Hollows Foundation held Directors and Officers Liability cover during 2021. The amount of cover is reviewed periodically.

## Board Directors during 2021

Directors' qualifications and experience, and their special responsibilities on the Board are as follows:


Name	Experience and Qualifications	Special responsibilities within FHF
<p>Jane Madden</p> 	<p>Director, Principal, Brickfielder Insights            Board Member, Canberra Institute of Technology            Non-Executive Director, Australian Business Volunteers            Board Member/President, National Foundation for Australian Women            Board Member, Black Dog Institute            Graduate of Australian Institute of Company Directors            B.Ec /Grad Dip international Law University Tas / ANU</p> <p><b>Previously</b>            Deputy Secretary, Australian Government.            Diplomat/ Australian Ambassador to UNESCO            2003-2007</p>	<p>Chair of the Board  <i>(from May 2021)</i></p> <p>Chair of the Governance and Nominations Committee  <i>(from May 2021)</i></p>
<p>John Brumby</p> 	<p>Chair, Breakthrough Victoria Pty Ltd            Chair, International Education Advisory Council            Chair, Citywide Service Solutions Pty Ltd            Chair, BioCurate Pty Ltd            Chair, Melbourne Convention and Exhibition Trust            Chancellor, La Trobe University            Officer of the Order of Australia</p> <p><b>Previously</b>            Victorian Premier (2007-2010)            Victorian Treasurer (2000-2007)</p>	<p>Chair of the Board  <i>(retired May 2021)</i></p> <p>Chair of the Governance and Nominations Committee  <i>(retired May 2021)</i></p> <p>Chair of The Board of The Fred Hollows Foundation (HK) Ltd.</p> <p>Chair of the Board of The Fred Hollows Foundation (USA)</p>

Name	Experience and Qualifications	Special responsibilities within FHF
<p data-bbox="215 264 316 338">Helen Evans</p> 	<p data-bbox="395 264 986 763">           Director, Burnet Institute            Member of the Australian Global Health Alliance's Advisory Board            Associate Professor (Hon) at the Nossal Institute for Global Health, The University of Melbourne            Fellow of the Australian Institute of International Affairs            Vice Chair of the Global Fund to Fight AIDS, Tuberculosis and Malaria's Technical Evaluation Reference Group            Member of the Technical Reference Group of the Indo-Pacific Centre for Health Security            Officer of the Order of Australia         </p> <p data-bbox="395 824 997 1077"> <b>Previously</b>            Deputy CEO, Gavi - The Vaccine Alliance            Deputy Executive Director, The Global Fund to Fight AIDs, Tuberculosis and Malaria            First Assistant Secretary, Office for Aboriginal and Torres Strait Islander Health, Commonwealth Department of Health         </p>	<p data-bbox="1043 264 1378 450">           Deputy Chair of the Board            Chair of the Programs and Partnerships Committee            Director of The Fred Hollows Foundation (USA)         </p>
<p data-bbox="193 1144 336 1218">Michael Johnson</p> 	<p data-bbox="395 1144 975 1420">           Honorary Associate Professor, School of Social Sciences, University of NSW            Area Editor, Economic and Labour Relations Review            Life Member, Clare Hall Cambridge            Member of the Australian Institute of Company Directors            Member of the Order of Australia         </p> <p data-bbox="395 1458 997 1832"> <b>Previously</b>            Coordinator, Development Studies Program, School of Social Sciences, UNSW            Head of the School of Social Science and Policy, UNSW            Member of the Expert Advisory Committee on the Social and Economic Sciences of the Australian Research Council            Foundation Director, Public Sector Research Centre, UNSW         </p>	<p data-bbox="1043 1144 1378 1570">           Deputy Chair of the Board            Member of the Governance and Nominations Committee            Member of the Programs and Partnerships Committee            Director of The Fred Hollows Foundation Kenya            Director of The Fred Hollows Foundation (HK) Limited            Trustee of The Fred Hollows Foundation (UK)         </p>



Name	Experience and Qualifications	Special responsibilities within FHF
<p data-bbox="209 271 320 344">Ruwan de Mel</p> 	<p data-bbox="395 264 959 353">Over 20 years' experience in the accounting and banking professions and more than 18 years in international aid and development.</p> <p data-bbox="395 376 991 434">Member of the Institute of Chartered Accountants in England and Wales.</p> <p data-bbox="395 456 967 515">Member of the Institute of Chartered Accountants Australia and New Zealand.</p> <p data-bbox="395 557 523 584"><b><u>Previously</u></b></p> <p data-bbox="395 600 1011 658">Director of Strategy, The Global Fund to Fight AIDs, Tuberculosis and Malaria</p>	<p data-bbox="1043 264 1382 322">Member of the Programs and Partnerships Committee</p>
<p data-bbox="201 719 328 792">Katrina Fanning</p> 	<p data-bbox="395 712 979 739">Chair Australian Rugby League Indigenous Council</p> <p data-bbox="395 757 831 815">Head of Secretariat Coalition of Peaks – Closing the Gap</p> <p data-bbox="395 837 903 864">Board Member ACT Suburban Land Agency</p> <p data-bbox="395 882 951 909">Deputy Chairperson ACT Women's Legal Centre</p> <p data-bbox="395 927 762 954">CEO Coolamon Advisors Pty Ltd</p> <p data-bbox="395 972 922 999">Director Callida Indigenous Consulting Pty Ltd</p> <p data-bbox="395 1016 695 1043">2014 Public Service Medal</p> <p data-bbox="395 1061 762 1088">2020 ACT Australian of the Year</p> <p data-bbox="395 1151 523 1178"><b><u>Previously</u></b></p> <p data-bbox="395 1196 938 1223">Operations Manager Aboriginal Hostels Limited</p> <p data-bbox="395 1240 954 1267">National Manager Indigenous Service Centrelink</p> <p data-bbox="395 1285 927 1344">Chair ACT Aboriginal and Torres Strait Islander Elected Body</p>	<p data-bbox="1043 712 1310 770">Member of the Finance and Audit Committee</p>
<p data-bbox="201 1391 328 1464">Anthony Hall</p> 	<p data-bbox="395 1391 916 1449">Consultant Ophthalmologist and vitreo-retinal surgeon Newcastle</p> <p data-bbox="395 1471 1007 1529">Fellow, Royal Australian and New Zealand College of Ophthalmologists</p> <p data-bbox="395 1552 922 1579">Fellow, Royal College of Ophthalmologists UK</p> <p data-bbox="395 1597 879 1655">Director Kilimanjaro Centre for Community Ophthalmology Tanzania</p> <p data-bbox="395 1688 523 1715"><b><u>Previously</u></b></p> <p data-bbox="395 1733 979 1792">Member of Commonwealth Eye Health Consortium advisory committee</p> <p data-bbox="395 1814 879 1872">Chair RANZCO International Development Committee</p> <p data-bbox="395 1895 735 1921">Director Vision2020 Australia</p> <p data-bbox="395 1939 979 1998">Head of Department of Ophthalmology Kilimanjaro Christian Medical Centre</p>	<p data-bbox="1043 1391 1382 1449">Member of the Programs and Partnerships Committee</p>

