



**The Fred Hollows**  
Foundation NZ



## Annual Report 2015

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## The Fred Hollows Foundation NZ

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### 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, sight-preserving diabetes eye care treatments and distribute thousands of pairs of spectacles at our clinics and through our surgical outreach program.

#### 2. TRAIN DOCTORS AND NURSES

Training local eye doctors and nurses is the only way to eliminate avoidable blindness in a sustainable way. We support the Pacific eye care workforce by providing specialist medical training and ongoing professional development so that eye care graduates can supersede visiting surgical teams.

#### 3. BUILD LOCAL EYE CARE SYSTEMS

We work to integrate eye care into existing health systems, collaborating with local health ministries and advocating for universal access to quality eye care through the recognition of specialist qualifications.

#### 4. ENSURE OUR APPROACH IS TESTED AND EFFECTIVE

Our approach is tested and effective, using appropriate data systems to better understand current and future eye care needs. We are committed to adopting innovative solutions, ensuring that 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 2015, 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 the 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 determines 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 made, 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 Subsidiaries.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Fred Hollows Foundation (NZ) as at 31 December 2015, and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

*BDO Auckland*

BDO Auckland  
19 May 2016  
Auckland  
New Zealand



# The Fred Hollows Foundation (NZ)

## Consolidated Statement of Financial Performance

### For the year ended 31 December 2015

	Note	Group 31 December 2015	Group 31 December 2014	Parent 31 December 2015	Parent 31 December 2014
<b>OPERATING REVENUE</b>					
Community and corporate support	2	6,494,973	6,416,575	6,494,973	6,416,575
Grants	10	4,788,683	7,072,359	4,691,246	7,033,243
Other income	3	324,374	251,411	212,478	177,415
Spectacle sales & patient fees		77,935	63,930	39,500	32,114
<b>Total operating revenue</b>		<b>11,685,965</b>	<b>13,804,275</b>	<b>11,438,198</b>	<b>13,659,347</b>
<b>OPERATING EXPENSES</b>					
Grants, community and corporate support expenses	4	3,321,922	2,779,093	3,321,922	2,779,093
Administration expenses	5	636,584	661,484	636,584	661,484
Programme expenses	10	8,429,253	9,920,266	8,005,555	10,558,198
Cost of spectacles & medical supplies consumed		62,630	32,727	16,994	21,733
<b>Total operating expenses</b>		<b>12,450,388</b>	<b>13,393,570</b>	<b>11,981,055</b>	<b>14,020,508</b>
<b>Net (deficit) / surplus for the year</b>		<b>(764,424)</b>	<b>410,705</b>	<b>(542,857)</b>	<b>(361,161)</b>

The above should be read in conjunction with the notes to and forming part of the financial statements.

# The Fred Hollows Foundation (NZ)

## Consolidated Statement of Changes in Accumulated Funds

### For the year ended 31 December 2015

	Group 31 December 2015	Group 31 December 2014	Parent 31 December 2015	Parent 31 December 2014
Accumulated funds at beginning of year	4,637,598	4,218,542	3,502,499	3,863,669
Recognised revenue and expenses				
Net (deficit) / surplus for the year	(764,424)	410,705	(542,857)	(361,161)
Total recognised revenue and expenses	<u>(764,424)</u>	<u>410,705</u>	<u>(542,857)</u>	<u>(361,161)</u>
Foreign Currency Translation Reserve	(1,611)	8,351	(78,057)	(9)
Accumulated funds at end of year	<u>3,871,564</u>	<u>4,637,598</u>	<u>2,881,585</u>	<u>3,502,499</u>

The above should be read in conjunction with the notes to and forming part of the financial statements.


# The Fred Hollows Foundation (NZ)

## Consolidated Statement of Financial Position

### As at 31 December 2015

	Note	Group 31 December 2015	Group 31 December 2014	Parent 31 December 2015	Parent 31 December 2014
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents		3,178,947	4,557,943	3,144,248	4,531,634
Restricted Cash	9	23,524	-	23,524	-
Receivables		8,983	3,038	8,983	2,529
Prepayments		109,821	984,781	92,357	203,221
GST refund		167,735	185,732	167,735	185,733
Inventories	7	171,405	205,444	51,236	49,136
<b>Total Current Assets</b>		<b>3,660,415</b>	<b>5,936,938</b>	<b>3,488,083</b>	<b>4,972,253</b>
<b>Non Current Assets</b>					
Property, plant & equipment	8	1,030,375	460,238	66,316	89,143
<b>Total Non Current Assets</b>		<b>1,030,375</b>	<b>460,238</b>	<b>66,316</b>	<b>89,143</b>
<b>Total Assets</b>		<b>4,690,790</b>	<b>6,397,176</b>	<b>3,554,398</b>	<b>5,061,396</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade payables		270,133	318,247	260,552	285,588
Accruals		148,358	388,819	170,725	367,676
Employee entitlements		156,679	130,533	134,016	105,644
Deferred revenue	9	107,522	799,989	107,522	799,989
<b>Total Current Liabilities</b>		<b>682,692</b>	<b>1,637,588</b>	<b>672,813</b>	<b>1,558,897</b>
<b>Non Current Liabilities</b>					
Deferred revenue	9	136,533	121,990	-	-
<b>Total Non Current Liabilities</b>		<b>136,533</b>	<b>121,990</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>819,226</b>	<b>1,759,578</b>	<b>672,813</b>	<b>1,558,897</b>
<b>Accumulated Funds</b>		<b>3,871,564</b>	<b>4,637,598</b>	<b>2,881,585</b>	<b>3,502,499</b>
<b>TOTAL FUNDS EMPLOYED</b>		<b>4,690,790</b>	<b>6,397,176</b>	<b>3,554,399</b>	<b>5,061,396</b>

