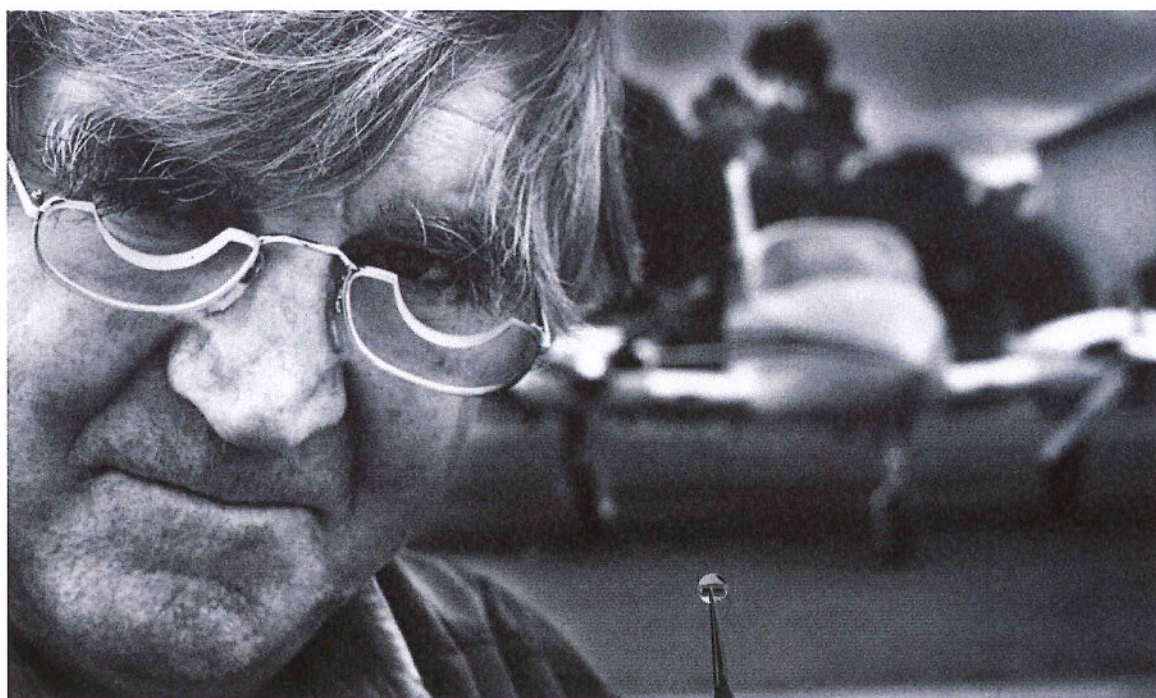




**The Fred Hollows
Foundation NZ**



Annual Report 2014

0800 227 229 | hollows.org.nz

Contents

- 3** Independent Auditor's Report
- 4** Statement of Financial Performance
- 5** Statement of Changes in Accumulated Funds
- 6** Statement of Financial Position
- 7** Notes to the Financial Statements

The Fred Hollows Foundation NZ

Vision

The Fred Hollows Foundation works for a world where no one is needlessly blind.

Goal

To restore sight to the needlessly blind through the provision of sight-saving surgeries and treatments, and by training local eye health specialists to deliver eye care services in their own communities.

What we do

1. RESTORE SIGHT

We perform thousands of sight-restoring surgeries and treatments every year at our clinics and through our surgical outreach program into underserved communities.

2. TRAIN DOCTORS AND NURSES

Training local eye doctors and nurses is the only way to eliminate avoidable blindness in a sustainable way. We provide specialist medical training to local doctors and nurses so they can take over the sight-restoring work carried out by visiting surgical teams.

3. BUILD LOCAL EYE CARE SYSTEMS

Our graduates often return home to work in challenging and professionally isolating environments. We provide ongoing logistical and technical support so they can deliver high quality eye care while continuing to improve their skills.

4. ENSURE OUR APPROACH IS TESTED AND EFFECTIVE

We aim to have the greatest possible impact on avoidable blindness with the resources we have. We are committed to ensuring our eye care programs are locally appropriate and meet international best practice.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF THE FRED HOLLOWS FOUNDATION (NZ)**

Report on the Financial Statements

We have audited the financial statements of The Fred Hollows Foundation (NZ) ("the Foundation") and its subsidiary (together as "the Group") on pages 4 to 11, which comprise the consolidated and separate statements of financial position as at 31 December 2014, and the statements of changes in accumulated funds, and statements of financial performance for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Trustees, as a body, in accordance with the Rules of Foundation. Our audit has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Board of Trustees Responsibility for the Financial Statements

The Board of Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the Board of Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

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

Other than in our capacity as auditor we have no relationship with, or interests in, the Foundation or its subsidiary.

