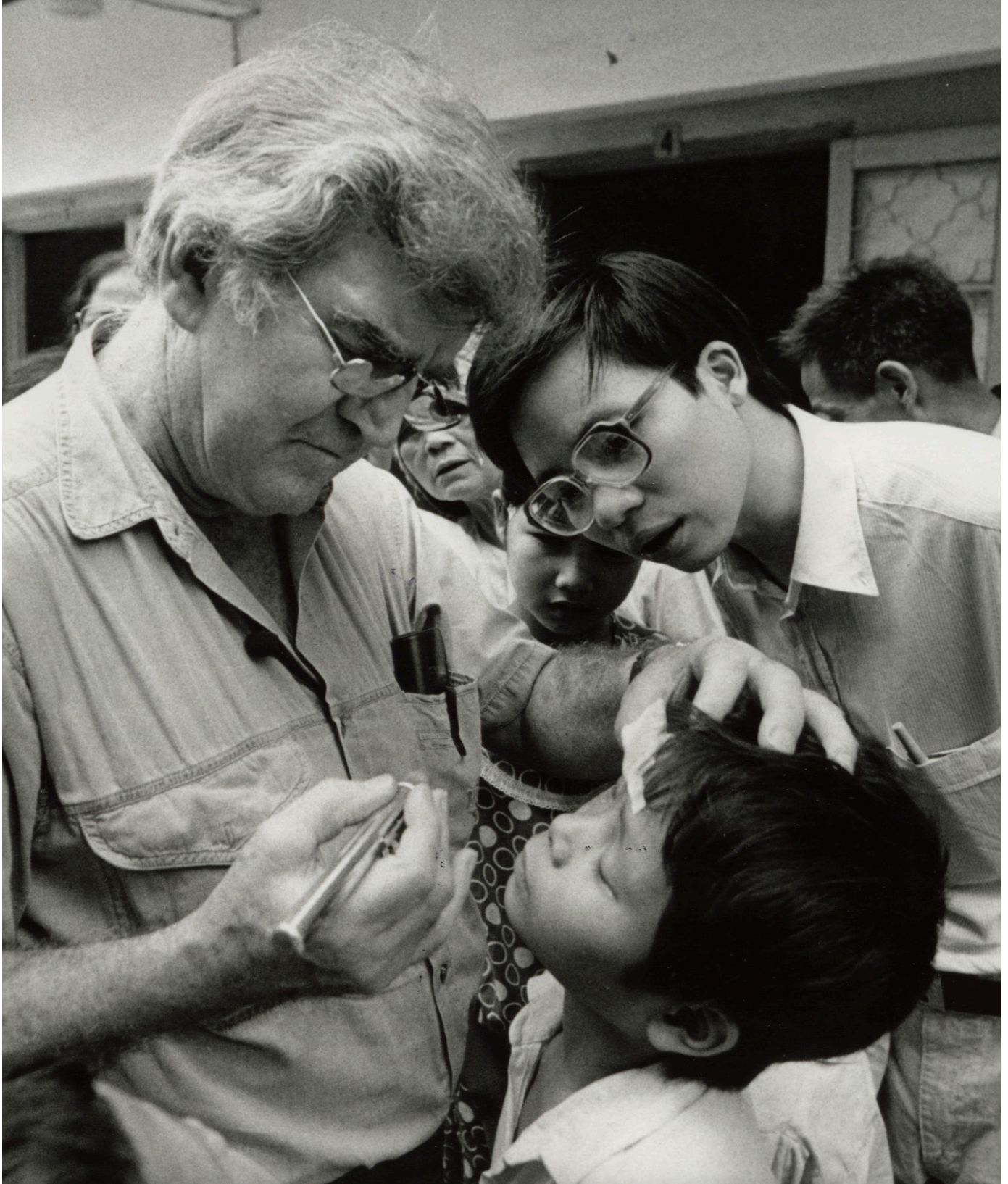


ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020



CORPORATE INFORMATION

| | |
|-------------------------------------|--|
| Board of Trustees | S Bell (Chair) J Dunstan R Wormald M Johnston (appointed 1 December 2020) |
| Senior Executive | P Palmer (Company Secretary) (appointed 28 July 2021) |
| Registered office | 7 Bell Yard, London, WC2A 2JR +44 (0) 737 648 1780 |
| Company number | 07193829 |
| UK registered charity number | 1140288 |
| Contact details | |
| Website: | https://www.hollows.org/uk/ |
| Bankers | HSBC Bank Plc City of London Branch 60 Queen Avenue Street London EC4N 4TR |
| Auditors | BDO LLP 55 Baker Street London, W1U 7EU |

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CHAIR'S REPORT

The Fred Hollows Foundation (UK) continues to make real progress towards our goal of ending avoidable blindness. In February, The Fred Hollows Foundation (UK) celebrated this along with great gains in eye health in the Pacific with an event held at Australia House, London. The event was attended by all current serving UK Trustees, with guest speakers, Australian Chair John Brumby and Dr Jambi Garap (President of the National Prevention of Blindness Committee and recently appointed Senior Lecturer at the School of Medicine and Health Sciences at the University of Papua New Guinea). Many other achievements and organisational developments are outlined within the pages of this report.

Daryn Deiley, Chief Operating Officer of The Fred Hollows Foundation Australia and Company Secretary, met with the UK Trustees in January 2020 to discuss the Strategic Plan and engagement between the Australian and UK boards following the December 2019, International Entities & Associates meeting in Sydney. The inaugural meeting was attended by UK Chair, Stephen Bell, for the UK along with representatives from all Entities (HK, USA, Kenya), Associated Agencies (The Fred Hollows FoundationNZ, India Vision Institute), Associated Hospitals (Tilganga Institute of Ophthalmology, Pacific Eye Institute, Alina Vision), Medical Teams, Executive Leadership Team and The Foundation's Board.

In March Ian Wishart, CEO The Fred Hollows Foundation Australia, met with the UK Trustees via video call to discuss an initiative called Reset and Sustain, launched to shape the future of The Foundation and re-imagine a new way of working in this changing world.

In March 2020, we found ourselves in a period of unique global financial uncertainty and a period where our revenue projections had to be lowered due to those global challenges and the recent bushfires in Australia. The aim of Reset and Sustain was to ensure the financial and organisational sustainability for the long-term by creating a cost base which was as efficient as possible but still enabled The Foundation to continue to maintain our impact for those with avoidable blindness.

In November 2020 Ian Wishart, and UK Trustees signed a Collaboration Agreement between The Fred Hollows Foundation and the UK entity. The Agreement seeks to ensure global alignment around the Governance Objective, through Vision, Values, Purpose and Contribution, and efficiency in operations on a global scale while encouraging empowerment of each valuable local entity and respecting the discrete responsibilities of each such entity.

The Trustees, who are also directors of the charitable company for the purposes of the Companies Act, are proud to present this annual report and the audited financial statements of the organisation for the year ended 31st December 2020. These accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Governing document

The Fred Hollows Foundation (UK) is a registered charity (No. 1140288) and a not for profit company limited by guarantee (No. 7193829). The organisation is governed by its Articles of

Association (a copy of which is available at the registered office) and a voluntary Board of Trustees.

Public Benefit Statement

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

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

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



S. Bell, Chair

1 September 2021

PURPOSE AND CONTRIBUTION

Background

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

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

a. Planning, managing and funding surgical and

associated training programmes concerned with ocular surgery;

- b. Facilitating the delivery of comprehensive and quality eye care, equipment and/or consumables required for best practice eye care;
- c. Fostering, promoting, assisting and conducting research into eye care, medicine and other matters relating to the health and well-being of individuals in developing countries, and disseminating the useful results thereof.

