

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

– Professor Fred Hollows

PHOTO: MICHAEL AMENDOLIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024



The Fred Hollows
Foundation

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

**Current Directors
as at 24 March 2025**

Jane Madden (Chair)
Michael Johnson, AM (Deputy Chair)
Tina Wyer (Deputy Chair)
Nicki Anderson
Thomas Ching
Ruwan de Mel
Katrina Fanning, AO PSM
Michelle Gayer
Anthony Hall
Gabi Hollows, AO
Ciku Mathenge
Russell Gruen

Chief Executive Officer	Ian Wishart
Company Secretary	Claire Yule
Registered office and principal place of business	Level 8, 320 Pitt Street, Sydney, NSW 2000 Australia
Postal Address	Locked Bag 5021, Alexandria NSW 2015, Australia
ABN	46 070 556 642
Contact details	
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Donation Line:	1800 352 352
Telephone:	+612 8741 1900
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Email:	fhf@hollows.org
Bankers	Westpac Banking Corporation
Auditors	BDO Audit Pty Ltd

Directors' Report	4
Auditor's independence declaration	14
Consolidated Statement of income	15
Consolidated Statement of financial position	16
Consolidated Statement of cash flows	17
Consolidated Statement of changes in equity	18
Notes	19-39
1. General information and statement of compliance	
2. Summary of significant accounting policies	
3. Financial risk management objectives and policies	
4. Revenue	
5. Investment income	
6. Other income/(expenditure)	
7. Trade and other receivables	
8. Plant and equipment	
9. Intangible assets	
10. Trade and other payables	
11. Provisions	
12. Leases	
13. Borrowings	
14. Financial assets at fair value	
15. Reserves	
16. Events subsequent to reporting date	
17. Limitations of members liability	
18. Commitment and contingent liabilities	
19. ACFID code of conduct	
20. Information under ACFID code of conduct	
21. Auditor's remuneration	
22. Related party disclosure	
23. Parent financial information	
24. Information furnished under the Charitable Fundraising Act (NSW)	
Directors' Declaration	40
Statement by Chair of Finance and Audit Committee	40
Independent Auditor's report	41-43

DIRECTORS' REPORT

The Directors present this report to the Members of The Fred Hollows Foundation (hereinafter referred to as 'The Foundation') for the year ended 31 December 2024.

Directors and Board Committee Meetings

The name of each person who was a Director during 2024 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 2024.

2024 Meetings	Date commenced current term	Board		Finance and Audit Committee		Governance, People and Culture Committee		Programs and Partnerships Committee	
		A	B	A	B	A	B	A	B
No. of meetings		5		5		4		4	
Jane Madden (Chair)	May 2024	4	5	-	-	3	4	-	-
Michael Johnson (Deputy Chair)	May 2024	5	5	-	-	4	4	4	4
Tina Wyer (Deputy Chair)	May 2022	5	5	5	5	-	-	-	-
Nicki Anderson	May 2022	4	5	-	-	2	3	-	-
Thomas Ching	May 2024	3	3	-	-	-	-	-	-
Ruwan de Mel	May 2024	4	5	2	2	-	-	4	4
Helen Evans (retired April 2024)	May 2021	1	2	-	-	-	-	2	2
Katrina Fanning	May 2022	2	5	2	5	-	-	-	-
Michelle Gayer	May 2024	4	5	-	-	-	-	3	4
Anthony Hall	May 2022	4	5	-	-	-	-	3	4
Christine Hawkins (retired May 2024)	May 2021	2	3	3	3	2	2	-	-
Gabi Hollows	April 1995	5	5	-	-	4	4	4	4

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.

Three Foundation members and associates who are not Directors also served on Board Committees during 2024 as set out below:

- Finance and Audit Committee: Jason Billings; Izabel Greco.
- 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.

2024 IN REFLECTION

In 2024 The Foundation again delivered a record spend on our programming, helping millions of people around the world access eye health care services. Our focus continues to be on strengthening health systems in the countries where we work and ensuring eye care is integrated into broader health care.

A highlight of the year was the launch of a new five-year strategy in response to the global rise in avoidable blindness. We know that solutions for treating the causes of avoidable blindness exist and are cost effective, yet many people cannot access these treatments. The Foundation's 2024-2028 Strategy aims to provide sustainable solutions that tackle vision loss at the systemic level.

Eye health has long been overlooked as a critical development issue but we're looking to change this because improved eye health leads to better education, employment and inclusion and can break the cycle of poverty.

Despite difficult global financial conditions The Foundation finished 2024 in a financially strong position thanks to the generosity of our supporters. We remain well positioned to continue providing essential eye care and investing in sustainable solutions.