Name	Experience and Qualifications	Special responsibilities within FHF
<p>Christine Hawkins</p> 	<p>Chair, Australian School of Accounting</p> <p>Chair, Audit and Risk Committee, NSW Environment Protection Authority</p> <p>Director, Southern Highlands Botanic Gardens Limited</p> <p>Director, Kimbriki Environmental Enterprises Pty Limited</p> <p>Managing Director Cinnabar International Pty Ltd</p> <p>Member of the Order of Australia</p> <p>BComm (Hons)</p> <p>MComm UNSW</p> <p>Fellow, CPA Australia</p> <p>Fellow, Australian Institute of Company Directors</p> <p><b><u>Previously</u></b></p> <p>Chair, Wheat Quality Australia Ltd</p> <p>Chair, Go Grains Health &amp; Nutrition Limited</p> <p>Deputy Chair, Grains Research and Development Corporation</p> <p>Director of organisations in food and health, agribusiness and investment banking</p>	<p>Chair of the Finance and Audit Committee (from March 2022)</p> <p>Member of the Governance and Nominations Committee (from May 2021)</p> <p>Chair of the Board of The Fred Hollows Foundation Kenya</p> <p>Director of The Fred Hollows Foundation Social Action Fund (USA) (retired October 2021)</p>
<p>Gabi Hollows</p> 	<p>Orthoptist</p> <p>Officer of the Order of Australia</p> <p>Orthoptic Associate, Royal Australian and New Zealand College of Ophthalmologists</p>	<p>Founding Director</p> <p>Member of the Governance and Nominations Committee</p> <p>Member of the Programs and Partnerships Committee</p>

Name	Experience and Qualifications	Special responsibilities within FHF
<p data-bbox="231 271 304 342">Paul Ruiz</p> 	<p data-bbox="394 271 970 331">Independent, Non-Executive Director TAL Dai-Ichi Life Australia Pty</p> <p data-bbox="394 349 1011 378">Independent, Non-Executive Director TAL Life Limited</p> <p data-bbox="394 396 970 456">Independent, Non-Executive Director Asteron Life and Superannuation Limited</p> <p data-bbox="394 474 962 535">Independent Non-Executive Director AMA Group Limited (ASX: AMA)</p> <p data-bbox="394 553 1005 582">Independent member of Audit and Risk Committees of:</p> <ul data-bbox="394 600 783 660" style="list-style-type: none"> <li data-bbox="394 600 584 629">• NSW Treasury</li> <li data-bbox="394 633 783 663">• Western Parkland City Authority</li> </ul> <p data-bbox="394 680 975 741">Fellow of the Institute of Chartered Accountants in England &amp; Wales</p> <p data-bbox="394 759 1010 788">Graduate of Australian Institute of Company Directors</p> <p data-bbox="394 806 836 835">BSc (Economics) – University of Wales</p>	<p data-bbox="1042 271 1386 427">Chair of the Finance and Audit Committee <i>(retired as Director and Committee member February 2022)</i></p> <p data-bbox="1042 448 1315 539">Chair of the Board of Alina Vision Pte. Ltd. <i>(retired February 2022)</i></p>
<p data-bbox="205 873 320 945">Paul Torzillo</p> 	<p data-bbox="394 873 970 934">Head of Respiratory Medicine, Royal Prince Alfred Hospital, Sydney</p> <p data-bbox="394 952 927 1012">Executive Clinical Director, Royal Prince Alfred Hospital</p> <p data-bbox="394 1030 975 1090">Senior Physician, Intensive Care Unit, Royal Prince Alfred Hospital</p> <p data-bbox="394 1108 900 1137">Medical Director, Nganampa Health Council</p> <p data-bbox="394 1155 636 1184">Director Healthabitat</p> <p data-bbox="394 1202 986 1232">Clinical Professor of Medicine, University of Sydney</p> <p data-bbox="394 1249 1002 1310">Clinical Director, Critical Care Services, Sydney Local Area Health District</p> <p data-bbox="394 1328 775 1357">Member of the Order of Australia</p> <p data-bbox="394 1391 520 1420"><b><u>Previously</u></b></p> <p data-bbox="394 1447 1018 1538">Consultant in Child Health, World Health Organization, Integrated Management of Childhood Illness (IMCI) Program</p> <p data-bbox="394 1556 922 1617">Royal Australian College of Ophthalmologists, National Trachoma and Eye Health Program</p>	<p data-bbox="1042 873 1418 1003">Member of the Programs and Partnerships Committee <i>(retired as Director and Committee member May 2021)</i></p>

## Company Secretary

Penelope Palmer

## Limitation of Members Liability

The Fred Hollows Foundation is a company limited by guarantee. In accordance with its Constitution, the liability of its 124 Members is limited to \$50.00 per person or an aggregate of \$6,200 in the event of the company being wound-up.

## Auditor's Independence

The Directors have received an independence declaration from the auditor of The Fred Hollows Foundation, BDO Audit Pty Ltd (BDO).

## Auditor

BDO has been appointed to the office in accordance with the Australian Charities and Not-for-Profits Commission Act 2012.

***Signed in accordance with resolution of the Directors.***



Jane Madden

Chair

Date: 22 March 2022  
Sydney, NSW Australia

## AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF THE FOUNDATION



Tel: +61 2 9251 4100  
Fax: +61 2 9240 9821  
www.bdo.com.au

Level 11, 1 Margaret St  
Sydney NSW 2000  
Australia

### DECLARATION OF INDEPENDENCE BY TIM AMAN TO THE DIRECTORS OF THE FRED HOLLOWES FOUNDATION

As lead auditor of The Fred Hollowes Foundation for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of The Fred Hollowes Foundation and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Tim Aman', is written above the printed name.

