

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

– Professor Fred Hollows



# ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023



The Fred Hollows  
Foundation

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FOR THE YEAR ENDED 31 DECEMBER 2023

**Current Directors  
as at 19 March 2024**

Jane Madden (Chair)  
Helen Evans, AO (Deputy Chair)  
Michael Johnson, AM (Deputy Chair)  
Nicki Anderson  
Ruwan de Mel  
Katrina Fanning, AO PSM  
Michelle Gayer  
Anthony Hall  
Christine Hawkins, AM  
Gabi Hollows, AO  
Tina Wyer

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**Chief Executive Officer**

Ian Wishart

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**Company Secretary**

Penelope Palmer

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**Registered office and  
principal place of business**

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

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**Postal Address**

Locked Bag 5021,  
Alexandria NSW 2015, Australia

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**ABN**

46 070 556 642

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**Contact details**

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

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**Bankers**

Westpac Banking Corporation

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**Auditors**

BDO Audit Pty Ltd

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# DIRECTORS' REPORT

The Directors present this report to the Members of The Fred Hollows Foundation for the year ended 31 December 2023.

## Directors and Board Committee Meetings

The name of each person who was a Director during 2023 and the number of meetings each has attended are set out in the table below. The Board has established three Committees which report directly to it. The table below shows the number of Committee meetings held during the year and the attendance record of those Directors who were members of the Committees during 2023.

2023 Meetings	Date commenced current term	Board		Finance and Audit Committee		Governance and Nominations Committee / Governance, People and Culture Committee		Programs and Partnerships Committee	
		A	B	A	B	A	B	A	B
No. of meetings		7		5		4		4	
Jane Madden (Chair)	May 2021	6	7	-	-	4	4	-	-
Helen Evans (Deputy Chair)	May 2021	7	7	-	-	-	-	4	4
Michael Johnson (Deputy Chair)	May 2021	7	7	-	-	4	4	4	4
Nicki Anderson	May 2022	7	7	-	-	-	-	-	-
Ruwan de Mel	May 2021	5	7	-	-	-	-	4	4
Katrina Fanning	May 2022	5	7	4	5	-	-	-	-
Michelle Gayer	Jan 2023	6	7	-	-	-	-	3	4
Anthony Hall	May 2022	5	7	-	-	-	-	4	4
Christine Hawkins	May 2021	5	7	5	5	4	4	-	-
Gabi Hollows	April 1995	6	7	-	-	3	4	3	4
Tina Wyer	May 2022	7	7	5	5	-	-	-	-

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

On March 2, 2023, Marten Touw retired as a board member before the first board meeting of 2023.

A 2022 external Board review recommended people and culture be elevated as a key function within the Governance and Nominations Committee (GNC) Terms of Reference (TOR). Following appropriate consideration at committee working group level, on the recommendation of the GNC, the Board approved a name change for the Committee effective from the 30 May 2023 Annual General meeting to the Governance, People and Culture Committee (GPCC).

Three Foundation members and associates who are not Directors also served on Board Committees during 2023 as set out below:

- Finance and Audit Committee: Jason Billings; Izabel Greco.
- Governance and Nominations Committee / Governance, People and Culture Committee: Kate Waterford.

## Our Vision

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

## Our Purpose

Deliver bold eye health solutions that transform lives.

## Our Values

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

## 2023 IN REFLECTION

In 2023 The Fred Hollows Foundation released world-first research showing that cataract surgery provides one of the largest investment returns of any disease intervention – an impressive US\$20.50 for every dollar spent. The research, launched with Victoria University in June, provides further insight into the impact of our work and demonstrates that restoring sight is a good investment. It also transforms the lives of individuals, families and communities.

At The Foundation, financial health and sustainability remain a key focus. Despite 2023 being a year defined by economic pressures around the world, The Foundation remains in a strong position financially thanks in large part to the generosity of our supporters and partners.

After the disruptions of COVID-19 and global security issues, it is pleasing to note that The Foundation's reserves show that we are in a financial position to manage disruption and continue to grow our programs. We remain confident we can deliver on Fred's vision of a world where no person is needlessly blind or vision impaired.

We again pay tribute to the tremendous dedication of The Foundation's global team, our many local partners, volunteers, and supporters – whether they are government and institutional funders, corporates, community fundraisers or regular donors.

## Events subsequent to reporting date

In January 2024, Alina Vision secured a new investor to support it in its expansion and growth plans. It marks the transition of Alina Vision from dependency on The Foundation to attracting its own investors while retaining its social purpose alongside its commercial fundamentals. Introducing a new investor will pave the way for Alina Vision to extend its network of hospitals across Vietnam with significantly increased capacity. The new investment resulted in an issue of 6,944,954 new ordinary shares in Alina Vision, representing 50.85% of the enlarged share capital of the Company to TVM Alina Holding Pte. Ltd. with an option to subscribe for additional new shares in the future.

Post issue of the new shares, The Foundation's ownership was reduced from 76.6% to 37.65% and voting rights of The Foundation dropped to 40%. Through this transaction The Foundation has relinquished control of Alina Vision but still has significant influence.

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

## Operating results for the year

The consolidated financial results of The Foundation for the year ended 31 December 2023 were:

	2023	2022
	\$000	\$000
Revenue and Other Income	116,692	104,741
Expenditure	117,019	100,740
Operating (Deficit) / Surplus	(327)	4,001

### Financial outcomes 2023:

- Our donors' incredible generosity throughout 2023 has meant the world to The Fred Hollows Foundation and they have helped fund critical new projects and get us to new milestones.
- In 2023 we are pleased to report a record year of revenue and other income of \$116.7m and record expenditure of \$117m to support Fred's legacy.
- The Foundation's operating deficit was \$0.3m which is down \$4.3m from 2022. The reason for the decrease was new strategic projects and initiatives aimed to address some of the backlog of unmet eye health care need caused by the pandemic's disruption over the past few years. Consequently, programming expenditure increased by 16% in 2023 which follows the previous year's increase of 21%.
- In 2023, the Foundation commenced an update of its customer relationship management system. This resulted in an additional \$0.5m in fundraising expenditure in 2023. An additional \$1.7m is expected to be spent on this project in 2024.
- The Foundation has both a strong Contingency reserve of \$11.5m and a strong Accumulated surplus of \$31m which has us well placed for the long-term. Of the accumulated surplus of \$31m, we estimate \$16.9m is required for working capital to handle the peaks and troughs of cashflows and \$14.1m is available for future plans.
- Reserves show that we are in a financial position to manage disruption and continue to grow our programs and services to those in need. This will enable us to deliver on Fred's vision of a world where no person is needlessly blind or vision impaired.
- We are very grateful to our many generous donors who have continued to believe in our mission.