The Fred Hollows Foundation's (UK) contribution and purpose have been agreed as follows:

Purpose

We are determined to deliver Fred Hollows' vision of preventing blindness and restoring sight. We work to ensure that our efforts increase the global reach of The Foundation's 2019-2023 Strategy and that we build Fred Hollows' legacy of breaking down the barriers to quality and affordable eye care for all. We use our geographic

location in the United Kingdom and Europe to amplify The Foundation's ability to deliver impact and drive success.

Contribution

Sharing global advancements and embedding leading practices in disease management, inclusion, health systems financing, and operational compliance from the UK and Europe.

Amplifying our advocacy framework and positively

positioning The Foundation with new and existing audiences/stakeholders.

Forging strategic (public and private) partnerships and securing institutional funding which achieve our vision and purpose.

ACHIEVEMENTS, PERFORMANCE AND DEVELOPMENT

We are determined to deliver Fred Hollows' vision of preventing blindness and restoring sight. Although programmatic work was heavily disrupted by the effects of COVID-19, blindness and vision loss don't stop with 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.

In many countries eye health services have resumed. But they have resumed in a new "Covid-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 lockdowns. 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 to ensure safety.

As the pandemic is controlled and the global vaccination program rolls out, The Fred Hollows Foundation is focussed on scaling up our programming to meet the unmet demand. Because of the support of our donors, we are fortunate to have some funds in reserve to grapple with some of the backlog but will need more to get back to the service levels that existed before the pandemic.

We work to ensure that our efforts increase the global reach of The Foundation's 2019-2023 Strategy. We continue to build Fred Hollows' legacy of breaking down the barriers to quality and affordable eye care for all. We use our geographic location to amplify The Foundation's ability to deliver impact and drive success.

During 2020;

- On the 5th of February, The Fred Hollows Foundation (UK) celebrated great gains in eye health in the Pacific and 20 years of being active in the UK with an event attended by 87 people held at Australia House, London. The event was MC'ed by UK Trustee Jennifer Dunstan with Australian Chair John Brumby and Dr Jambi Garap as guest speakers. As a result of the event, The Age / Sydney Morning Herald published a positive article about The Foundation and the Royal Society of Tropical Medicine and Hygiene offered us a free Editorial in their May journal edition which was to be co-authored by Dr Jambi Garap and Drew Keys (International Agency for the Prevention of Blindness (IAPB) Western Pacific).
- As a part of the Reset and Sustain measures several roles in the UK team were revised. At the end of 2020 recruitment began for a new role – Head of Development UK and Europe.
- In February, the WHO Executive Board

endorsed The Foundation's application to continue its collaboration with the WHO in 'official relations' for a further three years. The Foundation's WHO collaboration plan for this next three years will focus on helping the WHO develop technical tools to support national governments implement the World Report on Vision (WRV). This has already started with the development of the 'package of eye care interventions' (PECI). The Peci will support Ministries of Health in planning, budgeting, and integrating eye care interventions into health systems and will be integrated in the WHO's Universal Health Coverage repository of interventions. The Foundation is represented on the Peci Technical Advisory Board by Louisa Syrett and on the Technical Working Group by Sarity Dodson. In August, the World Health Assembly resolution on 'Integrated people-centred eye care' (IPEC) was adopted. The resolution sets the agenda for eye health for the next decade. It is a critical milestone for the global health community and The Foundation was proud to work with sector partners to lobby for its adoption. The resolution redefines eye health as a genuine global health problem and notes the situation is set to worsen with current trends, particularly in light of COVID-19.

- In September, The Foundation and NCD Alliance launched new policy brief which explored the impact of eye health conditions to society and health systems. It also identifies key challenges and cost-effective solutions for the integration of eye care into health services, noting that some of the most common eye health conditions are non-communicable diseases (NCDs).
- We represented The Foundation on a joint Board and Consultative Forum strategy working group. Alignment with key principles and approaches of the WHO Road Map have been agreed. An active approach to collaboration between Uniting to Combat (UTC), WHO and Neglected Tropical Disease NGO Network (NNN) is being considered. The penultimate draft strategy has been out to public consultation by survey and through active engagement of the NNN. It is anticipated the Strategy and Operational Plan will be proposed to UTC Board for adoption in November.
- We supported the developments of the panel for the NNN annual conference. It was held virtually on 8-10 September with around















1,000 participants representing nearly 300 organisations from 80 countries. During the opening plenary session, they heard from key development stakeholders outside the Neglected Tropical Disease (NTD) community talk about the value and imperative of cross sector collaboration to drive and achieve the 2030 Sustainable Development Goals (SDG) targets.

- We represented The Foundation on two important and recently established sector-wide working groups: the IAPB Covid-19 Taskforce and the NTD NGO Network COVID-19 Ad hoc Task Group.
- We worked with WHO and the Task Force for Global Health to ensure that effective scale up of NTD engagement during 2021-2030 does no harm and minimises risk to individual safety in healthcare and community settings. We are currently finalising draft WHO guidance and job aides by the mid November and following up several funding proposals (NTDs Idea Forum pitch, USAID backed ActEast program, and the Izuma Foundation through The Fred Hollows Foundation (USA) to support the dissemination and capacity building of regional and country teams. On 17 September we prepared blogs for WHO and for International Trachoma Initiative (ITI) and communications materials for the NTD community to support WHO's second annual World Patient Safety Day campaign.
- We developed a baseline official development assistance (ODA) global landscape for health and related funding areas and led market intelligence by identifying and analysing ODA funding trends and opportunities (from existing and new donors and facilitating positioning of the organisation as a key supplier and partner across these funding streams in all fundraising markets).
- In November, The Foundation hosted a webinar in partnership with the IAPB Gender Equity workgroup which examined if (and how) gender equity progress has stalled during the pandemic and what needs to be in place for a gender lens to be applied throughout the pandemic and beyond. Rather than 'Build Back Better', this panel argued that eye health must 'Build Back Equal' to ensure the good work already achieved is not allowed to regress because of the pandemic.

Key achievements in 2020

The Fred Hollows Foundation (UK) supported work in a number of areas of the world in 2020. The most significant of these areas were in Pakistan, Ethiopia, Kenya and Pacific countries. In 2020, the following results were achieved for our major UK funded projects:

UK Highlights

| | | | | |
|---|---------|---|---|---|
|  | 3,951 | EYE OPERATIONS AND TREATMENTS PERFORMED |  58% |  20% (22% UNKNOWN) |
|  | 6.29M+ | PEOPLE TREATED WITH ANTIBIOTICS FOR TRACHOMA |  50% |  50% |
|  | 9,017 | PEOPLE TRAINED, INCLUDING SURGEONS, NURSES, COMMUNITY HEALTH WORKERS AND TEACHERS |  47% |  51% (2% UNKNOWN) |
|  | 546,790 | PEOPLE SCREENED |  58% |  40% (2% UNKNOWN) |
| <div>LEGEND  FEMALE  MALE</div> | | | | |

FUNDRAISING REPORT

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

No new, significant contracts or grants were secured in 2020. Fundraising and the ability to disburse funds for most of 2020 was severely affected by the global effects of the COVID-19 pandemic. Donors redirected some expected grants and released specific new funding in response to COVID-19 whilst instructing some existing grant holders to redirect funds to COVID-19 activities. Uncertainty caused by COVID-19, Brexit, the amalgamation of DFID and Foreign Office into the FCDO, and the UK's decision

to reduce its overall ODA budget from .7% of GNI to .5% slowed the release of many new expected ODA contracts and grants from the newly formed FCDO. Although uncertainty of FCDO budget allocations and the slow recovery from COVID-19 are expected to affect new funding from the FCDO in Q1-2021 and Q2-2021 there is likely to be more certainty and a greater flow of new opportunities emerging from the UK government through FCDO and other departments and instruments as the year progresses.

