

# Annual report 2017



Sightsavers

# A closer look

The **case studies** throughout this report take a closer look at our projects and programmes

**Cover image:** Seven-year-old Dorcas from Nigeria received the one billionth Sightsavers treatment for neglected tropical diseases. **Read her story in case study 1, on page 22.**

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# The context

New data about visual impairment was published in 2017\*. It showed that:

- An estimated 36 million people are blind. The leading cause of this is cataracts.
- An estimated 217 million people have moderate to severe visual impairment. The biggest cause of this is uncorrected refractive error.
- An estimated 1.1 billion people struggle with near vision and need reading glasses.
- More than 75% of all blindness and visual impairment can be cured or prevented.
- More than a billion people, about 15% of the world's population, have some form of disability. Between 110 million and 190 million (2.2% to 3.8%) of people aged 15 years and above have significant difficulties in functioning.
- Rates of disability are increasing because of the ageing population and a rise in chronic health conditions, among other causes. Without action, the number of people who are blind could rise to 115 million by 2050.

\*This data was included in the International Agency for the Prevention of Blindness (IAPB) Vision Atlas, which Sightsavers helped to fund. This in turn was based on data published in the Lancet.

#### Sources

Bourne RRA, Flaxman SR, Braithwaite T, Cicinelli MV, Das A, Jonas JB, et al; Vision Loss Expert Group. Magnitude, temporal trends, and projections of the global prevalence of blindness and distance and near vision impairment: a systematic review and meta-analysis. Lancet Global Health. 2017 Sep; 5(9): e888-97.

# 1 billion

people have some form of disability, which is...



of the world's population



# 253 million

people are blind or visually impaired



# 36



# million are blind

# 75%



of blindness and visual impairment can be **cured or prevented**

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# 89%

of people who are visually impaired live in **low and middle income countries**



# 80%

of people with disabilities live in **low and middle income countries**



Without action, the number of people who are blind could rise to **115 million by 2050**

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More than

# 1 billion

people have **near-vision impairments** that can be corrected with reading glasses



Read the World Health Organisation's Disability and Health Fact Sheet 2018 at [www.who.int/mediacentre/factsheets/fs352/en/](http://www.who.int/mediacentre/factsheets/fs352/en/)

Nine-year-old Sumaiya, from Tarakanda in north Bangladesh, attempting to read at home before her cataract surgery.





## Our vision

Sightsavers' goal is a world where no one is blind from avoidable causes, and where people with visual impairments and other disabilities participate equally in society.

## Our mission

We are an international organisation working with partners in developing countries to eliminate avoidable blindness and promote equality for people with disabilities.

# Message from our Chair and our CEO

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**When we look back on 2017, it is with pride and excitement in equal measure.**

We were able to deliver a record number of treatments for neglected tropical diseases (NTDs) and achieved increased results in almost every area of activity. We reached more people than ever before. Great steps forward were made in the area of disability, with the new UK Secretary of State for International Development using her very first speech to commit to a Global Disability Summit, and confirming that disability would be at the heart of programming at the Department for International Development (DFID).

Despite a challenging external environment, we had a good year for fundraising. We secured the funds to hit our Million Miracles cataract eye operation target, and we had other tremendous fundraising successes not just in the UK, but in countries such as India. We scored well in terms of implementation, with all contracts assessed by DFID coming in at A+ or A++. This ability to deliver results, on time and on budget, is the cornerstone of our success and critical to our reputation.

There have also been some moving moments this year: the excitement of winning awards like the Champalimaud Prize for our work on blindness and eye diseases, and the poignancy of experiencing what turned out to be the last public engagement of Professor Stephen Hawking at an event to celebrate our one billion NTD treatments. His speech about his father's work on NTDs, and what it meant to him to have that work finally acknowledged and celebrated, was one of the most special moments for all of us.

This report will give you an insight into some of the programmes that had a huge impact on people's lives. But we also share with you where things did not go so well, and the risks and challenges we face. We believe it is important to be open about both our successes and our disappointments: development can be a rewarding business, but a tough one too.

We are writing this at a time of soul-searching in the development sector as a whole. Over the past few months, several development NGOs have been criticised over allegations of sexual misconduct and exploitation related to beneficiaries, communities or staff members. DFID and the Charity Commission have held meetings to bring development organisations together and discuss new standards to minimise the risk of this happening again. This follows earlier problems arising from private-sector entities contracted by DFID, which led DFID to introduce a suppliers' code of conduct for all organisations that receive DFID contract funding. The code contains stringent standards around areas including financial management, handling suppliers and cyber security.

Given these new requirements, Sightsavers has taken a long, hard look at its relevant policies and procedures, making improvements wherever these are helpful. All our key policies are now on our website for transparency. We recognise, of course, that to focus solely on these process elements is only half the story. What matters most is our organisational culture and leadership, from the Board of Trustees, the CEO and our senior directors through to our country directors and all staff. After thorough scrutiny, evidence shows that the culture of our organisation and its leadership behaviours are in good shape.





“We achieved increased results in almost every area of activity. We reached more people than ever before.”



© Sightsavers 2017/Allison Joyce

People queue for an eye health screening in Jessore district, south-west Bangladesh.

We have made clear to employees that the use of sex workers will not be tolerated. We have not had any substantiated allegations of sexual harassment by staff, nor are our HR team aware of any undercurrent of inappropriate behaviour among our staff. This is reassuring and we will continue to be vigilant on all fronts.

We have strengthened our whistleblowing process so any whistleblowers get straight through to the Board of Trustees, and are not channelled through senior management. We stand ready to respond to any further requirements that the Secretary of State and Charity Commission recommend. In 2018, we will be undertaking our regular anonymous, independent employee survey, which will enable us to further gauge the organisation. And we will maintain an unerring focus on supporting and protecting the people we are here to serve: our beneficiaries.

Against an external backdrop of some turbulence and uncertainty, we are proud and grateful that Sightsavers has had another high-performing year and continues to thrive. That would not have been possible without the many people and groups on which the organisation relies: myriad loyal supporters, wonderful partners, hard-working and committed staff, and inspirational board members. Together they have put us in the best possible position to face whatever obstacles and opportunities lie ahead and to help us reach the ambitious goals we have set ourselves.



**Martin Dinham**  
Chair



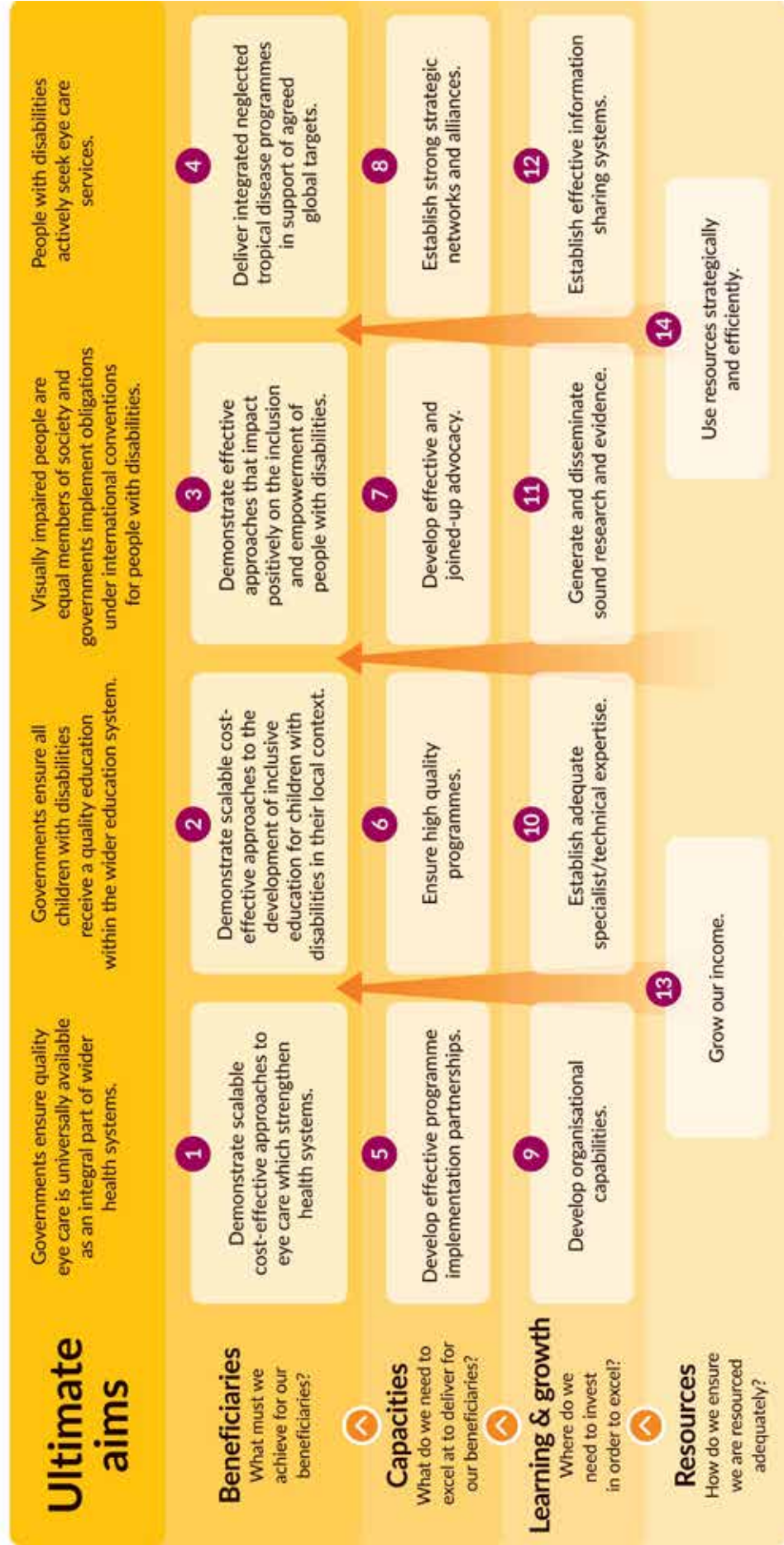
**Caroline Harper**  
CEO



Sightsavers

# SIM Card: Strategy map

**Our vision:** No one is blind from avoidable causes; visually impaired people participate equally in society.  
**Our mission:** To eliminate avoidable blindness and promote equality of opportunity for disabled people.





# Strategy, objectives and activities

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Our strategy was first conceived in 2008, then reviewed and refreshed in 2011 and 2014, continuing until 2019. We intend to review this towards the end of 2018, and aim to publish a revised strategy by the end of 2019.

The overall strategy is shown in our scorecard, or Strategy Implementation and Monitoring (SIM) card. Each element has detailed sub-strategies, along with the indicators that measure performance.

There are four ultimate aims shown at the top of the SIM card, which link directly back to our objects on health, education and inclusion. If these ultimate aims have been achieved in a particular country, Sightsavers will no longer need to work there.

The first two aims are about governments ensuring that eye health and education services (the 'supply side') are universally available. The third is about securing equality for people with visual impairments, and governments implementing agreed conventions. The fourth is the 'demand side', covering both inclusion and health objects, and is about people with disabilities being able to seek healthcare.

We then take these aims and look at what we want to achieve for our beneficiaries over the strategic plan period. We set out to undertake demonstration programmes in eye health, education and social inclusion. We have a separate objective to eliminate neglected tropical diseases (NTDs), which is tied to our object on advancing health.

Each objective has 'lead' and 'lag' indicators, with data collected at least once a year (some every six months). The results are shown on our website, but are also set out and discussed later in this report.

## Our objects: as set out in our charter

- To advance health, always with particular emphasis on taking or promoting measures to prevent and/or cure blindness.
- To advance the education of people with disabilities, always with particular emphasis on blind people.
- To prevent or relieve poverty among people with disabilities, always with particular emphasis on blind people.

# Our portfolio

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## 1 Eye health

We believe affordable health coverage should be available to all. We strive to strengthen local health systems by:

- Improving service delivery
- Training health workers
- Distributing medication
- Providing health financing
- Improving health information systems, governance and leadership.