**Tim Aman**  
Director

**BDO Audit Pty Ltd**

Sydney

22 March 2022

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

## CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2021		2021	2020
	Notes	\$000	\$000
<b>REVENUE</b>			
<b>Community and corporate support</b>			
Donations and gifts		51,555	45,684
Bequests and legacies		14,715	17,137
<b>Grants</b>			
Government grants – Department of Foreign Affairs and Trade (DFAT)	4	14,450	9,667
Other Australian	4	984	888
Other overseas	4	12,587	9,008
<b>Investment income</b>		<b>106</b>	<b>551</b>
<b>Other Income</b>	5	<b>152</b>	<b>1,812</b>
<b>TOTAL REVENUE</b>		<b>94,549</b>	<b>84,747</b>
<b>EXPENDITURE</b>			
<i>International aid and development programs expenditure</i>			
<b>International Programs</b>			
Funds to international programs		35,257	23,251
Program support costs		15,326	13,988
<b>Community education</b>		<b>6,926</b>	<b>6,079</b>
<b>Fundraising costs</b>			
Public fundraising		14,783	14,248
Government, multilateral and private		149	144
<b>Accountability and administration</b>		<b>4,607</b>	<b>4,423</b>
<b>Total international aid and development programs expenditure</b>		<b>77,048</b>	<b>62,133</b>
<i>Domestic aid and development programs expenditure</i>			
Domestic programs		4,371	4,717
Community education		598	770
Fundraising costs		1,290	1,823
Accountability and administration		398	560
<b>Total domestic aid and development programs expenditure</b>		<b>6,657</b>	<b>7,870</b>
<b>TOTAL EXPENDITURE</b>		<b>83,705</b>	<b>70,003</b>
<b>TOTAL SURPLUS FOR THE YEAR</b>		<b>10,844</b>	<b>14,744</b>
<b>Surplus for the year attributable to:</b>			
Non-controlling interest		[159]	[309]
Members of the parent		11,003	15,053
<b>TOTAL SURPLUS FOR THE YEAR</b>		<b>10,844</b>	<b>14,744</b>

Note: The above Statement of income should be read in conjunction with accompanying notes.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021		2021	2020
	Notes	\$000	\$000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		53,016	37,874
Other interest bearing deposits		10	317
Trade and other receivables	6	4,756	5,802
<b>Total current assets</b>		<b>57,782</b>	43,993
<b>Non-current assets</b>			
Other receivable	6	632	986
Property, plant and equipment	7	1,541	1,683
Intangible assets	8	340	3,643
Right of use asset	11	2,228	437
<b>Total non-current assets</b>		<b>4,741</b>	6,749
<b>TOTAL ASSETS</b>		<b>62,523</b>	50,742
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	3,741	5,484
Deferred grants	4	12,536	11,731
Provisions	10	2,948	3,195
Lease liabilities	11	1,231	355
<b>Total current liabilities</b>		<b>20,456</b>	20,765
<b>Non-current liabilities</b>			
Other financial liabilities		-	32
Other payables	9	1,313	1,039
Provisions	10	848	743
Lease liabilities	11	999	100
<b>Total non-current liabilities</b>		<b>3,160</b>	1,914
<b>TOTAL LIABILITIES</b>		<b>23,616</b>	22,679
<b>NET ASSETS</b>		<b>38,907</b>	28,063
<b>Total Equity attributable to:</b>			
Non-controlling interest		300	459
Members of the parent		38,607	27,604
<b>TOTAL EQUITY</b>		<b>38,907</b>	28,063

Note: The above Statement of financial position should be read in conjunction with accompanying notes.

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021		2021	2020
	Notes	\$000	\$000
<b>Cash flows from operating activities</b>			
Receipts from donors		51,555	45,684
Receipts from bequests		14,715	18,013
Receipt of government grants		14,004	13,469
Receipt of other grants		14,647	7,019
Receipt of Jobkeeper grants		-	2,889
Payment of program and operating expenditures		[50,590]	[35,380]
Payment to employees for program and operating activities		[28,869]	[30,854]
<b>Net cash flows from operating activities</b>		<b>15,462</b>	<b>20,840</b>
<b>Cash flows from investing activities</b>			
Disposal of financial assets at fair value		-	11,518
Dividends received		-	24
Interest received		89	99
Other receipts		89	159
Net cash inflow on acquisition of subsidiary		-	21
Loan repayment of strategic partner		-	317
Acquisition of plant and equipment	7	[99]	[22]
Purchase of intangibles	8	-	[684]
<b>Net cash flows from investing activities</b>		<b>79</b>	<b>11,432</b>
<b>Cash flows from financing activities</b>			
Repayment of leasing liabilities and interest	11	[399]	[963]
Repayment of bank loan – principal		-	[2,147]
Repayment of bank loan – interest		-	[124]
<b>Net cash flows used in financing activities</b>		<b>[399]</b>	<b>[3,234]</b>
Net increase in cash and cash equivalents		15,142	29,038
Cash and cash equivalents at beginning of the year		37,874	8,836
<b>Cash and cash equivalents at end of the year</b>		<b>53,016</b>	<b>37,874</b>

Note: The above Statement of cash flows should be read in conjunction with accompanying notes.



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Note	Accumulated Surplus	Contingency Reserve	Non- Controlling Interest (i)	Total
		\$000	\$000	\$000	\$000
Balance as at 1 January 2020		-	12,551	768	13,319
Surplus/(deficit) for the year		15,053	-	[309]	14,744
Movements in contingency reserves		40	[40]	-	-
Balance as at 31 December 2020		<u>15,093</u>	<u>12,511</u>	<u>459</u>	<u>28,063</u>
Balance as at 1 January 2021		<b>15,093</b>	<b>12,511</b>	<b>459</b>	<b>28,063</b>
Surplus / (deficit) for the year		<b>11,003</b>	-	<b>[159]</b>	<b>10,844</b>
Movements in contingency reserves		<b>2,385</b>	<b>[2,385]</b>	-	-
Balance as at 31 December 2021	12	<u><b>28,481</b></u>	<u><b>10,126</b></u>	<u><b>300</b></u>	<u><b>38,907</b></u>

(i) The non-controlling interest represents the minority shareholders interest in Alina Vision Pte Limited.

Note: The above Statement of changes in equity should be read in conjunction with accompanying notes.

## 1. General information and statement of compliance

The consolidated financial statements of The Fred Hollows Foundation (the parent entity), and its subsidiaries (collectively the group and referred to as The Foundation from here on) for the year ended 31 December 2021, were authorised for issue in accordance with a resolution of the directors on 22 March 2022. The Foundation is a not-for-profit entity, and a public company limited by guarantee. It is an income tax exempt charitable organisation, incorporated and domiciled in Australia. The registered office is located at Level 9, 320 Pitt Street, Sydney, NSW, Australia. The Foundation is principally engaged in the promotion of its vision of a world in which no one is needlessly blind or vision impaired.

### (a) Basis of preparation

The Foundation's consolidated financial statements are presented in Australian dollars, which is also the parent company's functional currency, and are rounded to the nearest thousand dollars (\$000) except where indicated otherwise.

The Foundation's consolidated financial statements are a general purpose financial report which have been prepared in accordance with the requirements of the Australian Accounting Standards Reduced Disclosure Requirements, Australian Charities and Not-for-Profits Commission Act 2012, Australian Charities and Not-for-Profits Commission Regulation 2013, Charitable Fundraising Act 1991 (NSW), Charitable Fundraising Regulation 2015 (NSW) and the Australian Council for International Development (ACFID) Code of Conduct. The financial report has been prepared in accordance with the historical cost convention except for the financial assets, which are measured at fair value.