### Accumulated surplus



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

### Indemnification and insurance of directors

The Fred Hollows Foundation held Directors and Officers Liability cover during 2023. The amount of cover is reviewed periodically.

## Board Directors during 2023

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



Name	Experience and Qualifications	Special responsibilities within FHF
<p>Jane Madden</p> 	<p>Director, Principal, Brickfielder Insights            Board Member, Canberra Institute of Technology            Non-Executive Director, Australian Business Volunteers            Board Member/President, National Foundation for Australian Women            Non-Executive Director, Canberra Institute of Technology            Advisory Committee member – ACT Health, NSW National Parks (South Coast Region), and Black Dog Institute (Commercialisation)            Graduate of Australian Institute of Company Directors            B.Ec/Grad Dip international Law, University Tas/ANU</p> <p><b>Previously</b></p> <p>Board Member, Black Dog Institute            Deputy Secretary, Australian Government.            Diplomat/Australian Ambassador to UNESCO 2003-2007</p>	<p>Chair of the Board            Chair of the Governance and Nominations Committee / Governance, People and Culture Committee</p>
<p>Helen Evans AO</p> 	<p>Director, Burnet Institute            Director HNE Consulting (sole trader)            Member of the Australian Global Health Alliance's Advisory Board            Professor (Hon) at the Nossal Institute for Global Health, The University of Melbourne            Fellow of the Australian Institute of International Affairs            Member of the Evaluation Advisory Committee for Gavi, the Vaccine Alliance            Member of the DFAT Partnerships for a Healthy Region            Board member of The Australian Centre for the Prevention of Cervical Cancer            Officer of the Order of Australia</p> <p><b>Previously</b></p> <p>Deputy CEO, Gavi - The Vaccine Alliance            Deputy Executive Director, The Global Fund to Fight AIDS, Tuberculosis and Malaria and Vice Chair of the Technical Evaluation Reference Group            First Assistant Secretary, Office for Aboriginal and Torres Strait Islander Health, Commonwealth Department of Health            Member of the Technical Reference Group of the Indo-Pacific Centre for Health Security</p>	<p>Deputy Chair of the Board            Chair of the Programs and Partnerships Committee            Director of The Fred Hollows Foundation (USA) (to 24 June 2023)</p>

Name	Experience and Qualifications	Special responsibilities within FHF
<p>Michael Johnson AM</p> 	<p>Honorary Associate Professor, School of Social Sciences, University of NSW</p> <p>Area Editor, Economic and Labour Relations Review</p> <p>Life Member, Clare Hall Cambridge</p> <p>Member of the Australian Institute of Company Directors</p> <p>Member of the Order of Australia</p> <p><b>Previously</b></p> <p>Coordinator, Development Studies Program, School of Social Sciences, UNSW</p> <p>Head of the School of Social Science and Policy, UNSW</p> <p>Member of the Expert Advisory Committee on the Social and Economic Sciences of the Australian Research Council</p> <p>Foundation Director, Public Sector Research Centre, UNSW</p>	<p>Deputy Chair of the Board</p> <p>Member of the Governance and Nominations Committee / Governance, People and Culture Committee</p> <p>Member of the Programs and Partnerships Committee</p> <p>Director of The Fred Hollows Foundation Kenya</p> <p>Director of The Fred Hollows Foundation (HK) Limited <i>(to 30 December 2023)</i></p> <p>Trustee of The Fred Hollows Foundation (UK)</p>
<p>Nicki Anderson</p> 	<p>Director and Chair People, Culture &amp; Nomination Committee - Graincorp (ASX), Collins Foods (ASX) and Craig Mostyn Group (Family)</p> <p>Deputy Chair and Chair Nomination Committee Australian Made Campaign Limited</p> <p>Director Prostate Cancer Foundation of Australia.</p> <p>Executive MBA, University of NSW (AGSM); BBus UTS, Sydney</p> <p>Fellow, Australian Institute of Company Directors</p> <p><b>Previously</b></p> <p>Chair and Member of the Monash University Advisory Board for the marketing faculty.</p> <p>Head of Major Donor Partnerships &amp; Persia Porter Scholarship Winner, Australian Red Cross,</p> <p>Vice President Innovation at Cadbury Schweppes North America (Dr Pepper Snapple); Marketing and Innovation Director - Coca Cola Amatil; McCain Foods; Kraft Foods</p> <p>CEO/Managing Director for Powerforce, demoplus, Artel and Retail Facts.</p>	<p>Director of The Fred Hollows Foundation (USA) <i>(from 31 May 2023)</i></p> <p>Member of the Governance, People and Culture Committee</p>



Name	Experience and Qualifications	Special responsibilities within FHF
<p>Ruwan de Mel</p> 	<p>Member of the Institute of Chartered Accountants in England and Wales.</p> <p>Member of the Institute of Chartered Accountants Australia and New Zealand.</p> <p><b>Previously</b></p> <p>Director of Strategy, The Global Fund to Fight AIDS, Tuberculosis and Malaria</p>	<p>Member of the Programs and Partnerships Committee</p>
<p>Katrina Fanning AO PSM</p> 	<p>Chair Australian Rugby League Indigenous Council</p> <p>Board member Family of League Foundation</p> <p>CEO Coolamon Advisors Pty Ltd</p> <p>Director Callida Indigenous Consulting Pty Ltd</p> <p>2014 Public Service Medal</p> <p>2020 ACT Australian of the Year</p> <p><b>Previously</b></p> <p>Head of Secretariat Coalition of Peaks - Closing the Gap</p> <p>Board Member ACT Suburban Land Agency</p> <p>Deputy Chairperson ACT Women's Legal Centre</p> <p>Operations Manager Aboriginal Hostels Limited</p> <p>National Manager Indigenous Service Centrelink</p> <p>Chair ACT Aboriginal and Torres Strait Islander Elected Body</p>	<p>Member of the Finance and Audit Committee</p>
<p>Michelle Gayer</p> 	<p>Special Advisor for Global Programmes, Henri Dunant Centre for Humanitarian Dialogue</p> <p>Academic Fellow, Geneva Centre for Humanitarian Studies</p> <p>Associate, Johns Hopkins University Bloomberg School of Public Health</p> <p>Member of Research for Health in Humanitarian Crises (R2HC) Funding Committee (UKAID, Wellcome Trust &amp; ELRHA)</p> <p>Member of AHPRA (Australian Health Practitioner Regulation Agency)</p> <p><b>Previously</b></p> <p>Senior Director of Programme Quality, and Director of Emergency Health, at The International Rescue Committee</p> <p>Director, Emergency Risk Management and Response, World Health Organization</p> <p>Vice Chair, World Health Organization Research Ethics Review Committee</p>	<p>Member of the Programs and Partnerships Committee</p>