These are the building blocks set out by the World Health Organisation (WHO). We are working towards the WHO Global Action Plan for Universal Access to Eye Health.

In all countries, we work with ministries of health at all levels. In some of our larger programmes we work alongside other international non-governmental organisations (INGOs) such as The Fred

Hollows Foundation, Helen Keller International and Orbis. We also work with non-governmental organisation (NGO) hospitals, particularly in South Asia.

In 2017, we expanded our work to make sure our eye health programmes are inclusive of people with disabilities, women and other marginalised groups, with a new project in Mozambique. Drawing on what we learned from our inclusive eye health pilot in Bhopal, this new project aims to test eye care approaches in rural areas in the Nampula province. Working with existing partners at Nampula Central Hospital, we are also drawing on the expertise of Associação dos Cegos e Amblíopes de Moçambique (ACAMO), a national disabled people's organisation (DPO), and Associação Moçambicana de Mulheres Deficientes (AMMD), a DPO for women with disabilities.

We won a new UK Aid Match grant funded by DFID that also focuses on inclusive eye health. This programme will start in 2018 in Bangladesh and Pakistan, to generate more evidence from the South Asia region on how to make health services more accessible for people with disabilities.

In Nigeria we started running our child eye health project in three northern states, initially focusing on increasing the number of eye care workers and creating good referral systems between secondary and tertiary eye care centres.

© Sightsavers 2018 / Abrão Banqueiro



Cachimo and Juma after receiving their new glasses in Nampula, Mozambique.



Mouhamed, aged 14, took part in a Sightsavers-supported inclusive education project in Senegal.



## 2 Education

We believe that quality education and lifelong learning opportunities should be inclusive, equitable and available to everyone. In each of the countries where we work, our education programmes aim to:

- Mobilise community members
- Strengthen disabled people's organisations
- Develop education support systems
- Promote teaching and learning approaches for children and young people with disabilities that are contextually appropriate and focused on the students themselves.

We work with ministries of education, and sometimes other ministries. We also work with universities, community groups and disabled people's organisations.

We have continued to develop our education work in West Africa through projects funded by Irish Aid in Senegal and Cameroon. These projects concentrate on inclusion in primary education and cover a wide range of disabilities, with an emphasis on systems strengthening.

Our work to promote inclusive education in Senegal was recognised at an event organised by the Senegalese EU delegation. The event, held in a Sightsavers-supported school, was attended by political advisors of 13 of the EU member states.

In May, we were awarded a grant by USAID to support inclusive education for children with visual impairments in Mali. This project focuses on early grade literacy among primary school children in four regions of Mali, working in partnership with the Ministry of Education, Union Malienne des Aveugles (UMAV), and Comité des Femmes Aveugles du Mali (COFAM: the Committee of the Blind Women of Mali).

In Sierra Leone, we helped to develop the national inclusive education policy, working with the Ministry of Education, Science and Technology (MEST).



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Women with visual impairments take part in a self-defence class in New Delhi, India.

### 3 Social inclusion

Our social inclusion strategy follows the UN Convention on the Rights of Persons with Disabilities (CRPD). We focus on economic empowerment and political participation. Gender and advocacy are also a key part of all our programmes.

We work closely with disabled people's organisations (DPOs) in the countries where we work, and have developed strong partnerships with the IDA (International Disability Alliance), Action on Disability and Development (ADD International) and the Institute of Development Studies (IDS).

In May 2017, we set up a task team focusing on inclusive health, to make sure inclusion is embedded in all our eye health and neglected tropical disease programmes, and to establish Sightsavers as a leader in inclusive health programming.

During the year, Irish Aid awarded us a new grant to support projects in Cameroon and Senegal. This focused on political participation at various levels, including elections and local development decision-making, working with relevant ministries, local councils, community structures, DPOs and women's associations.

The Big Lottery Fund awarded us funding for a project in Uganda to help young people with disabilities learn employable skills, which will make it easier for them to find jobs and access financial services.

## 4 Neglected tropical diseases (NTDs)

Our NTD strategy features in the document 'Now is the Time to Say Goodbye to NTDs'. This sets out our goals and targets over the next few years as we move towards eliminating most of the diseases we treat.

### Our NTD work aims to:

- Integrate and coordinate NTD programmes in the countries where we work, to eliminate the diseases as part of national master plans.
- Either directly fund or coordinate with other partners to tackle the five NTDs that respond to preventive chemotherapy: trachoma, onchocerciasis (river blindness), lymphatic filariasis (LF), schistosomiasis and soil-transmitted helminths (STH).
- Ensure that NTD projects promote gender equity and that people with disabilities can access treatment.
- Support health systems strengthening, such as by ensuring surveillance systems are in place.
- Develop new NTD partnerships, especially those that cross development sectors, such as between NTDs and water, sanitation & hygiene (WASH) initiatives.
- Improve organisational learning across our programmes. We believe that best practices should be shared both internally and externally.
- Coordinate all Sightsavers health programmes located in similar areas, to ensure they are efficient and to manage demands on and sustainable benefits to the local health system.

Much of our work is done in coalition, to achieve the goals under the WHO 2020 Roadmap. We have a number of large grants from DFID and the Queen Elizabeth Diamond Jubilee Trust, as well as grants from various foundations.

We also support NTD programmes through unrestricted income. In 2017, these helped us to reach a cumulative total of more than a billion NTD treatments delivered.

In 2014, Sightsavers was awarded a \$5 million grant by the Bill and Melinda Gates Foundation (BMGF) to host the support centre for Uniting to Combat NTDs, a global partnership on NTDs. Since then, the relationship between Sightsavers and BMGF has gone from strength to strength. Sightsavers was chosen to lead advocacy work on their behalf to raise the profile of NTDs, particularly among governments, as well as lead a programme to map onchocerciasis across Africa.

Through the partnership with Uniting to Combat NTDs, Sightsavers has shown its ability to deliver on behalf of an entire community, removing any perceptions of a conflict of interest. This was recently acknowledged in the independent mid-term review of the support centre. It said: "Interviewees expressed little concern about the Uniting Support Centre being housed within Sightsavers," demonstrating that Sightsavers is a trusted partner.

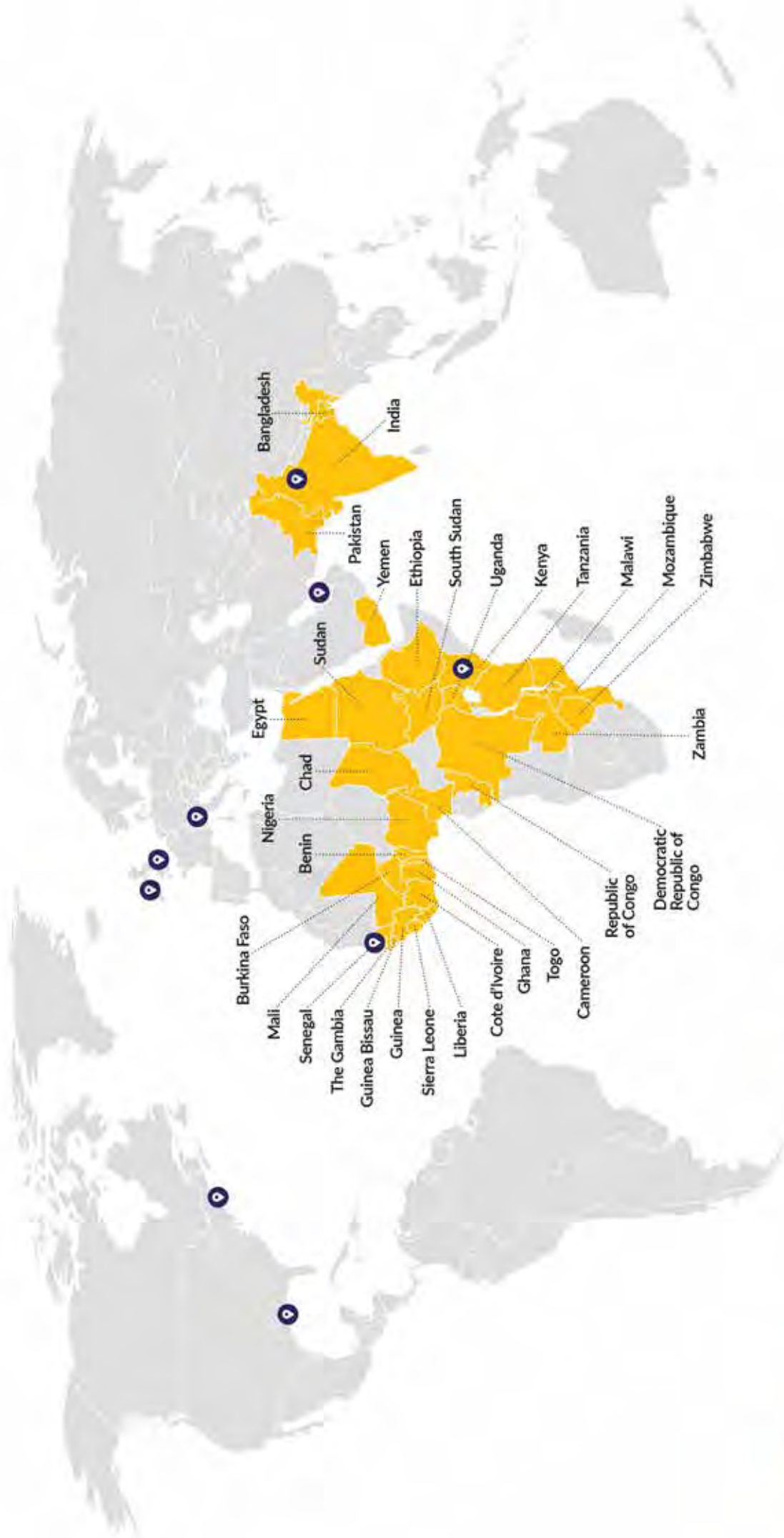


Julius and Najiiba met during Sightsavers' Connecting the Dots programme in Uganda, which provides vocational training to people with disabilities. They are now married and have two children.





# Where we work



Where we have programmes



Regional and support offices

# A snapshot of what we achieved in 2017

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## Celebrating a billion treatments

In December, we marked a historic milestone: we reached a total of one billion treatments for neglected tropical diseases provided by Sightsavers and all our partners. Celebrations took place simultaneously in Cambridge in the UK and Abuja in Nigeria.

Our keynote speaker was Professor Stephen Hawking, who spoke movingly about his father's research into NTDs. This was Professor Hawking's last public engagement before he passed away in March 2018, and we were incredibly privileged that he spent time with us.

We also set a new record for the number of treatments we supported in a single year, reaching more than 156 million treatments in 2017.

[Read more on page 22.](#)

## Disability advocacy

A new Secretary of State for International Development, Penny Mordaunt, was appointed in 2017.

We were pleased that she took up the mantle of disability and devoted her first public speech to the subject, announcing that the UK will host the world's first Global Disability Summit, to be held in 2018.

Sightsavers will be helping the government to organise the summit. We believe it will be a tremendous opportunity to raise the profile of disability issues internationally and ensure that governments and other multilateral organisations around the world commit to disability issues in the coming years.

[Read more on page 40.](#)

## A Million Miracles target reached

Our Million Miracles campaign launched four years ago, and in 2017 we reached our target to raise a total of £30 million to fund a million cataract operations. We were particularly pleased that the number of cataract operations carried out in 2017 rose by more than 20 per cent, to 314,000.

In 2018 we will be celebrating this Million Miracles success, including revisiting cataract patient Winesi from Malawi, whose eye operation featured in our campaign launch.

[Read more on page 31.](#)



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## An audacious plan to end trachoma

In 2017, we embarked on a remarkable journey by applying for The Audacious Project, an initiative hosted by TED to turn amazing ideas into action. We pitched the ambitious idea of eliminating trachoma, and were delighted to be chosen by donors to receive substantial funds worth about \$110 million.

Our CEO, Caroline Harper, was chosen to speak at TED's annual conference in Vancouver to help launch the wider Audacious project. She explained how our project plans to help eliminate trachoma in 10 African countries, and boost progress in several others.