Where additional disclosures are presented in the reporting year, The Foundation has disclosed the same comparative information for the prior year.

### (b) Statement of compliance

The Foundation has adopted AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The adoption of AASB 1053 and AASB 2010-2 means there are reduced disclosure requirements for The Foundation, in particular within the disclosures around financial risk management objectives and policies.

### (c) Basis of consolidation

The consolidated financial statements comprise the financial statements of The Foundation and its subsidiaries as at 31 December 2021. For the purpose of compliance with AASB10, an investee company is deemed to be controlled by The Foundation when The Foundation has power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

The Foundation considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Foundation's voting rights and potential voting rights

The Foundation re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when The Foundation obtains control over the subsidiary and ceases when The Foundation loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date The Foundation gains control until the date The Foundation ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with The Foundation's accounting policies. All intra-group assets and liabilities, equity, income and expenses and cash flows relating to transactions between members of The Foundation are eliminated in full on consolidation.

## 1. General information and statement of compliance (cont'd)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If The Foundation loses control over a subsidiary, it de-recognises the related assets (including goodwill), liabilities,

non-controlling interest and other components of equity while any resultant gain or loss is recognised in Statement of income. Any investment retained is recognised at fair value.

## 2. Summary of significant accounting policies

### (a) Current and non-current classification

The Foundation presents assets and liabilities in the Statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Foundation classifies all other liabilities as non-current.

### (b) Cash and cash equivalents

Cash and cash equivalents in The Foundation's Statement of financial position comprises of cash at bank and in hand (Includes cash and cash

equivalents held in foreign bank accounts), and short-term deposits with an original maturity of three months or less.

### (c) Other interest-bearing deposits

These are short-term deposits with maturities over three months but less than one year.

### (d) Taxes

#### (i) Current income tax

The parent entity has been registered under Subdivision 50-B of the Income Tax Assessment Act 1997 in Australia, and accordingly, is an income tax exempt charitable entity.

#### (ii) Goods and Services Tax (GST)

In Australia, where the parent entity operates, revenue, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable: and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of financial position.

## 2. Summary of significant accounting policies (cont'd)

Cash flows are included in the Statement of cash flows on a gross basis and the GST component of the cash flows arising from investing and financing activities, which is recoverable or payable to the taxation authority, is classified as cash flows from operations.

### (iii) Withholding Tax

In countries where subsidiaries comply with withholding tax legislation, revenue, expenses and assets are recognised net of withholding tax while receivables and payables are stated net of the withholding tax.

### (e) Business combinations

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

The consideration transferred in a business combination is measured at fair value, which is the sum of acquisition date fair values of the:

- Assets transferred by the acquirer
- Liabilities incurred by the acquirer to former owners of the acquiree
- Equity interests issued by the acquiree, and
- Contingent consideration.

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in Statement of income, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in the Statement of income when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase. A bargain purchase occurs where the consideration is less than the fair value of the assets and liabilities acquired and is recognised immediately in the Statement of income on acquisition date.

### (f) Significant accounting judgments

Management has identified the following critical accounting policies for which significant judgments, estimates and assumptions are made. These have been disclosed with the relevant notes.

### 3. Financial risk management objectives and policies

The Foundation's principal financial instruments comprise cash and short-term deposits, receivables and payables.

#### Risk exposures and responses

The Foundation manages its exposure to key financial risks, including interest rate credit risk, foreign currency risk, price risk and liquidity risk in accordance with The Foundation's Board approved Risk Management Policy. The objective of the policy is to support the delivery of The Foundation's financial targets while protecting future financial security.

The Foundation uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate, equity price risk and foreign exchange risk and assessments of market forecasts for interest and foreign exchange rates as well as prices of shares in equity. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is assessed through the development of rolling cash flow forecasts and monitoring of investment performance if applicable.

Primary responsibility for monitoring the management of financial risks rests with the Finance and Audit Committee under the authority of the Board.

#### (a) Interest rate risk

The Foundation's exposure to risk with regards to movements in market interest rates is limited to daily cash balances held in interest bearing accounts. The Foundation has a temporary overdraft facility with a variable interest rate. At 31 December 2021 no overdraft facility has been utilised.

#### (b) Foreign currency risk

The Foundation funds program countries based on their local currency budgets on the condition that should there be a material devaluation of AUD against their local currencies, The Foundation reserves the right to limit the funding to the AUD budgeted amount. Where possible,

The Foundation uses foreign currency grants for settlement of expenses in that currency.

#### (c) Credit risk

Credit risk represents the risk that the counterparty to the trade or other type of debt will fail to discharge an obligation and cause The Foundation to incur financial loss.

The Foundation's exposure to credit risk arises from default of the counterparty, for the trade or other type of debt, with the current maximum exposure at the reporting date equal to the fair value of these instruments as disclosed in the Statement of financial position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values. At 31 December 2021, The Foundation was not exposed to any significant credit risk.

#### (d) Price risk

The Foundation's financial assets are subject to price risk. At balance date, The Foundation did not hold any financial assets.

#### (e) Liquidity risk

Liquidity risk arises from the financial liabilities of The Foundation and its subsequent ability to meet its obligation to repay these liabilities as and when they fall due. At balance date the contractual maturity for its non-derivative financial liabilities is less than 60 days except for the Lease liabilities of The Foundation.

The Foundation's objective is to maintain a balance between continuity of funding and flexibility through the use of effective working capital management practices or unutilised borrowing facilities.

The Foundation manages its liquidity risk by monitoring the total cash inflows and outflows expected on a monthly basis. In addition, The Foundation maintains sufficient cash to meet worldwide programs' normal operating requirements.

## 4. Deferred grants

The Foundation derives revenue from the transfer of goods and services over time, in the following major revenue streams and geographic grant markets.

	2021	2020
	\$000	\$000
<b>Grants</b>		
Government grants – DFAT	14, 450	9, 667
Other Australian	984	888
Other overseas	12, 587	9, 008
	<b>28, 021</b>	<b>19, 563</b>
<b>Primary geographic grant markets</b>		
<b>Grants</b>		
Australia	15, 434	10, 555
US	6, 381	2, 726
UK	3, 259	4, 131
HK	382	363
Other	2, 565	1, 788
	<b>28, 021</b>	<b>19, 563</b>

### Accounting policy for revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

#### (a) Donations and grants

For all revenue contracts, The Foundation assesses each contract to determine whether it is enforceable and whether its performance obligations are sufficiently specific. For those contracts that are not enforceable, or the performance obligations are not sufficiently specific, this will result in immediate revenue recognition under AASB 1058.

Government grants and other grants are recognised in the Statement of financial position either as a contract liability or asset when there

is an enforceable contract where the specific performance obligation has not been performed. Grant income for contracts with sufficiently specific performance obligations is recognised over time. The Foundation has made a decision that incurring contract related programs expenses are a good indicator of performance obligations being performed over time.