Opinion

In our opinion, the financial statements on pages 4 to 11, present fairly, in all material respects, the financial position of the Foundation and the Group as at 31 December 2014, and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

BDO Auckland

BDO Auckland
21 May 2015
Auckland
New Zealand

**The Fred Hollows Foundation (NZ)
Statement of Financial Performance
For the year ended 31 December 2014**

	Note	Group 31 December 2014	Group 31 December 2013	Parent 31 December 2014	Parent 31 December 2013
OPERATING REVENUE					
Community and corporate support	2	6,416,575	5,053,708	6,416,575	5,053,702
Grants	10	7,072,359	4,887,806	7,033,243	4,813,041
Other income	3	251,411	117,775	177,415	112,050
Spectacle sales & patient fees		63,930	185,461	32,114	140,380
Total operating revenue		13,804,275	10,244,750	13,659,347	10,119,173
OPERATING EXPENSES					
Grants, community and corporate support expenses	4	2,779,093	1,916,940	2,779,093	1,916,940
Administration expenses		661,484	521,928	661,484	522,007
Programme expenses	10	9,920,266	5,713,273	10,558,198	5,856,714
Cost of spectacles & medical supplies consumed		32,727	92,260	21,733	82,207
Total operating expenses	5	13,393,570	8,244,401	14,020,508	8,377,868
Net surplus/(deficit)		410,705	2,000,349	(361,161)	1,741,305

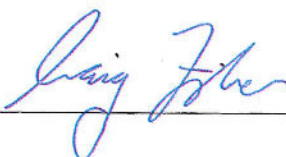
The Fred Hollows Foundation (NZ)
Statement of Changes in Accumulated Funds
For the year ended 31 December 2014

	Group 31 December 2014	Group 31 December 2013	Parent 31 December 2014	Parent 31 December 2013
Accumulated funds at beginning of year	4,218,542	2,227,023	3,863,669	2,122,364
Recognised revenue and expenses				
Net surplus for the year	410,705	2,000,349	(361,161)	1,741,305
Total recognised revenue and expenses	410,705	2,000,349	(361,161)	1,741,305
Foreign Currency Translation Reserve	8,351	(8,831)	(9)	-
Accumulated funds at end of year	4,637,598	4,218,542	3,502,499	3,863,669

The Fred Hollows Foundation (NZ)
Statement of Financial Position
As at 31 December 2014

	Note	Group 31 December 2014	Group 31 December 2013	Parent 31 December 2014	Parent 31 December 2013
ASSETS					
Current Assets					
Cash and cash equivalents		4,557,943	3,520,830	4,531,634	3,426,110
Receivables		3,038	634,510	2,529	634,510
Prepayments		984,781	167,970	203,221	43,357
GST refund		185,732	85,030	185,733	85,030
Inventories	7	205,444	71,897	49,136	56,974
Total Current Assets		5,936,938	4,480,237	4,972,253	4,245,981
Non Current Assets					
Property, plant & equipment	8	460,238	470,664	89,143	98,221
Total Non Current Assets		460,238	470,664	89,143	98,221
Total Assets		6,397,176	4,950,901	5,061,396	4,344,202
LIABILITIES					
Current Liabilities					
Trade payables		318,247	232,901	285,588	221,163
Accruals		388,819	98,468	367,676	40,892
Employee entitlements		130,533	84,105	105,644	61,156
Deferred revenue	9	799,989	157,322	799,989	157,322
Total Current Liabilities		1,637,588	572,796	1,558,897	480,533
Non Current Liabilities					
Deferred revenue	9	121,990	159,363	-	-
Total Non Current Liabilities		121,990	159,363	-	-
Total Liabilities		1,759,578	732,359	1,558,897	480,533
Accumulated Funds		4,637,598	4,218,542	3,502,499	3,863,669
TOTAL FUNDS EMPLOYED		6,397,176	4,950,901	5,061,396	4,344,202

Signed for and on behalf of the Board of Trustees who authorised the issue of these financial statements on the 21st May 2015

 Trustee

 Trustee

21 May 2015 Date

21 May 15 Date

The Fred Hollows Foundation (NZ)
Notes to and forming part of the Financial Statements
For the year ended 31 December 2014

1. Statement of Accounting Policies

Reporting Entity

The Fred Hollows Foundation (NZ) (hereon referred to as 'FHFNZ') is a charitable trust incorporated under the Charitable Trust Act 1957 and is a registered charity under the Charities Act 2005(CC23722). FHFNZ was incorporated in New Zealand and is a Public Benefit Entity ('PBE').