**Read more on page 36.**



© Bret Hartman/TED

## Independent Research Organisation status

In June 2017, Sightsavers was awarded Independent Research Organisation (IRO) status, which recognises our ability to carry out and lead high-profile research programmes.

The next step is for Sightsavers to establish a Research Centre to oversee our research activities. We have set up a task team to identify what the Research Centre will look like and work out what we need to do to fulfil our obligations as an IRO.

The team is currently making progress in areas including organisational processes, research governance, policies and communications, and has created a research area within the Sightsavers website that went live in June 2018.

**Read more on page 44.**

## Awards and honours

We were honoured to receive the Antonio Champalimaud Vision Award in 2017. At the ceremony in Lisbon, our Mozambique Country Director Izidine Hassane gave a speech and received the prize from the president of Portugal. Development organisation CBM was also given a prize and we shared the €1 million award. The event received significant press coverage in the New York Times and on TV news in Portugal.

We were once again named top charity in the 2017 Top 50 Companies for Customer Service Awards, and were ranked sixth in the overall list – the only charity in the top 10. Looking after our supporters is a top priority for us, and we are delighted to receive this accolade at a time when supporter care in the charity sector has faced criticism.

**Read more on page 62.**

# SIM card

Results of beneficiary indicators (for all indicators and more details, see [www.sightsavers.org/sim](http://www.sightsavers.org/sim))

Objective	Indicator	Previous result	Target	Result	Status	Trend	Performance notes
Demonstrate scalable cost-effective approaches to eye health	Lag – % of countries where Sightsavers has an eye health project that demonstrate improved access to eye care services that are integrated into health systems, where this can be measured	100	60.00	50.00	Approaching Target		This is only the second time this target has been measured and performance has dropped from 100% to 50% in a year. This suggests more stringent assessment of whether conditions are being met and in particular a clearer understanding of what counts as acceptable data. The notes by country show that this reality is being taken into account and that in most cases, there are some clear plans or ideas for addressing data gaps, through support to the Health Management Information System.
	Lead – % of countries where Sightsavers has an eye health project that have contributed to identification of gaps/needs through an eye health system assessment in the last 10 years	43.75	68.75	60.00	Approaching Target		Although it is disappointing to miss targets that are perhaps among the more predictable, nonetheless the trend in this indicator is very positive over the past few years. It demonstrates that we are still working to ensure that eye health decisions are made based on relatively recent and good-quality information.
	Lead – % of countries where Sightsavers has an eye health project that has contributed to identification of gaps/needs through a prevalence survey in the last 10 years	27.78	87.50	80.00	Approaching Target		This target is overall on a positive trend, demonstrating a commitment to continued investment in building the evidence base and ensuring eye health system decisions are based on recent, good-quality evidence.
	Lead – % of health projects with clearly defined strategies to improve access by people with disabilities	46.34	50.00	27.27	Below Target		Performance against this target has gone down for the first time since it was measured in 2015. However we are seeing countries and technical staff holding themselves to far higher standards to record a positive mark – in particular, the inclusion of DPOs in the process, and the ability to actually measure improved inclusion. Strategically, this indicator is a tracer indicator, to demonstrate direction of travel. We will be looking to move to an indicator that measures actual improvements in access, which is the next step in the journey from “strategies being in place” to “evidence of strategies being in place” which we have undertaken in the past two years. We have a long way to go, but good to see progress being made and a clear acceptance within organisational culture that we have to continue on this path.
	Lead – % of health projects with clearly defined strategies to improve access by and to reach a higher number of females than males	56.10	50.00	84.38	On Target		It is good to see the continued progress on gender inclusion, as well as disability inclusion, in health projects. We do have concerns that the gap between the target and the results suggests that there are different schools of thought in different parts of the organisation as to what constitutes a robust strategy. Many of the examples given focus on the results (which are often just over 50% female and therefore unlikely to address the “gendered backlog”), and many of those mentioning the strategy give few details of what that entails (with some notable exceptions). Nevertheless, gender equity in programming is clearly a concept widely acknowledged within the organisation and we should continue to work at improving the ways we measure that commitment.



Objective	Indicator	Previous result	Target	Result	Status	Trend	Performance notes
Demonstrate scalable approaches that promote inclusive education	Lag – % of countries with education projects where government has an education policy in line with the United Nations Convention on the Rights of Persons with Disabilities	20.00	30.00	22.22	Below Target		It is interesting to note that many in the sector are beginning to argue that, in inclusive education at least, policies and frameworks are largely in place, but it is in implementation that we are seeing the gaps and we should focus our efforts there. This indicator shows that, in many countries, that isn't yet the case and that we need to remain focused in part on policy development. Overall, while we have missed the perhaps over-ambitious target, the trend is good, and up from 11% in 2015. That is not, of course, entirely down to Sightsavers, but we have clearly played a role in every country where we have a programme.
	Lead – % of education projects that are suitable for replication/adoption by government or other service providers	90.91	45.00	88.89	On Target		Although a slight drop year on year, the results for this indicator remain very high, perhaps optimistically so. The level of evidence given for a score of 'yes' is variable with some clearly stating they do not meet all the criteria and yet have scored a 'yes'. This needs further discussion. Nonetheless, it is very clear that there are some excellent education programmes progressing, and they are being designed and delivered in ways that are maximising their chances of being taken to scale – an approach at the heart of our strategy.
	Lead – % of health, education and NTD projects with clearly defined social inclusion strategies to include people with disabilities	50.93	55.30	61.86	On Target		This indicator is probably the least well defined of the social inclusion indicators and the results can be taken largely as opinion and not evidence. Almost every NTD project is marked as having a social inclusion strategy and yet almost no evidence is given; some countries are scoring a 'yes' and saying they have no social inclusion or education projects, yet the indicator is very clearly around health programmes as well. Further training is required, in addition to some more detailed criteria for scoring a 'yes'. Without this, the indicator is likely to lead us to complacency.
Demonstrate approaches that impact positively on people with disabilities' inclusion and empowerment	Lag – % of countries that meet at least 4 of the 8 criteria on our social inclusion index	57.69	62.00	69.23	On Target		There is steady but encouraging improvement as a trend in this indicator, and targeting seems relatively appropriate. Again, the range of evidence provided in the notes is pretty wide. It may be good to explore how we can provide some example answers that might help guide countries.
	Lead – % of countries (where we run social inclusion and/or education projects) that can demonstrate effective inclusion and empowerment of people with disabilities	50.00	71.40	75.00	On Target		Steady progress being shown and some excellent analysis provided in some notes (eg Cameroon). In others, some interesting issues are raised: eg in Malawi the focus is on empowering parents and communities, but not a great deal is said about children themselves and how their voice is being heard. Overall, it's encouraging to see the level of analysis and buy-in to the approach taken.
	Lag – % of countries where Sightsavers supports specific NTD disease projects that are meeting national milestones to eliminate or control these specific NTDs	79.17	80.00	83.33	On Target		Countries that are in conflict, but do have NTD masterplans in place, are largely unable to meet elimination milestones, and are likely to be working to control criteria or working to 'emergency'-type projects. WHO AFRO's ESPEN is prioritising support for countries in conflict so that 'coverage' is maintained. Sightsavers is a partner of WHO AFRO's ESPEN. Sightsavers has adapted our approach to working in countries that are in conflict by partnering with organisations whose expertise and mandate is to work in health programmes in such countries. Treatments in countries such as South Sudan and DRC have increased through this approach.
Deliver integrated NTD programmes in support of agreed global targets	Lead – % of projects that meet or exceed their mass drug administration (MDA) targets for therapeutic and geographical coverage	85.71	90.00	95.56	On Target		This has been on the increase over the last three reporting periods and shows that the approach to bring all projects to target by concentrating on projects that were under target (and bringing them to target) has worked. A number of projects do remain under target – these are largely those operating in areas of conflict or political instability. We are maintaining support for these projects.
	Lead – % of NTD projects with clearly defined strategies to improve access by people with disabilities	46.43	60.00	78.18	On Target		We have collected data on this indicator for three years. This was always to be the most challenging indicator for our NTD work. This is the first time we have exceeded or indeed met the target. This has been seen as a long-term plan to ensure that all projects have a strategy to ensure that people with disabilities can access treatment. Year one was essentially finding out where we were. Year two was undertaking remedial action on areas like training of community health volunteers across all projects and ensuring access by all vulnerable groups (including people with disabilities) was addressed as part of training and re-training. Much was going back to refresh the principles of community directed interventions when managing our NTD work at country level. A number of projects still do not have an agreed approach and they will be prioritised for improvement in 2018. Some of those, but not all, are in areas of conflict, but this does not negate the need to ensure that projects working in such environments work to the agreed agenda too.

# Celebrating one billion treatments for neglected tropical diseases

In December 2017, Sightsavers and partners celebrated a historic milestone: we delivered our one billionth treatment to people affected by painful neglected tropical diseases (NTDs), which can trap people in a cycle of poverty.



© Sightsavers 2017/ Graeme Robertson



“I’m so excited to be part of the celebration. I love my grandfather very much and don’t want other people to suffer like him. I hope that one day, all children will be free from these diseases.”

**Dorcas, who received our one billionth treatment**

## Dorcas and Simon’s story

The billionth treatment was given to seven-year-old Dorcas, who lives in Kudaru village in Kaduna state, northern Nigeria. Her grandfather, Simon, was infected with river blindness almost 30 years ago and is now completely blind. He has never seen what Dorcas or her brothers and sisters look like.

When Simon caught river blindness, treatment programmes had not yet started in the community, and his vision gradually deteriorated. “To be blind when it could have been avoided is a terrible thing,” he says. But he is hopeful about Dorcas’s future and is delighted that she is benefiting from Sightsavers’ preventative treatment programmes.

Dorcas received a combined treatment to protect her from several NTDs through the UK Aid-funded UNITED programme.



Hear more of Dorcas and Simon’s story in our celebratory video: [www.sightsavers.org/onebillion](http://www.sightsavers.org/onebillion)



Seven year-old Dorcas and her grandfather Simon at home in Kударu village in Kaduna, northern Nigeria.







## Professor Stephen Hawking joins our celebrations

Our one billionth milestone was marked with celebrations around the world. The late Professor Stephen Hawking led our event in Cambridge in the UK, highlighting the pioneering work of his father, Dr Frank Hawking.

In the 1950s, Frank was one of the first people to conduct research into and develop treatment for lymphatic filariasis, one of the five neglected tropical diseases that Sightsavers focuses on today.

During his speech at the event, Professor Hawking said: “My father’s work into NTDs highlighted that this is an important area where we must be placing focus. The fact that these diseases are entirely preventable and treatable means that, in this day and age, we should really be in a position to be saying goodbye to these horrible diseases once and for all.

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Sightsavers CEO Dr Caroline Harper presents Professor Hawking and his sister Mary with a sculpture representing a medication used to treat lymphatic filariasis, which their father, Dr Frank Hawking, helped to develop.



**“Delivering one billion treatments for NTDs is a monumental milestone that few health programmes have achieved. It is one of the most successful health initiatives of recent times.”**

### Professor Hawking


“Sightsavers and its partners have taken one billion steps towards combatting NTDs. The smallpox, polio and Guinea worm programmes all demonstrate that the last mile on the journey to elimination is always the most difficult. Therefore, much still remains to be done if we are to reach our elimination targets.

“In any ambitious programme, be it research into the farthest corners of the known universe, or the planned growth for an international health programme, none of us can rest and assume that our current tools and resources are sufficient to achieve success.”

The event also featured an exhibition documenting the global journey towards NTD elimination, as well as a short feature film looking at the people behind the billionth treatment. Global celebrations were also held in Nigeria and Ireland.



Listen to Professor Hawking’s full keynote speech:  
[www.sightsavers.org/profhawking](http://www.sightsavers.org/profhawking)



Community volunteer Baraka Ango administered the one billionth treatment in Kaduna, Nigeria.