#### (b) Bequest

The Foundation recognises bequest revenue on receipt. Bequests received in the form of shares are recognised as bequest revenue at the market value on the date the shares were transferred to The Foundation from the estate. Any market movement in value of shares following the transfer date of beneficial ownership to The Foundation is treated as net gains or losses on investments.

## 4. Deferred grants (cont'd)

### Assets and liabilities related to contracts with donors

The Foundation has recognised the following assets and liabilities related to contracts with donors.

	2021	2020
	\$000	\$000
Contract assets – other grants	1,347	-
<b>Total current assets</b>	<b>1,347</b>	<b>-</b>
Contract liabilities – government grants	8,579	9,025
Contract assets – other grants	3,957	2,706
<b>Total current liabilities</b>	<b>12,536</b>	<b>11,731</b>

### Accounting policy for contract assets and liabilities

Contract assets are included within trade and other receivables, and contract liabilities are presented separately, in the Statement of financial position. They arise from contracts entered into by The Foundation where the cumulative payments received from donors at each balance sheet date does not equal the amount of revenue recognised on the contracts.

Donations and grants received, which are unspent at balance date and are for a specific project not yet complete, are only recognised as revenue when the project commences as these amounts are repayable if not fully utilised on the specific project.

## 5. Other income

This includes income or losses from the impairment of plant and equipment, foreign currency transactions and other receipts.

	2021	2020
	\$000	\$000
Impairment loss on disposal of property, plant, equipment and intangible assets	[1,235]	[947]
Exchange gains / (losses)	532	[569]
Jobkeeper grants	-	2,889
Paycheck Protection Program loan forgiveness	89	84
Interest expense	[179]	[233]
Hospital revenue net cost of goods sold	390	74
Sundry receipts	555	514
	<b>152</b>	<b>1,812</b>

The Foundation has disclosed the most significant revenue categories in the Statement of income and as such has only shown by way of note the breakdown of other revenues.

## 5. Other income (cont'd)

### Accounting policy for foreign currency translations

On consolidation, foreign currency assets and liabilities are translated into Australian dollars at the rate of exchange prevailing at the reporting date and foreign currency income and expenses

are translated at the monthly average exchange rates for the current month. The exchange differences arising on translation for consolidation are recognised in the Statement of income.

## 6. Trade and other receivables

	Notes	2021	2020
<b>Current</b>		<b>\$000</b>	\$000
Trade receivables		568	392
Contract assets	6(a)	1,347	-
Country program advances	6(b)	509	661
Partner and equipment advances	6(c)	539	866
Dividend and interest receivables		51	70
GST receivable	6(d)	248	232
Cameroon cataract bond	6(e)	-	2,170
Prepayments		820	891
Others		674	520
		<b>4,756</b>	<b>5,802</b>
<b>Non Current</b>			
Cameroon cataract bond accrual	6(e)	632	986

### Accounting policy for trade and other receivables

Due to the short-term nature, trade receivables are recognised at their face value, which is deemed to be their fair value. Trade receivables are non-interest bearing and are generally on 30-60-day terms. As at balance date all trade receivables are current and collectable.

#### (a) Contract assets

Contract assets represent funds due from donors where the donor reimburses The Foundation after it spends program funds as per the requirements specified by the donor. In 2021, the total amount represented accruals from 5 donors which pay in arrears.

#### (b) Country program advances

These represent remittance of monies to The Foundation's country programs. The monies have been held for program expenditures which remain unspent as at balance date. As at balance date, all advances are current and The Foundation has raised a provision for impairment of \$100,000.

#### (c) Partner and equipment advances

Advances are given to program partners to carry out project-based tasks or to a third-party supplier to procure medical and other equipment. As at balance date, all advances are current and The Foundation has raised a provision for impairment of \$230,000.



## 6. Trade and other receivables (cont'd)

### (d) GST receivable

At balance date, the net GST is a receivable. Other tax liabilities (PAYG and FBT) are shown separately in Note 9.

### (e) Cameroon cataract bond receivables

The Foundation is involved in a project to support the Magrabi ICO Cameroon Eye Institute to significantly increase the volume and quality

of cataract surgeries undertaken in Cameroon. The Foundation has recognised the contracted receivables from grant funders Conrad Hilton Foundation and Sightsavers for their contribution to these project costs. As the grant funders are due to meet their remaining commitments from 2023, it has been determined this will be receivable in the next 2 years.

Movement in contracted receivables:

	<b>2021</b>
	<b>\$000</b>
As at 1 January 2021	<b>3, 156</b>
Receipt of outcome funding from donors	<b>[2, 213]</b>
Prepayment of outcome funding from donors	<b>[615]</b>
Current year accrual for loan interest associated costs	<b>140</b>
Exchange differential in revaluing opening balance to closing exchange rates	<b>164</b>
<b>As at 31 December 2021</b>	<b>632</b>

## 7. Plant and equipment

### (a) As at 31 December 2021

	2021			2020		
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Motor vehicles (i)	233	[200]	33	228	[172]	56
Office furniture and equipment	1, 480	[1, 362]	118	1, 484	[1, 326]	158
Medical Equipment	1, 022	[285]	737	900	[175]	725
Leasehold improvements	1, 559	[906]	653	1, 518	[774]	744
	<b>4, 294</b>	<b>[2, 753]</b>	<b>1, 541</b>	<b>4, 130</b>	<b>[2, 447]</b>	<b>1, 683</b>

(i) Motor vehicles are used for program delivery in countries.

## 7. Plant and equipment (cont'd)

### (b) Reconciliation of carrying amounts at the end of the period

Movement in non-current assets

	Motor vehicles	Office Furniture & equipment	Medical Equipment	Leasehold improvements	Total
	\$000	\$000	\$000	\$000	\$000
As at 1 January 2021 net of accumulated depreciation and impairment	56	158	725	744	1,683
Additions	-	9	78	12	99
Depreciation charge for the year	[28]	[50]	[100]	[138]	[316]
Exchange differential in revaluing opening balance to closing exchange rates	5	1	34	35	75
<b>As at 31 December 2021</b>	<b>33</b>	<b>118</b>	<b>737</b>	<b>653</b>	<b>1,541</b>

### (c) Reconciliation of carrying amounts at the beginning of the period

Movement in non-current assets

	Motor vehicles	Office Furniture & equipment	Medical Equipment	Leasehold improvements	Total
	\$000	\$000	\$000	\$000	\$000
As at 1 January 2020 net of accumulated depreciation and impairment	96	391	710	998	2,195
Additions	-	22	-	-	22
Impairment/Disposals, cost less accumulated depreciation	-	[173]	-	[418]	[591]
Depreciation charge for the year	[28]	[177]	[78]	[237]	[520]
Assets acquired in acquisition	-	108	163	435	706
Exchange differential in revaluing opening balance to closing exchange rates	[12]	[13]	[70]	[34]	[129]
<b>As at 31 December 2020</b>	<b>56</b>	<b>158</b>	<b>725</b>	<b>744</b>	<b>1,683</b>

### Accounting policy for Plant and equipment

#### (a) Cost and valuation

Items of plant and equipment are valued at cost, less accumulated depreciation and any accumulated impairment.