Below are our key donors from 2020, listed alphabetically:

FCDO – Foreign Commonwealth and Development Office

In 2020, FCDO contributed a total of £840,648 (2019: £2,318,808) to The Fred Hollows Foundation (UK). £101,760 (2019: £1,252,614) to activities in

Ethiopia and Kenya and £738,888 (2019: £1,066,194) to activities in Pakistan and the Pacific.

The Fred Hollows Foundation in Australia

For its role as part of the global 'Fred Hollows' network, The Fred Hollows Foundation(UK) receives financial support for its operations. This involves the reimbursement of office operating expenses inclusive of salaries for employees, overseas and domestic travel, and Trustee meeting expenses. These arrangements will be in place for the

foreseeable future. In 2020 The Fred Hollows Foundation in Australia reimbursed expenses totalling £689,225 (2019: £433,061) to The Fred Hollows Foundation (UK). Amounts receivable at the year end from The Fred Hollows Foundation in Australia was £166,553 (2019: £825,414).

The Queen Elizabeth Diamond Jubilee Trust in the UK

The Queen Elizabeth Diamond Jubilee Trust is a charitable foundation established to celebrate the Diamond Jubilee of Her Majesty The Queen and commemorate her lasting legacy. Their mission is to enrich the lives of all people within the Commonwealth by working with partners to tackle avoidable blindness and empower a new generation

of young leaders. The Trust's Trachoma Initiative was tackling blinding trachoma in 10 countries in three regions. In January 2020, The Queen Elizabeth Diamond Jubilee Trust closed.

Fundraising Disclosures

The below paragraphs are written in accordance with the Charities (Protection and Social Investment) Act of 2016. - The Fred Hollows Foundation raises the majority of its funds through engagement with institutions and foundations. The Foundation only receives minor donations from the general public. These donations are made via the Foundations website.

The Foundation does not engage any fundraising agencies to undertake fundraising on our behalf. Any email newsletters with fundraising call to actions have a clearly marked method of unsubscribing. Any member of the public who unsubscribes is automatically removed from The Fred Hollows Foundation's subscription list. There have been

no complaints about our fundraising activities in 2020. The Foundation adheres to the Fundraising Regulators fundraising code of practice. We are committed to fundraising in a way that is respectful, open, honest and accountable to the public.

The Foundation has adopted The ACFID Code of Conduct (the Code), a voluntary, self-regulatory industry code of good practice. The aim of the Code is to improve the outcomes of international development and increase stakeholder trust by enhancing the transparency and accountability of signatory organisations.

FINANCIAL REVIEW

In 2020 The Fred Hollows Foundation (UK) had total income of £1,950,559 (2019: £4,727,366), comprising support listed by the value of contribution in 2020:

- FCDO – Foreign Commonwealth and Development Office £840,648 (2019: £2,318,808).
- The Fred Hollows Foundation in Australia £689,225 (2019: £433,061).
- Other donations from individuals, trusts and foundations £420,686 (2019: £485,175).

Future prospects

Business as usual: the organisation will continue to position for and respond to, specific institutional grants and contracts across a range of donors in the UK and Europe whilst strengthening relationships with managing agents and partner INGOs to enable collaborative, consortium proposals in the eye health and broader health systems strengthening sector.

Strategic growth: Underpinning the development of and informing our 2021 (and beyond) fundraising growth (supporting the core resource mobilisation remit of the organisation) will be an ODA fundraising strategy. This strategy, and subsequent operationalisation, will encompass partnership building, programme design, advocacy, communications and support functions. Building on market intelligence the organisation will take a strategic approach to building a balanced portfolio of grant funding using a 'mixed capital model' – by accessing government bi-lateral funds in the UK and Europe, multi-lateral funds, funds from strategic foundations and basket funding, special funding instruments and social impact investments. A mixed capital model combines different forms of capital and donors in a way that balances risk and talks to leverage and value for money imperatives of donors. A few key points of note:

- ODA funding from the likes of UK's FCDO, Sweden's SIDA and The Netherlands are increasingly decentralised: pushing out and raising the importance of relationships to our implementing countries and regions;
- Donors are more often routing funding through partnerships and consortiums, payment by results mechanisms, commercial contracts, local

In 2020, The Fred Hollows Foundation (UK) incurred total expenditure of £2,682,965 (2019: £4,021,158) producing an overall deficit of £732,406 (2019: surplus of £706,209).

Total fund balances decreased to £685,454 at the end of the year (2019: £1,417,860). Unrestricted reserves were higher than last year at £226,932 (2019: £212,044). Restricted fund balances were £458,522 (2019: £1,205,816).

partnerships and where clear impact evidence exists;

- Post-COVID indications are that health systems strengthening, and digital innovations will be important aspects to rebuilding and recovering from the pandemic; as will economic recovery, livelihoods and a focus on including the most vulnerable;

Consequently, our UK/Europe ODA Fundraising strategy will entail working closely with our colleagues across the global organisation to:

- Engage with and deepen relationships with priority government, basket and innovation funds, social impact investors and large foundation donors including, but not limited to, in UK FCDO, the EC/EU, The Netherlands, Sweden, Norway, Finland, Denmark, Germany and Switzerland;
- Similarly, engage priority, strategic managing agents in the UK and Europe, and position The Fred Hollows Foundation, our unique selling point and value addition: and build partnerships and strategic partnerships with other INGOs, private sector businesses and academic institutions;
- Support our colleagues in implementing countries and regions to strategically engage with local UK, Nordic and European donor missions/embassies in a way that aligns our actions with targets donors across their global offices;
- Also work with global programmes and country programme colleagues to inform programme/

proposal designs, innovate new ideas and business models, channel financial resources and bring new partnerships to support our country missions and strategies: ensuring our programme designs respond to the priorities of ODA and other donors grant calls and/or commercial contracts.

As well as existing advocacy and communication initiatives, we will seek to align advocacy initiatives and target our communications in a way that supports the fundraising strategy. Such a model seeks to influence decision and ODA policy makers to support our vision and mission and allocate needed resources to the eye health sector. As a global leader on eye health, The Fred Hollows Foundation is in a unique position to identify and unlock significant new funding and build a global audience to support eye health programs. As such our advocacy, will continue to support our organisational objectives and goals including:

dissemination of WHO policy frameworks and; advocate for resourcing of the WHO GET2020 global trachoma program and focussing on mass drug administration (MDA) safety, Successful water, sanitation and hygiene (WASH), and cross sector collaborations.

COVID19: the global pandemic is highly heterogenous in its effects in different countries, social and political economies and demographics. Through 2021 we expect this to continue to influence our ability to deliver work, demanding we adapt and innovate to changing circumstances. To date work has been variously disputed in most countries. Whilst Trachoma Elimination work, requiring close contact between health workers and beneficiaries, may not be possible. However, digital and delivery innovations and health system strengthening funding is flowing into these spaces and offers a fundraising opportunity for the organisation.