© Sightsavers 2017/Graeme Robertson

## Global reach through our communications

Our celebrations achieved international media coverage, including a photo essay in The Guardian, an article in Reuters and a TV interview in Nigeria with Baraka Ango, the community volunteer who delivered the milestone treatment.

We also used digital platforms, such as social media, to celebrate with our supporters. In December, the #beatNTDs hashtag reached more than a million Twitter accounts and delivered 4.5 million impressions, with Sightsavers being the top contributor (90 tweets and 86 retweets). The vast spread of #beatNTDs was also a collaborative success with Uniting to Combat NTDs, which launched a new report, and Universal Health Coverage Day, which happened at the same time.

Our one billionth treatment represents the success of collaborative working on a global scale. We are incredibly grateful to our committed funders, ministries of health, pharmaceutical companies and their donated medicines, programme partners and a network of local volunteers, known as community directed distributors (CDDs), who helped us to achieve this landmark.

As our one billionth milestone shows, momentum is growing in the battle against NTDs, but we cannot be complacent. Our ultimate goal is to eliminate these diseases and there is still work to be done before we are able to do this. We must redouble our efforts at this crucial time and strengthen our commitment to endemic countries and communities.

# Output statistics

Our annual data is crucial for helping us analyse our performance for 2017 and establish our organisational trajectory for the next few years. Our data is how we determine our performance for key institutional funding agreements and illustrate the scale and breadth of our work to our supporters.

Global Output Statistics summary		2014 totals	2015 totals	2016 totals	2017 totals
Eye health	No. of people examined	12,812,741	12,712,182	12,052,091	<b>14,093,230</b>
	No. of operations performed (cataract, glaucoma surgery, diabetic retinopathy, trichiasis and other general eye operations)	271,026	334,156	344,023	<b>389,490</b>
	No. of operations for cataracts	217,907	252,044	260,930	<b>316,243</b>
	Spectacles dispensed	–	207,832	286,774	<b>383,117</b>
Neglected tropical diseases	No. of people treated for trachoma	9,283,731	22,623,927	24,690,187	<b>27,604,538</b>
	No. of people treated for river blindness	29,401,080	47,561,810	46,918,726	<b>48,155,576</b>
	No. of people treated for lymphatic filariasis	44,867,923	50,615,561	60,113,118	<b>56,561,328</b>
	No. of people treated for soil-transmitted helminths	14,304,849	14,428,580	16,728,965	<b>11,873,445</b>
	No. of people treated for schistosomiasis	4,402,205	6,768,679	5,773,756	<b>13,039,523</b>
	Total NTD treatments	102,259,788	141,998,557	154,224,822	<b>157,234,410</b>



Global Output Statistics summary		2014 totals	2015 totals	2016 totals	2017 totals
Education and inclusion	No. of children who are blind, have low vision or other disabilities being supported in school	8,159	3,252	5,162	7,752
	No. of people who are blind, have low vision or other disabilities who received training (eg daily living skills, mobility and orienteering, vocational training or rights and entitlements training)	32,247	16,097	13,124	13,359
Human resource development	No. of health workers trained to gain initial professional qualification (includes ophthalmologists, cataract surgeons, ophthalmic clinical officers/ophthalmic nurses, optometrists, low vision specialists and technicians)	300	39	67	39
	No. of professionals supported on eye health short courses	26,781	41,651	54,040	72,781
	No. of professionals supported on education or inclusion short courses	8,665	3,899	6,161	60,479
Volunteers	Total number of village-level volunteers trained (includes community distribution of treatment, primary eye care, education and inclusion courses)	166,539	219,516	259,670	267,972

## Commentary

### A Eye health

The number of eye health examinations carried out by Sightsavers is driven by our Lady Heath Workers project in Pakistan. This project delivered 52% of global examinations in 2017, a lower percentage of the global total than in 2016 because of expanding activities elsewhere. Our year-on-year performance increased most notably in India, where 80% more examinations were carried out than in 2016, particularly by our school and rural eye health programmes. High numbers of examinations were also reported in Bangladesh, Mali and Sierra Leone.

Sightsavers supported 21% more cataract surgeries in 2017 than in 2016. Our cataract surgical work is dominated by our projects in Asia (90% of the total), with most surgeries undertaken in the last quarter of the year. In Africa, we performed 3% fewer cataract surgeries than in 2016 because of project completion, issues with human resources and a hospital closure in Sudan. The cumulative impact of this is counterbalanced by an increase in the number of surgeries by the multi-country CATCH programme, which piggybacks cataract operations onto trichiasis camps in Africa, which performed 9% more surgeries than in 2016.

The number of trichiasis surgeries fell year on year because many of the districts in the countries where we work are reaching the point where backlogs have been dealt with and case finding is difficult. In some places, such as Ethiopia and Kenya, localised insecurity affected outreach activities.

The growth in the number of pairs of spectacles distributed is mainly from expansion of projects in India and Bangladesh.

### B NTD treatments

The number of NTD treatments reported come from two types of source: our large coalition grants and those where Sightsavers is funding directly (whether by restricted or unrestricted funds). We report all outputs, including those where our INGO partners support implementation, so we can show the impact of the grants we are managing. A proportion (between 3% and 7%, depending on disease type) of the treatment data on NTDs is based on estimates (the data is still awaiting formal sign-off).

The total number of treatments has increased by 2% since 2017 to a record number. The biggest percentage increase was in schistosomiasis, driven by activities in Democratic Republic of Congo, Guinea Conakry and Nigeria, funded by GiveWell.

Treatment delivery has been affected by the late receipt of drugs in some countries, notably Nigeria. This was due to the hurricane in Puerto Rico, where some Zithromax® is manufactured, and because of problems clearing customs.

### C Education and inclusion

The number of children that Sightsavers supports has increased by 50% from 2016. Our inclusive education portfolio continues to grow, with the addition of four projects in 2017. Projects launched in Sierra Leone, Mali, Cameroon and Senegal, joining projects in Kenya and Malawi in supporting 1,782 children with disabilities in school, of which 613 children come from Sierra Leone's new EC-funded project 'Education for All in Bombali district'.

India's 2017 performance makes up 77% of the total figure (5,970) and includes all children with disabilities who benefit from the programme's systems strengthening approach. Education projects focus on providing quality inclusive education and support a range of interventions, including

curriculum development, teacher training, strengthening the policy environment and community development. To support this focus on quality, Sightsavers uses other measurement approaches such as qualitative research using peer researchers and the Education Quality Standards Assessment Tool (QSAT).

The number of adults with disabilities trained by Sightsavers has increased by 235 people since 2016. Sightsavers' Empowerment and Inclusion Strategic Framework has guided the design and implementation of seven new projects since its launch in 2015. It has grounded us in a rights-based approach that supports people with disabilities to claim their rights.

In 2017, the social inclusion portfolio grew significantly. Cameroon and Senegal launched two political participation projects under Irish Aid Programme Grant 2. Uganda launched a second livelihoods project under a Big Lottery Fund Grant, which complements the existing EC-funded Economic Empowerment of Youth with Disabilities project. These new projects give us the opportunity to improve the way we measure our social inclusion work. In the West Africa political participation projects, we measure our advocacy work and the outcome of training, instead of just the training itself. We are developing an empowerment framework in Uganda and the Washington Group questionnaire will be used in all inclusive eye health projects to give us data on the accessibility of eye health services for people with disabilities.

Two new tools – the inclusive eye health indicator reference guide and Disability Inclusion Score Card (DISC) – were piloted during a design workshop. These innovative approaches will give Sightsavers new evidence to communicate about the impact of our work on people with disabilities.

## **D Human resource development**

Our training data is above target and has increased compared with 2016 figures, with the exception of the training of professional cadres. This has reduced year on year, but aligns with our expectations for 2017. Since 2015, Sightsavers has improved the data quality and reporting of these indicators so that we no longer count individuals who have not yet graduated or short trainings that do not provide professional qualifications.

The greatest increase in the number of trainings is for professionals on short education/inclusion courses (+882%). This is driven by our inclusive education project in Bihar in India, which in 2017 developed a programme for assessing learning outcomes of children with disabilities in partnership with the government of Bihar. This training was delivered to 52,000 teachers.

## **E Volunteers**

The number of village-level volunteers trained has increased from 2016, with the training of community-directed distributors (CDDs) constituting the large majority of 2017 outputs (89%). Notable performers include Nigeria (where 80,510 CDDs were trained), Democratic Republic of Congo (Aid Match), Sierra Leone and Cameroon.



A woman has her bandage removed the day after a cataract operation at the LRBT Hospital in Mandra, northern Pakistan.



## We've reached our target of a Million Miracles

Four years ago, Sightsavers launched the Million Miracles fundraising campaign to fund a million sight-saving cataract operations in some of the poorest parts of the world. In 2017, we reached our target of raising £30 million.

This amazing achievement was made possible thanks to the generous support of our donors. We're truly grateful to each and every one of you.

Much of the income we raised during the campaign was matched by the UK government, pound for pound, through the UK Aid Match initiative. The most recent Aid Match scheme ran from 9 October 2017 until 9 January 2018, and helped us to smash our initial target. In total, the Million Miracles campaign raised almost £32 million over the three years, which has helped to change lives worldwide.

A Million Miracles launched in October 2014: you may remember the story of Winesi from Malawi, whose sight-restoring cataract operation was broadcast live around the world to mark the start of the campaign. We also witnessed the joyful moment when his bandages were removed, enabling him to see his grandson Luka for the first time.

Since the operation, Winesi's life has been transformed. "Everything that I was not able to see, I am able to see clearly now," he tells us. "I now have the sense of belonging to my community, a thing that was lacking during the time I was blind."



"Everything that I was not able to see, I am able to see clearly now."

Winesi, pictured when he saw his grandson for the first time.







Globally, 20 million people, most of whom live in low and middle income countries, suffer from cataracts. The condition is caused by a build-up of protein that clouds the eye's lens, which can lead to blurred vision and eventual blindness. However, cataracts can be treated with an operation that can take as little as 10 minutes, and costs as little as £30.

To support the final Million Miracles fundraising push, we hosted a free public photography exhibition at London's South Bank in October 2017, showing how cataract surgery can transform lives. The event showcased the work of photographer Andrew McConnell, who travelled to Pakistan to capture the stories of people who have had cataract surgery.

One of those featured in the exhibition was Zamurrad from Pakistan, whose life ground to a halt when she developed cataracts. She struggled to do anything for herself, forcing her husband Tariq to give up work to look after her. "I can't do anything," Zamurrad told us. "I just sit all the time. I am no use to my family."

Eventually she heard about free cataract screenings funded by the Million Miracles campaign, and she was referred for surgery. The day after the operation, her bandages were removed and a smile spread over her face. "I saw a very beautiful face: my daughter," Zamurrad recalled. "She was so beautiful."

Zamurrad's story is just one example of how our supporters have helped to transform a million lives around the world as part of this groundbreaking appeal.



Sightsavers hosted a photo exhibition on London's South Bank to support the appeal.





“I saw a very beautiful  
face: my daughter.  
She was so beautiful.”

Zamurrad



# Progress towards planned objectives

## Delivering for the beneficiaries

### What we planned to do

**Deliver on targets for all significant programmes, including the major NTD grants and the Uniting support centre (for which we need to deliver successful events and report for the fifth anniversary of the London Declaration).**

### What we did

Our programme oversight process is working effectively, enabling both programme managers, the management team and the Audit Committee to track whether key programmes are delivering in line with targets. The vast majority of these are doing well.

All the significant NTD programmes continue to deliver and are on track to meet their targets. All performance ratings received by funders in 2017 rated the programmes' performance as exceeding expectations and/or excellent.

#### **Two programmes were extended by the funder:**

- a) UNITED, a DFID-supported integrated mass drug administration (MDA) programme in five states in northern Nigeria, exceeded its overall programme targets and delivered 116 million NTD treatments to 26 million people. This programme has been extended for a further 18 months until March 2019.
- b) Sightsavers' trachoma SAFE programmes, supported by DFID and The Queen Elizabeth Diamond Jubilee Trust, were both extended in terms of the scope and reach of the programmes.
  - Trachoma elimination continues to progress well in the nine supported countries, delivering 60 million treatments and managing 180,000 trichiasis cases.
  - Zambia has been extended to a fully supported national trachoma elimination programme.
  - Additional investment in Nigeria is enabling increasing progress in trachoma elimination.
  - Sudan has been added to the country portfolio.