## 7. Plant and equipment (cont'd)

### (b) Depreciation

Depreciation is provided for on a straight line basis at rates that reflect the estimated useful lives of the assets as follows:

Motor vehicles	3-5 years
Office machines and equipment	3-10 years
Office furniture and equipment	3-10 years
Leasehold improvements	5-15 years

The assets' residual values, useful lives and amortisation methods have been reviewed, and it has been confirmed that they still have economic value to The Foundation.

### (c) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

### (d) Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as on manufacturers' warranties (for plant and equipment), and turnover policies (for motor vehicles).

In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

## 8. Intangible assets

### (a) As at 31 December 2021

	2021			2020		
	Cost	Accumulated amortisation	Net	Cost	Accumulated amortisation	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Software and systems	4,422	[4,082]	340	7,356	[3,936]	3,420
Goodwill	-	-	-	223	-	223
	<u>4,422</u>	<u>[4,082]</u>	<u>340</u>	<u>7,579</u>	<u>[3,936]</u>	<u>3,643</u>

### (b) Reconciliation of carrying amounts at the end of the period

	Notes	2021	2020
<b>Software and systems</b>		<b>\$000</b>	\$000
As at 1 January net of accumulated depreciation and impairment		<b>3,643</b>	4,410
Additions		-	684
Acquired on acquisition		-	223
Impairments	8(c)	<b>[1,235]</b>	[401]
Reclassification	8(a)	<b>[625]</b>	-
Amortisation for the year		<b>[1,443]</b>	[1,273]
<b>As at 31 December</b>		<b><u>340</u></b>	<u>3,643</u>

## 8. Intangible assets (cont'd)

### Accounting policy for intangible assets

Intangible assets are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Goodwill is not amortised.

#### (a) Software and systems

Software development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and The Foundation intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, software development expenditure is recognised in the Statement of income as incurred.

In April 2021, the IFRS Interpretations Committee (IFRIC) published its final agenda decision on accounting for configuration and customisation costs in a Software as a Service (SaaS) arrangement. The Foundation has reviewed the findings and made adjustments for software development expenditure related to a SaaS. The amounts have now been recognised as a prepayment, or expensed, as per contract term.

#### (b) Amortisation

Amortisation is provided for on a straight line basis at rates that reflects the estimated useful lives of the assets as follows:

Software and Systems 3-5 years

#### (c) Impairment of non-financial assets

Under AASB 136, an entity is required to regularly assess whether there is any indication that an asset is recorded at greater than its recoverable amount and if so, to recognise an impairment loss. Gains or losses arising from derecognition of an intangible asset are measured as the difference

between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of income when the asset is derecognised.

The intangible assets have been reviewed for appropriate useful life and whether or not they still have any economic value to The Foundation. Post review, adjustments to the accounts were made for derecognition of certain assets and changes in useful life of other assets.

Goodwill is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs.

Goodwill of \$223,000 was recognised in the prior year which related to a tax exposure identified by the Alina Eye Hospital Social Enterprise Company Limited. This exposure was actively managed and resulted in a smaller tax assessment. The over provision was reversed in the current year and therefore it was decided to impair the goodwill as well.

## 9. Trade and other payables

	Notes	2021	2020
		\$000	\$000
<b>Current</b>			
Trade payables		1,961	1,406
Cameroon cataract bond accrual	9(a)	-	2,290
Accrued expenses		1,716	1,778
Tax liabilities	9(b)	28	8
Other creditors		36	2
		<b>3,741</b>	<b>5,484</b>
<b>Non Current</b>			
Cameroon cataract bond accrual	9(a)	<b>1,313</b>	<b>1,039</b>

### Accounting policy for trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature, they are not discounted. They represent liabilities for goods and services provided to The Foundation prior to the end of the financial year that are unpaid and arise when The Foundation becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (a) Cameroon cataract bond accrual

The Foundation is involved in a project to support the Magrabi ICO Cameroon Eye Institute to significantly increase the volume and quality of cataract surgeries undertaken in Cameroon whereby it has guaranteed the capital loan amount, interest and associated costs incurred by the investing partners OPIC and Netri.

The Foundation has determined these guaranteed amounts will be payable in the next 2 years.

### Movement in Cameroon cataract bond guaranteed loan amounts

	2021
	\$000
As at 1 January 2021	3,329
Repayment of capital amount, interest and associated costs	[2,359]
Current year accrual for loan and associated costs	146
Exchange differential in revaluing opening balance to closing exchange rates	197
<b>As at 31 December 2021</b>	<b>1,313</b>

#### (b) Tax liabilities

Tax liabilities are for PAYG and fringe benefits tax liabilities. There is no liability for GST.

## 10. Provisions

	2021	2020
<b>Current</b>	<b>\$000</b>	\$000
Annual leave	2, 527	2, 276
Long service leave	421	316
Other	-	329
Lease make good	-	274
	<b>2, 948</b>	<b>3, 195</b>
<b>Non Current</b>		
Long service leave	639	534
Lease make good	209	209
	<b>848</b>	<b>743</b>

### Accounting policy for provisions

Provisions are recognised when The Foundation 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.

The expense relating to any provision is presented in the Statement of income net of any reimbursement.

#### (a) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

#### (b) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, to the estimated future cash outflows.

Management judgement is applied in determining the following key assumptions used in the calculation of long-service leave at reporting date:

- (i) future increases in salaries, wages and on costs;
- (ii) experience of employee departures and period of service; and
- (iii) flow of anticipated leave.

## 11. Leases

### (a) Right of use assets

	2021	2020
	\$000	\$000
Properties	2,215	410
Vehicles	13	27
	<u>2,228</u>	<u>437</u>

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

	Properties	Vehicles	Total
	\$000	\$000	\$000
As at 1 January 2021 net of accumulated depreciation and impairment	410	27	437
Additions – new leases	2,213	-	2,213
Remeasurement on exit of lease	[49]	-	[49]
Depreciation charge for the year	[359]	[14]	[373]
<b>As at 31 December 2021</b>	<u>2,215</u>	<u>13</u>	<u>2,228</u>

### (b) Lease liabilities

Lease liabilities are presented in the statement of financial position as follows:

	2021	2020
	\$000	\$000
Current	1,231	355
Non-current	999	100
	<u>2,230</u>	<u>455</u>

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

	2021	2020
	\$000	\$000
As at 1 January	455	2,691
Additions – new leases	2,213	-
Remeasurement on exit of lease	[55]	[1,382]
Lease payments	[399]	[963]
Finance charges	16	109
<b>As at 31 December</b>	<u>2,230</u>	<u>455</u>

## 11. Leases (cont'd)

Future minimum lease payments as at 31 December 2021 are as follows:

	Within 1 Year	1-2 Years	Total
	\$000	\$000	\$000
Lease payments	1,314	980	2,294
Finance charges	[49]	[15]	[64]
<b>Lease Liabilities</b>	<b>1,265</b>	<b>965</b>	<b>2,230</b>

### Accounting policy for leases

At the commencement date of the lease, The Foundation recognises lease liabilities measured at the present value of lease payments to be made over the lease term unless they have a lease term of 12 months or less or are considered to be low value.