Name	Experience and Qualifications	Special responsibilities within FHF
<p data-bbox="197 300 336 371">Anthony Hall</p> 	<p data-bbox="394 300 1023 360">Consultant Ophthalmologist and vitreo-retinal surgeon Newcastle</p> <p data-bbox="394 378 978 439">Fellow, Royal Australian and New Zealand College of Ophthalmologists</p> <p data-bbox="394 456 927 488">Fellow, Royal College of Ophthalmologists UK</p> <p data-bbox="394 506 1070 566">Director Kilimanjaro Centre for Community Ophthalmology Tanzania</p> <p data-bbox="394 600 520 631"><b>Previously</b></p> <p data-bbox="394 651 984 712">Member of Commonwealth Eye Health Consortium advisory committee</p> <p data-bbox="394 730 1015 761">Chair RANZCO International Development Committee</p> <p data-bbox="394 779 735 810">Director Vision2020 Australia</p> <p data-bbox="394 828 981 889">Head of Department of Ophthalmology Kilimanjaro Christian Medical Centre</p>	<p data-bbox="1107 300 1398 389">Member of the Programs and Partnerships Committee</p>
<p data-bbox="197 927 336 1025">Christine Hawkins AM</p> 	<p data-bbox="394 927 834 958">Chair, Australian School of Accounting</p> <p data-bbox="394 976 1026 1008">Independent Director, The Glebe Administration Board</p> <p data-bbox="394 1025 991 1086">Chair, Audit and Risk Committee, NSW Environment Protection Authority and NSW Local Land Services</p> <p data-bbox="394 1104 1070 1193">Independent member Audit and Risk Committee, the Legislature NSW Parliament and the Western Parkland City Authority</p> <p data-bbox="394 1211 995 1243">Board and Governance Principal, Directors Australia</p> <p data-bbox="394 1261 1002 1321">Director, Non-executive director, Southern Highlands Botanic Gardens Limited</p> <p data-bbox="394 1339 722 1370">Managing Director Cinnabar International Pty Ltd</p> <p data-bbox="394 1433 775 1464">Member of the Order of Australia</p> <p data-bbox="394 1482 762 1514">BComm (Hons), MComm UNSW</p> <p data-bbox="394 1532 639 1563">Fellow, CPA Australia</p> <p data-bbox="394 1581 954 1612">Fellow, Australian Institute of Company Directors</p> <p data-bbox="394 1646 520 1677"><b>Previously</b></p> <p data-bbox="394 1695 775 1727">Chair, Wheat Quality Australia Ltd</p> <p data-bbox="394 1744 884 1776">Chair, Go Grains Health &amp; Nutrition Limited</p> <p data-bbox="394 1794 963 1854">Deputy Chair, Grains Research and Development Corporation</p> <p data-bbox="394 1872 1054 1933">Director of organisations in food and health, agribusiness and investment banking</p>	<p data-bbox="1107 927 1426 1086">Chair of the Finance and Audit Committee (to 30 May 2023) / Member of the Finance and Audit Committee</p> <p data-bbox="1107 1104 1398 1263">Member of the Governance and Nominations Committee / Governance, People and Culture Committee</p> <p data-bbox="1107 1281 1414 1344">Chair of The Fred Hollows Foundation Kenya</p>

Name	Experience and Qualifications	Special responsibilities within FHF
<p>Gabi Hollows AO</p> 	<p>Orthoptist Officer of the Order of Australia Orthoptic Associate, Royal Australian and New Zealand College of Ophthalmologists</p>	<p>Founding Director Member of the Governance and Nominations Committee / Governance, People and Culture Committee Member of the Programs and Partnerships Committee</p>
<p>Tina Wyer</p> 	<p>Chair, Empowered Women in Trades Non-Executive Director, Hume Bank, Chair of Audit Committee and Member of Risk Committee Facilitator, MaxMe &amp; Frank Team Founder, Unbeatable You Member of the Australian Institute of Company Directors Australian Institute Chartered Accountant Bachelor of Commerce Accounting &amp; Information Systems – Deakin University</p> <p><b><u>Previously</u></b></p> <p>JPMorgan Chase: Firmwide Chief Data Officer / Asia Head of Corporate Technology / Australia &amp; New Zealand CFO KPMG: Information Risk Management Non-Executive Director, FAT Projects Acquisition Corporation Board</p>	<p>Member of the Finance and Audit Committee / Chair of the Finance and Audit Committee <i>(from 1 June 2023)</i></p>

On March 2, 2023, Marten Touw retired as a Board member and as a Director of Alina Vision.

## Company Secretary

Penelope Palmer

## Limitation of Members Liability

The Fred Hollows Foundation is a company limited by guarantee. In accordance with its Constitution, the liability of its 125 Members is limited to \$50.00 per person or an aggregate of \$6,250 in the event of the company being wound-up.

## Auditor's Independence

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

## Auditor

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

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



Jane Madden

Chair

Date: 19 March 2024  
Sydney, NSW Australia

## DECLARATION OF INDEPENDENCE BY LEAH RUSSELL TO THE DIRECTORS OF THE FRED HOLLOWES FOUNDATION

As lead auditor of The Fred Hollowes Foundation for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

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

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



Leah Russell  
Director

BDO Audit Pty Ltd

Sydney

19 March 2024

## CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2023		2023	2022
	Notes	\$000	\$000
<b>REVENUE AND OTHER INCOME</b>			
<b>Community and corporate support</b>			
Donations and gifts		56,012	52,021
Bequests and legacies		24,294	20,415
<b>Grants</b>			
Revenue from contracts with donors	4	30,394	29,669
<b>Investment income</b>	5	2,856	606
<b>Other Income</b>	6	3,136	2,030
		<b>116,692</b>	<b>104,741</b>
<b>EXPENDITURE</b>			
<i>International aid and development programs expenditure</i>			
<b>International programs</b>			
Funds to international programs		50,301	44,089
Program support costs		20,751	17,149
<b>Community education</b>		9,409	8,187
<b>Fundraising costs</b>			
Public fundraising		20,286	17,471
Government, multilateral and private		205	176
<b>Accountability and administration</b>		6,233	5,237
<b>Total international aid and development programs expenditure</b>		<b>107,185</b>	<b>92,309</b>
<i>Domestic aid and development programs expenditure</i>			
Domestic programs		6,520	5,593
Community education		862	748
Fundraising costs		1,880	1,612
Accountability and administration		572	478
<b>Total domestic aid and development programs expenditure</b>		<b>9,834</b>	<b>8,431</b>
<b>TOTAL EXPENDITURE</b>		<b>117,019</b>	<b>100,740</b>
<b>TOTAL (DEFICIT) / SURPLUS FOR THE YEAR</b>		<b>(327)</b>	<b>4,001</b>
<b>Surplus for the year attributable to:</b>			
Non-controlling interest		(88)	(120)
Members of the parent		(239)	4,121
<b>TOTAL (DEFICIT) / SURPLUS FOR THE YEAR</b>		<b>(327)</b>	<b>4,001</b>