The Uniting programme went well, delivering a successful event in April in Geneva to celebrate the fifth anniversary of the London Declaration, and a world record in production of drugs by the pharmaceutical companies.

What we planned to do	What we did
<p><b>Ensure all new programmes (such as Irish Aid) have a successful inception and start-up period.</b></p>	<p>The Irish Aid inception period was completed successfully, with start-up workshops held in all four countries covered by the programme.</p>
<p><b>Launch our Human Resources for Eye Health strategy.</b></p>	<p>We have decided a formal launch is not necessary, and have made good progress in the thinking in this area. We will focus on ensuring adequate human resources are attached to the programmes we support. We will also focus on further strengthening regional training institute and policy partnerships to address broader issues at the regional level across Africa and South Asia.</p>





## An audacious plan to end trachoma

In 2017, Sightsavers embarked on a remarkable journey with some of the most trusted names in modern philanthropy as we applied for The Audacious Project, an initiative housed by TED to turn transformative ideas into action.

Encouraged by some of our long-standing partners such as Virgin Unite, we pitched the idea of eliminating blinding trachoma, in the hope of inspiring donors to come together to help us end an ancient disease documented from the time of the pharaohs.

We were delighted to be chosen by a group of donors, including Virgin Unite, the Children's Investment Fund Foundation (CIFF), The ELMA Foundation (UK) and the Bill & Melinda Gates Foundation, to receive substantial funds to increase momentum towards ending trachoma. Spurred on by this, we applied for a grant through UK aid's Commonwealth 2018-2020 Fund to boost elimination efforts further. Collectively, these opportunities offer about \$110 million of the funding needed to end trachoma.

Between 2018 and 2020, Sightsavers and The Fred Hollows Foundation will work with countries and partners to make huge progress towards eliminating trachoma in Kenya, Kiribati, Nauru, Nigeria, Pakistan, Solomon Islands, Tanzania, Tonga and Vanuatu. As part of this, Papua New Guinea will also develop its first full trachoma action plan.

Between 2018 and 2023, our Audacious Project plans to support the elimination of trachoma in 10 African countries: Benin, Burkina Faso, Cameroon, Cote d'Ivoire, Guinea, Guinea-Bissau, Kenya, Senegal, Tanzania and Zimbabwe. Where possible, the programme will deliver combined

treatments for other neglected tropical diseases. We will also boost progress in Ethiopia and Nigeria, which have the world's highest burden of trachoma, and we expect to support Egypt to help speed the country along the road to elimination.

Our Audacious Project will build on groundbreaking research that explores the link between the antibiotic used to treat trachoma and reductions in childhood deaths.

At the end of 2017, our CEO, Caroline Harper, was chosen to speak at TED's annual flagship conference in Vancouver to help launch the wider Audacious Project. Being invited to speak at TED 2018 celebrates the success of existing global partnerships, which have made incredible strides towards trachoma elimination, and also offers us the chance reach more people who could join us in making history.

We are incredibly grateful to UK aid, Virgin Unite, the Bill & Melinda Gates Foundation, CIFF, The ELMA Foundation (UK) and TED, who share our dream of ending trachoma for good. We are now at a tipping point where an ancient disease could be eliminated in just a few years. But it is important to remember that there is still more funding needed before blinding trachoma can be eliminated everywhere, and the trachoma community and endemic countries will need to work together to find more investment to do this.



Chris Anderson, Head of TED, and Sightsavers CEO Caroline Harper at TED 2018, following her talk about the global fight to end trachoma.

 Watch Caroline's full TED talk:  
[go.ted.com/carolineharper](https://go.ted.com/carolineharper)

## Increasing our capacities: areas where we need to excel

What we planned to do	What we did
<p><b>Build our relationship with DFID at all levels (including in programme countries) to support policy initiatives and maximise the chances of receiving funding.</b></p>	<p>We have continued to develop a close partnership with DFID in the disability sector, both in terms of input from the early stages of developing newly prioritised policy areas and in programme cooperation. We do this directly, and through working with our partners and the broader sector with the Bond Disability and Development Group and the International Disability and Development Consortium.</p> <p>It has been more difficult to maintain our relationship with DFID in NTDs as there has been substantial turnover in that team, including all the key people we normally deal with.</p>
<p><b>Strengthen our key strategic alliances (such as with World Bank, WHO, Fred Hollows Foundation (FHF), BMGF, Global Partnership for Education) to increase our influence.</b></p>	<p>Our relationship with all of these organisations was a priority throughout 2017 and strengthened significantly as a result. Key ongoing initiatives where we are working closely include disability-inclusive development with the World Bank; the development of the first World Report on Vision with WHO; reviewing and expanding our agreement with Fred Hollows Foundation (FHF); close partnership on the Uniting to Combat NTDs initiative with BMGF and enhancing school health with Global Partnership for Education (GPE).</p> <p>A new phase of our relationship with BMGF started with the Onchocerciasis Elimination Mapping (OEM) Project. This will map areas beyond those that are hyperendemic to facilitate elimination. The OEM Project coordinated a two-day data collaboration meeting in London in January, as part of a four-day data flow meeting hosted by BMGF. The main objective was to bring together key stakeholders involved in providing technical data support to the ESPEN programme from WHO's Regional Office for Africa (AFRO). ESPEN is working with a wide range of partners to adopt the WHO onchocerciasis technical sub-group (OTS) recommendations, define the exclusion criteria for further onchocerciasis elimination mapping, and to operationalise an approach for elimination mapping in areas where transmission is classified as being uncertain or likely but not yet known. The OEM two-day meeting focused on aligning partners on data flow and tools for the OEM project, and clarified individual roles and responsibilities, while reaching agreement on an effective communication plan between all relevant stakeholders.</p> <p>The NTD team has spent a significant amount of time building and maintaining our coalitions both in terms of delivering existing grants and ensuring we are in a good position to submit a proposal when the new contract (ASCEND) is announced by DFID.</p>



## What we planned to do

**Build our understanding of our evidence base and strengthen our use of data in programme design.**

## What we did



During 2017 we were granted Independent Research Organisation status from Research Councils UK. This is an unprecedented status for an INGO and is a clear recognition of our capacity in research and learning as an organisation. We continued to invest heavily in research in 2017 across all of our sectors, and in 2018 will be developing a searchable online resource centre as part of our IRO status, to improve dissemination. This process was partly done to test our growing capacity in this area, but also from a need to ensure that research in our sectors is balanced well between practical application and academic knowledge.

Our data disaggregation project continued to grow, with increasing focus on collecting data on disability, gender, wealth and geographical location and then analysing the variables together to give a far clearer sense of where programmes are leading to increased access and where there is work still to be done. This work is generating significant interest from others in the wider development sector.

# Working towards a world where no one is left behind

## Put Us in the Picture

Sightsavers' Put Us in the Picture campaign, launched in 2013, continues to keep disability-inclusive development on the global agenda. 2017 was a year of significant political change in the UK. The general election gave campaign supporters a chance to ask their MP to make sure people with disabilities in developing countries are prioritised when it comes to global aid.

At the 10th annual Conference of States Parties to the United Nations Convention on the Rights of Persons with Disabilities (CRPD) in New York in June, we were pleased to hear the UK government representative calling for a “step change in the world’s efforts to promote the inclusion and empowerment of people with disabilities”. In December, Put Us in the Picture celebrated as the UK government announced that the first ever global disability summit would be held in the UK in July 2018.

Looking ahead, 2018 will be a busy year for disability and development. The disability summit will call on governments, companies and civil society organisations to make concrete commitments to be more inclusive, and the World Bank is due to publish a disability framework. The UN will also encourage the election of more women to the CRPD committee, which currently has a gender imbalance of 17 men and only one woman.

Put Us in the Picture will be asking the World Bank, the UN and other multilateral bodies and country governments to ensure that in all their work, the rights of people with disabilities are promoted and upheld.



Flash listens attentively to his teacher at his inclusive school in Kenya, where children with disabilities are learning alongside their peers.



© Sightsavers 2017/Annie Bungeroth

Community volunteer Joseph Baguma translates in sign language during a meeting of the heads of local organisations for people with disabilities in Masindi, Uganda.

## Global advocacy

2017 was a big year for our global advocacy work focusing on disability. Here are just a few highlights from around the world.

- **In Bangladesh**, the government included a chapter on disability in its National Voluntary Review on the Sustainable Development Goals implementation report. The review took place at the UN High-Level Political Forum in New York.
- **In Pakistan**, a new Disability Bill (compliant with the UN Convention on the Rights of Persons with Disabilities) was approved. It's expected to be passed into law in 2018.
- **In Nigeria**, the government ratified the Marrakesh Treaty. This agreement, administered by the World Intellectual Property Organisation, allows copyright exceptions so that accessible versions of books and other copyrighted works can be created.
- **In Uganda**, the National Planning Authority has developed new national disability planning guidelines.



## Learning and growth: areas where we need to invest to achieve excellence

What we planned to do	What we did
<p><b>Build our media profile and messaging capability. Run a rehearsal of a potential crisis situation to test our ability to manage media.</b></p>	<p>Our media profile has developed over the past year, with a wide range of coverage both internationally and in programme countries. The crisis rehearsal was postponed because of organisational workload, and is now planned in the second quarter of 2018.</p>
<p><b>Improve inter-departmental collaboration, in particular to maximise opportunities from existing NTD grants and tools to benefit wider programming.</b></p>	<p>We continue to strengthen inter-departmental collaboration and have sought to learn from developments and initiatives within the management of our large NTD grants and contracts. We have developed unit cost budgeting and reporting systems using our bespoke claims financial management software, and have also used Microsoft's PowerBi reporting to develop interactive management dashboards that bring together financial and programme information to provide real insight into performance. We are now reviewing how to use these across our other thematic programmes.</p> <p>We have developed dashboards within our DFID-funded CATCH eye care programme that enable us to compare output performance across districts, specific facilities and even individual surgeons. We are also now using the tool to underpin our quarterly programme oversight process with a dashboard developed for each project involved, so that key performance data is easily visible and understandable for those providing management input. We will continue to feed in learning around value-for-money tracking and unit cost analysis into our new grants and contracts that we will be starting in 2018, including our new DFID Aid Match-funded cataract projects in Bangladesh and Pakistan, and DFID AID Connect disability-focused programme.</p>

## What we planned to do

**Refresh the UK Council: recruit up to four new trustees based on skills and attributes identified at the board effectiveness session. Appoint a new Chair in Ireland.**

## What we did



The Council undertook an externally facilitated review of its performance early in the year. A key element of this work was to identify new skills and attributes that would be required to further strengthen the ability of the Council to play a successful role in meeting new and emerging challenges. The outcome was used to inform the Council's recruitment of four new trustees in 2017. These were:

Ms Abia Akram, from Pakistan, a disability rights and advocacy specialist.

Prof Christopher Whitty, from the UK, the Chief Scientific Advisor to the Department of Health and Social Care, and since September 2017 the interim Chief Scientific Advisor to the UK government.

Ms Mavis Owusu-Gyamfi, from the UK and Ghana, a political economist with more than 20 years of experience in international development, having worked previously for DFID and currently as Head of Investments at the Power of Nutrition.

Ms Heather de Haes, who is Australian and has used her entrepreneurial expertise as an international property developer to found Arts Global, a foundation to help young talented musicians around the world to achieve their full potential.

These new additions will help fill the gap left by the departures of Dr Ekanem Ikpi Braide, Mr William Gardner and Dr R Pararajasegaram.

The Council of Sightsavers Ireland appointed a new chairman to replace Mr Pat Farrell, who stepped down. Mr Jim Miley is currently the Director General of the Irish Universities Association. He has worked previously as Business to Consumer Director of The Irish Times, following a decade as CEO of MyHome.ie, which he co-founded.