The Foundation recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease.

## 12. Reserves

### Contingency reserve

The Foundation calculates and maintains a contingency reserve of \$10.1m (2020: \$12.5m) primarily to protect against any catastrophic event resulting in the cessation, or significant reduction in revenue, impacting its ability to meet the contractual, legal and ethical obligations to partners, suppliers of goods and services and staff.

### Accumulated surplus

Accumulated surplus is that part of The Foundation's equity represented by amounts in excess of the contingency reserve. These funds are used to support the working capital requirements of The Foundation ensuring we are able to support our planned work by covering the uneven cash flows of revenue being received.

The Foundation has also set aside a portion of the accumulated surplus for strategic projects and initiatives and to allow us to address some of the backlog of unmet eye health care need caused by the pandemic's disruption to our work in 2020 and 2021.



### 13. Events subsequent to reporting date

The ongoing global pandemic with COVID-19 continues to cause operational challenges to The Foundation's planned work. Despite this, other decisions and actions have ensured it has not had a significant detrimental impact on the financial results of The Foundation. However, we are aware there is a backlog of our critical work to reduce vision loss and blindness as a result of the pandemic. For this reason, we have planned

to use funds from our accumulated surplus for future programming to ensure we can reduce the backlog once operating conditions have stabilised.

The Directors are not aware of any other material events occurring after balance date of this report that would require further disclosure in these financial statements.

### 14. Limitation of members liability

The parent entity, The Fred Hollows Foundation, is a company limited by guarantee. In accordance with its Constitution, in the event of it being wound up, the liability of members will not exceed \$50.00 per member or an aggregate of \$6,200.

### 15. Contingent liabilities

There are no contingent liabilities that have been incurred by The Foundation in relation to 2021 or 2020.

### 16. ACFID code of conduct

Certain items required in the ACFID Code of Conduct reporting are not displayed. These include, but are not limited to, inventories, assets

held for sale, investment property and other reserves which have nil balances for both the reporting periods covered.

### 17. Information furnished under the ACFID code of conduct

#### (a) Non-monetary gifts and expenditures

Non-monetary donations and gifts are not included in the Statement of income. No non-monetary donations or gifts were made during the period.

#### Gifts in-kind

During the year The Foundation received approximately 16 million (2020: 6 million) doses of Zithromax donated by Pfizer under the International Trachoma Initiative for collection, distribution and application in the Oromia region of Ethiopia. The Board has taken the view that control and significant risk and rewards of Zithromax never passed to The Foundation and has therefore not accounted for their receipt or distribution in the financial statements.

Volunteer work done within The Foundation is not reported and is not material.

#### (b) Revenue (expenditure) for international political or religious proselytisation programs

No revenue was earned, nor expenditure incurred for the year on international political or religious proselytisation programs.

#### (c) Table of cash movements for designated purpose

No single appeal or other form of fundraising for a designated purpose generated 10% or more of total income for the year ended 31 December 2021.

## 18. Auditor's remuneration

	2021	2020
	\$000	\$000
For audit or review of financial report		
BDO Audit Pty Ltd	83	75
BDO – Overseas	339	144
Non-BDO	24	59
	<b>446</b>	<b>278</b>

## 19. Related party disclosure

### (a) Key management personnel

	2021	2020
	\$000	\$000
Compensation of key management personnel of The Foundation:		
Short-term employee benefits	1,378	1,435
Other long-term employee benefits	5	10
	<b>1,383</b>	<b>1,445</b>

The Foundation's constitution prohibits the payment of remuneration to any of its directors.

The amounts disclosed in the table are the amounts recognised as an expense during the reported period related to key management personnel (comprising CEO, Deputy CEO, Chief Operating Officer and Executive Director of Programs)

### (b) Related parties

Grants to / (from) related parties	2021	2020
	\$000	\$000
The Fred Hollows Foundation (Hong Kong)	[1,139]	[740]
The Fred Hollows Foundation (Kenya)	926	688
The Fred Hollows Foundation (UK)	1,418	863
The Fred Hollows Foundation (USA)	137	300
Alina Vision Pte. Ltd	2,051	-

Funding was provided to support The Foundation's subsidiaries in Kenya, USA and UK. Funding was also provided to support the programs of Alina Vision. The Foundation's subsidiary in Hong Kong provided a grant to the parent entity in 2021. There were no transactions with directors, or director related entities, in the year.

## 20. Parent financial information

The parent entity of the consolidated entity is The Fred Hollows Foundation. The subsidiaries of the parent entity are The Fred Hollows Foundation (UK), The Fred Hollows Foundation Kenya, The Fred Hollows Foundation (Hong Kong), The Fred Hollows Foundation (USA) and The Fred Hollows Foundation Social Action Fund (USA), which are all controlled by the parent entity. The parent entity also has a 76.6% ownership interest in Alina Vision Pte. Ltd. Alina Vision Pte. Ltd. owns 100% of the shares of Alina Eye Hospital Social Enterprise Company Limited.

### a) Statement of financial position - Parent

Financial position information related to the parent entity.

	2021	2020
	\$000	\$000
Current assets	56,505	42,590
Non-current assets	3,148	5,001
<b>Total assets</b>	<b>59,653</b>	<b>47,591</b>
Current liabilities	17,933	19,666
Non-current liabilities	3,160	1,882
<b>Total liabilities</b>	<b>21,093</b>	<b>21,548</b>
<b>Net assets</b>	<b>38,560</b>	<b>26,043</b>

The parent entity's cash balance and other interest bearing deposits of \$49.9m are held with Westpac Banking Corporation.

