

The Fred Hollows Foundation (UK)

Report and Financial Statements

31 December 2014

Charity No. 1140288
Company No. 7193829

The Fred Hollows Foundation (UK)

Trustees

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H Davies

J Dunstan

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R Porter (Chair)

M Wills

R Wormald

Senior Staff

V Sarah, Global Partnerships Executive

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The Fred Hollows Foundation (UK)

Charity No. 1140288
Company No. 7193829

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 2014.

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 comprehensive, high quality and affordable eye care systems in the developing world. Sister organisations in Australia, New Zealand and the United Kingdom form a global alliance to achieve shared development objectives. The Fred Hollows Foundation (UK) now acts as a representative office of the global alliance.

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 the global alliance, 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).

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.

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 treatment strategy for the elimination of trachoma as a public health problem; ensuring shared objectives and coordinated global activities to eliminate avoidable blindness.

Trustees' report (continued)

to the members of The Fred Hollows Foundation (UK)

Governance and management

The Board of Trustees of The Fred Hollows Foundation (UK) is responsible for the overall 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 workings.

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.

The 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).

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. There are seven Trustees and there were no vacancies or new appointments in the year ended 31 December 2014.

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.

Risk management

The Trustees are responsible for ensuring that the major risks facing the organisation are appropriately managed. The 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 alliance model, the amounts of reserves needed are guaranteed by The Fred Hollows Foundation in Australia. The Trustees' free reserves target is to meet

Trustees' report (continued)

to the members of The Fred Hollows Foundation (UK)

contractual and legal liabilities and ethical obligations. The current unrestricted funds are £49,843. The reserves are within the policy range at the end of 2014.

Public Benefit Statement

The Fred Hollows Foundation (UK) develops its strategic plans to ensure that we 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.

The 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
- 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 2014 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 GET2020 and manage significant institutional funding for trachoma elimination. In addition, the organisation supported the

Trustees' report (continued)

to the members of The Fred Hollows Foundation (UK)

WHO to update its technical guidelines for trachoma surgery and the ICTC's global preferred operational practices for trachoma surgery and 'scale up' planning for national trachoma action plans (TAP). The organisation worked with national coordinators and regional alliances in the Eastern Mediterranean and Pacific to strengthen stakeholder capacity to design and implement TAPs. These groups have been very successful in the past 18-24 months in raising the profile of trachoma elimination and in the years remaining to 2020, these efforts need to increase significantly in scale – attracting new programming and funding partnerships, working more closely with WHO and national governments to achieve GET2020 objectives. Our Global Partnership Executive is the current Vice Chair and The Fred Hollows Foundation (UK) will play a key role within the ICTC and regional alliances to support this suite of activities.

2. *Research and learning:* The organisation supported operational initiatives within the global alliance to identify research gaps and learning opportunities in national and regional trachoma programming, and built relationships with academic and research institutions for future project initiatives.
3. *Advocacy:* Along with several other ICTC partners, the organisation supported the development and creation of the Eastern Mediterranean Region Alliance for Trachoma Control (EMRATC) and the Neglected Tropical Disease NGO Network (NNN) WASH Working Group 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.
4. *SAFE strategy programming in country:* The organisation provided technical support to national trachoma elimination programmes in Australia, Cambodia, Cameroon, Eritrea, Ethiopia, Fiji, Guinea Bissau, Kenya, Kiribati, Laos, Pakistan, Solomon Islands, Vanuatu and Vietnam.
5. The Fred Hollows Foundation (UK) also provided technical and management support to a range of local partners in 21 countries to strengthen prevention of blindness programmes. For example:
 - *In Nepal:* Through support to Kathmandu-based Tilganga Institute of Ophthalmology (TIO), the organisation strengthened the capacity of TIO's network of rural hospitals providing support for outreach services.
 - *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 will increase the focus on trachoma elimination within the region and work across a number of sectors including health, communicable diseases, water, sanitation and hygiene. The greater focus will also contribute to health system strengthening in the region. The current project will be undertaken over a period of 4.5 years. It is supported through funding 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

Trustees' report (continued)

to the members of The Fred Hollows Foundation (UK)

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 will partner with the Oromia Regional Health Bureau.