## Becoming an Independent Research Organisation

In June 2017, Sightsavers was awarded Independent Research Organisation (IRO) status by Research Councils UK, making us the only international non-governmental organisation working in our field to hold this status in the UK.

Gaining IRO status is a game-changer for the organisation. It is a great external verification that we're making real progress in our drive to generate evidence, and are using that evidence to make sound programme decisions. It also means we're now eligible to apply for grants from the seven UK research councils, including the Medical Research Council and the Economic and Social Research Council.

To qualify as an IRO, Sightsavers was required to prove to Research Councils UK that it possessed "an existing in-house capacity to carry out research that materially extends and enhances the national research base" and could "demonstrate an independent capability to undertake and lead research programmes".

Our innovative research projects in 2017 have included eye health system assessments, prevalence surveys of visual impairment, economic research using 'willingness to pay' methodology, and participatory research with children and adults with disabilities and on approaches to improve integrated neglected tropical disease programmes.

We continue to value collaboration with a wide range of academics and NGO partners as an essential part of the work we do. A dedicated research website, launched in June 2018, will be a significant new resource for knowledge and research in all areas of our work.

Upcoming research plans include costing studies of inclusive education and integrated school health programmes, studies of the barriers preventing uptake of cataract and NTD services, and surveys on participation of people with disabilities in political processes.



In Sierra Leone, teacher and inclusion champion Hassanatu Barrie helps student Mohammed, who has physical disabilities.

© Sightsavers 2017/Michael Duff



# Resources: funding our work and ensuring efficient and strategic use of resources

Sightsavers fundraises in the UK and India, and has fundraising subsidiaries in Ireland, Italy, Norway, Sweden, the UAE and the USA. Information about their registration, relationship with the UK charity and financial performance is contained in the financial accounts. This section summarises key fundraising activities undertaken in the year, including within the subsidiaries.

What we planned to do	What we did
<p><b>Deliver a new global fundraising strategy based on optimising return on investment across different markets.</b></p>	<p>Our strategy focuses on balancing a number of key priorities: having a flexible approach to recruitment channels while maintaining acceptable return on investments; maximising net contribution and cash income through data optimisation; and protecting our regular donors through minimal contact. As a result of our return on investment analysis, which showed some channels were achieving unacceptable returns, we have decided to end all street and door fundraising across Europe. There is still work ongoing to maximise our efficiency and to make sure that we are developing new approaches that are globally focused but locally appropriate.</p>
<p><b>Ensure we are resilient to any media or regulatory investigation (in particular, ensuring our processes and policies are properly documented and up to date).</b></p>	<p>We have incorporated ensuring, and testing, our resilience to such investigations within the work to meet the new General Data Protection Regulation (GDPR) requirements. Using the capability we have developed to respond to the more demanding reporting requirements imposed by GDPR, arrangements have been made to test our breach response mechanisms and the associated media challenges that may entail.</p>
<p><b>Deliver a revamped website.</b></p>	<p>The new Sightsavers websites were launched in October 2017. This project aimed to completely rebuild the back end of the websites, enabling more efficient use of resources internally, and more flexibility in delivering and displaying interesting content to our audiences. All Sightsavers offices round the world are now using the new website, with the exception of India, where work is still ongoing. Early measurements show that we have increased conversion to donation and visitor engagement with the site.</p>

## What we planned to do

## What we did

**Increase income levels within the corporate/trust/major donors arena, in particular leveraging new appointments in the Middle East and US.**

We exceeded our income plans for UK trusts and major donors, thanks to several donors giving their largest ever gifts to Sightsavers, and a very strong performance in support of our UK Aid Match appeal at Christmas. Securing income from new corporate partners proved challenging, with one potentially high-value relationship failing to deliver. Others performed well, including a new international 'Charity of the Year' relationship and a new commercial agreement with a long-term partner.

We received our first contributions from our new relationship with GiveWell, which more than tripled US income compared with 2016. Securing new major donors and corporate income proved more difficult, leading us to change our resourcing model for the US market. In the Middle East, our new appointment has proved very successful, exceeding our income plan by securing a new foundation partner, and gaining commitment from a new donor whose funding will create a step change in income from 2018.

**Continue to diversify our institutional donor base.**

During 2017, we continued to make efforts on diversification, both between and within donors, and also to ensure the full range of our work was attracting grant funding. Successes included a multi-annual grant from the Big Lottery Fund for economic empowerment in Uganda, a DFID Aid Match grant for eye health, support from the Fred Hollows Foundation for eye health work in Liberia, Nigeria and India, an increased grant from Irish Aid for work across West Africa, and European Commission funding for an advocacy project in India.

Much of our effort on NTD funding went into the Audacious project, which we hope will come to fruition in 2018. We were pleased to extend our support from the Bill & Melinda Gates Foundation with the grant to map onchocerciasis across Africa.

**Develop a new treasury policy recognising the foreign exchange implications of Brexit and the use of currency brokers to support international currency transfers more cost-effectively.**

A revised treasury policy was approved by Council in October 2017, including changes to the execution of foreign currency hedging transactions and current treasury operations practice.

The specific levels of bank global counterparty limits no longer form part of the policy. The Investment Committee determines and manages the specific levels, and maintains documentation. Cash flow forecasts are prepared to assist with liquidity management on a rolling three-month basis, rather than a rolling 12-month basis as in the previous policy.

Hedging contracts will now be executed quarterly based on net USD demand and not triggered through exchange rate movements versus the planning rates in our annual financial plans. The policy also now recognises that we are fundraising in India and receive income in India, which, when it comes to currency hedging, is offset against planned India expenditure.

## What we planned to do

**Review the operating model for procurement and logistics, exploring the option to deliver this through International Humanitarian City in Dubai.**

**Build value-for-money elements directly into project design, related procurement plans and inception processes.**

## What we did



In 2017, we reviewed our procurement function. The assessment phase consisted of quantitative analysis (transactional data available in our systems over the past 26 months) and qualitative analysis (review of documentation, policies, systems, interviews and records of the central procurement team's dealings with our country offices and other teams). Based on this review, we have reorganised our procurement to include specific expert/technical skills in procurement and supply chain, including a dedicated procurement analyst role, to implement some of the required changes. By better understanding our future procurement pipeline, we will seek demand aggregation opportunities across programmes and countries to get better value for money from our key suppliers.

We have also started redeveloping our procurement framework with Good Distribution Practices (GDP) at the core. This will enable us to achieve GDP certification to acquire a Medical and Healthcare products Regulatory Agency (MHRA) licence to distribute medical products to our programme partners by the end of 2018. We believe this will be necessary to win new NTD bids from DFID in particular.

We have closed our previous office registered with the Dubai Silicon Oasis Authority and relocated to new offices after acquiring a licence and membership with International Humanitarian City (IHC). We have continued to explore strategic opportunities in the UAE, including in logistics and fleet management, as well as broader strategic partnerships in supply chain.

We have continued to work to ensure we achieve value for money in our programmes and have made significant improvements in 2017. We have embedded value for money into the design of all projects by ensuring that each is designed by a multidisciplinary team, bringing strategic, technical, operational and financial considerations together to look at economy, efficiency, effectiveness and equity. We have strengthened our project budgeting approach, rolling out an enhanced activity and unit cost-based process that guarantees that activities, implementation plans and budgets are aligned, enabling easier comparison of costs across activities and projects.

Procurement remains a key element of many of our projects and we have continued to strengthen procurement planning, making sure that all project-related procurement is mapped out and submitted to the central procurement team. This ensures we can buy in bulk, where appropriate, and ensure orders are placed in good time for required delivery dates.

Our new project inception process, used throughout 2017, uses a checklist to ensure all necessary steps are followed to move a project from design to full implementation. This makes sure all aspects of the design can be tested and improvements made, and ensures that the final project has a much higher chance of achieving its aims and offering the best value for money.



## Fundraising

Delivering a transparent, ethical and efficient fundraising programme is crucial to us as an organisation. We are always conscious of the responsibility we hold towards our supporters and strive to make our relationships with them as satisfactory and positive as possible.

Our decisions around where to get the best return for our investment are based on a great deal of analysis. Activity is benchmarked across all of our global fundraising markets and investments are made with flexibility and agility in mind, in order to maximise the return that makes the support for our beneficiaries possible.

Occasionally we work with professional fundraisers and commercial organisations, if we are unable to perform the service in-house, or if it would be too expensive to do so. All contracts and partnerships are subject to due diligence and close management. External partners receive regular training and are subject to regular visits and shadowing from the fundraising team.

Sightsavers is a member of the Fundraising Regulator and the Direct Marketing Association and abides by both the Direct Marketing Code of Practice and the Fundraising Code of Practice. Internationally, we are registered with the Fundraising Regulators in each country, where there is one.

During 2017, Sightsavers received 61 fundraising complaints from members of the public. This represents a 50% decrease on the previous year. We continue to put our efforts into supporter care and taking all feedback seriously.

We also take our responsibilities to protect vulnerable people seriously. We follow the guidance issued by the Institute of Fundraising around treating donors fairly, and make sure all our agency partners are fully aware of this.

## Data protection

Work progressed during the year to review and update our existing data protection systems to meet the requirements of the General Data Protection Regulation (GDPR), which came into effect in May 2018. We have reviewed our existing consent arrangements for our supporter data processing to ensure they are suitable and comply with the new regulation. As part of this development, we have looked at how the organisation would fully address the enhanced rights of those people whose data we might hold, which include consideration around portability, erasure, objection and restriction of processing.

We will implement a new Privacy Impact Assessment process that will enable us to risk-assess and evaluate the privacy risks associated with new processing activities involving personal data on programme activity and other business systems. Sightsavers is well advanced in its preparations to be GDPR compliant. As a result of the more demanding reporting requirements imposed, arrangements have also been made to test our breach response mechanisms and the associated media challenges that this may entail. The outcome from the exercise will help us to continuously improve these systems in future.

**The following activities are either under way or planned as a result of GDPR. These include, but are not limited to:**

- 1** A detailed analysis of the existing consent for email and telephone contact. Sightsavers relies on consent for these forms of communication. A review is required to ensure the consent is suitable for processing under GDPR.
- 2** Update Sightsavers' consent capture processes, if required following the output from step 1.
- 3** Update Sightsavers' Data Protection Policy and Privacy Statement.
- 4** Develop and implement processes to address the enhanced rights of data subjects, including:
  - Data portability: the transfer of personal data from one organisation to another on request from the data subject.
  - Erasure: known as "the right to be forgotten".
  - Objection and restriction of processing: allowing data subjects to halt or restrict specific forms of processing of their personal data.
  - Correction: allowing data subjects to correct the information that Sightsavers holds on them.
- 5** Update Sightsavers' Crisis Management Protocol to include provisions for a breach response. This addresses the new mandatory notification of a personal data breach to the Information Commissioner's Office (ICO) within 72 hours.
- 6** Implement a Privacy Impact Assessment process, a risk assessment designed to evaluate the privacy risks associated with new processing activities involving personal data.
- 7** Review and update all contracts between Sightsavers and third parties with access to personal data, to address changes in the responsibilities of data processors and data controllers.
- 8** Finalise Sightsavers' position on the requirement to have a Data Protection Officer. This is subject to a review of Sightsavers' mHealth (mobile health data collection) tool, which is currently under development.

### Current status

The planned rollout was completed by May 2018. New processes and policies were made available for the business ahead of the enforcement date, with sufficient time for them to become embedded. Looking forward, Sightsavers' compliance with the GDPR will require ongoing maintenance and support.

## Helping India's truck drivers to see clearly and stay safe

Driving for several hours in one go is usually enough to tire anyone out. But 24-year-old Sandeep Kumar chooses to stay behind the wheel for nearly 14 hours every day to earn a living and provide for his family.

Sandeep, a truck driver from Ghaziabad in northern India, juggles gruelling schedules and travels vast distances to earn about Rs14,000 (£150) a month. Like many of his colleagues, Sandeep is the sole breadwinner in his family. Most of the drivers send their earnings home, yet only see their families occasionally: sometimes a few times a month; sometimes once a year.