FHFNZ and its subsidiary, The Fred Hollows Foundation NZ Pacific Eye Institute Limited (hereon referred to as 'FHFNZ-PEI') comprise the Group.

FHFNZ-PEI was incorporated as a Company limited by guarantee and not having a share capital on 18 May 2009 under the Fiji Companies Act, 1983. The company is incorporated and is domiciled in the Republic of the Fiji Islands.

The Group exists to eliminate avoidable blindness primarily through providing eye health services and training eye health workers. The areas of operation for the Group is the Pacific Islands, Papua New Guinea, Timor - Leste and Solomon Islands.

Basis of Preparation

The financial statements of FHFNZ have been prepared in accordance with Generally Accepted Accounting Standards in New Zealand as represented by Financial Reporting Standards and applicable Statements of Standard Accounting Practice and apply differential reporting as appropriate for entities that qualify for exemptions.

Differential Reporting

FHFNZ qualifies for differential reporting exemptions on the basis that it is not publicly accountable and it is not considered large within the terms of reference of paragraph 4.2 of the Framework for Differential Reporting. All available differential reporting exemptions allowed under the framework have been adopted.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed by the Group.

Specific Accounting Policies

The following specific accounting policies, which materially affect the measurement of financial performance and financial position, have been applied:

i) Revenue Recognition

Revenue for the Group consists of one-off and regular donations from individuals, trusts, foundations and corporate entities. Grants are received from governments, interest from registered banking institutions and spectacle sales and patient fees from clinic patients.

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

The following specific recognition criteria must be met before revenue is recognised:

Grants and Donations

Grants and donations are recognised as income when they become receivable unless there is a liability to repay the grant if the requirements of the grant or donation are not fulfilled. A liability is recognised to the extent that such conditions are unfulfilled at the end of the reporting period.

Bequests

Bequests are recognised in the statement of financial performance when they are received.

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Spectacle sales and Patient fees

Spectacle sales and patient fees are recognised in the statement of financial performance when they are received.

ii) Receivables and Prepayments

Receivables are stated at their estimated realisable value after making provision for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

iii) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

iv) Goods and Services Tax

All amounts are shown exclusive of goods and services tax except for receivables and payables that are stated inclusive of goods and services tax.

v) Foreign Currency

Foreign Currency Transactions

Transactions in foreign currencies are translated into the reporting currency using the exchange rate in effect at the transaction date. Monetary items receivable or payable in a foreign currency are translated at balance date at the closing rate.

Exchange differences on foreign currency balances are recognised in the statement of financial performance.

Translation of the Financial Statements of the Subsidiary

Assets and liabilities of the subsidiary are translated at balance date at the closing rate. Revenue and expense items are translated at a weighted average of exchange rates over the financial period, as a surrogate for the spot rates at transaction dates.

Exchange differences arising from the foregoing are taken to the foreign currency translation reserve and recognised in the statement of changes in accumulated funds.

vi) Leases

Leases under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense in the statement of financial performance on a straight line basis over the lease term.

The Fred Hollows Foundation (NZ)
Notes to and forming part of the Financial Statements
For the year ended 31 December 2014

vii) Provisions

Accrued Expenses

A liability is accrued for expenses incurred in the period estimated at the future cash outflows for the service provided and yet to be billed.

Employee Entitlements

A liability for annual leave is accrued and recognised in the statement of financial position. The liability is equal to the present value of the estimated future cash outflows as a result of employee services provided at balance date.

viii) Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost, including costs directly attributable to bringing the asset to its working condition.

All items of property, plant, and equipment have been capitalised and depreciated over the period of expected benefit from their use.

When an item of property, plant and equipment is disposed of, the difference between net disposal proceeds and the carrying amount is recognised as a gain, or loss, in the statement of financial performance.