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

Events subsequent to reporting date

The Foundation has been closely monitoring developments regarding US Government foreign aid following the January 20 Executive Order "Reevaluating and Realigning United States Foreign Aid" which called for a 90-day pause in new foreign assistance obligations and disbursements pending review of all foreign aid programs. This was followed by the dismantling of USAID and then the closure of 5,800 projects or about 83% of USAID's work.

The Foundation received USAID funding indirectly through two partner organisations. We were notified in mid-March that both our Ethiopia Trachoma programming (\$4.9m), and our UNOPS Cambodia project (\$1.7m) had been cancelled. The Foundation is actively seeking to mitigate this loss

in revenue from USAID by seeking grants from other sources. If other grant seeking activities are not successful during 2025, we are facing a reduction in revenue of 7% which will be offset by a parallel reduction in programmatic and other organisation-wide expenditure. Despite these challenges, The Foundation is committed to navigating this uncertainty and adapting our plans accordingly.

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 2024 were:

	2024	2023
	\$000	\$000
Revenue and Other Income	120,311	116,692
Expenditure	130,292	117,019
Operating (Deficit) / Surplus	(9,981)	(327)

Financial outcomes 2024:

- Your incredible support for our shared cause in 2024 has meant the world to The Fred Hollows Foundation. The overwhelming response to this is one of deep gratitude for everything you have helped us achieve during this hugely significant year for The Foundation.
- In 2024 we are pleased to report a record year of revenue and other income of \$120.3m and expenditure of \$130.3m to support Fred's legacy.
- In October 2023, to deliver on our commitment to scale impact, The Foundation Board approved an increase in programmatic expenditure and necessary investment in new technology and fundraising expansion. This was enabled by several years of surpluses that had grown the size of The Foundation's accumulated surplus. 2024 marked the beginning of our new strategy, with program spending focused on transformational projects addressing the backlog of unmet eye healthcare needs caused by the pandemic's disruption in recent years. Significant investments were also made in new IT technologies and a concerted effort to expand and diversify our revenue base, both locally and internationally.
- The Foundation's operating deficit for 2024 was \$9.98m. International programming expenditure in particular increased by 21% to record levels, which followed last year's increase of 14%.
- The Foundation has both a strong Contingency reserve of \$9.7m and a strong Accumulated surplus of \$22.9m which has us well placed for the long-term.
- During the year the assets and liabilities of Alina Vision were deconsolidated from the Foundation's accounts. Therefore, the Net Assets and revenue and expenditure of Alina Vision are no longer reflected in the financial statements. In 2023, Alina Vision represented \$3.1m of Revenue & Other Income (excluding grants from FHF), \$4.9m of expenditure and \$2.2m in net assets.
- 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 2024. The amount of cover is reviewed periodically.



Board Directors during 2024


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 Chair National Foundation for Australian Women Advisory Committee member – ACT Health and NSW National Parks (South Coast Region) Member – Chief Executive Women Graduate of Australian Institute of Company Directors Institute of Executive Coaching and Leadership qualifications B.Ec/Grad Dip international Law, University Tas/ANU</p> <p>Previously</p> <p>Board Member, Black Dog Institute, Australian Business Volunteers Deputy Secretary, Australian Government. Diplomat/Australian Ambassador to UNESCO 2003-2007</p>	<p>Chair of the Board Chair of the Governance, People and Culture Committee</p>
<p>Michael Johnson AM</p> 	<p>Honorary Associate Professor, School of Social Sciences, University of NSW Area Editor, Economic and Labour Relations Review Life Member, Clare Hall Cambridge Member of the Australian Institute of Company Directors Member of the Order of Australia</p> <p>Previously</p> <p>Coordinator, Development Studies Program, School of Social Sciences, UNSW Head of the School of Social Science and Policy, UNSW Member of the Expert Advisory Committee on the Social and Economic Sciences of the Australian Research Council Foundation Director, Public Sector Research Centre, UNSW</p>	<p>Deputy Chair of the Board Member of the Governance, People and Culture Committee Member of the Programs and Partnerships Committee Director of The Fred Hollows Foundation Kenya Trustee of The Fred Hollows Foundation (UK)</p>