Signed for and on behalf of the Board of Trustees who authorised the issue of these financial statements on 19 May 2016.

  
 \_\_\_\_\_ Trustee  
 19 May 2016  
 \_\_\_\_\_ Date

  
 \_\_\_\_\_ Trustee  
 19 May 2016  
 \_\_\_\_\_ Date

The above should be read in conjunction with the notes to and forming part of the financial statements.

# The Fred Hollows Foundation (NZ)

## Notes to and forming part of the Consolidated Financial Statements

### For the year ended 31 December 2015

#### 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 (CG23/22). 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 the Solomon Islands.

##### 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.

##### Basis of Preparation

The consolidated 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.

Certain comparative numbers have been reclassified to ensure consistency with the current period presentation. The reclassifications have had no impact on the net operating surplus of the Group. The consolidated financial statements are shown in New Zealand dollars (\$).

##### 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 and bequests 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 consolidated 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 consolidated 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 consolidated statement of financial performance on a straight line basis over the lease term.



The Fred Hollows Foundation (NZ)  
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For the year ended 31 December 2015

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 consolidated 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 consolidated 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.

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 consolidated 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 funding received for the purchase of plant and equipment. Such donations and funding are treated as deferred income until such time the assets are acquired.

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-15	Group 31-Dec-14	Parent 31-Dec-15	Parent 31-Dec-14
Bequests	565,364	1,033,733	565,364	1,033,733
Donations > 10,000	529,760	662,077	529,760	662,077
Corporate Donations	56,295	94,759	56,295	94,759
All others <10,000	5,343,554	4,626,006	5,343,554	4,626,006
	<u>6,494,973</u>	<u>6,416,575</u>	<u>6,494,973</u>	<u>6,416,575</u>

3. Other Income

	Group 31-Dec-15	Group 31-Dec-14	Parent 31-Dec-15	Parent 31-Dec-14
Interest Received	128,434	152,975	128,434	152,740
Other Admin Income	195,939	98,436	84,044	24,675
	<u>324,374</u>	<u>251,411</u>	<u>212,478</u>	<u>177,415</u>



The Fred Hollows Foundation (NZ)  
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For the year ended 31 December 2015

4. Grants, community and corporate support expenses

	Group 31-Dec-15	Group 31-Dec-14	Parent 31-Dec-15	Parent 31-Dec-14
Fundraising	768,897	776,130	768,897	776,130
Investment in fundraising initiatives	1,440,911	812,758	1,440,911	812,758
Donor care	112,919	90,363	112,919	90,363
Advocacy & public education	760,537	932,940	760,537	932,940
Communications	238,658	166,902	238,658	166,902
	<u>3,321,922</u>	<u>2,779,093</u>	<u>3,321,922</u>	<u>2,779,093</u>

5. Administration Expenses

	Group 31-Dec-15	Group 31-Dec-14	Parent 31-Dec-15	Parent 31-Dec-14
Leasing and rental charges	119,155	118,118	119,155	118,118
Auditor's remuneration				
- Group auditor	28,432	25,412	28,432	25,412
Depreciation				
- Computer equipment	14,903	18,066	14,903	18,066
- Office equipment	5,734	2,074	5,734	2,074
- Furniture & fittings	4,810	4,618	4,810	4,618
- Leasehold Improvements	3,401	14,773	3,401	14,773
Employee remuneration	244,707	151,009	244,707	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-15	Group 31-Dec-14	Parent 31-Dec-15	Parent 31-Dec-14
Spectacles & Consumables	171,405	205,444	51,236	49,136
	<u>171,405</u>	<u>205,444</u>	<u>51,236</u>	<u>49,136</u>