- *In Kenya:* Kenya is targeted for elimination and will therefore implement all aspects of the SAFE strategy. Under a five year funded programme the organisation has been scaling up its programme and aims to provide at least 41,500 TT surgeries or other appropriate interventions, distribute antibiotics to at least 2,872,392 people across all trachoma endemic counties, implement facial cleanliness interventions in 12 counties, and support advocacy with Water, Sanitation and Hygiene (WASH) partners. Ensuring capacity building of stakeholders, including national and county governments is key to ensure well planned, executed and sustainable programmes. It is also supported through funding by The Queen Elizabeth Diamond Jubilee Trust.

In 2014, the following results were achieved through the global alliance:

- 728,788 eye operations and treatments were performed;
- Over 7 million people received antibiotic treatment for trachoma;
- 56,000 health workers receiving professional training;
- AUD 3.8 million worth of equipment supplied; and
- 36 medical facilities were constructed or renovated.

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 2014 was Government aid agencies and large institutional donor development with grant applications submitted in 2014 for programming which will commence in 2015.

Organisational development

Through agreement between The Fred Hollows Foundation in Australia and The Fred Hollows Foundation (UK) in 2012, the organisation now acts as a representative office of the global alliance. It coordinates and leads a range of advocacy, programming, partnership, and resource mobilisation activities aligned with the organisation's strategy, the Global Plan of Action for Access to Universal Eye Health, the WHO SAFE treatment strategy for trachoma elimination, and the VISION 2020 strategic framework. The strategic objectives of the organisation remain the same.

In 2014 a new lease was negotiated to extend the existing operational funding support from the Rose Foundation until 2035 and it will be signed in early 2015. This generous support allows The Fred Hollows Foundation (UK) to maintain its premises in Central London.

Trustees' report (continued)

to the members of The Fred Hollows Foundation (UK)

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

No additional members of staff were recruited during 2014, keeping the total number of organisational employees to three and increasing the number of hosted positions to two.

Trustee Financial Review

In 2014, The Fred Hollows Foundation (UK) had total incoming resources of £1,201,964 (2013 £294,070), comprising:

- The Fred Hollows Foundation in Australia provided funding of £488,852 (2013 £203,149) to support programmatic activities.
- The Rose Foundation continued to support the operations of the charity donating £40,000 (2013 £45,000).
- Individual donations, other trusts and foundations income was £673,112 (2013 £45,921).

and expended resources of £1,203,064 (2013 £269,141) producing an overall loss of £1,100 (2013: surplus £24,928).

Total fund balances reduced slightly to £61,579 at the end of the year. Unrestricted reserves were higher at £49,843 based on the funding model used. Restricted fund balances were £11,736 representing a slight reduction in the Rose Foundation funding in 2014.

The significant increase in income from individual donations, trusts and foundations, compared with 2013, reflects ongoing resource mobilisation efforts in line with associated program and partnership development, organisational strategies and annual work plans.

Plans for Future Periods

During 2015, the organisation anticipates:

- extending its development, partnerships, resource mobilisation and advocacy work in pursuit of its objectives and goals
- undertaking a review of the governance instruments to ensure that The Fred Hollows Foundation (UK) structures are aligned with its objectives and goals
- working with the global alliance 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

Trustees' report (continued)

to the members of The Fred Hollows Foundation (UK)

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: 21 JULY 2015

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. 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 2014 which comprise the Statement of Financial Activities Account, the Balance Sheet and the related notes 1 to 10. 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 2014 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

J I Gordon (Senior statutory auditor)

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

London

Date: 21 JULY 2015

Statement of financial activities

(incorporating the income and expenditure account) for the year ended
31 December 2014

	<i>Notes</i>	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>2014 Total £</i>	<i>2013 Total £</i>
<i>Incoming resources</i>					
Incoming resources from generated funds:					
Donations and grants	2	492,791	692,256	1,185,047	294,070
Other income		16,917	-	16,917	-
<i>Total incoming resources</i>		<u>509,708</u>	<u>692,256</u>	<u>1,201,964</u>	<u>294,070</u>
<i>Resources expended</i>					
Costs of generating funds:					
Costs of generating voluntary income	5	22,149	3,603	25,752	18,955
Charitable activities	5	462,979	691,891	1,154,870	227,632
Governance costs	5	20,641	1,801	22,442	22,554
<i>Total resources expended</i>		<u>505,769</u>	<u>697,295</u>	<u>1,203,064</u>	<u>269,141</u>
<i>Net income/ (expense) for the year</i>		3,939	(5,039)	(1,100)	24,928
<i>Net movement in funds</i>		3,939	(5,039)	(1,100)	24,928
<i>Reconciliation of funds</i>					
<i>Total funds brought forward</i>		<u>45,904</u>	<u>16,775</u>	<u>62,679</u>	<u>37,751</u>
<i>Total funds carried forward</i>		<u>49,843</u>	<u>11,736</u>	<u>61,579</u>	<u>62,679</u>

All amounts relate to continuing activities.