Name	Experience and Qualifications	Special responsibilities within FHF
<p>Tina Wyer</p> 	<p>Non-Executive Director, Hume Bank, Chair of Audit Committee and Member of Risk Committee</p> <p>Non-Executive Director, Australian Diabetes Educators Association, Chair of Finance, Audit and Risk Management Committee</p> <p>Non-Executive Director, .au Domain Administration, Member of Audit and Finance Committee and Member of Public Benefits Program Committee</p> <p>Graduate of the Australian Institute of Company Directors and committee member of the AICD Sunshine Coast Committee</p> <p>Australian Institute Chartered Accountant</p> <p>Bachelor of Commerce Accounting & Information Systems – Deakin University</p> <p><u>Previously</u></p> <p>JPMorgan Chase: Firmwide Chief Data Officer / Asia Head of Corporate Technology / Australia & New Zealand CFO</p> <p>KPMG: Information Risk Management</p> <p>Non-Executive Director, FAT Projects Acquisition Corporation Board and Empowered Women In Trades</p>	<p>Chair of the Finance and Audit Committee</p> <p>Deputy Chair of the Board from 1 May 2024</p>
<p>Nicki Anderson</p> 	<p>Director and Chair People, Culture & Nomination Committee – Collins Foods (ASX), Geraldton Fishermen’s Co-Operative 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><u>Previously</u></p> <p>Chair and Member of the Monash University Advisory Board for the marketing faculty.</p> <p>Head of Major Donor Partnerships & 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)</p> <p>Member of the Governance, People and Culture Committee (from May 2024)</p>

Name	Experience and Qualifications	Special responsibilities within FHF
<p>Thomas Ching</p> 	<p>Honorary Fellow of the Hang Seng University of Hong Kong</p> <p>Director, Consolidated Marketing Group International Wealth Management Limited</p> <p>Director, CMG Fiduciary Services Limited</p> <p>Director, CMG International Charity Fund Limited</p> <p>Director, CMG Wealth Management Pte Ltd.</p> <p>Director, SW Capital Management Limited</p> <p>Committee Member, Fundraising & Donation Committee of the Hang Seng University of Hong Kong</p>	<p>Director of The Fred Hollows Foundation (HK)</p> <p>Joined the Board 17 May 2024</p>
<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>Director Melior Consulting Pty Limited</p> <p>Director Mokoro Limited – Development Consultants, Oxford</p> <p><u>Previously</u></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>Member of the Finance and Audit Committee (from August 2024)</p>

Name	Experience and Qualifications	Special responsibilities within FHF
<p data-bbox="215 302 319 398">Helen Evans AO</p> 	<p data-bbox="395 293 1070 824"> 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 data-bbox="395 857 523 887"><u>Previously</u></p> <p data-bbox="395 913 1070 1205"> 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 data-bbox="1109 293 1412 667"> Deputy Chair of the Board (to April 2024) Chair of the Programs and Partnerships Committee (to April 2024) Director of The Fred Hollows Foundation (HK) (from May 2024) Retired from the Board 30 April 2024 </p>
<p data-bbox="199 1249 331 1346">Katrina Fanning AO PSM</p> 	<p data-bbox="395 1243 1070 1503"> Chair Australian Rugby League Indigenous Council Board member Family of League Foundation CEO Coolamon Advisors Pty Ltd Director Callida Indigenous Consulting Pty Ltd 2014 Public Service Medal 2020 ACT Officer of the Order of Australia </p> <p data-bbox="395 1536 523 1565"><u>Previously</u></p> <p data-bbox="395 1592 1070 1854"> Head of Secretariat Coalition of Peaks – Closing the Gap Board Member ACT Suburban Land Agency Deputy Chairperson ACT Women’s Legal Centre Operations Manager Aboriginal Hostels Limited National Manager Indigenous Service Centrelink Chair ACT Aboriginal and Torres Strait Islander Elected Body </p>	<p data-bbox="1109 1243 1380 1294">Member of the Finance and Audit Committee</p>

Name	Experience and Qualifications	Special responsibilities within FHF
<p data-bbox="197 300 335 376">Michelle Gayer</p> 	<p data-bbox="394 293 1018 353">Special Advisor for Global Programmes, Henri Dunant Centre for Humanitarian Dialogue</p> <p data-bbox="394 371 1070 400">Academic Fellow, Geneva Centre for Humanitarian Studies</p> <p data-bbox="394 418 1034 479">Associate, Johns Hopkins University Bloomberg School of Public Health</p> <p data-bbox="394 497 1023 589">Member of Research for Health in Humanitarian Crises (R2HC) Funding Committee (UKAID, Wellcome Trust & ELRHA)</p> <p data-bbox="394 607 962 667">Member of AHPRA (Australian Health Practitioner Regulation Agency)</p> <p data-bbox="394 703 520 732">Previously</p> <p data-bbox="394 757 1054 817">Senior Director of Programme Quality, and Director of Emergency Health, at The International Rescue Committee</p> <p data-bbox="394 835 1010 896">Director, Emergency Risk Management and Response, World Health Organization</p> <p data-bbox="394 913 1007 974">Vice Chair, World Health Organization Research Ethics Review Committee</p>	<p data-bbox="1107 293 1412 353">Chair of the Programs and Partnerships Committee</p>
<p data-bbox="197 1010 335 1086">Anthony Hall</p> 	<p data-bbox="394 1010 1018 1070">Consultant Ophthalmologist and vitreo-retinal surgeon Newcastle</p> <p data-bbox="394 1088 975 1149">Fellow, Royal Australian and New Zealand College of Ophthalmologists</p> <p data-bbox="394 1167 924 1196">Fellow, Royal College of Ophthalmologists UK</p> <p data-bbox="394 1214 1066 1274">Director Kilimanjaro Centre for Community Ophthalmology Tanzania</p> <p data-bbox="394 1310 520 1339">Previously</p> <p data-bbox="394 1364 983 1424">Member of Commonwealth Eye Health Consortium Advisory Committee</p> <p data-bbox="394 1442 1015 1471">Chair RANZCO International Development Committee</p> <p data-bbox="394 1489 735 1518">Director Vision2020 Australia</p> <p data-bbox="394 1536 979 1597">Head of Department of Ophthalmology Kilimanjaro Christian Medical Centre</p>	<p data-bbox="1107 1010 1398 1102">Member of the Programs and Partnerships Committee</p>