A lot of Sandeep's driving is done at night because trucks are not allowed to cross state borders during the day. It's not only exhausting, it's dangerous: accidents happen with alarming frequency. Astonishingly, poor eyesight could be putting almost half of India's truck drivers – and other road users – at further risk, but their transient lifestyle, lack of free time and limited income mean having their eyes checked is just not possible.

Sandeep has only been driving for four years, but already knows the difficulties poor vision can cause.

“During the night, when I focus on the lights I get a headache and my eyes get watery, so I drive with my head turned. It is risky, but what can I do? I get scared,” he says.

Yet the idea of not being able to drive scares Sandeep more. “I am worried about my future as I don't have any cash, so I have to work to get food,” he explains. “I am the only member in my family earning – I have my parents and two little brothers, as well as my wife and two-and-a-half-year-old son.”



“During the night, when I focus on the lights I get a headache and my eyes get watery, so I drive with my head turned. It is risky, but what can I do?”

Sandeep Kumar





Sandeep Kumar, from northern India, stands in front of one of the trucks he drives.





Research over the past few decades has highlighted how eyesight is directly linked to driver safety and performance. The overworked truck drivers are particularly vulnerable, as their job comes with many risks: prolonged sitting and driving, tight running schedules, reduced rest breaks, traffic congestion, and the sedentary nature of the job, all of which can lead to physical, psychological and behavioural problems.



A report on Sightsavers' eye health programme for truck drivers, entitled 'Eyes OK Please', was published in September 2017. It was based on three years of research across the country, including interviews with 268 truck drivers and 56 staff members from 10 cities who attended Sightsavers' outreach camps. Of the respondents, nearly 97 per cent needed glasses, with the rest referred for further treatment.

Sightsavers in India realised that truck drivers were struggling to get their eyes checked, so decided to take eye care services directly to them. The National Truckers Eye Health Programme operates in 29 sites around India's 'golden quadrilateral', which covers the main long-distance haulage routes across the country.

Some of the locations are permanent vision centres, while others are pop-up outreach camps, but all are in areas where drivers stop as part of their usual route to rest or unload cargo. Drivers' details are digitally uploaded using tablets and they are given an ID card featuring a QR code, which they can take to any site along their route and pick up their treatment where they left off. They can even opt to collect custom-made glasses from a location of their choice. At the pop-up camps, local partner eye care teams can set up their kiosks and begin screening in a matter of minutes.

Sandeep attended the mobile eye camp organised by Sightsavers at Chhattaipur Raipur Transport Service, in Ghaziabad. It is a fleet location where most of the truck drivers congregate to load and unload their goods and have a rest.

"My transport company is based here, so I saw the screening by chance," he says. "I felt happy when I saw it – when we go to other places you have to pay, and here it's free." Sandeep was given a prescription for new glasses, which he can collect in 10 days. "I will feel nice driving if my eyesight gets better," he says. "If it got worse, I'd have no option but to leave. Now I won't have to."



Sandeep Kumar during his eye examination at the mobile eye camp in Ghaziabad.

Each day the eye care team sees up to 100 people: they're mostly drivers, but also a few other workers at the truck stops whose jobs rely on their vision, and some curious passers-by from the community. The programme is remarkably efficient, and the busy drivers complete the whole screening process in about 15 minutes. If they have no problems, they're given a certificate of clear vision which will help them to secure work.

Sightsavers India hopes the truckers' eye health programme will reach 500,000 drivers by the end of 2020. It is likely to have a significant impact on road safety, as well as giving drivers and their families much-needed security for the future.



Download a copy of the  
Eyes OK Please report at  
[www.sightsavers.org/eyesOKplease](http://www.sightsavers.org/eyesOKplease)





## Overhauling our international payments

As part of Sightsavers' charitable work, we make a huge number of international currency payments and transfers. In 2017 we reviewed our approach to find the most cost-effective way of making these payments.

In 2017 we transferred £26 million of grants to partner organisations in the countries in which we work: most of these were in local currency. We also fund our country office activities and related operating costs in local currency.

The regulatory environment and ever-increasing scrutiny of transactions means making these payments is now more expensive and complex. Sometimes, our usual banking channels have not been able to offer a cost-effective solution. Therefore we carried out a detailed review and decided to research the international payments market.

In 2016, we identified INTL FCStone as a potential payments provider, alongside our lead banks. This US-listed organisation is financially robust, with a proven track record of providing foreign currency payment services to INGOs across the world.

Our approach to working with INTL FCStone has been managed carefully. A pilot was set up to focus on payments in countries where treasury operations via legacy banking channels had proved difficult. As part of our treasury risk management processes we also set up

transaction credit limits, and included these in an updated treasury policy that was approved by Sightsavers' trustees in 2017.

We were soon confident that INTL FCStone could underwrite delivery execution, and could do so at more competitive rates than our lead banks. Its payments platform and back-office function can also provide high-quality transactional management information. We estimate that we saved £200,000 in transactional costs in 2017, and have the potential for more savings in the future.

We are now working to set up a direct systems interface with the INTL FCStone payments platform. This will enable us to automate our process and data integration, without the need for manual intervention.

Sightsavers has also joined a foreign exchange platform called 360T, which enables us to transact with existing treasury providers and shows the rates from other organisations that subscribe to the platform. This means we can see the value for money of our treasury work, and we believe it will give us more competitive foreign exchange pricing.

Doussouba sells vegetables at a market in Mali, but her cataracts affected her vision and meant she often gave away the wrong change. After a successful operation, she can count money and work at the market again.





# Risks and key challenges

## Risks

**Risk identification and management is key within the organisation at all levels. All major programmes have their own risk mitigation logs, and the largest ones have their own governance processes.**

At the organisational level we have a risk log of the top 12 risks. This is reviewed by the management team regularly. The Audit Committee reviews the risk log at every meeting, and the full Council discusses risk at least once a year. The Council is satisfied that adequate systems are in place to monitor, manage and, where appropriate, mitigate Sightsavers' exposure to the major risks.

In our view, the risks remain similar to those we reported last year, although the probability of some have increased. In particular, security concerns in some countries (such as Nigeria) are heightened. While Sightsavers has had no allegations of the type surrounding Oxfam, the current high levels of media interest are increasing risks around handling a media crisis and raising voluntary income. We are also concerned that the crisis may delay decisions around funding at DFID.

The risks (and commentaries around mitigating strategies) are detailed below.

Risk	Risk management comments
<p><b>Recruitment and retention of key employees and contractors.</b></p>	<p>Sightsavers relies on specialist staff, both in terms of technical/ specialist knowledge and in managing complex projects. We have had low attrition among these individuals over the past few years, demonstrating that our mitigation strategy is working so far. We believe that rapid growth, which continues in many parts of our work, is a motivational factor. However, this growth brings other risks as we need to recruit more specialists and in some areas the markets for such skills are thin.</p> <p>We make sure our salaries are competitive in the UK market but we recognise that many of our staff are internationally mobile, and we have a significant risk that salaries in the US are far higher than in the UK.</p> <p>The embedded human resource (HR) arrangement continues to meet business requirements. HR business partners are very useful in terms of discussions around individuals. We have introduced a replacement appraisal process called 'Valuing Individual Performance' or VIP. This is simpler than before and is provided as part of the managers' toolkit, with training on how to use it also provided.</p>



## Risk

## Risk management comments



**Health, safety and security events leading to consequential issues or losses.**

Assessments and updates to the management team and a quarterly business security risk assessment to the wider organisation provides a strong level of support, along with immediate advice in the event of short-term issues. Areas of current concern include South Sudan, Darfur, Pakistan, Bangladesh, Mali, Nigeria and areas of the Kenyan Rift Valley.

A driver assessment and training programme has been successfully completed, though new drivers have been recruited, meaning training will be a continuous activity. We still have a problem with ensuring seat belts are available on vehicles other than our own, especially in India and Bangladesh.

All security plans have been reviewed and updated. MOSS audit of country office adherence to security plans is ongoing. Security awareness training includes country courses in Nigeria and Senegal, and bespoke one-day training is being implemented more widely.

We have updated our induction training package, including mandatory training on child safeguarding, which all staff must complete.

As we extend our NTD work into more difficult countries, we are establishing relationships with specialist organisations (such as the Mentor Initiative) that have the requisite experience of working in such environments.

**Poor quality or strategic alignment of programmes.**

We have completed all our sector strategies and have thoroughly assessed all programmes against them to ensure strategic alignment. Our Quality Standards Assessment Tool (QSAT) has been upgraded and is now fully rolled out and built into our programme management system. We have a structure whereby the Policy and Programme Strategy directorate leads on decision-making with a co-design and sign-off process involving countries. The ROAR (Reflect, Oversight, Appraisal & Review) group has been instrumental in supporting a coherent approach to development of programmes as part of a global portfolio. The portfolio for 2017 was managed through ROAR, and a process has been developed to assess and develop opportunistic projects as appropriate in response to donor requests. There is also a Programme Expert Group, which includes a number of trustees. The group reviews specific programme 'knotty issues' and looks at all strategic evaluations.

Last year the Council approved a revised Child Safeguarding Policy, which underpins all our programmes. All staff and trustees must undertake a specific training module in this area and must sign a code of conduct. All partners are also required to have and to implement an equivalent policy. See the safeguarding section for more details.

## Risk

## Risk management comments

**NTD grants: inability to manage consortia so as to deliver on contracts and secure new opportunities.**

These grants are substantial (some in excess of £40 million) and involve many organisations (there can be more than 20, including academia, NGOs etc). All require the ability to liaise with ministries of health, as well as partners. The central team that manages these grants has been strengthened, with each grant having its own project manager. In 2017 new grants were taken on and a project manager established for each. We have dedicated technical experts (including those who understand factors such as behavioural change and water and sanitation) to support the programmes. Each programme has its own governance arrangements to ensure oversight.

A significant risk has been identified, which is the potential failure of Pfizer to deliver adequate amounts of medication in a timely fashion. Shipments in 2017 exceeded 100 million treatments (a 100% increase compared with 2016). Production problems were exacerbated by the hurricane that hit Puerto Rico. Matters are improving, but this will continue to be a risk which we must monitor, especially as new large trachoma programmes come on stream. The specific risk issues regarding obtaining a duty waiver in Nigeria appear to have been resolved for now, with the ministry of financing approving a bespoke duty waiver for Zithromax in February.

Our model of consortium management, including systems and processes, is robust and should be scalable as we take on new large contracts, but we will need to ensure that we strengthen capability at the country level as well as centrally. We recognise that the sheer volume of transactions will increase significantly, so we will need to ensure our central staffing levels are adequate to manage this.

**Inability to raise adequate voluntary income in mature and new markets.**

We have undertaken substantial financial modelling to assess the impact of GDPR on our income. We intend to move to a 'legitimate interest' approach rather than a full opt-in approach, as we have seen the latter cause significant damage to income in a number of charities.

We have upgraded our data warehousing for European markets, but will need to extend this to include India. A new online donation platform is being launched imminently.

We have appointed a new Head of Fundraising and Marketing Nordics, based in Sweden, with a view to expanding our reach into corporates and major donors as well as individual giving.

We have rolled out our global approach to fundraising, based on returns on investment by channel and market, and have already seen this improve overall ROI in countries like Italy.

## Risk

## Risk management comments

**Poor quality of implementation of programmes leading to failures to safeguard beneficiaries or deliver expected programme outputs and outcomes.**

Our reputation for delivering under complex contracts has been hard won and is precious. We have seen significant improvements in project inception, development of common budgeting and planning templates, and integrated procurement planning. These were identified as areas of most risk in terms of delivery of targets. Our restructuring in recent years to create a directorate that focuses on design, evidence gathering and technical excellence, with another devoted to implementation, has paid dividends.

As already mentioned, and detailed below, we were already strengthening our approach to safeguarding before the various problems with Oxfam and Save the Children UK hit the media.