Programmatic

- Continuing to extend development partnerships, resource mobilisation and advocacy work in pursuit of its objectives and goals.
- Working with partners to disseminate two new WHO policy frameworks: the World Report on Vision (launched in 2019) and the NTD Roadmap (anticipated for release in 2020) to local and global audiences.
- Advocating for funding and capacity gaps in the WHO GET2020 global trachoma program and focussing on MDA safety, WASH, and cross sector collaborations.
- Working to position The Foundation as a potential recipient of NCDs, Gender and Education funding through established consortia.
- While some charitable activities have continued in the Pacific, the COVID-19 pandemic has disrupted our work, especially in Kenya, Pakistan and Kenya, since mid-March.
- Trachoma Elimination work which requires close contact between health workers and beneficiaries is not currently possible. Despite the interruption, management is confident that activities will be able to resume as soon as it is safe and responsible to do so.

Organisational

- Appointment of Australian board member, Michael Johnson to the UK board.
- Head of Development UK and Europe role filled.
- Office space and set up to be adapted to suit changes in ways of working.
- In 2020 we welcomed HSBC as our new banking partner
- Development of the organisational ODA change management initiative to ensure we maintain and grow a diverse portfolio of grants, contracts and partnerships aligned to The Fred Hollows Foundation's priorities across our fundraising markets. This includes identifying needs and opportunities, working closely with other departments to address what changes are needed, overseeing and quality assuring cross-divisional input.
- Working closely with Philanthropy and Government Relations teams including Heads of Market, to support ODA Fundraising strategies and donor and partner engagement plans at post and head office, by providing trend analysis and sector insights.

Going concern

The current 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, Fred Hollows Foundation in Australia have planned to use funds from their accumulated surplus for future programming to ensure we can impact the backlog once operating conditions have stabilised.

The financial statements have been prepared on the going concern basis. The Fred Hollows Foundation in Australia has given the necessary assurances,

via a Letter of Comfort on April 2021, that sufficient resources will be made available such that the charity can meet its liabilities as and when they fall due, and for at least the twelve months from the date of approval of these financial statements.

Given the continued support of The Fred Hollows Foundation in Australia and the strength of their balance sheet, the Trustees believes that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the charity's ability to continue as a going concern. The Trustees therefore consider it appropriate for the accounts to be prepared on a going concern basis.

Reserves policy

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

The current unrestricted funds are £226,932 (2019: £212,044). Reserves are within the policy range at the end of 2020. Level of Reserves required is £150,000 to £200,000 which is the yearly range for three months worth of Operational expenditure for the Foundation.

Restricted Funds

These funds are tied to particular purposes, as specified by the donor or as identified at the time of a public appeal.

They are not available for use in other Fred Hollows Foundation work. At the year-end, unspent restricted funds were £458,522 (2019: £1,205,816).

HOW WE MANAGE OUR AFFAIRS

Governance and internal control

The Board of Trustees of The Fred Hollows Foundation (UK) is responsible for the governance of the local entity. The Board has provision to meet up to four times a year to review performance and to agree plans relating to the organisation's financial, operational, developmental activities. In 2020, Trustees had four formal meeting and four informal events, activities and briefings.

A strategic framework establishes our developmental and partnership focused priorities and a corporate governance charter sets out the principles and practices that Trustees uphold and

implement to fulfil the public trust vested in them to protect Professor Fred Hollows' legacy and achieve his vision for a world without blindness.

Trustees look to senior staff for high quality, well informed advice upon which to base to inform discussions and decisions about the organisation's objectives, plans and strategies. In 2020, the day to day running of the organisation was managed by Daryn Deiley. Mr Deiley acted as the local Company Secretary and was the senior member charged with management of The Fred Hollows Foundation (UK).

Appointment of trustees

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

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

Effective 1 December 2020, Australian board member, Michael Johnson was appointed to the UK board.

Trustee induction

Induction of new Trustees is performed by the Chair and Company Secretary. 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,

safeguarding policy and programmatic goals and activities. New Trustees are also presented with a copy of the National Council for Voluntary Organisation's (NCVO) Good Trustee Guide. The induction concludes with a meeting with staff to further discuss the organisation's global objectives, goals and strategies.

Organisational development

The company operates within the global 'Fred Hollows' network. It coordinates and leads a range of advocacy, programming, partnership, and resource mobilisation activities aligned with the organisation's strategy and relevant sectoral strategies and industry codes. The strategic objectives of the organisation remain the same.

The Fred Hollows Foundation (UK) continues to host two positions, project coordination position

and communications position for the International Coalition for Trachoma Control (ICTC).

During 2020, there was one additional seconded position and one redundancy. The total number of full-time organisational employees is nine, including The Foundations Medical Director who splits his time between countries as required. This also includes two seconded members of staff from Pakistan and Australia. The number of hosted positions is two.

RELATED PARTY

Affiliated interests

The Fred Hollows Foundation was established in Sydney, Australia, in 1992 by the late Professor Fred Hollows, a renowned ophthalmologist and humanitarian. Since then, The Foundation has established a worldwide reputation for strengthening health systems to develop comprehensive, high quality and affordable eye care systems in the developing world. Related entities in Australia, the United Kingdom, Kenya and most recently Hong Kong, Alina Vision Pte. Ltd, Alina Eye Hospital Social Enterprise Company Limited, and the United States of America, form an international 'Fred Hollows' network to achieve shared development objectives. The Fred Hollows Foundation (UK) is part of that global network which is headquartered in Australia and named The Fred Hollows Foundation.

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

The Fred Hollows Foundation (UK) is an active:

- Member of the Neglected Tropical Disease NGO Network, which promotes effective NGO collaboration for a world without NTDs.
- Stakeholder of the WHO Alliance for the Global Elimination of Trachoma by the year 2020 (GET2020), which promotes collaboration between stakeholders supporting a world free of trachoma.
- Stakeholder of the Uniting to Combat NTDs Partnership, which supports the WHO NTD Roadmap

Pay policy for senior staff

The Trustees and the Company Secretary comprise the key management of the charity in charge of controlling and operating The Foundation on a day to day basis. All Trustees give of their time freely and

- Member of the International Coalition for Trachoma Control (ICTC), which supports GET2020 objectives and priorities.
- Member of the UK Coalition Against NTDs, which is a collaborative partnership between UK organisations actively engaged in NTD research and implementation of sustainable NTD control programmes.
- Member of the NCD Alliance, which aims to make NCD prevention and control a priority, everywhere.
- Member of BOND, the UK development network, which promotes, supports and represents the work and interests of UK international development organisations through influence, training and networks.

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

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

no fees are paid to them. Staff salaries are regularly reviewed relative to benchmarks set by charities of a similar size and nature.

Risk management

The Fred Hollows Foundation (UK) management and Board, with support from the global Fred Hollows Foundation Group, is responsible for overseeing risk management in the UK, including ensuring risks, material incidents and investigations are appropriately identified, analysed and managed. In 2020 UK risks were documented in global

divisional and functional risk registers and any risks with a residual rating of High and Very High escalated through a quarterly risk report including to The Fred Hollows Foundation UK Board. Very high risks are also escalated directly out of cycle.