Name	Experience and Qualifications	Special responsibilities within FHF
<p>Christine Hawkins AM</p> 	<p>Chair, Australian School of Accounting Independent Director, The Glebe Administration Board Chair, Audit and Risk Committee, NSW Environment Protection Authority and NSW Local Land Services Independent member Audit and Risk Committee, the Legislature NSW Parliament and Bradfield Development Authority Board and Governance Principal, Directors Australia Director, Non-executive director, Southern Highlands Botanic Gardens Limited Managing Director Cinnabar International Pty Ltd Member of the Order of Australia BComm (Hons), MComm UNSW Fellow, CPA Australia Fellow, Australian Institute of Company Directors</p> <p>Previously</p> <p>Chair, Wheat Quality Australia Ltd Chair, Go Grains Health & Nutrition Limited Deputy Chair, Grains Research and Development Corporation Director of organisations in food and health, agribusiness and investment banking</p>	<p>Chair of the Finance and Audit Committee (to May 2024) Member of the Governance, People and Culture Committee (to May 2024) Chair of The Fred Hollows Foundation Kenya Retired from the Board 25 May 2024</p>
<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, People and Culture Committee Member of the Programs and Partnerships Committee</p>

Company Secretary

Claire Yule

Limitation of Members Liability

The Fred Hollows Foundation is a company limited by guarantee. In accordance with its Constitution, the liability of its 137 Members is limited to \$50.00 per person or an aggregate of \$6,850 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: 24 March 2025
Sydney, NSW Australia

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF THE FOUNDATION



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Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY LEAH RUSSELL TO THE MEMBERS OF THE FRED HOLLOWES FOUNDATION

I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of The Fred Hollowes Foundation for the year ended 31 December 2024.

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

Leah Russell
Director

A handwritten signature in black ink that reads 'Leah Russell' with a small flourish at the end.

BDO Audit Pty Ltd
Sydney
24 March 2025

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

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2024		2024	2023
	Notes	\$000	\$000
REVENUE AND OTHER INCOME			
Community and corporate support			
Donations and gifts		58,424	56,012
Bequests and legacies		25,110	24,294
Grants			
Revenue from contracts with donors	4	31,307	30,394
Investment income	5	4,498	2,856
Other income / (expenditure)	6	972	3,136
		120,311	116,692
EXPENDITURE			
<i>International aid and development programs expenditure</i>			
International programs			
Funds to international programs		60,684	50,301
Program support costs		17,140	20,751
Community education		10,290	9,409
Fundraising costs			
Public fundraising		22,573	19,497
Government, multilateral and private		1,956	994
Accountability and administration		6,217	6,233
Total international aid and development programs expenditure		118,860	107,185
<i>Domestic aid and development programs expenditure</i>			
Domestic programs		7,485	6,520
Community education		990	862
Fundraising costs		2,359	1,880
Accountability and administration		598	572
Total domestic aid and development programs expenditure		11,432	9,834
TOTAL EXPENDITURE		130,292	117,019
TOTAL DEFICIT FOR THE YEAR		(9,981)	(327)
Deficit for the year attributable to:			
Non-controlling interest		-	(88)
Members of the parent		(9,981)	(239)
TOTAL DEFICIT FOR THE YEAR		(9,981)	(327)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024		2024	2023
	Notes	\$000	\$000
ASSETS			
Current assets			
Cash and cash equivalents		25,200	18,000
Other interest bearing deposits		1,000	18,018
Trade and other receivables	7	4,480	8,342
Total current assets		30,680	44,360
Non-current assets			
Financial assets at fair value	14	26,576	23,545
Investment in Associate	13	3,251	-
Other Receivable		-	92
Plant and equipment	8	122	1,590
Intangible assets	9	-	1
Right of Use Asset	12	2,138	1,468
Total non-current assets		32,087	26,696
TOTAL ASSETS		62,767	71,056
LIABILITIES			
Current liabilities			
Trade and other payables	10	8,822	6,534
Contract liabilities	4	14,175	13,846
Provisions	11	4,191	3,666
Lease liabilities	12	1,034	1,172
Total current liabilities		28,222	25,218
Non-current liabilities			
Borrowings	13	-	860
Other payables	10	-	1,413
Provisions	11	777	676
Lease liabilities	12	1,168	308
Total non-current liabilities		1,945	3,257
TOTAL LIABILITIES		30,167	28,475
NET ASSETS		32,600	42,581
Total Equity attributable to:			
Non-controlling interest		-	92
Members of the parent		32,600	42,489
TOTAL EQUITY		32,600	42,581