Depreciation is provided for on a straight line basis on all property, plant and equipment at depreciation rates calculated to allocate the assets' cost over their estimated useful lives with the exception of some assets in the subsidiary which have been depreciated at diminishing value.

Below is a summary of depreciation rates used:

Office Equipment & Furniture and Fittings	10% - 20% SL
Leasehold Improvements	33% SL
Computer Equipment	33% - 40% SL
Medical & Teaching Equipment	30% SL
Motor Vehicles	30% SL

If the recoverable amount of an asset is less than its carrying amount, the item is written down to its recoverable amount. The write-down of an asset is recognised as an expense in the statement of financial performance.

ix) Trade Payables and Accruals

Accounts payable and accruals are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided prior to the end of the financial year that are unpaid and when an obligation arises to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 to 60 days of recognition.

x) Inventories

Inventories are recognised at the lower of cost and net realisable value. Inventories consist of medical supplies and spectacles.

xi) Basis of Consolidation

The consolidated financial statements include FHFNZ and FHFNZ PEI. The consolidated financial statements have been prepared by aggregating the items of assets, liabilities, revenues and expenses on a line-by-line basis.

All significant inter-entity transactions are eliminated on consolidation.

xii) Deferred Revenue

Deferred revenue is made up of grant and/or donation income tied to a specific purpose. A liability is recognised to the extent that such conditions are unfulfilled at the end of the reporting period.

In the subsidiary, long term deferred revenue arises from plant and equipment acquired through funding received. Such donations and funding are treated as deferred income which is recognised as income over the assets estimated useful life.

xiii) Income Tax

The group has been approved as a charitable organisation in each operating region for income tax purposes and has no income tax liability.

Changes in Accounting Policies

There have been no significant changes in accounting policies.

2. Community and Corporate Support

	Group 31-Dec-14	Group 31-Dec-13	Parent 31-Dec-14	Parent 31-Dec-13
Bequests	1,033,733	891,712	1,033,733	891,712
Donations > \$10,000	662,077	297,750	662,077	297,750
Corporate Donations	94,759	92,425	94,759	92,425
All others <\$10,000	4,626,006	3,771,821	4,626,006	3,771,815
	<u>6,416,575</u>	<u>5,053,708</u>	<u>6,416,575</u>	<u>5,053,702</u>

3. Other Income

	Group 31-Dec-14	Group 31-Dec-13	Parent 31-Dec-14	Parent 31-Dec-13
Interest Received	152,975	103,206	152,740	102,826
Other Admin Income	98,436	14,569	24,675	9,224
	<u>251,411</u>	<u>117,775</u>	<u>177,415</u>	<u>112,050</u>

The Fred Hollows Foundation (NZ)
Notes to and forming part of the Financial Statements
For the year ended 31 December 2014

4. Grants, community and corporate support expenses

	Group 31-Dec-14	Group 31-Dec-13	Parent 31-Dec-14	Parent 31-Dec-13
Fundraising	776,130	721,611	776,130	721,611
Investment in fundraising initiatives	812,758	667,585	812,758	667,585
Donor care	90,363	57,135	90,363	57,135
Advocacy & public education	932,940	307,347	932,940	307,347
Communications	166,902	163,262	166,902	163,262
	<u>2,779,093</u>	<u>1,916,940</u>	<u>2,779,093</u>	<u>1,916,940</u>

5. Total operating expenses includes the following specific expenses:

	Group 31-Dec-14	Group 31-Dec-13	Parent 31-Dec-14	Parent 31-Dec-13
Leasing and rental charges	301,408	245,489	118,118	122,455
Gain on disposal of fixed asset	-	-	-	-
Auditor's remuneration				
- Group auditor	41,553	36,136	25,412	24,268
Depreciation				
- Computer equipment	28,952	20,888	18,066	11,785
- Office equipment	5,631	8,024	2,074	1,635
- Furniture & fittings	5,255	3,749	4,618	3,185
- Leasehold Improvements	14,773	14,588	14,773	14,588
- Motor Vehicles	9,911	12,352	-	-
- Medical & teaching	77,372	51,763	-	-
Employee remuneration	267,725	151,009	267,725	151,009

6. Programme Funding

The FHFNZ eye care programs restore sight through outreach and clinical service provision, including training of eye care workers, management support of eye care programs and purchasing equipment for regional clinics. Any assets purchased for the establishment of FHFNZ programs in the region are recorded as an expense in the year incurred as it is unlikely that these assets would ever be returned to FHFNZ with the exception of assets specifically purchased for use by FHFNZ-PEI. Any assets which are donated to the clinics and over which FHFNZ retains no ownership rights, are also recorded as an expense in the year of donation.