There are no recognised gains and losses other than the net outgoing resources of £1,100 for the year ended 31 December 2014 (2013: £24,928).

Balance sheet

at 31 December 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	6	13,858	9,740
Current assets			
Debtors	7	237,001	75,919
Cash at bank and in hand		192,535	46,285
		429,536	122,204
Liabilities			
Creditors: amounts falling due within one year	8	362,091	69,265
Net current assets		67,445	52,939
Total assets less current liabilities		83,303	62,679
Provisions for liabilities and charges	9	19,724	-
Net assets		61,579	62,679
Total funds			
General funds		49,843	45,904
Unrestricted funds	10	49,843	45,904
Restricted funds	10	11,736	16,775
		61,579	62,679

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 7 July 2015 and are signed on their behalf by:



R Porter

Chair

Notes to the financial statements (continued)

at 31 December 2014

Notes to the financial statements

at 31 December 2014

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 2014

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 2014

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 (2013 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 2014

2. Donations and grants

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>2014 Total</i>	<i>2013 Total</i>
	£	£	£	£
General donations	3,939	-	3,939	25,696
The Fred Hollows Foundation in Australia	488,852	-	488,852	203,149
The Rose Foundation	-	40,000	40,000	45,000
Trusts and Foundations	-	652,256	652,256	20,225
Other	16,917	-	16,917	-
	<u>509,708</u>	<u>692,256</u>	<u>1,201,964</u>	<u>294,070</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 2014 The Fred Hollows Foundation in Australia reimbursed expenses totalling £488,852 (2013: £203,149) to The Fred Hollows Foundation (UK). Amounts receivable at the year end from The Fred Hollows Foundation in Australia was £80,401 (2013: £69,159)

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 2014, The Rose Foundation contributed £40,000 (2013: £45,000) 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 2014, The Queen Elizabeth Diamond Jubilee Trust contributed £651,256 (2013: £Nil) to The Fred Hollows Foundation (UK) for trachoma programming activities in Kenya and The Pacific.

Notes to the financial statements (continued)

at 31 December 2014

3. Net outgoing resources for the year

This is stated after charging:

	2014	2013
	£	£
Depreciation	2,699	1,930
Audit of financial statements	9,000	6,960
Trustee expenses	-	69
	<u>11,699</u>	<u>8,959</u>

There were no Trustees' expenses reimbursed in 2014.

Trustee indemnity insurance of £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.

Costs for the following services in 2014 were provided by Associated Business Services £2,310 (2013: £4,193).

- Ad hoc services.

The following services in 2014 were carried out by Frank Hirth PLC

- Payroll.

Fees relating to these services in 2014 were £2,372 (2013: £1,026).

Notes to the financial statements (continued)

at 31 December 2014

4. Staff costs

	2014	2013
	£	£
Gross wages and salaries	201,921	158,847
Employer's national insurance costs	21,608	12,019
Pension costs – defined contribution scheme	7,359	-
	<u>230,888</u>	<u>170,866</u>

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

	2014	2013
Programmes	3	3
	<u>3</u>	<u>3</u>

No employee received remuneration in excess of £80,000 but not exceeding £90,000 (2013: one). One employee received remuneration in excess of £100,000, but not exceeding £110,000 (2013: none). No remuneration was paid to any Trustee or persons connected to a Trustee in the current or prior year.

The company has agreed to pay pension at 9.5% of gross pay going forward.