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 2024	Notes	2024	2023
		\$000	\$000
Cash flows from operating activities			
Receipts from donors		58,424	56,012
Receipts from bequests		25,110	24,294
Receipt of government grants		17,376	15,406
Receipt of other grants		15,306	16,570
Proceeds from Hospital		34	2,063
Payment of program and operating expenditures		(80,751)	(79,025)
Payment to employees for program and operating activities		(44,230)	(36,705)
Net cash flows used in operating activities		(8,731)	(1,385)
Cash flows from investing activities			
Disposal of financial assets at fair value		3,166	1,072
Purchase of financial assets at fair value		(3,994)	(15,962)
Increase/(decrease) in interest bearing deposits		17,018	(13,868)
Dividends received		1,299	1,026
Interest received		1,234	922
Net cash outflow from deconsolidation		(1,579)	-
Acquisition of plant and equipment	8	(14)	(274)
Net cash flows provided by/(used in) investing activities		17,130	(27,084)
Cash flows from financing activities			
Repayment of leasing liabilities & interest	12	(1,199)	(1,236)
Net cash flows used in financing activities		(1,199)	(1,236)
Net increase/(decrease) in cash and cash equivalents		7,200	(29,705)
Cash and cash equivalents at beginning of the period		18,000	47,705
Cash and cash equivalents at end of the period		25,200	18,000

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 2024

	Note	Accumulated Surplus	Contingency Reserve	Non- Controlling Interest (i)	Total
		\$000	\$000	\$000	\$000
Balance as at 1 January 2023		32,595	10,133	180	42,908
Surplus/(deficit) for the year		(239)	-	(88)	(327)
Movements in contingency reserves		(1,404)	1,404	-	-
Balance as at 31 December 2023	15	30,952	11,537	92	42,581
Balance as at 1 January 2024		30,952	11,537	92	42,581
Surplus / (deficit) for the year		(9,889)	-	(92)	(9,981)
Movements in contingency reserves		1,867	(1,867)	-	-
Balance as at 31 December 2024	15	22,930	9,670	-	32,600

(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 2024, were authorised for issue in accordance with a resolution of the directors on 24 March 2025. 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 8, 320 Pitt Street, Sydney, NSW, Australia. The Foundation is principally engaged in the promotion of its vision of a world in which no one is needlessly blind or vision impaired.

(a) Basis of preparation

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

The Foundation's consolidated financial statements are a general purpose financial report which have been prepared in accordance with the requirements of the *Australian Accounting Standards – 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 2024. For the purpose of compliance with AASB10, an investee company is deemed to be controlled by the Foundation when the Foundation has power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

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.

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If The Foundation loses control over a subsidiary, it de-recognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

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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 cashflows from operations.

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

(iii) Withholding tax

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

(e) Significant accounting judgments

Where appropriate significant judgments, estimates, and assumptions in the context of financial reporting are made by management. Where relevant these have been disclosed within the accounting policies of the relevant notes.

(f) Reclassification of prior year presentation

Where necessary, comparative information has been restated and reclassified to conform to changes in presentation in the current year. These reclassifications had no effect on the reported results of operations. Certain prior year amounts have been reclassified for consistency with the current year presentation.

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.

(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 2024, The Foundation is not exposed to any significant credit risk.

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

(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 to only hold shares up to a maximum of 45 days.

(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. Grant Revenue

Revenue from contracts with donors

	2024	2023
	\$000	\$000
Grants		
Government grants – Department of Foreign Affairs and Trade (DFAT)	16,953	14,152
Other Australian	722	2,450
Other overseas	13,632	13,792
	31,307	30,394
Primary geographic grant markets		
Grants		
Australia	17,675	16,602
US	11,383	10,284
UK	1,008	2,133
Hong Kong	201	26
Other	1,040	1,349
	31,307	30,394

4. Revenue (cont'd)

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. Refer to Accounting policy for contract assets and liabilities for revenue recognition for other grants.