7. Inventories

	Group 31-Dec-14	Group 31-Dec-13	Parent 31-Dec-14	Parent 31-Dec-13
Spectacles & Consumables	205,444	71,897	49,136	56,974
	<u>205,444</u>	<u>71,897</u>	<u>49,136</u>	<u>56,974</u>

8. Property, Plant and Equipment

	Group 31-Dec-14	Group 31-Dec-13	Parent 31-Dec-14	Parent 31-Dec-13
Computer Equipment	178,929	146,131	99,173	73,403
Accumulated Depreciation	(126,158)	(96,661)	(71,181)	(53,115)
	<u>52,771</u>	<u>49,470</u>	<u>27,992</u>	<u>20,288</u>
Office Equipment	54,040	53,063	23,016	22,379
Accumulated Depreciation	(33,154)	(27,303)	(11,359)	(9,285)
	<u>20,886</u>	<u>25,760</u>	<u>11,657</u>	<u>13,094</u>
Furniture and Fittings	66,095	62,626	59,997	56,594
Accumulated Depreciation	(29,909)	(24,619)	(26,351)	(21,732)
	<u>36,186</u>	<u>38,007</u>	<u>33,646</u>	<u>34,862</u>
Leasehold Improvements	102,225	101,581	102,225	101,581
Accumulated Depreciation	(86,377)	(71,604)	(86,377)	(71,604)
	<u>15,848</u>	<u>29,977</u>	<u>15,848</u>	<u>29,977</u>
Medical & teaching	826,208	726,900	-	-
Accumulated Depreciation	(531,532)	(448,744)	-	-
	<u>294,676</u>	<u>278,156</u>	<u>-</u>	<u>-</u>
Motor Vehicles	117,667	116,378	-	-
Accumulated Depreciation	(77,796)	(67,084)	-	-
	<u>39,871</u>	<u>49,294</u>	<u>-</u>	<u>-</u>
Net Book Value	<u>460,238</u>	<u>470,664</u>	<u>89,143</u>	<u>98,221</u>

The Fred Hollows Foundation (NZ)
Notes to and forming part of the Financial Statements
For the year ended 31 December 2014

9. Deferred Revenue

	Group 31-Dec-14	Group 31-Dec-13	Parent 31-Dec-14	Parent 31-Dec-13
Current	799,989	157,322	799,989	157,322
Non-current	121,990	159,363	-	-
	<u>921,979</u>	<u>316,685</u>	<u>799,989</u>	<u>157,322</u>

10. Grants and Program Expenses

	Group 31-Dec-14	Group 31-Dec-13	Parent 31-Dec-14	Parent 31-Dec-13
Grants				
Government Funding - FHFNZ PEI	2,065,780	2,422,375	2,065,780	2,422,375
Government Funding - PNG	1,035,883	1,277,625	1,035,883	1,277,625
The Fred Hollows Foundation - Australia ('The Foundation'): Timor- Leste	1,132,610	1,063,934	1,132,610	1,063,934
Funding previously deferred - FHFNZ-PEI	39,116	61,397	-	-
Other Programme Revenue	-	62,475	-	49,107
Government Funding - Solomon Islands	2,798,970	-	2,798,970	-
	<u>7,072,359</u>	<u>4,887,806</u>	<u>7,033,243</u>	<u>4,813,041</u>

	Group 31-Dec-14	Group 31-Dec-13	Parent 31-Dec-14	Parent 31-Dec-13
Program Expenses				
FHFNZ-PEI	1,737,864	2,493,425	2,375,796	2,636,866
Papua New Guinea	1,888,323	1,426,002	1,888,323	1,426,002
Timor Leste	1,486,020	1,204,086	1,486,020	1,204,086
Solomon Islands	159,846	-	159,846	-
Other Program Expenses	4,648,213	589,760	4,648,213	589,760
	<u>9,920,266</u>	<u>5,713,273</u>	<u>10,558,198</u>	<u>5,856,714</u>

11. Operating Lease Commitments

FHFNZ operates from leased offices at Tower B, Level 6, 100 Carlton Gore Road, Newmarket, Auckland. In 2008 the lease was signed for a period of six years with the right of renewal. This was exercised a year early with the next right of renewal in 2017.