Key risks and controls identified for the Foundation in 2020 were

| Risk | Controls |
|--|---|
| <p>People Management: increasing concern for staff mental well-being due to ongoing COVID-19 physical distancing and government lockdown restrictions coupled with staff not having appropriate leave due to travel restrictions</p> | <p>A continual focus during 2020 has been the emphasis on staff wellbeing. Measures implemented to manage this risk have included</p> <ul style="list-style-type: none"> • provision of information to help staff manage their mental health • staff encouraged to take annual leave to enable appropriate downtime • staff encouraged to take sick leave for mental health days • enhanced mental health support initiatives such as ME day and meeting free Wednesday each month |
| <p>Clinical Practice: the quality of cataract data collected by partners and the lack of reporting of Serious Untoward Incidents (SUI) has implications for clinical risk oversight and management.</p> | <p>Remediation measures to address these issues include mandatory reporting processes for partners, and inclusion of contractual clauses in the Annual Partnership agreements</p> |
| <p>Data Privacy & Information Security: inadequate security controls resulting in potential loss of sensitive data</p> | <p>The Foundation maintains a robust security control environment to protect our systems from potential cyber threats which include technical controls and staff education and awareness. Technical measures include:</p> <ul style="list-style-type: none"> • Automated scanning for vulnerabilities and modifications to software • Monitored anti-malware systems for all end-point devices and servers • Monthly patching of core systems • Firewalls, internal network segmentation and encryption • Standard hardened server build configuration • Password complexity, change frequency and multi-factor for core systems and high-risk people • Daily monitoring of security logs and escalation to service desk and IT • IT change control and security incident management processes including mandatory notification to regulatory bodies and banking partners |

| Risk | Controls |
|---|--|
| <p>Fundraising: ongoing implications of COVID-19 resulting in potential and/or continued loss of major donor income, loss of corporate income from major partners and loss of income from reduced capacity of major partners and key supporters.</p> | <p>Continual monitoring of government restrictions and guidelines and liaise with other agencies and the sector regulatory body to re-establish channel where safe to do so.</p> <p>The potential impact of revenue loss to broader organisation was mitigated by underspends and strength of revenue in other channels.</p> <p>Projects are in place in the 2021 workplan to diversify regular giving channels.</p> |
| <p>Safety & Security: Covid-19 continues to threaten the health of our staff and our partners. While the level of threat varies between and within countries, it is a global pandemic so the ongoing risk of resurgence in all countries remains.</p> | <p>Key controls in place to address the ongoing impact include</p> <ul style="list-style-type: none"> • Active monitoring in all locations, immediate reporting of incidents and response protocols • Staff COVID safety education conducted • COVID safety precautions and resources in place • Partial or full office closures as required, with safety plans in place • Program stops or adjustments as required, with risk mitigations plan in place • International and local travel restrictions |

Auditors

So far as each person who was a Trustee at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Trustees and the organisation's

auditor, each Trustee has taken all the steps that they are obliged to take as a Trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Registered office:

7 Bell Yard,
London,
WC2A 2JR

Signed on behalf of the Trustees



Trustee: Stephen Bell (Chair)

Date: 1 September 2021

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 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Notes:

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

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE FRED HOLLOWES FOUNDATION (UK)

Opinion on the 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 31st December 2020 and of its incoming resources and application of resources 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.

We have audited the financial statements of The Fred Hollowes Foundation (UK) ("the Charitable Company") for the year ended 31st December 2020 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise

explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, 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.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept by the Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charitable Company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, 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, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. Areas of identified risk are then tested substantively;
- Reviewing minutes of meetings of Those Charged With Governance; reviewing correspondence with regulatory bodies and from legal advisors to identify indications of non-compliance with laws and regulations;
- Assessing the procedures relevant to the preparation of the financial statements and the detection and prevention of irregularities and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Carrying out detailed testing, on a sample basis, of transactions and balances agreeing to appropriate documentary evidence to verify the completeness, existence and accuracy of the reported financial statements.
- Identifying and testing the appropriateness of journal entries and other adjustments; and
- Challenging the assumptions and judgements made by management for key estimates.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting

one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jill Halford (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor
London, UK

14 September 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STATEMENT OF FINANCIAL ACTIVITIES

(Including Income and Expenditure account) As at 31 December 2020

| | Note | Unrestricted funds £ | Restricted funds £ | 2020 Total £ | Unrestricted funds £ | Restated (Note 20) Restricted funds £ | Restated (Noted 20) 2019 Total £ |
|-----------------------------------|----------|-------------------------|-----------------------|---------------------|-------------------------|---|--|
| Donations & Intercompany Support | | 713, 878 | - | 713, 878 | 480, 903 | - | 480, 903 |
| Charitable Activities | | - | 1, 236, 681 | 1, 236, 681 | - | 4, 246, 463 | 4, 246, 463 |
| Total Income | 3 | 713, 878 | 1, 236, 681 | 1, 950, 559 | 480, 903 | 4, 246, 463 | 4, 727, 365 |
| Expenditure Raising Funds | 4 | 158, 557 | - | 158, 557 | 126, 587 | 6, 413 | 133, 001 |
| Expenditure Charitable Activities | 5 | 540, 433 | 1, 983, 975 | 2, 524, 408 | 335, 890 | 3, 552, 267 | 3, 888, 157 |
| Total Expenditure | | 698, 990 | 1, 983, 975 | 2, 682, 965 | 462, 477 | 3, 558, 680 | 4, 021, 158 |
| Net Income (expenditure)/ | | 14, 888 | [747, 294] | [732, 406] | 18, 426 | 687, 783 | 706, 209 |
| Brought Forward 1 Jan | | 212, 044 | 1, 205, 816 | 1, 417, 860 | 193, 618 | 518, 033 | 711, 651 |
| Funds at 31 December | | 226, 932 | 458, 522 | 685, 454 | 212, 044 | 1, 205, 816 | 1, 417, 860 |

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

All income and expenditure derive from continuing activities.

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

2019 numbers have been restated due to a correction of prior year income reported. Refer to Note 20.

BALANCE SHEET

As at 31 December 2020

| | Notes | 2020 £ | Restated 2019 £ |
|---|-------|-------------------|--------------------|
| Fixed Assets | | | |
| Tangible assets | 11 | 667 | 2, 956 |
| | | 667 | 2, 956 |
| Current Assets | | | |
| Debtors | 13 | 682, 581 | 1, 243, 573 |
| Cash at the bank and in hand | | 167, 088 | 343, 646 |
| | | 849, 669 | 1, 587, 219 |
| Creditors: Amounts falling due within one year | 14 | [131, 601] | [158, 067] |
| Net current assets | | 718, 068 | 1, 429, 152 |
| Net current assets less current liabilities | | 718, 735 | 1, 432, 108 |
| Provisions for liabilities and charges | 15 | [33, 281] | [14, 248] |
| Net current assets | | 685, 454 | 1, 417, 860 |
| Total assets less current liabilities | | 685, 454 | 1, 417, 860 |
| The Funds of Charity | | | |
| Unrestricted funds: General funds | 17 | 226, 932 | 212, 044 |
| Restricted funds | 16 | 458, 522 | 1, 205, 816 |
| | | 685, 454 | 1, 417, 860 |

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

These financial statements were approved by the Board of Trustees on 1 September 2021 and signed on its behalf by:



Trustee: Stephen Bell, Chair

Date: 1 September 2021

The notes on pages 24 to 33 form part of these financial statements

Company registration no: 7193829

1. Accounting policies

The Charity information

The Fred Hollows Foundation (UK) is a private company limited by guarantee incorporated in England and Wales. The registered office is 7 Bell Yard, London, WC2A 2JR. The charitable company is a Public Benefit Entity as defined by FRS102.

1.1. Accounting convention

These accounts have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (FRS 102), “Accounting and Reporting by Charities” the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts have departed from the charities (Accounts and Reports) regulations 2019 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version which is referred to in the regulations which has since been withdrawn.

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

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

These accounts for the year ended 31 December 2020 are the sixth accounts of The Fred Hollows Foundation (UK) prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland..

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

1.2. Going concern

The current 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, Fred Hollows Foundation in Australia have planned to use funds from their accumulated surplus for future programming to ensure we can impact the backlog once operating conditions have stabilised.