(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.

	2024	2023
	\$000	\$000
Contract assets – other grants	430	1,781
Total current assets	430	1,781
Contract liabilities – government grants	10,073	9,651
Contract liabilities – other grants	4,102	4,195
Total current contract liabilities	14,175	13,846

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 meet 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

	2024	2023
	\$000	\$000
Dividend and interest income	2,295	2,186
Realised loss on financial assets	(130)	(8)
Unrealised gain on financial assets	2,333	678
	4,498	2,856

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.

	2024	2023
	\$000	\$000
Exchange gains / (losses)	651	532
Hospital revenue net of cost of goods sold	34	2,063
Share of loss – associates	(132)	-
Other	419	541
	972	3,136

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	2024	2023
Current		\$000	\$000
Trade receivables		597	1,643
Contract assets	7(a)	430	1,781
Country program advances	7(b)	-	305
Partner and equipment advances	7(c)	1,084	982
Dividend and interest receivables		433	409
GST receivable	7(d)	184	250
Prepayments		1,122	1,390
Cameroon Cataract Bond accrual	7(e)	96	-
Refundable security deposits		336	299
Others		198	1,283
		4,480	8,342

(a) Contract assets

Contract assets represents funds due from donors where the donor reimburses The Foundation after it spends programs funds as per the requirements specified by the donor. In 2024, the total amount represented accruals from five 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, country program advances were in credit and are reported as liabilities.

(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 \$97,500 (2023: \$19,500).

(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 (who settled their obligation in 2021) and Sightsavers for their contribution to these project costs. As at balance date, the grant funders are due to meet their remaining commitments in 2025.

7. Trade and other receivables (cont'd)

Movement in Cameroon cataract bond contracted receivables

	2024
	\$000
As at 1 January 2024	92
Receipt of outcome funding from donors	(5)
Exchange differential in revaluing opening balance to closing exchange rates	9
As at 31 December 2024	96

8. Property, plant and equipment

(a) As at 31 December 2024

	2024			2023		
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Motor vehicles (i)	259	(227)	32	195	(154)	41
Office furniture and equipment	1,322	(1,308)	14	1,425	(1,340)	85
Medical equipment	-	-	-	1,641	(569)	1,072
Leasehold improvements	729	(653)	76	1,197	(805)	392
	2,310	(2,188)	122	4,458	(2,868)	1,590

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

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

Movement in non-current assets

	Notes	Motor vehicles	Office furniture and equipment	Medical equipment	Leasehold improvements	Total
		\$000	\$000	\$000	\$000	\$000
As at 1 January 2024 net of accumulated depreciation and impairment		41	85	1,072	392	1,590
Additions		-	14	-	-	14
Assets derecognised during deconsolidation	13	-	(83)	(1,072)	(317)	(1,472)
Depreciation charge for the year		(23)	(2)	-	(25)	(50)
Exchange differential in revaluing opening balance to closing exchange rates		14	-	-	26	40
As at 31 December 2024		32	14	-	76	122

8. Property, plant and equipment (cont'd)

(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 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)
As at 31 December 2023	41	85	1,072	392	1,590

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. As per Note 13 the Property, Plant and Equipment for Alina Vision were derecognised in 2024.

(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

	2024			2023		
	Cost	Accumulated amortisation	Net	Cost	Accumulated amortisation	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Software and systems	2,479	(2,479)	-	2,479	(2,478)	1
	<u>2,479</u>	<u>(2,479)</u>	<u>-</u>	<u>2,479</u>	<u>(2,478)</u>	<u>1</u>

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.

In 2024 The Foundation commenced the CRM (Customer Relationship Management) transformation journey. The CRM platform chosen was Microsoft Dynamics 365 Fundraising and Engagement platform. The new CRM was reviewed and it was determined the related software development expenditure would meet the criteria of a Software as a Service (SaaS) arrangement because The Foundation does not control the CRM software being configured/customised as the application remains with the

software provider (Microsoft). Further, the activities do not create a resource controlled by The Foundation which can be separated from the CRM software. Consequently, for 2024 we expensed a total of \$1.7m CRM expenditure.

(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	2024	2023
		\$000	\$000
Current			
Trade payables		2,410	3,874
Cameroon Cataract Bond accrual	10(a)	1,661	-
Accrued expenses		2,465	2,585
Country program liabilities		2,278	-
Tax liabilities	10(b)	-	61
Other creditors		8	14
As at end of the year		8,822	6,534
Non Current			
Cameroon cataract bond accrual	10(a)	-	1,413

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 less than one year.