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023		2023	2022
	Notes	\$000	\$000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		18,000	47,705
Other interest bearing deposits		18,018	4,150
Trade and other receivables	7	8,342	4,593
<b>Total current assets</b>		<b>44,360</b>	<b>56,448</b>
<b>Non-current assets</b>			
Financial assets at fair value	14	23,545	7,988
Other receivable	7	92	101
Plant and equipment	8	1,590	1,699
Intangible assets	9	1	170
Right of use assets	12	1,468	1,549
<b>Total non-current assets</b>		<b>26,696</b>	<b>11,507</b>
<b>TOTAL ASSETS</b>		<b>71,056</b>	<b>67,955</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	6,534	5,726
Deferred grants	4	13,846	11,299
Provisions	11	3,666	3,376
Lease liabilities	12	1,172	1,202
<b>Total current liabilities</b>		<b>25,218</b>	<b>21,603</b>
<b>Non-current liabilities</b>			
Borrowings	13	860	882
Other payables	10	1,413	1,527
Provisions	11	676	675
Lease liabilities	12	308	360
<b>Total non-current liabilities</b>		<b>3,257</b>	<b>3,444</b>
<b>TOTAL LIABILITIES</b>		<b>28,475</b>	<b>25,047</b>
<b>NET ASSETS</b>		<b>42,581</b>	<b>42,908</b>
<b>Total Equity attributable to:</b>			
Non-controlling interest		92	180
Members of the parent		42,489	42,728
<b>TOTAL EQUITY</b>		<b>42,581</b>	<b>42,908</b>

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023	Notes	2023	2022
		\$000	\$000
<b>Cash flows from operating activities</b>			
Receipts from donors		56,012	52,021
Receipts from bequests		24,294	20,415
Receipt of government grants		15,406	15,666
Receipt of other grants		16,570	12,656
Proceeds from Hospital		2,063	1,122
Payment of program and operating expenditures		(79,025)	(63,225)
Payment to employees for program and operating activities		(36,705)	(31,562)
<b>Net cash flows (used in) / from operating activities</b>		<b>(1,385)</b>	<b>7,093</b>
<b>Cash flows from investing activities</b>			
Disposal of financial assets at fair value		1,072	-
Purchase of financial assets at fair value		(15,962)	(7,913)
Increase in interest bearing deposits		(13,868)	(4,140)
Dividends received		1,026	72
Interest received		922	380
Other receipts		-	27
Acquisition of plant and equipment	8	(274)	(403)
<b>Net cash flows (used in) investing activities</b>		<b>(27,084)</b>	<b>(11,977)</b>
<b>Cash flows from financing activities</b>			
Repayment of leasing liabilities & interest	12	(1,236)	(1,309)
Receipt of loan	13	-	882
<b>Net cash flows (used in) financing activities</b>		<b>(1,236)</b>	<b>(427)</b>
Net (decrease) / increase in cash and cash equivalents		(29,705)	(5,311)
Cash and cash equivalents at beginning of the period		47,705	53,016
<b>Cash and cash equivalents at end of the period</b>		<b>18,000</b>	<b>47,705</b>

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



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Note	Accumulated Surplus	Contingency Reserve	Non- Controlling Interest (i)	Total
		\$000	\$000	\$000	\$000
Balance as at 1 January 2022		28,481	10,126	300	38,907
Surplus/(deficit) for the year		4,121	-	(120)	4,001
Movements in contingency reserves		(7)	7	-	-
Balance as at 31 December 2022	15	<u>32,595</u>	<u>10,133</u>	<u>180</u>	<u>42,908</u>
Balance as at 1 January 2023		<b>32,595</b>	<b>10,133</b>	<b>180</b>	<b>42,908</b>
Surplus / (deficit) for the year		(239)	-	(88)	(327)
Movements in contingency reserves		(1,404)	1,404	-	-
Balance as at 31 December 2023	15	<u><b>30,952</b></u>	<u><b>11,537</b></u>	<u><b>92</b></u>	<u><b>42,581</b></u>

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

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

## 1. General information and statement of compliance

The consolidated financial statements of The Fred Hollows Foundation (the parent entity), and its subsidiaries (collectively the group and referred to as The Foundation from here on) for the year ended 31 December 2023, were authorised for issue in accordance with a resolution of the directors on 19 March 2024. The Foundation is a not-for-profit entity, and a public company limited by guarantee. It is an income tax exempt charitable organisation, incorporated and domiciled in Australia. The registered office is located at Level 9, 320 Pitt Street, Sydney, NSW, Australia. The Foundation is principally engaged in the promotion of its vision of a world in which no person is needlessly blind or vision impaired.

### (a) Basis of preparation

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

The Foundation's consolidated financial statements are a general purpose financial report which have been prepared in accordance with the requirements of the Australian Accounting Standards – Simplified Disclosures issued by the Australian Accounting Standards Board (AASB), Australian Charities and Not-for-Profits Commission Act 2012, Australian Charities and Not-for-Profits Commission Regulation 2022, Charitable Fundraising Act 1991 (NSW), Charitable Fundraising Regulation 2022 (NSW), and the Australian Council for International Development (ACFID) Code of Conduct.

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

### (b) New or amended Accounting Standards and Interpretations adopted

The Foundation has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards

or Interpretations that are not yet mandatory have not been early adopted.

### (c) Basis of consolidation

The consolidated financial statements comprise the financial statements of The Foundation and its subsidiaries as at 31 December 2023. For the purpose of compliance with AASB 10, an investee company is deemed to be controlled by The Foundation when The Foundation has power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, and when The Foundation has less than the majority of the voting or similar rights of an investee, The Foundation considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

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

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

A change in the ownership interest of a subsidiary,

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

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

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

## 2. Summary of significant accounting policies

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

The Foundation presents assets and liabilities in the Statement of financial position based on current/non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when it is:

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

The Foundation classifies all other liabilities as non-current.

### (b) Cash and cash equivalents

Cash and cash equivalents in The Foundation's Statement of financial position comprises of cash at bank and in hand (Includes cash and cash equivalents held in foreign bank accounts), and short-term deposits with an original maturity of three months or less.

### (c) Other interest-bearing deposits

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

### (d) Taxes

#### (i) Current income tax

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

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

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

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

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

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

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

### (iii) Withholding tax

In countries where subsidiaries comply with withholding tax legislation, revenue, expenses and assets are recognised net of withholding tax.