8. Property, Plant and Equipment

	Group 31-Dec-15	Group 31-Dec-14	Parent 31-Dec-15	Parent 31-Dec-14
Computer Equipment	222,102	178,929	101,911	99,173
Accumulated Depreciation	(164,873)	(126,158)	(86,084)	(71,181)
	<u>57,229</u>	<u>52,771</u>	<u>15,827</u>	<u>27,992</u>
Office Equipment	46,410	54,040	12,548	23,016
Accumulated Depreciation	(35,135)	(33,154)	(5,625)	(11,359)
	<u>11,274</u>	<u>20,886</u>	<u>6,923</u>	<u>11,657</u>
Furniture and Fittings	68,794	66,095	62,280	59,997
Accumulated Depreciation	(36,258)	(29,909)	(31,160)	(26,351)
	<u>32,536</u>	<u>36,186</u>	<u>31,120</u>	<u>33,646</u>
Leasehold Improvements	102,225	102,225	102,225	102,225
Accumulated Depreciation	(89,778)	(86,377)	(89,778)	(86,377)
	<u>12,447</u>	<u>15,848</u>	<u>12,447</u>	<u>15,848</u>
Medical & teaching equipment	1,775,752	826,208	-	-
Accumulated Depreciation	(905,000)	(531,532)	-	-
	<u>870,752</u>	<u>294,676</u>	<u>-</u>	<u>-</u>
Motor Vehicles	160,155	117,667	-	-
Accumulated Depreciation	(114,020)	(77,796)	-	-
	<u>46,136</u>	<u>39,871</u>	<u>-</u>	<u>-</u>
Net Book Value	<u>1,030,375</u>	<u>460,238</u>	<u>66,316</u>	<u>89,143</u>

The Fred Hollows Foundation (NZ)  
Notes to and forming part of the Consolidated Financial Statements  
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9. Deferred Revenue

	Group 31-Dec-15	Group 31-Dec-14	Parent 31-Dec-15	Parent 31-Dec-14
Current				
Non Restricted	83,988	799,989	83,988	799,989
Restricted	23,524	-	23,524	-
	107,522	799,989	107,522	799,989
Non-current				
Non Restricted	136,533	121,990	-	-
	244,055	921,979	107,522	799,989

Restricted deferred grant revenue refer to funds received from the Queen Elizabeth Diamond Jubilee Trust.

10. Grants and Program Expenses

	Group 31-Dec-15	Group 31-Dec-14	Parent 31-Dec-15	Parent 31-Dec-14
<b>Grants</b>				
Government Funding - FHFNZ PEI	2,058,157	2,065,780	2,058,157	2,065,780
Government Funding - PNG The Fred Hollows Foundation - Australia ('The Foundation'):	29,528	1,035,883	29,528	1,035,883
Timor - Leste Funding previously deferred - FHFNZ-PEI	1,033,352	1,132,610	1,033,352	1,132,610
	97,436	38,116	-	-
Other Program Revenue Government Funding - Solomon Islands	274,177	-	274,177	-
	1,298,033	2,798,970	1,298,033	2,798,970
	4,786,683	7,072,359	4,681,246	7,033,243
<b>Program Expenses</b>				
FHFNZ-PEI	3,330,439	1,737,804	2,906,741	2,375,796
Papua New Guinea	1,256,747	1,888,323	1,256,747	1,888,323
Timor Leste	1,188,690	1,486,020	1,188,690	1,486,020
Solomon Islands	565,753	159,846	565,753	159,846
Other Program Expenses	2,087,623	4,648,213	2,087,623	4,648,213
	8,429,253	9,920,266	8,005,555	10,558,198

11. Operating Lease Commitments

FHFNZ operates from leased offices at Tower B, Level 6, 100 Cawston Gore Road, Newmarket, Auckland. In 2008 the lease for these offices 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's 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-15	Group 31-Dec-14	Parent 31-Dec-15	Parent 31-Dec-14
<b>Building/Apartments</b>				
Current	325,882	303,563	123,078	120,273
Non-current	137,565	229,684	102,505	224,684
Total Building/Apartments	463,447	533,247	225,583	344,957
<b>Photocopier</b>				
Current	8,984	9,308	8,984	9,308
Non-Current	5,241	15,513	5,241	15,513
Total Photocopier	14,225	24,821	14,225	24,821
<b>Computer Server</b>				
Current	4,799	4,399	4,799	4,399
Non-Current	4,799	9,997	4,799	9,997
Total Computer Server	9,598	14,396	9,598	14,396
Total lease commitments	487,271	572,464	249,407	369,174

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 \$1,033,352 (2014: \$1,132,610).

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 \$1,900,000 (2014: \$3,100,000).

13. Remuneration of Board Members

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

14. Capital Commitments

There are no capital commitments as at the reporting date (2014: Regional Eye Clinic Solomon Islands \$1,200,000).

15. Contingencies

There are no contingencies (2014: Nil).

The Fred Hollows Foundation (NZ)  
Notes to and forming part of the Consolidated Financial Statements  
For the year ended 31 December 2015

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**16. Bank Credit Facility**

FHFNZ has a credit card facility with a limit of \$120,000. 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 2015 is \$nil (2014: \$nil).

**17. 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 2015. FHFNZ is securing MFAT's continued financial support until 2020.

**18. 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.

**19. Subsequent Events**

No other 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 (2014:\$nil).