10. Trade and other payables (cont'd)

Movement in Cameroon cataract bond guaranteed loan amounts

	2024
	\$000
As at 1 January 2024	1,413
Current year accrual for loan interest and associated costs	108
Exchange differential in revaluing opening balance to closing exchange rates	140
As at 31 December 2024	1,661

(b) Tax liabilities

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

11. Provisions

	2024	2023
Current	\$000	\$000
Annual leave	2,871	2,269
Long service leave	997	882
Other	313	505
Lease make good	10	10
	4,191	3,666
Non Current		
Long service leave	712	611
Lease make good	65	65
	777	676

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.

11. Provisions (cont'd)

(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

	2024	2023
	\$000	\$000
Properties	2,138	1,468
	2,138	1,468

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

	Notes	Properties
		\$000
As at 1 January 2024 net of accumulated depreciation and impairment		1,468
Additions – new leases		2,555
Remeasurement on exit of lease	12(b)	(733)
Depreciation charge for the year		(1,152)
As at 31 December 2024		2,138

(b) Lease liabilities

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

	2024	2023
	\$000	\$000
Current	1,034	1,172
Non-current	1,168	308
	2,202	1,480

12. Leases (cont'd)

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

	Notes	2024	2023
		\$000	\$000
Opening Balance		1,480	1,562
Additions		2,555	1,120
Remeasurement of lease	12(a)	(747)	-
Lease payments		(1,199)	(1,236)
Finance charges		113	34
Closing balance		2,202	1,480

Future minimum lease payments as at 31 December 2024 are as follows:

	Within 1 Year	1-2 Years	2-3 Years	Total
Lease payments	1,135	1,040	171	2,346
Finance charges	(101)	(42)	(1)	(144)
Lease liabilities	1,034	998	170	2,202

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. Investment in an associate

	2024
	\$000
Opening Balance	-
Reclassification to investment in associate due to loss of control	3,383
Share of loss – associates	(132)
Closing Balance	3,251

Interest in Associates are accounted for using the equity method of accounting. Information relating to associates that are material for The Foundation are set out below.

Name	Principle Place of Business	Ownership Interest	
		2024	2023
		%	%
Alina Vision Pte Ltd	Vietnam	37.65%	76.60%

In January 2024, Alina Vision secured a new investor. 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. 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.

Post issue of new shares the Foundations ownership was reduced from 76.6% to 37.65% and voting rights was reduced to 40%. As a result,

it was determined that the Foundation had lost control of Alina Vision but still had significant influence. Thus, the assets and liabilities of Alina Vision were deconsolidated from the Foundation's accounts.

As at deconsolidation date, the Net Assets of Alina Vision (excluding Non-Controlling Interest) was \$2.2. The reclassification to investment in associate resulted in a gain on deconsolidation of \$0.6m, after taking away costs associated with deconsolidation.

Accounting policy for Investment in an associate

An associate is an entity where the Foundation has significant influence but not control or joint control. The Foundation accounts for its investments in associates using the equity method. The Foundation's share of the associate's profit or loss is reported in the statement of income.

The Foundation assesses whether there is any impairment of the investment in the associate

on an annual basis. If an impairment is identified, the loss is calculated as the difference between the recoverable amount and the carrying value, and it is recognised in the statement of income. When significant influence is lost, the retained investment is remeasured at fair value, and any gain or loss is recognised in the statement of income.

14. Financial assets at fair value

	2024	2023
	\$000	\$000
Australian fixed interest hybrids	9,125	9,895
Australian and international shares	16,672	12,848
Australian listed property	779	802
	26,576	23,545

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 \$9.7m (2023: \$11.5m) 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

The Foundation has been closely monitoring developments regarding US Government foreign aid following the January 20 Executive Order "Reevaluating and Realigning United States Foreign Aid" which called for a 90-day pause in new foreign assistance obligations and disbursements pending review of all foreign aid programs. This was followed by the dismantling of USAID and then the closure of 5,800 projects or about 83% of USAID's work.

The Foundation received USAID funding indirectly through two partner organisations. We were notified in mid-March that both our Ethiopia Trachoma programming (\$4.9m), and our UNOPS Cambodia project (\$1.7m) had been cancelled. The Foundation is actively seeking to mitigate this loss in

revenue from USAID by seeking grants from other sources. If other grant seeking activities are not successful during 2025, we are facing a reduction in revenue of 7% which will be offset by a parallel reduction in programmatic and other organisation-wide expenditure. Despite these challenges, The Foundation is committed to navigating this uncertainty and adapting our plans accordingly.

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 \$6,850.

18. Commitment and contingent liabilities

There are no contingent liabilities that have been incurred by The Foundation in relation to financial year 31 December 2024 (2023:\$2m). In 2024 The Fred Hollows Foundation (NZ) Board

formally endorsed the release of the FHF Bridging commitment of A\$2m relating to a construction project for a Centre for Eye Health (CfEH) in Papua New Guinea.