The financial statements have been prepared on the going concern basis. The Fred Hollows Foundation in Australia has given the necessary assurances, via a Letter of Comfort on April 2021, that sufficient resources will be made available such that the charity can meet its liabilities as and when they fall due, and for at least the twelve months from the date of approval of these financial statements.

Given the continued support of The Fred Hollows Foundation in Australia and the strength of their balance sheet, the Trustees believes that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the charity’s ability to continue as a going concern. The Trustees therefore consider it appropriate for the accounts to be prepared on a going concern basis.

1.3. Charitable funds

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

- Unrestricted or General funds: these are funds received from donors which are not held for any particular charitable purpose. They can be spent as deemed fit by the trustees.
- Restricted funds: These funds are derived from donations, grants and bequests to be used in accordance with the wishes of the donor.

1.4. Income

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

- Researching and identifying prospective Trusts and Foundations, Corporate partners, individuals,
- Government aid agencies and large institutional donor development.
- Development and submission of funding applications to the aforementioned prospects.
- Relationship development with both existing and new funders.
- These are included in the Statement of Financial Activities (SoFA) when:
 - the charity becomes entitled to the resources;
 - the Trustees are virtually certain they will receive the resources; and
 - the monetary value can be measured with sufficient reliability.

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

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

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

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

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

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

1.5. Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. All

expenditure is accounted for on an accruals basis and the irrecoverable element of VAT is included in the expenses to which it relates.

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

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

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

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

1.6. Deferred income

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

1.7. Tangible fixed assets

Tangible fixed assets are capitalised at cost if they cost £1,500 or more, can be used for more than one year and are not project specific.

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

| | |
|--------------------|--------------|
| Software | – 3 years. |
| Computer equipment | – 3-5 years. |
| Other equipment | – 5 years. |

An annual impairment review is carried out with no impairments required in the year (2019: nil). The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

1.8. Cash and cash equivalents

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

1.9. Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future

receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Derecognition of financial liabilities

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

1.10. Pension costs

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

1.11. Foreign currencies

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

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

All differences are taken to the Statement of Financial Activities.

1.12. Operating leases

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

1.13. Taxation

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

1.14. Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2. Critical accounting estimates and judgements

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

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

revision and future periods where the revision affects both current and future periods.

(i) Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience.

(ii) Gifts in-kind

Volunteer work done within The Foundation is not reported and is not material. We are unable to accurately determine the value of services carried out by The Fred Hollows Foundation in Australia, on behalf of The Foundation, without charging any costs and as a result do not record them in our accounts.

3. Income Received (Donations and grants)

| | Unrestricted funds £ | Restricted funds £ | 2020 Total £ | Unrestricted funds £ | Restated Restricted funds £ | Restated 2019 Total £ |
|--|-------------------------|-----------------------|--------------------|-------------------------|--------------------------------|--------------------------|
| a) General Donations & Intercompany | | | | | | |
| General donations | 24, 653 | - | 24, 653 | 47, 842 | - | 47, 842 |
| The Fred Hollows Foundation Australia | 689, 225 | - | 689, 225 | 433, 061 | - | 433, 061 |
| b) Charitable Activities | | | | | | |
| The Rose Foundation | - | - | - | - | 75, 000 | 75, 000 |
| Trusts & Foundation - QEDJT | - | - | - | - | 1, 490, 322 | 1, 490, 322 |
| Trusts & Foundation - DFID | - | 840, 648 | 840, 648 | - | 2, 318, 808 | 2, 318, 808 |
| Other funds | - | 396, 033 | 396, 033 | - | 362, 333 | 362, 333 |
| | 713, 878 | 1, 236, 681 | 1, 950, 559 | 480, 903 | 4, 246, 463 | 4, 727, 366 |
| Support for overseas programmes | | | | | | |
| Institutional funding: Public bodies | - | 840, 648 | 840, 648 | - | 2, 318, 808 | 2, 318, 808 |
| Institutional funding: Private Organisations | - | - | - | - | 1, 490, 322 | 1, 490, 322 |
| Support for UK projects | 713, 878 | 396, 033 | 1, 109, 911 | 480, 903 | 437, 333 | 918, 236 |
| | 713, 878 | 1, 236, 681 | 1, 950, 559 | 480, 903 | 4, 246, 463 | 4, 727, 366 |

4. Expenditure on raising funds

| | Direct Costs | Staff Costs | Support Costs | Total 2020 | Direct Costs | Staff Costs | Support Costs | Total 2019 |
|--------------------------------------|--------------|-------------|---------------|------------|--------------|-------------|---------------|------------|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Institutional fundraising activities | - | 113,200 | 7,272 | 120,472 | - | 91,547 | 7,317 | 98,864 |
| Other fundraising activities | 40 | 14,895 | 957 | 15,891 | 2,916 | 12,046 | 963 | 15,925 |
| Communication & PR | - | 20,853 | 1,340 | 22,193 | - | 16,864 | 1,348 | 18,212 |
| Total expenditure on raising funds | 40 | 148,948 | 9,569 | 158,557 | 2,916 | 120,457 | 9,628 | 133,001 |

5. Total expenditure on charitable activities

| | Unrestricted Funds £ | Restricted Funds £ | TOTAL 2020 £ | Unrestricted Funds £ | Restricted Funds £ | TOTAL 2019 £ |
|--------------------------------|-------------------------|-----------------------|-----------------|-------------------------|-----------------------|-----------------|
| COSTS OF CHARITABLE ACTIVITIES | | | | | | |
| Overseas programmes | | | | | | |
| Long term development | 501,154 | 1,957,818 | 2,458,972 | 281,585 | 3,505,507 | 3,787,092 |
| Total multi sector programmes | 501,154 | 1,957,818 | 2,458,972 | 281,585 | 3,505,507 | 3,787,092 |
| UK projects | | | | | | |
| Long term development | 39,280 | 26,157 | 65,437 | 54,305 | 46,760 | 101,065 |
| Total UK project costs | 39,280 | 26,157 | 65,437 | 54,305 | 46,760 | 101,065 |

| | Direct Costs | Staff Costs | Support Costs | Total 2020 | Direct Costs | Staff Costs | Support Costs | Total 2019 |
|---|--------------|-------------|---------------|------------|--------------|-------------|---------------|------------|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Overseas programmes | | | | | | | | |
| Multisector overseas programmes funded by voluntary donations | 1,958,255 | 395,463 | 105,254 | 2,458,972 | 3,441,778 | 239,415 | 105,899 | 3,787,092 |
| UK projects | 26,177 | 17,975 | 21,284 | 65,436 | 60,215 | 10,883 | 29,967 | 101,065 |

6. Governance costs

| Financial position information related to the subsidiaries: | 2020 | 2019 |
|---|---------------|---------------|
| | £ | £ |
| Meeting costs and others | 2,412 | 2,716 |
| Audit fees | 16,500 | 22,454 |
| General costs | 2,316 | 4,947 |
| Depreciation | 76 | 160 |
| Staff costs | 17,976 | 10,883 |
| | 39,280 | 41,160 |

7. Support costs

| | Charitable Activities £ | Generating Funds £ | TOTAL 2020 £ | Charitable Activities £ | Generating Funds £ | TOTAL 2019 £ |
|---------------|----------------------------|-----------------------|--------------------|----------------------------|-----------------------|--------------------|
| Staff costs | 413,438 | 148,949 | 562,387 | 250,298 | 120,457 | 370,755 |
| General costs | 125,322 | 9,456 | 134,778 | 132,352 | 9,308 | 141,660 |
| Depreciation | 1,673 | 152 | 1,825 | 3,514 | 319 | 3,833 |
| | 540,433 | 158,557 | 698,990 | 386,164 | 130,084 | 516,248 |

8. Net resources for the year

| This is stated after charging: | 2020 | 2019 |
|----------------------------------|---------------|---------------|
| | £ | £ |
| Depreciation | 1,901 | 3,993 |
| Auditors' remuneration | 16,500 | 22,454 |
| Accountancy | - | 2,310 |
| Loss on disposal of fixed assets | 388 | - |
| Operating lease payments | 36,989 | 35,880 |

9. Trustees

Trustee indemnity insurance of £3,314 (2019: £3,405) was paid to protect the charity from loss and to indemnify Trustees against the consequences, due to neglect or default on the part of the Trustees. None of the Trustees (or any persons connected with them) received

any remuneration from the charity during the year. In 2020, one Trustee was reimbursed for expenses totalling £129 covering travel incurred in connection with their duties. No allowances were paid to Trustees, and no direct payments to third parties were made on their behalf.