### (e) Significant accounting judgments

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

## 3. Financial risk management objectives and policies

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

### Risk exposures and responses

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

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

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

### (a) Interest rate risk

The Foundation's exposure to risk with regards to movements in market interest rates is limited to daily cash balances held in interest bearing accounts. The Foundation's long term borrowings have fixed interest rates and it also has a temporary overdraft facility with a variable interest rate. At 31 December 2023, no overdraft facility has been utilised.

### (b) Foreign currency risk

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

### (c) Credit risk

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

The Foundation's exposure to credit risk arises from default of the counterparty, for the trade or other type of debt, with the current maximum exposure at the reporting date equal to the fair value of these instruments as disclosed in the Statement of financial position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values. At 31 December 2023, The Foundation is not exposed to any significant credit risk.

### (d) Price risk

The Foundation's financial assets, which at balance date, consist of Direct shareholdings and Investment portfolio, are subject to price risk. To limit this risk, The Foundation has a policy to diversify its exposure across asset classes within its investment portfolio, and with direct shareholdings received from estates its policy is only to hold shares up to a maximum of 45 days.

### 3. Financial risk management objectives and policies (cont'd)

#### (e) Liquidity risk

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

The Foundation's objective is to maintain a balance between continuity of funding and

flexibility through the use of effective working capital management practices or unutilised borrowing facilities.

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

### 4. Revenue

#### Revenue from contracts with donors

	2023	2022
	\$000	\$000
<b>Grants</b>		
Government grants – Department of Foreign Affairs and Trade (DFAT)	14,152	15,848
Other Australian	2,450	2,041
Other overseas	13,792	11,780
	<b>30,394</b>	<b>29,669</b>

#### Primary geographic grant markets

<b>Grants</b>		
Australia	16,602	17,889
US	10,284	6,543
UK	2,133	1,893
Hong Kong	26	405
Other	1,349	2,939
	<b>30,394</b>	<b>29,669</b>

#### Accounting policy for revenue recognition

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

#### (a) Donations and grants

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

## 4. Revenue (cont'd)

### (b) Bequests

The Foundation recognises bequest revenue on receipt. Bequests received in the form of shares are recognised as bequest revenue at the market value on the date the shares were transferred

to The Foundation from the estate. Any market movement in value of shares following the transfer date of beneficial ownership to The Foundation is treated as net gains or losses on investments.

### Assets and liabilities related to contracts with donors

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

	2023	2022
	\$000	\$000
Contract assets – other grants	1,781	1,200
<b>Total current assets</b>	<b>1,781</b>	<b>1,200</b>
Contract liabilities – government grants	9,651	8,397
Contract liabilities – other grants	4,195	2,902
<b>Total current liabilities</b>	<b>13,846</b>	<b>11,299</b>

### Accounting policy for contract assets and liabilities

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

Contracts that meet the definition of AASB 9 Financial Instruments such as where they contain termination for convenience clauses is

recognised as the consolidated entity spends, or has provided the services depending on the terms on the contract.

For each contract with a customer that meets the definition of AASB 15 Revenue, The Foundation identifies the performance obligations in the contract and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

## 5. Investment income

	2023	2022
	\$000	\$000
Dividend and interest income	2,186	531
Realised loss on financial assets	(8)	-
Unrealised gain on financial assets	678	75
	<b>2,856</b>	<b>606</b>

### Accounting policy for Investment Income

Gains or losses (excluding interest and dividend income) on financial instruments at fair value through profit or loss is calculated as the difference between the fair value at sale or at year end, and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses.

Interest revenue is recognised using the effective interest method, with interest accrued over the relevant period using the effective interest

rate, which is the rate that exactly discounts the estimated future cash flows over the expected life of the financial asset to the net carrying amount of the financial asset.

Dividend income and interest revenue arising from financial assets at fair value is also included in "Investment Income". Dividends and distributions are recognised at the time the right to receive them has been established and holding goes ex-dividend or ex-distribution.

## 6. Other income/(expenditure)

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

	2023	2022
	\$000	\$000
Exchange gains / (losses)	532	288
Interest expense	-	(68)
Hospital revenue net of cost of goods sold	2,063	1,122
Other	541	688
	<b>3,136</b>	<b>2,030</b>

### Accounting policy for foreign currency translations

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

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

## 7. Trade and other receivables

### Accounting policy for trade and other receivables

Due to the short-term nature, trade receivables are recognised at their face value, which is deemed to be their fair value. Trade receivables

are non-interest bearing and are generally on 30-60-day terms. As at balance date all trade receivables are current and collectable.

	Notes	2023	2022
<b>Current</b>		<b>\$000</b>	<b>\$000</b>
Trade receivables		1,643	677
Contract assets	7(a)	1,781	1,200
Country program advances	7(b)	305	(129)
Partner and equipment advances	7(c)	982	414
Dividend and interest receivables		409	114
GST receivable	7(d)	250	268
Prepayments		1,390	852
Refundable security deposits		299	317
Others		1,283	880
		<b>8,342</b>	<b>4,593</b>
<b>Non Current</b>			
Cameroon cataract bond accrual	7(e)	92	101

#### (a) Contract assets

Contract assets represent funds due from donors where the donor reimburses The Foundation after it spends program funds as per the requirements specified by the donor. In 2023, the total amount represented accruals from three donors which pay in arrears.

#### (b) Country program advances

These represent remittance of monies to The Foundation's country programs. The monies have been held for program expenditures which remain unspent as at balance date. As at balance date, all advances are current.

#### (c) Partner and equipment advances

Advances are given to program partners to carry out project-based tasks or to a third-party supplier to procure medical and other equipment. As at balance date all advances are current and The Foundation has raised a provision for impairment of \$19,500 (2022: \$180,000).

#### (d) GST receivable

At balance date, the net GST is a receivable. Other tax liabilities (PAYG and FBT) are shown separately in Note 10.

#### (e) Cameroon cataract bond contracted receivables

The Foundation is involved in a project to support the Magrabi ICO Cameroon Eye Institute to significantly increase the volume and quality of cataract surgeries undertaken in Cameroon. The Foundation has recognised the contracted receivables from grant funders Conrad Hilton Foundation and Sightsavers for their contribution to these project costs. As the grant funders are due to meet their remaining commitments from 2025, it has been determined this will be receivable in the next 2 years.