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 16.4 million (2023: 6.9 million) doses of Zithromax donated by Pfizer under the International Trachoma Initiative for collection, distribution and application in the Oromia region of Ethiopia. The Board has taken the view that control and significant risk and rewards of Zithromax never passed to The Foundation and has therefore not accounted for their receipt or distribution in the financial statements.

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

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

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

(c) Table of cash movements for designated purpose

No single appeal or other form of fundraising for a designated purpose generated 10% or more of total income for the year ended 31st December 2024.

21. Auditor's remuneration

	2024	2023
	\$000	\$000
For audit or review of financial report		
BDO Audit Pty Ltd	100	99
BDO – Overseas	314	309
Non-BDO audit firms	59	87
	473	495

22. Related party disclosure

(a) Key management personnel

	2024	2023
	\$000	\$000
Compensation of key management personnel of The Foundation:		
Short-term employee benefits	1,537	1,412
Other long-term employee benefits	16	11
	1,553	1,423

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	2024	2023
	\$000	\$000
The Fred Hollows Foundation (HK)	(834)	(1,064)
The Fred Hollows Foundation Kenya	1,472	2,657
The Fred Hollows Foundation (UK)	1,879	1,501
The Fred Hollows Foundation (USA)	1,452	820
Alina Vision Pte. Ltd	-	1,440

Funding was given to support The Foundation's subsidiaries in USA, Kenya and UK. The Foundation's subsidiary in Hong Kong provided a grant to the parent entity in 2024. 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 are The Fred Hollows Foundation (UK), The Fred Hollows Foundation Kenya, The

Fred Hollows Foundation (Hong Kong), The Fred Hollows Foundation (USA), The Fred Hollows Foundation Social Action Fund (USA), are all 100% owned and controlled by the parent entity.

a) Statement of financial position – Parent

Financial position information related to the parent entity.

	2024	2023
	\$000	\$000
Current assets	27,064	42,485
Non-current assets	31,964	25,099
Total assets	59,028	67,584
Current liabilities	25,006	22,881
Non-current liabilities	1,944	2,398
Total liabilities	26,950	25,279
Net assets	32,078	42,305

b) Statement of revenue – Parent

Deficit for the year for the parent was (\$10.2m) (2023: \$0.533m).

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

	2024	2023
Proceeds from fundraising appeals	\$000	\$000
Donations	58,424	56,012
Bequests	25,110	24,294
Gross proceeds from fundraising appeals	83,534	80,306
Direct costs of fundraising appeals		
Donations	24,330	20,830
Bequests	602	547
Costs of raising government funds	1,956	994
Total direct costs of fundraising appeals	26,888	22,371
Net surplus from fundraising appeals	56,646	57,935

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

	2024	2023
	\$000	\$000
Net surplus obtained from fundraising appeals	56,646	57,935
Applied for charitable purposes as follows:		
Office Administration	6,815	6,805
Costs of direct services:		
Community education	11,280	10,271
International programs	77,824	71,052
Indigenous programs	7,485	6,520
Total costs of direct services	96,589	87,843
Total expenditure	103,404	94,648
Shortfall	(46,758)	(36,713)

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

c) Shortfall provided by the following sources:

	2024	2023
	\$000	\$000
Department of Foreign Affairs and Trade	16,953	14,152
Other Australian grants	722	2,450
Other overseas grants	13,632	13,792
Investment income	4,498	2,856
Other income / (expenditure)	972	3,136
	36,777	36,386
Deficit	(9,981)	(327)

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
- Public fundraising events

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

e) Details of aggregate gross income and aggregate direct expenditure incurred in appeals in which traders were engaged in 2024:

Activity	2024				2023			
	Proceeds	Cost	Surplus	Costs/ Proceeds	Proceeds	Cost	Surplus	Costs/ Proceeds
	\$000	\$000	\$000	%	\$000	\$000	\$000	%
Regular Giving	14,126	5,266	8,860	37%	14,538	5,366	9,172	37%

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 2024 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: 24 March 2025

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 give 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: 24 March 2025

Sydney, NSW Australia



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INDEPENDENT AUDITOR'S 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 2024, 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 material accounting policy information, 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 2024 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 Fred Hollows Foundation's annual report, but does not include the financial report and our auditor's report thereon.

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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:

https://www.auasb.gov.au/media/apzlw0y/ar3_2024.pdf

This description forms part of our auditor's report.



BDO Audit Pty Ltd

BDO
Leah Russell

Leah Russell
Director

Sydney, 28 March 2025



The Fred Hollows
Foundation