10. Employees

| | 2020 | 2019 |
|---|----------------|----------------|
| | £ | £ |
| Gross wages and salaries | 514,651 | 450,501 |
| Employer's national insurance costs | 58,739 | 42,399 |
| Pension costs – defined contribution scheme | 44,373 | 27,573 |
| | 617,763 | 520,473 |

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

| | 2020 | 2019 |
|---------------------|------|------|
| Programmes | 6 | 5 |
| Governance/ Finance | 3 | 3 |

Two employees received remuneration in excess of £100,000 but not exceeding £130,000 (2019: one). No remuneration was paid to any Trustee or persons connected to a Trustee in the current or prior year. The Foundation's constitution, prohibits the payment of remuneration to any of its trustees. The company pays pension at 9.5% of gross pay to each employee as part of standard terms of employment.

11. Tangible fixed assets

| Financial position information related to the subsidiaries: | 2020 | 2019 |
|---|---------------|---------------|
| | £ | £ |
| Cost: | | |
| At 1 January | 21,243 | 21,243 |
| Additions | - | - |
| Disposals | [2,733] | - |
| At 31 December | 18,510 | 21,243 |
| Depreciation: | | |
| At 1 January | 18,287 | 14,294 |
| Disposals | [2,345] | - |
| Charge for the year | 1,901 | 3,994 |
| At 31 December | 17,843 | 18,287 |
| Net book value: | | |
| At 31 December | 667 | 2,956 |

12. Financial instruments

| | 2020 | 2019 |
|---|----------------|------------------|
| | £ | £ |
| Carrying amount of financial assets | | |
| Debt instruments measured at amortised cost | 238,541 | 1,190,735 |

13. Debtors

| | 2020 | Restated 2019 |
|--|----------------|------------------|
| | £ | £ |
| Amounts due from/(to) The Fred Hollows Foundation Australia | 166,533 | 825,413 |
| Other receivables | 4 | 2 |
| Accrued income | 440,380 | 50,759 |
| Partner advances | 72,008 | 365,322 |
| Prepayments | 3,656 | 2,077 |
| | 682,582 | 1,243,573 |

Amounts due from The Fred Hollows Foundation Australia (The Fred Hollows Foundation Australia) have reduced in 2020 due to the fact that The Fred Hollows Foundation Australia made program payments on behalf of The Fred Hollows Foundation Australia which were in excess of the funds The Foundation transferred to The Fred Hollows Foundation Australia entity in 2020.

Accrued Income represents funds due from donors where the donor reimburses The Foundation after it spends as per the requirements specified by the donor. In 2020, the total amount represented accruals from 5 donors (2019: 1) which pay in arrears.

2019 restatement, £ 50,759 Other receivable restated as Accrued Income.

14. Creditors: Amounts due within one year

| | 2020 | Restated 2019 |
|-----------------|----------------|------------------|
| | £ | £ |
| Accruals | 126,918 | 158,067 |
| Other creditors | 4,683 | - |
| | 131,601 | 158,067 |

As per changes required to be compliant with SORP principles, explained in Note 20, prior year balance of Deferred Income has been removed.

15. Provisions for liabilities

| | 2020 | 2019 |
|---------------------------|---------|---------|
| Annual Leave | £ | £ |
| At 1 January | 14, 248 | 4, 728 |
| Movements during the year | 19, 033 | 9, 520 |
| At 31 December | 33, 281 | 14, 248 |

16. Restricted Funds

| | At 1 January 2020 £ | Income Received £ | Expenditure £ | At 31 December 2020 £ |
|-------|---------------------------|-------------------------|------------------|-----------------------------|
| FCDO | 511, 177 | 840, 648 | 1, 351, 825 | - |
| QEDJT | 475, 705 | - | 184, 263 | 291, 442 |
| Other | 218, 934 | 396, 033 | 447, 887 | 167, 080 |
| | 1, 205, 816 | 1, 236, 681 | 1, 983, 975 | 458, 522 |

| | Restated At 1 January 2019 £ | Restated Income Received £ | Restated Expenditure £ | Restated At 31 December 2019 £ |
|-------|---------------------------------------|----------------------------------|------------------------------|---|
| FCDO | 161, 425 | 2, 318, 808 | 1, 969, 056 | 511, 177 |
| QEDJT | 270, 217 | 1, 490, 322 | 1, 284, 834 | 475, 705 |
| Other | 86, 391 | 437, 333 | 304, 789 | 218, 934 |
| | 518, 033 | 4, 246, 462 | 3, 558, 679 | 1, 205, 816 |

17. Unrestricted funds

| | At 1 January 2020 £ | Income Received £ | Expenditure £ | At 31 December 2020 £ |
|---------------|---------------------------|-------------------------|------------------|-----------------------------|
| General Funds | 212, 044 | 713, 876 | 698, 988 | 226, 932 |
| | 212, 044 | 713, 876 | 698, 988 | 226, 932 |

| | At 1 January 2019 £ | Income Received £ | Expenditure £ | At 31 December 2019 £ |
|---------------|---------------------------|-------------------------|------------------|-----------------------------|
| General Funds | 193, 618 | 480, 903 | 462, 477 | 212, 044 |
| | 193, 618 | 480, 903 | 462, 477 | 212, 044 |

18. Analysis of net assets between funds

| | Unrestricted funds £ | Restricted funds £ | 2020 Total £ | Unrestricted funds £ | Restated Restricted funds £ | Restated 2019 Total £ |
|------------------------------|----------------------------|--------------------------|--------------------|----------------------------|--------------------------------------|--------------------------------|
| Tangible fixed assets | 667 | - | 667 | 1, 896 | 1, 060 | 2, 956 |
| Net current assets | 226, 264 | 458, 523 | 684, 787 | 210, 147 | 1, 204, 757 | 1, 414, 904 |
| Net Assets as at 31 December | 226, 931 | 458, 523 | 685, 454 | 212, 043 | 1, 205, 817 | 1, 417, 860 |

19. Other financial commitments

At 31st December 2020 the charity had annual commitments under cancellable operating leases as set out below:

| | 2020 | 2019 |
|---|----------------|---------|
| Land and buildings | £ | £ |
| Operating lease which expires March 2021 after providing notice in November 2020: | 14, 000 | 30, 000 |

20. Prior Period Adjustments

A correction of income recognition for prior years to be compliant with SORP principles for recognising income from donations and grants has resulted in prior period adjustments to Restricted reserves as follows.