Notes to the financial statements (continued)

at 31 December 2014

5. Total resources expended

	Basis of allocation	Cost of generating funds		Charitable activities		Governance		2014 Total	2013 Total
		Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted		
		£	£	£	£	£	£	£	£
<i>Costs directly allocated to activities</i>									
Pacific	direct	-	-	191,264	-	-	-	191,264	-
Kenya	direct	-	-	459,993	-	-	-	459,993	-
Nepal	direct	-	-	1,000	-	-	-	1,000	10,225
Ethiopia	direct	-	-	-	-	-	-	-	10,000
Cameroon	direct	-	-	-	96,897	-	-	96,897	-
Guinea Bissau	direct	-	-	-	41,169	-	-	41,169	-
Wake Forest	direct	-	-	-	20,114	-	-	20,114	-
Capacity Building	direct	-	-	-	11,635	-	-	11,635	-
Consultancy Fee	direct	-	-	-	44,153	-	-	44,153	-
Partnerships	direct	-	-	-	7,006	-	-	7,006	-
Travelling and accommodation	%	-	2,131	-	23,445	-	1,066	26,642	6,206
Marketing and fund raising	direct	-	163	-	-	-	-	163	414
Accounting	direct	-	-	-	-	-	-	-	4,893
Audit fee	direct	-	-	-	-	-	9,000	9,000	6,960
<i>Support costs allocated to fundraising activities</i>									
Staff costs – salaries & relocation	%	-	18,471	-	203,182	-	9,235	230,888	170,866
Consultancy fee	direct	-	-	-	-	-	-	-	896
Insurance	%	-	50	-	550	-	25	625	-
Courses, subscriptions and journals	%	-	14	-	157	-	7	178	331
Office running costs	%	1,541	533	16,947	5,857	770	266	25,914	32,249
Professional fees	%	-	-	-	-	-	148	148	1,036
Bank charges	%	9	71	97	782	4	36	999	605
Computer software	direct	-	535	-	5,888	-	268	6,691	390
Miscellaneous expenses	direct	-	-	-	158	-	500	658	-
Depreciation	%	35	181	389	1,986	18	90	2,699	1,930
Rent and service charges	%	2,018	-	22,201	-	1,009	-	25,228	22,138
		3,603	22,149	691,891	462,979	1,801	20,641	1,203,064	269,141

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 2014

6. Tangible fixed assets

	Equipment £
<u>Cost:</u>	
At 1 January 2014	12,350
Additions	6,817
At 31 December 2014	19,167
<u>Depreciation:</u>	
At 1 January 2014	2,610
Charge for the year	2,699
At 31 December 2014	5,309
<u>Net book value:</u>	
At 31 December 2014	13,858
At 31 December 2013	9,740

7. Debtors

	2014 £	2013 £
Amounts due from associated undertaking	80,401	69,159
Prepayments	10,930	6,760
Accrued income	144,579	-
Receivables other	1,091	-
	237,001	75,919

8. Creditors: amounts falling due within one year

	2014 £	2013 £
Charitable activities – Amounts due to associated undertaking	214,620	61,171
Accruals	20,791	7,000
Deferred income	126,539	-
Other creditors	141	1,094
	362,091	69,265

Notes to the financial statements (continued)

at 31 December 2014

9. Provisions for Liabilities

	Annual Leave £
At 1 January 2014	-
Arising during the year	19,723
At 31 December 2014	<u>19,723</u>

10. Funds

(a) Movements of funds for the year

Restricted funds

	At 1 January 2014 £	Incoming resources £	Outgoing resources £	At 31 December 2014 £
The Rose Foundation	16,775	40,000	45,039	11,736
Nepal	-	1,000	1,000	-
The Queen Elizabeth Diamond Jubilee Trust	-	651,256	651,256	-
	<u>16,775</u>	<u>692,256</u>	<u>697,295</u>	<u>11,736</u>

Unrestricted funds

	At 1 January 2014 £	Incoming resources £	Outgoing resources £	At 31 December 2014 £
General funds	<u>45,904</u>	<u>509,708</u>	<u>505,769</u>	<u>49,843</u>

(b) Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds £	Total 2014 £	Total 2013 £
Tangible fixed assets	13,106	752	13,858	9,740
Net current assets	<u>36,737</u>	<u>10,984</u>	<u>47,721</u>	<u>52,939</u>
	<u>49,843</u>	<u>11,736</u>	<u>61,579</u>	<u>62,679</u>

Notes to the financial statements (continued)

at 31 December 2014

11. Other financial commitments

At 31 December 2014 the charity had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>	
	<i>2014</i>	<i>2013</i>
	£	£
Operating lease which expires:		
In February 2015	<u>2,500</u>	<u>15,000</u>
A new 20 year lease will commence in 2015.		