## 20. Parent financial information (cont'd)

### b) Statement of income – Parent

	2021	2020
<b>REVENUE FROM CONTINUING OPERATIONS</b>	<b>\$000</b>	<b>\$000</b>
<b>Community and Corporate support</b>		
- Donations and gifts	48,542	43,698
- Bequests and legacies	14,715	17,137
<b>Grants</b>		
- Government grants - DFAT	14,450	9,667
- Other Australian	984	888
- Other overseas	12,522	9,008
<b>Investment income</b>	<b>106</b>	<b>551</b>
<b>Other (expenditure) / income</b>	<b>[235]</b>	<b>1,712</b>
<b>TOTAL REVENUE</b>	<b>91,084</b>	<b>82,661</b>
<b>EXPENDITURE</b>		
<i>International Aid &amp; Development Programs Expenditure</i>		
<b>International Programs</b>		
Funds to international programs	32,847	22,015
Program support costs	15,256	13,895
<b>Community Education</b>	<b>6,152</b>	<b>5,426</b>
<b>Fundraising Costs</b>		
- Public fundraising	13,356	13,055
- Government, multilateral and private	149	144
<b>Accountability &amp; Administration</b>	<b>4,152</b>	<b>4,143</b>
<i>Total International Aid &amp; Development Programs Expenditure</i>	<b>71,912</b>	<b>58,678</b>
<i>Domestic Aid &amp; Development Programs Expenditure</i>		
- Domestic programs	4,369	4,705
- Community education	598	770
- Fundraising costs	1,290	1,823
- Accountability & administration	398	560
<i>Total Domestic Aid &amp; Development Programs Expenditure</i>	<b>6,655</b>	<b>7,858</b>
<b>TOTAL EXPENDITURE</b>	<b>78,567</b>	<b>66,536</b>
<b>Surplus for the year</b>	<b>12,517</b>	<b>16,125</b>

## 21. Information furnished under the Charitable Fundraising Act (NSW)

The following information relates to the parent entity (The Fred Hollows Foundation) only and is a requirement of the Charitable Fundraising Act 1991 (NSW).

### a) Details of aggregate gross income and total expenditure of fundraising appeals

	2021	2020
	<b>\$000</b>	\$000
<b>Proceeds from fundraising appeals</b>		
Donations	48,542	43,698
Bequests	14,715	17,137
Gross proceeds from fundraising appeals	<b>63,257</b>	60,835
<b>Direct costs of fundraising appeals</b>		
Donations	14,328	14,702
Bequests	318	176
Cost of raising Government funds	149	144
Total costs of fundraising appeals	<b>14,795</b>	15,022
Net surplus from fundraising appeals	<b>48,462</b>	45,813

### b) Statement showing how funds received are applied for charitable purposes

	2021	2020
	<b>\$000</b>	\$000
Net surplus obtained from fundraising appeals	48,462	45,813
Applied for charitable purposes as follows:		
Office administration	4,550	4,703
<b>Costs of direct services:</b>		
Community education	6,750	6,196
International programs	48,103	35,910
Indigenous programs	4,369	4,705
Total costs of direct services	<b>59,222</b>	46,811
Total expenditure	<b>63,772</b>	51,514
Shortfall	<b>[15,310]</b>	[5,701]

## 21. Information furnished under the Charitable Fundraising Act (NSW) (cont'd)

### c) Statement showing how funds received are applied for charitable purposes

	2021	2020
	\$000	\$000
Shortfall was provided by the following sources:		
Department of Foreign Affairs and Trade (DFAT)	14,450	9,667
Other Australian grants	984	888
Other overseas grants	12,522	9,008
Investment income	106	551
Other income / (expenditure)	[235]	1,712
	<b>27,827</b>	<b>21,826</b>
Surplus	<b>12,517</b>	<b>16,125</b>

### d) Fundraising appeals conducted during the financial period

The following fundraising appeals were conducted during the financial year.

- Regular Giving Program
- Public, Corporate and Trust Donations
- Direct Mail

All fundraising activities are related to Public Appeals. Our Regular Giving Program is the only appeal where traders are engaged.

### e) Details of aggregate gross income and aggregate direct expenditure incurred in appeals in which traders were engaged

Activity	2021				2020			
	Proceeds	Cost	Surplus	Costs/ Proceeds	Proceeds	Cost	Surplus	Costs/ Proceeds
	\$000	\$000	\$000	%	\$000	\$000	\$000	%
Regular Giving	13,326	3,164	10,072	24%	12,494	2,705	9,789	22%

## DIRECTORS' DECLARATION

In accordance with a resolution of the directors of the Parent entity, The Fred Hollows Foundation, I state that in the opinion of the directors:

1. The Annual Financial Report, notes and the additional disclosures included in the Directors' Report of The Foundation and its subsidiaries, designated as audited:

- a. Give a true and fair view of the Foundation's financial position as at 31 December 2021 and of its performance for the year ended on that date.
- b. Comply with:
  - (i) Australian Accounting Standards – Reduced Disclosure Requirements;
  - (ii) Australian Charities and Not-for-Profits Commission Act 2012;
  - (iii) Australian Charities and Not-for-Profits Commission Regulation 2013;
  - (iv) Charitable Fundraising Act 1991 (NSW);
  - (v) Charitable Fundraising Regulations 2015 (NSW); and
  - (vi) Australian Council for International Development (ACFID) Code of Conduct.

2. There are reasonable grounds to believe that The Foundation is able to pay its debts as and when they become due and payable.

On behalf of the Board,



Jane Madden  
Chair

Date: 22 March 2022

Sydney, NSW Australia

## STATEMENT BY CHAIR OF THE FINANCE AND AUDIT COMMITTEE

Declaration by the Chair of the Finance and Audit Committee in respect of fundraising appeals under the Charitable Fundraising Act 1991 (NSW). In accordance with a resolution of the directors of the Parent entity, The Fred Hollows Foundation, I state that:

- a. The Consolidated Statement of income gives a true and fair view of all revenue and expenditure of The Foundation and its subsidiaries (The Foundation) with respect to fundraising appeals; and
- b. The Consolidated Statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeals conducted by The Foundation; and
- c. The provisions of the NSW Charitable Fundraising Act 1991, the regulations under that Act and the conditions attached to the authority have been complied with by The Foundation; and
- d. The internal controls exercised by The Foundation are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.



Christine Hawkins  
Director, Chair of Finance and Audit Committee

Date: 22 March 2022

Sydney, NSW Australia



Tel: +61 2 9251 4100  
Fax: +61 2 9240 9821  
www.bdo.com.au

Level 11, 1 Margaret St  
Sydney NSW 2000  
Australia

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF THE FRED HOLLOWES FOUNDATION**

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of The Fred Hollows Foundation (the registered entity) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of The Fred Hollows Foundation, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

**Basis for opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other information**

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the registered entity's annual report, but does not include the financial report and our auditor's report thereon.

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.





Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of responsible entities for the Financial Report**

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered entity's financial reporting process.

#### **Auditor's responsibilities for the audit of the Financial Report**


Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf)

This description forms part of our auditor's report.

**BDO Audit Pty Ltd**

*BDO*  


Tim Aman  
Director

Sydney, 22 March 2022



PHOTO: MICHAEL AMENDOLIA



**The Fred Hollows  
Foundation**