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

### Movement in contracted receivables

	2023
	\$000
As at 1 January 2023	101
Receipt of outcome funding from donors	(36)
Adjustment for loan interest and associated costs	28
Exchange differential in revaluing opening balance to closing exchange rates	(1)
<b>As at 31 December 2023</b>	<b>92</b>

## 8. Plant and equipment

### (a) As at 31 December 2023

	2023			2022		
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Motor vehicles (i)	195	(154)	41	290	(216)	74
Office furniture and equipment	1,425	(1,340)	85	1,445	(1,351)	94
Medical equipment	1,641	(569)	1,072	1,398	(417)	981
Leasehold improvements	1,197	(805)	392	1,573	(1,023)	550
	<b>4,458</b>	<b>(2,868)</b>	<b>1,590</b>	<b>4,706</b>	<b>(3,007)</b>	<b>1,699</b>

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

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

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

Movement in non-current assets

	Motor vehicles	Office furniture and equipment	Medical equipment	Leasehold improvements	Total
	\$000	\$000	\$000	\$000	\$000
As at 1 January 2023 net of accumulated depreciation and impairment	74	94	981	550	1,699
Additions			274		274
Impairment/ Disposals, cost less accumulated depreciation		(3)		(82)	(85)
Depreciation charge for the year	(25)	(4)	(160)	(50)	(239)
Exchange differential in revaluing opening balance to closing exchange rates	(8)	(2)	(23)	(26)	(59)
<b>As at 31 December 2023</b>	<b>41</b>	<b>85</b>	<b>1,072</b>	<b>392</b>	<b>1,590</b>

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

Movement in non-current assets

	Motor vehicles	Office furniture and equipment	Medical equipment	Leasehold improvements	Total
	\$000	\$000	\$000	\$000	\$000
As at 1 January 2022 net of accumulated depreciation and impairment	33	118	737	653	1,541
Additions	63	-	301	39	403
Depreciation charge for the year	(22)	(27)	(137)	(126)	(312)
Exchange differential in revaluing opening balance to closing exchange rates	-	3	80	(16)	67
<b>As at 31 December 2022</b>	<b>74</b>	<b>94</b>	<b>981</b>	<b>550</b>	<b>1,699</b>

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

### Accounting policy for Plant and equipment

#### (a) Cost and valuation

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

#### (b) Depreciation

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

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

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

#### (c) Derecognition

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

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

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

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

## 9. Intangible assets

### (a) Carrying amount as of balance date

	2023			2022		
	Cost	Accumulated amortisation	Net	Cost	Accumulated amortisation	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Software and systems	2,479	(2,478)	1	2,484	(2,314)	170
	<u>2,479</u>	<u>(2,478)</u>	<u>1</u>	<u>2,484</u>	<u>(2,314)</u>	<u>170</u>

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

	2023	2022
<b>Software and systems</b>	<b>\$000</b>	<b>\$000</b>
As at 1 January net of accumulated depreciation and impairment	170	340
Amortisation for the year	(169)	(170)
<b>As at 31 December</b>	<b>1</b>	<b>170</b>

## 9. Intangible assets (cont'd)

### Accounting policy for intangible assets

Intangible assets are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

#### (a) Software and systems

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

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

#### (b) Amortisation

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

Software and Systems 3-5 years

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

Under AASB 136, an entity is required to regularly assess whether there is any indication that an asset is recorded at greater than its recoverable amount and if so, to recognise an impairment loss. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of income when the asset is de-recognised.

The intangible assets have been reviewed for appropriate useful life and whether or not they still have any economic value to The Foundation. Post review, no adjustments to the accounts were made for derecognition of certain assets and changes in useful life of other assets.

## 10. Trade and other payables

	Notes	2023	2022
		\$000	\$000
<b>Current</b>			
Trade payables		3,874	3,075
Accrued expenses		2,585	2,555
Tax liabilities	10(a)	61	42
Other creditors		14	54
		<b>6,534</b>	<b>5,726</b>
<b>Non Current</b>			
Cameroon cataract bond accrual	10(b)	1,413	1,527

## 10. Trade and other payables (cont'd)

### Accounting policy for trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature, they are not discounted. They represent liabilities for goods and services provided to The Foundation prior to the end of the financial year that are unpaid and

arise when The Foundation becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

### (a) Cameroon cataract bond accrual

The Foundation is involved in a project to support the Magrabi ICO Cameroon Eye Institute to significantly increase the volume and quality of cataract surgeries undertaken in Cameroon whereby it has guaranteed the capital loan amount, interest and associated costs incurred by the investing partners OPIC and Netri. In 2023, the

Cameroon cataract bond was extended, resulting in the interest, success fee and loan payment to the original lenders now being payable in May 2025. The Foundation has determined these guaranteed amounts will be payable in the next 2 years.

### Movement in Cameroon cataract bond guaranteed loan amounts

	<b>2023</b>
	<b>\$000</b>
<b>As at 1 January 2023</b>	<b>1,527</b>
Adjustment of interest and associated costs as per new contract	<b>(184)</b>
Current year accrual for loan interest and associated costs	<b>68</b>
Exchange differential in revaluing opening balance to closing exchange rates	<b>2</b>
<b>As at 31 December 2023</b>	<b>1,413</b>

### (b) Tax liabilities

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

## 11. Provisions

	2023	2022
<b>Current</b>	<b>\$000</b>	<b>\$000</b>
Annual leave	2,269	2,551
Long service leave	882	691
Other	505	-
Lease make good	10	134
	<b>3,666</b>	<b>3,376</b>
<b>Non Current</b>		
Long service leave	611	597
Lease make good	65	78
	<b>676</b>	<b>675</b>

### Accounting policy for provisions

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

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

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

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

#### (b) Long service leave

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

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

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

## 12. Leases

### (a) Right of use assets

	2023	2022
	\$000	\$000
Properties	1,468	1,548
Vehicles	-	1
	<u>1,468</u>	<u>1,549</u>

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

	Properties	Vehicles	Total
	\$000	\$000	\$000
As at 1 January 2023 net of accumulated depreciation and impairment	1,548	1	1,549
Additions – new leases	1,120	-	1,120
Depreciation charge for the year	(1,200)	(1)	(1,201)
<b>As at 31 December 2023</b>	<u>1,468</u>	<u>-</u>	<u>1,468</u>

### (b) Lease liabilities

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

	2023	2022
	\$000	\$000
Current	1,172	1,202
Non-current	308	360
	<u>1,480</u>	<u>1,562</u>

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

	2023	2022
	\$000	\$000
Opening Balance	1,562	2,230
Additions	1,120	589
Remeasurement of lease	-	2
Lease payments	(1,236)	(1,309)
Finance charges	34	50
<b>Closing balance</b>	<u>1,480</u>	<u>1,562</u>

## 12. Leases (cont'd)

Future minimum lease payments as at 31 December 2023 are as follows:

	Within 1 Year	1-2 Years	2-3 Years	Total
	\$000	\$000	\$000	\$000
Lease payments	1,230	295	19	1,544
Finance charges	(59)	(5)	-	(64)
<b>Lease liabilities</b>	<b>1,171</b>	<b>290</b>	<b>19</b>	<b>1,480</b>

### Accounting policy for leases

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

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

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

## 13. Borrowings

	2023	2022
	\$000	\$000
<b>Non Current</b>		
Loan from Rohto Vietnam	860	882

In July 2022 The Foundation's directors approved a resolution that Alina Vision including Alina Vision Pte. Ltd. (AV) and Alina Eye Hospital Social Enterprise Company Limited (AEHSE) could enter into the loan of USD 600,000 from Rohto-Mentholatum (Vietnam) Co. Ltd (Rohto Vietnam) to AEHSE. The total loan will be used to cover the supply of medical equipment and working capital as part of AEHSE's approved project with Vinmec Times City International Hospital in Hanoi.

All borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Interest does not accrue nor are repayments due until defined EBITDA targets are reached. The interest rate when applicable, is 5% p.a on the residual loan balance. The loan term has a defined end date of 30 September 2028 with no penalties for early repayment. No repayments were made in 2023. Movements in the borrowings were due to currency fluctuations.



## 14. Financial assets at fair value

	2023	2022
	\$000	\$000
Australian fixed interest hybrids	9,895	5,249
Australian and international shares	12,848	2,513
Australian listed property	802	226
	<b>23,545</b>	<b>7,988</b>

The Foundation's investment portfolio is managed by Ord Minnett who invest in diversified asset types with an emphasis on enhanced income and growth assets (shares and property).

The Foundation is committed to making socially responsible investments and look to incorporate ESG factors in our investment decisions and

ownership and look to abide by the six Principles for Responsible Investment as published by the UNPRI (United Nations Principles for Responsible Investment).

The fair value of listed investments has been determined directly by reference to published price quotations in an active market.

## 15. Reserves

### Contingency reserve

The Foundation calculates and maintains a contingency reserve of \$11.5m (2022: \$10.1m) primarily to protect against any catastrophic event resulting in cessation, or significant reduction in revenue, impacting its ability to meet the contractual, legal and ethical obligations to partners, suppliers of goods and services and staff.

### Accumulated surplus

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

## 16. Events subsequent to reporting date

In January 2024, Alina Vision secured a new investor to support it in its expansion and growth plans. It marks the transition of Alina Vision from dependency on The Foundation to attracting its own investors while retaining its social purpose alongside its commercial fundamentals. Introducing a new investor will pave the way for Alina Vision to extend its network of hospitals across Vietnam with significantly increased capacity. The new investment resulted in an issue of 6,944,954 new ordinary shares in Alina Vision, representing 50.85% of the enlarged share capital of the Company to TVM Alina Holding Pte. Ltd. with an option to subscribe for additional new shares in the future.

Post issue of the new shares The Foundation's ownership was reduced from 76.6% to 37.65% and voting rights of The Foundation dropped to 40%. As a result, it was determined that The Foundation had lost control of Alina Vision but still had significant influence.

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

## 17. Limitation of members liability

The parent entity, The Fred Hollows Foundation, is a company limited by guarantee and in accordance with its Constitution, in the event of it being wound up, the liability of members will not exceed \$50.00 per member or an aggregate of \$6,250.

## 18. Commitment and contingent liabilities

The Foundation incurred a bridging commitment of \$2m in 2023 (2022: Nil). In August 2023 the Foundation agreed to a bridging commitment of \$2m through The Fred Hollows Foundation (NZ) relating to a construction project for a Centre for Eye Health (CfEH) in Papua New Guinea. The proposed PNG CfEH represents a strategic contribution to PNG's response to its significant eye health challenges, one of the most critical of which is a low eye health worker to population ratio. One of the CfEH's key focus areas is to strengthen local

eye health services by training local eye doctors, eye nurses and optometrists to deliver a long-term sustainable solution to address the country's high prevalence of avoidable blindness. Both FHF and FHFNZ are engaged in active fundraising for this project with an expectation that this fundraising will be successful. To enable the contracting to begin in 2024 FHF provided this bridging commitment that guarantees \$2m in funding should the fundraising not succeed.

## 19. ACFID code of conduct

Certain items required in the ACFID Code of Conduct reporting are not displayed. These include, but are not limited to, Inventories, Assets held for sale, Investment property and other reserves which have nil balances for both the reporting periods covered.

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

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

Non-monetary donations and gifts are not included in the Statement of income.

#### Gifts in-kind

During the year The Foundation received approximately 6.9 million (2022: 4.3 million) doses of Zithromax donated by Pfizer under the International Trachoma Initiative for collection, distribution and application in the Oromia region of Ethiopia. The Board has taken the view that control and significant risk and rewards of Zithromax never passed to The Foundation and has therefore not accounted for their receipt or distribution in the financial statements.

Coinciding with World Sight Day on October 12, Hoyts announced a partnership with The Fred Hollows Foundation. This collaboration reflects HOYTS' commitment to community initiatives and

supporting the wellbeing of Aboriginal and Torres Strait Islander Peoples. Through the partnership, The HOYTS Group and The Fred Hollows Foundation will work together to close the gap in eye health for Aboriginal and Torres Strait Islander Peoples who are currently three times more likely to go blind than other Australians. The multifaceted partnership will include employee education and engagement, and in-kind media support to help raise public awareness.

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

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

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

## 20. Information furnished under the ACFID code of conduct (cont'd)

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

No single appeal or other form of fundraising for a designated purpose generated 10% or more of total revenue for the year ended 31 December 2023.

## 21. Auditor's remuneration

	2023	2022
	\$000	\$000
For audit or review of financial report		
BDO Audit Pty Ltd	99	90
BDO – Overseas	309	309
Non-BDO	87	43
	<u>495</u>	<u>442</u>

## 22. Related party disclosure

### (a) Key management personnel

	2023	2022
	\$000	\$000
Compensation of key management personnel of The Foundation:		
Short-term employee benefits	1,412	1,299
Other long-term employee benefits	11	(12)
	<u>1,423</u>	<u>1,287</u>

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

The amounts disclosed in the table are the amounts recognised as an expense during the reported period related to key management personnel (comprising CEO, Executive Director of Public Affairs, Executive Director of Business Operations and Executive Director of Programs).

### (b) Related parties

Grants to / (from) related parties	2023	2022
	\$000	\$000
The Fred Hollows Foundation (HK)	(1,064)	(723)
The Fred Hollows Foundation Kenya	2,657	2,125
The Fred Hollows Foundation (UK)	1,501	1,334
The Fred Hollows Foundation (USA)	820	(305)
Alina Vision Pte. Ltd	1,440	1,813

## 22. Related party disclosure (cont'd)

Funding was given to support The Foundation's subsidiaries in USA, Kenya and UK. Funding was also given to support the programs of Alina Vision. The Foundation's subsidiary in Hong Kong provided a grant to the parent entity in 2023. There were no transactions with directors, or director related entities, in the year.