| | Unrestricted Funds £ | Restricted Funds £ | Total £ |
|--|-------------------------|-----------------------|--------------------|
| Total funds previously stated at 31 Dec 2018 | 193, 618 | 16, 587 | 210, 205 |
| Reverse deferred income revenue recognition | - | [3, 893, 153] | [3, 893, 153] |
| Recognition of donations upon receipt | - | 4, 394, 599 | 4, 394, 599 |
| 31 Dec 2018 prior period adjustment | - | 501, 446 | 501, 446 |
| Total funds at 31 Dec 2018 restated | 193, 618 | 518, 033 | 711, 651 |
| Total funds previously stated at 31 Dec 2019 | 212, 044 | 34, 026 | 246, 070 |
| Reverse deferred income revenue recognition | - | [3, 576, 119] | [3, 576, 119] |
| Recognition of donations upon receipt | - | 4, 246, 463 | 4, 246, 463 |
| 31 Dec 2019 prior period adjustment | - | 670, 344 | 670, 344 |
| 31 Dec 2018 prior period adjustment | - | 501, 446 | 501, 446 |
| Total funds at 31 Dec 2019 restated | 212, 044 | 1, 205, 816 | 1, 417, 860 |

21. Share capital

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

22. Related party transactions

The ultimate controlling party is The Fred Hollows Foundation in Australia (registered charity ABN number: 46070556642) which is a not for profit entity and a limited company whose registered office is at Level 9, 320 Pitt Street, Sydney, NSW, Australia.

Support received in 2020

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

- Bookkeeping
- Management accounting
- Annual financial statements preparation
- Grants management support
- Legal and Governance support
- Company Secretary support

ACKNOWLEDGEMENTS

UK donors and Memberships for 2020

UK Donors (listed alphabetically)

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

Our Major Institutional Donors:

- The Queen Elizabeth Diamond Jubilee Trust
- United Kingdom Foreign, Commonwealth & Development Office

Other Donors:

- The Rose Foundation
- Mr Spears – Joy Limited
- Wellcome Trust
- Sightsavers - Accelerate Programme

Organisational Memberships

The Foundation forms partnerships and joins alliances that have a strategic advantage in advancing its vision and mission.

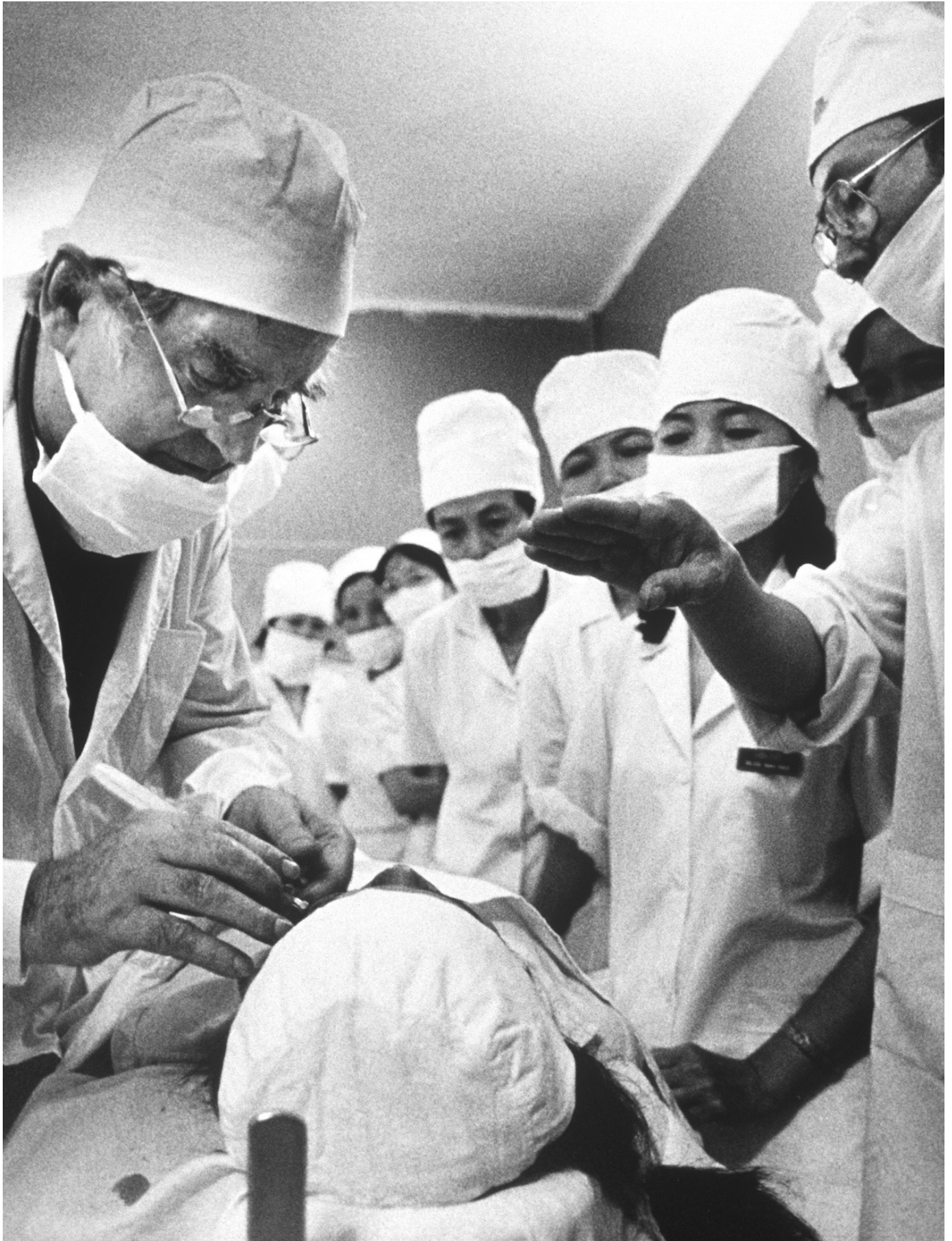
On a global stage, these include:

- Official Relations with the World Health Organization (WHO)
- Special Consultative Status with the United Nations Economic and Social Council
- A member of the International Agency for the Prevention of Blindness (IAPB) and represented on the Board of Trustees, the global peak body for eye health
- A partner in 'VISION 2020: The Right to Sight', a global initiative of the IAPB and the WHO
- A member of the International Coalition for Trachoma Control (ICTC)
- A member of the Neglected Tropical Disease NGO Network (NNN) and a member of the Executive Committee

- A member of the Uniting to Combat NTDs Partnership Consultative Forum
- A Supporting Member of the NCD Alliance
- A member of the Research for Development Impact Committee
- A signatory to Deliver for Good, a campaign initiated by Women Deliver and partners calling for better policies, programming and financial investments in girls and women
- A Member of Together 2030, a global civil society initiative engaging the 2030 Agenda for Sustainable Development
- A member of the Civil Society Engagement Mechanism of UHC 2030
- A member of the secretariat group for the United Nations Friends of Vision, a group of Member States seeking to advance eye health as a sustainable development issue
- A member of Vision for the Commonwealth, a coalition seeking to bring vision to everyone, everywhere in the Commonwealth
- Collaboration with Task Force for Global Health on the NTD safety program
- Collaboration with CBM International and Orbis International on strategic initiatives
- And Strategic Organisational Partnerships with Sightsavers International and the International Diabetes Federation.

In United Kingdom, these include:

- A member of Bond, the UK membership body for non-governmental organisations working in international development
- A member of the UK Coalition Against NTDs.



The **Fred Hollows**
Foundation (UK)