PEI operating lease commitments are contracted for residential apartments for employees.

FHFNZ leases a photocopier from Ricoh Finance. The lease expires in October 2017.

Commitments under non-cancellable operating leases:

	Group 31-Dec-14	Group 31-Dec-13	Parent 31-Dec-14	Parent 31-Dec-13
Building/Apartments				
Current	303,563	233,716	120,273	110,682
Non-current	229,684	331,700	229,684	331,700
Total Building/Apartments	533,247	565,416	349,957	442,382
Photocopier				
Current	9,308	8,984	9,308	8,984
Non-Current	15,513	25,454	15,513	25,454
Total Photocopier	24,821	34,438	24,821	34,438
Computer Server				
Current	4,399	-	4,399	-
Non-Current	9,997	-	9,997	-
Total Computer Server	14,396	-	14,396	-
Total lease commitments	<u>572,464</u>	<u>599,854</u>	<u>389,174</u>	<u>476,820</u>

12. Transactions with Related Parties

FHFNZ is in a partnership agreement with The Fred Hollows Foundation (The Foundation). This agreement formalises the responsibilities of, and arrangements between, FHFNZ and The Foundation for the operations carried out in Timor Leste. During the reporting period, FHFNZ has recognised income received from The Foundation to fund the Timor Leste operations amounting to \$1,132,610 (2013: \$1,063,934).

In 2013, FHFNZ and MFAT entered into a Funding Arrangement for operations to be carried out in Fiji and Papua New Guinea. FHFNZ used this funding in accordance with this Arrangement, in addition to general donations, for FHFNZ's operations in those areas. The funding for the reporting period totalled \$3,100,000 (2013: \$3,700,000).

13. Capital Commitments

The Group has committed to and contracted with MFAT for \$3,797,004 to build a Regional Eye Centre in Solomon Islands. Construction commenced in 2014 and is due for completion in May 2015. \$1,200,000 is the balance of the commitment in 2014. (2013: \$943,385 Mobile Eye Clinic and PNG theatre).

14. Remuneration of Board Members

The Trustees of FHFNZ provide governance services on an honorary basis.

15. Contingencies

There are no contingencies.

The Fred Hollows Foundation (NZ)
Notes to and forming part of the Financial Statements
For the year ended 31 December 2014

16. Subsidiary

The consolidated financial statements include the financial statements of FHFNZ-PEI which is incorporated in Fiji as a company limited by guarantee without issuance of share capital in May 2009. The composition of the members and directors of FHFNZ-PEI have been set up by FHFNZ in order for FHFNZ to have control over FHFNZ-PEI. Accordingly FHFNZ-PEI is considered a subsidiary.

17. Bank Credit Facility

FHFNZ has a credit card facilities with a combined limit of \$191,500. A term deposit of an equal value to the facility limit has a restriction on its withdrawal, this being the security held over the credit card facility. The outstanding balance of the facility as at 31 December 2014 is \$nil (2013: \$nil).

18. Going Concern

These financial statements have been prepared on a going concern basis. The Trustees believe this continues to be a valid basis and have reached this conclusion having regard to the circumstances considered likely to affect the Group in the foreseeable future which could impact the going concern assumption.

The organisation currently enjoys the support of, and is reliant on, funding from a variety of sources such as the NZ public, Government via Ministry of Foreign Affairs and Trade (MFAT), The Fred Hollows Foundation Australia (The Foundation), The Australian Department of Foreign Affairs and Trade (DFAT) and a variety of other funding bodies in order to carry out its charitable work.

The Group's regional program was significantly funded by MFAT and The Foundation during the current reporting period ending 31 December 2014. FHFNZ was successful in securing MFAT's continued financial support until 2015.

19. Reserves Policy

As a prudent financial governance approach, the Board has a policy of aiming to hold approximately six months of operating expenses in reserve. The express purpose of this reserve is to allow the organisation to accommodate any unexpected changes in funding and minimise the disruption to continuing to be able to provide its charitable works. This is included in accumulated funds.

20. Subsequent Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years. (2013:\$nil)