## 23. Parent financial information

The parent entity of the consolidated entity is The Fred Hollows Foundation. The subsidiaries of the parent entity, The Fred Hollows Foundation (UK), The Hollows Foundation Kenya, The Fred Hollows Foundation (HK), The Fred Hollows Foundation (USA), The Fred Hollows Foundation Social Action

Fund (USA), are all 100% owned and controlled by the parent entity. As at 31 December 2023 the parent entity also had a 76.6% ownership interest in Alina Vision Pte. Ltd. Alina Vision Pte. Ltd. owns 100% of the shares of Alina Eye Hospital Social Enterprise Company Limited.

### a) Statement of financial position – Parent

Financial position information related to the parent entity.

	2023	2022
	\$000	\$000
Current assets	42,485	53,301
Non-current assets	25,099	9,812
<b>Total assets</b>	<b>67,584</b>	<b>63,113</b>
Current liabilities	22,881	18,785
Non-current liabilities	2,398	2,556
<b>Total liabilities</b>	<b>25,279</b>	<b>21,341</b>
<b>Net assets</b>	<b>42,305</b>	<b>41,772</b>

The Parent entity's cash balance and other interest bearing deposits of \$32.2m is held with Westpac Banking Corporation (\$28.7m) and Ord Minnett (\$3.5m).

### b) Statement of revenue – Parent

Surplus for the year for the parent was \$0.533m (2022: \$3.212m).

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

The following information relates to the Parent entity (The Fred Hollows Foundation) only and is a requirement of the Charitable Fundraising Act 1991 (NSW). This Act provides the manner in which fundraising appeals are conducted, controlled and reported.

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

	2023	2022
<b>Proceeds from fundraising appeals</b>	<b>\$000</b>	<b>\$000</b>
Donations and gifts	56,012	52,021
Bequests and legacies	24,294	20,415
<b>Gross proceeds from fundraising appeals</b>	<b>80,306</b>	<b>72,436</b>
<b>Direct costs of fundraising appeals</b>		
Donations and gifts	21,593	18,536
Bequests and legacies	573	547
Cost of raising Government funds	205	176
<b>Total direct costs of fundraising appeals</b>	<b>22,371</b>	<b>19,259</b>
<b>Net surplus from fundraising appeals</b>	<b>57,935</b>	<b>53,177</b>

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

	2023	2022
	<b>\$000</b>	<b>\$000</b>
<b>Net surplus obtained from fundraising appeals</b>	<b>57,935</b>	<b>53,177</b>
Applied for charitable purposes as follows:		
Office Administration	6,805	5,715
<b>Costs of direct services:</b>		
Community education	10,271	8,935
International programs	71,052	61,238
Domestic programs	6,520	5,593
<b>Total costs of direct services</b>	<b>87,843</b>	<b>75,766</b>
<b>Total expenditure</b>	<b>94,648</b>	<b>81,481</b>
Shortfall	(36,713)	(28,304)

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

### c) Shortfall provided by the following sources:

	2023	2022
	\$000	\$000
Department of Foreign Affairs and Trade	14,152	15,848
Other Australian grants	2,450	2,041
Other overseas grants	13,792	11,780
Investment income	2,856	606
Other income	3,136	2,030
	36,386	32,305
Surplus	(327)	4,001

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

The following fundraising appeals were conducted during the financial year.

- Regular Giving Program
  - Public, Corporate and Trust Donations
  - Direct Mail
- All fundraising activities are related to Public Appeals. Our Regular Giving Program is the only appeal where traders are engaged. There has been no loss from a fundraising appeal during the year.

### e) Details of aggregate gross revenue and aggregate direct expenditure incurred in appeals in which traders were engaged in 2023:

Activity	2023				2022			
	Proceeds	Cost	Surplus	Costs/Proceeds	Proceeds	Cost	Surplus	Costs/Proceeds
	\$000	\$000	\$000	%	\$000	\$000	\$000	%
Regular Giving	14,538	5,366	9,172	37%	13,455	3,527	9,928	26%

In 2023, the Foundation increased its expenditure on traders to address the reduction in regular donor campaigns due to the disruptions of COVID-19 in the last three years.

## DIRECTORS' DECLARATION

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

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

- a. Give a true and fair view of The Foundation's financial position as at 31 December 2023 and of its performance for the year ended on that date.
- b. Comply with:
  - (i) Australian Accounting Standards – Simplified Disclosure Requirements;
  - (ii) Australian Charities and Not-for-Profits Commission Act 2012;
  - (iii) Australian Charities and Not-for-Profits Commission Regulation 2022;
  - (iv) Charitable Fundraising Act 1991 (NSW);
  - (v) Charitable Fundraising Regulations 2022 (NSW); and
  - (vi) Australian Council for International Development (ACFID) Code of Conduct.

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

On behalf of the Board,



Jane Madden  
Chair

Date: 19 March 2024

Sydney, NSW Australia

## STATEMENT BY CHAIR OF THE FINANCE AND AUDIT COMMITTEE

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

- a. The Foundation and its subsidiaries (The Foundation) has taken reasonable steps to comply with the provisions of the NSW Charitable Fundraising Act 1991 and the regulations under that Act and the conditions attached to the authority Act; and
- b. The Foundation's financial statements comply with the provisions of the NSW Charitable Fundraising Act 1991 and the regulations under that Act and the conditions attached to the authority; and
- c. There are reasonable grounds to believe that The Foundation will be able to pay its debts as and when they become due and payable; and
- d. The consolidated financial statements gives a true and fair view of the state of affairs with respect to fundraising appeals conducted by The Foundation; and
- e. The internal controls exercised by The Foundation are appropriate and effective in accounting for all income received and applied by The Foundation from any of its fundraising appeals.



Tina Wyer  
Director, Chair of Finance and Audit Committee

Date: 19 March 2024

Sydney, NSW Australia

## INDEPENDENT AUDITORS REPORT

To the members of The Fred Hollows Foundation

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of The Fred Hollows Foundation (the registered entity) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

#### Basis for opinion

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

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



#### Other information

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

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

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

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

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

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

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

The responsible entities of the registered entity are responsible for overseeing the Group's financial reporting process.

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

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

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

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

This description forms part of our auditor's report.



BDO Audit Pty Ltd

*BDO*

*L. Russell*

Leah Russell

Director

Sydney, 20 March 2024





PHOTO: MICHAEL AMENDOLIA



**The Fred Hollows  
Foundation**