As recipients of large DFID grants we have signed the DFID Supplier Code of Conduct, and have been meeting with various partners to ensure they are also aware of the obligations under this code. We anticipate that there will be further requirements from DFID and/or the Charity Commission emerging from the review of safeguarding that is being conducted by them, and stand ready to implement any new requirements that we are not already covering.

**Media crisis in core markets.**

We are mindful that the media environment in the UK has been very challenging. In 2017 there was significant coverage of fundraising scandals and criticism of CEO salaries. A number of newspapers conducted campaigns against overseas aid generally, and the issue culminated with the major story about Oxfam's staff using sex workers in Haiti, and Save the Children senior staff allegedly harassing colleagues.

We have strengthened our media team to enable us both to raise our profile better and to cope with more media attention. The increasing number of media queries (and supporter interest generated) has resulted in significantly more resource being diverted into handling this, both within the media and supporter care teams.

We had intended to conduct a media crisis test in 2017, but workload pressures and the need to establish the full team precluded this. It will be a priority in 2018.



Risk	Risk management comments
<p><b>Inability to replace or grow institutional income.</b></p>	<p>We have been concerned that resource constraints in a number of DFID teams would delay funding decisions, and this was indeed the case with Aid Connect. A change to the Secretary of State may also have delayed matters although we were very pleased that the attention on disability has been maintained. We have continued to prioritise our relationship with DFID both centrally and at country level. The Irish Aid partnership is also critical and it is a priority for our new CEO of Ireland to develop this further.</p> <p>Whilst we obviously focus on our relationships with our biggest donors, we have also been building relationships with BMGF, Big Lottery Fund, USAID and others to enable us to diversify.</p> <p>Critical to this is our reputation for excellence in implementation as well as ensuring our programmes are evidence based. We have invested a great deal in our policies, systems and processes placing us in a good position to meet the ever more stringent demands placed on contract holders by institutional donors.</p>
<p><b>Inappropriate controls.</b></p>	<p>The Financial Framework is the key document which sets out our controls framework and in the interests of transparency it is on our website. We intend to refresh it in 2018. We have a co-sourced model for internal audit – an external firm working with our Head of Audit and Assurance on certain assignments.</p> <p>We have upped our due diligence efforts on all partners to ensure that they are able to meet the needs of the increasingly demanding environment.</p>
<p><b>Governance level challenges, such as forced federation, new regulatory hurdles and strategic misalignment of boards.</b></p>	<p>All legal and registration arrangements are now well established. In 2017 there were a number of changes at board levels – several new trustees on the international board and a new Chair in Ireland.</p> <p>The UK board undertook a board effectiveness review in January 2017 which included a refresh of the skills and attributes matrix which has helped to guide the recruitment process.</p> <p>In October a meeting of all Chairs of the boards was held at which they recommitted to working as one Sightsavers towards a common strategy with common policies.</p>
<p><b>Financial loss, disruption or damage to our reputation as a result of data loss, a failure of ICT, or in information security process controls.</b></p>	<p>Significant progress has been made towards Cyber Essentials accreditation which is expected to be complete in 2018.</p> <p>Windows 10 has been fully rolled out and an upgraded Information Security and Systems policy has been implemented.</p> <p>There have been changes to our Payment Service Provider for our e-Commerce systems to minimise PCI exposure.</p>

## Risk

## Risk management comments

**Financial loss or operational constraints as a result of treasury activities, including credit loss, foreign exchange movement, liquidity or inability to transfer funds internationally.**



There has been considerable focus on treasury activities (see Case Study 7 on page 54) including better use of currency brokers. Cash flows are now reported weekly.

A key focus for 2018 will be reviewing and managing the liquidity implications of the potential large contracts and grants.

Our hedging programme has continued, although with increased dollar income the amount needing to be hedged has reduced. A key uncertainty into the future is the ultimate impact of Brexit on sterling.

## Sightsavers wins prestigious eye health award

In September 2017, we were honoured to receive the Antonio Champalimaud Vision Award for our work to prevent and treat blindness and visual impairment in developing countries, as a joint recipient with CBM. The €1 million award is the world's largest prize for organisations working in eye health.

A jury of international scientists and public figures commended Sightsavers' long history in the field, and the work of our founder, Sir John Wilson. The jury also noted our more recent initiatives, such as the Global Trachoma Mapping Project (GTMP), the largest infectious disease survey ever undertaken, which ended in 2016. The GTMP helped to pinpoint areas in which trachoma is endemic, to ensure resources can be allocated to eliminate the disease. During the project, surveyors collected data from 2.6 million people in 29 countries using Android smartphones.

The awards ceremony was held in Lisbon, organised by the Champalimaud Foundation, which carries out biomedical research and develops scientific solutions to improve the health of people around the world. In his acceptance speech, Izidine Hassane, Sightsavers' Country Director for Mozambique, explained the huge impact that the award will have, helping us to reach more people in need of basic eye health services. Izidine also received an unexpected hug from the president of Portugal.



Sightsavers' Mozambique Country Director Izidine Hassane accepts the award from Portuguese President Marcelo Rebelo de Sousa, alongside Babar Qureshi.





Launched in December 2012, the three-year Global Trachoma Mapping Project saw surveyors collect data from 2.6 million people in 29 countries using Android smartphones. On average, one person was examined every 40 seconds.



**“With so many people in developing countries going blind when it could be avoided, this commendation of and support for our work means so much. It is deeply gratifying to know our work supporting people with disabilities to live independent lives is being recognised.”**

**Sightsavers trustee Bill Kendall, who also attended the ceremony**

As a winner of the award, Sightsavers was invited to give a lecture at the Association for Research in Vision and Ophthalmology’s annual meeting in May 2018. Sunday Isiyaku, Sightsavers Country Director for Nigeria and Ghana, delivered a lecture on the GTMP and its impact on the elimination of blinding trachoma.



## Challenges in 2017

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**As always, as well as significant progress and achievement, the year also brought several challenges.**

- 1** The assertive media environment has not abated, and has recently intensified with the media coverage of Oxfam. As far as we can see there has been limited short-term impact on us – we saw no rise in donor cancellations, and Christmas donations were up. However, more recently we have seen some reduced success with mailings, although it is unclear what the cause may be.
  - 2** There has been a significant increase in the regulatory burden. A new governance code was introduced, and DFID introduced a mandatory suppliers' code. Perhaps the most challenging aspect of this is the requirement to ensure that all suppliers and all partners are also compliant, which will make coalition working more expensive. We are also concerned that an unintended consequence of this is to make it harder to work with smaller, less well-resourced partners. There is new leadership at the Charity Commission and as yet we do not know the full details of the additional regulations that will be implemented as a result of the current safeguarding summits.
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Sightsavers staff face many challenges when working in rural locations.

- 3 Regulations have also had a significant impact in fundraising. We have spent a great deal of time this year preparing for the new GDPR, and our Swedish fundraising efforts have been affected by regulatory restrictions on the amount that can be invested.
- 4 Political changes and upheavals caused delays to DFID's decision-making processes and thus delays in contract awards. Irish Aid funding was also delayed.
- 5 Security and conflict affected our ability to work in a number of countries, and the threat level in several has increased (such as higher levels of abductions in Nigeria). We maintain vigilance.
- 6 This year there have been no incidents relating to safeguarding of beneficiaries, and no grievances upheld around internal staff problems.



# Plans for 2018

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In the second half of the year we will start to refresh our strategy, although we do not anticipate any radical shifts in our overall aims.

## Our top objectives for 2018

### Delivering for beneficiaries

- Ensure delivery under all key existing programmes and the efficient start-up of new large grants and contracts.
- Build our portfolio of eye health and social inclusion programmes.
- Improve connection between different parts of the organisational strategy, in particular maximising opportunities from existing grants.

### Increasing our capacities: areas where we need to excel

- Strengthen relationships with DFID disability and NTD teams.
- Build understanding of evidence base and strengthen the use of data in programmatic decision-making and quality improvement.
- Strengthen our key strategic alliances to increase our influence. Notable milestones this year include the launch of WHO's World Vision Report, and the Global Disability Summit, which will involve a number of key allies.

### Learning and growth: areas where we need to invest to achieve excellence

- Implement Sightsavers' Child Safeguarding Policy, which was approved by the Board in 2017.

- Undertake an employee survey and act on the findings.
- Build the teams and staffing structures needed to deliver on large new NTD grants, including strengthening our technical capacity.
- Revise Sightsavers' Financial Framework, which details the financial policies and procedures that staff should adhere to.
- Investigate resilience to a media crisis by undertaking a crisis rehearsal.
- Enhance our media presence to support policy influencing, campaigning, coalition building and fundraising, in particular to strengthen our position as key players in both NTDs and disability.

### Resources: funding our work, ensuring efficient and strategic use of resources

- Continue to improve financial performance, balancing income needs against supporters' expectations. Focus on more sophisticated data-driven communications to minimise unnecessary mailings and increase net income. Maintain a dynamic approach to investment for recruitment across different markets and channels, utilising opportunities when they arise and pulling back where appropriate.



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Eye health workers in Mogadishu in Somalia are trained to spot the signs of trachoma.

- Ensure all areas of the organisation are GDPR compliant by May 2018, including rolling out our approach to fundraising under the GDPR requirements.
- Launch a new online donations platform globally, enabling better testing and optimisation, and moving the organisation to one global payment provider.
- Increase our income from trusts, major donors and corporate supporters, with a focus on key existing relationships, and develop new high-level philanthropy in the UK, US and Middle East.
- Continue to diversify our institutional income base, both in terms of sources and thematic areas covered.
- Ensure a successful introduction for the new Irish leadership, both in terms of voluntary fundraising activity and relationship with the Irish government.
- Update reserves and investment policies to align with changes in organisational risk profile.
- Redevelop our procurement framework with Good Distribution Practices (GDP) at the core and achieve GDP certification to acquire a Medical and Healthcare products Regulatory Agency (MHRA) licence for the wholesale distribution of medical products to programme partners (Wholesale Distribution Authorisation-Human or WDA-H licence).
- Continue to focus on enhanced reporting through wider use of dashboards and bringing together data from multiple sources, including mHealth technologies.

## Low cost but big impact: Sightsavers is hailed for effective altruism

The concept of value for money when giving to charity can be subjective and even controversial. As a result, the term 'effective altruism' has grown in popularity in recent years, as donors have sought to better understand the real impact of their charitable giving.

The effective altruism movement, championed by many academics and philanthropists, aims to provide high-quality evidence to help donors decide where their money will provide the greatest benefit.

In 2017, we were delighted to retain our status as one of only nine 'top charities' recommended by US charity evaluator GiveWell, for our work in deworming. The huge impact on children's health, relative to the low cost of providing treatment, has inspired other donors to give to Sightsavers, including the Giving What We Can Trust in the UK (recently merged with the Centre For Effective Altruism) and the Effective Altruism Foundation in Germany, which contributed via GiveWell.

In all, we received more than £2.5 million in 2017 from organisations affiliated with the effective altruism movement, and from individual donors who told us that their donation was inspired by its principles. We are honoured to be recognised by these donors, following their rigorous, impartial analysis of our results and cost-effectiveness.

We hope to continue working with these organisations to tackle challenges such as intestinal worms and other neglected tropical diseases in the countries where we work.



© Sightsavers 2017/Abraham Aba

Six-year-old Verior is one of the pupils who has taken part in Sightsavers' school-based deworming programme in Benue state, central Nigeria.



Soumaila lives in a village in the Koulikoro region in southern Mali. Trachoma was causing him pain and affecting his vision, but after surgery the pain has gone and his life is returning to normal.



# Structure, governance and accountability

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Sightsavers is the working name of the Royal Commonwealth Society for the Blind. Originally founded in 1950, it is now incorporated by Royal Charter dated 28 February 1990, as amended on 8 July 2009 (company number RC000706), and is a charity registered in England and Wales (207544) and Scotland (SC038110). It is regulated by the Charity Commission.

We have a governing Council of trustees that is committed to maintaining a high standard of corporate governance. Council members, all of whom are non-executive, are drawn from diverse, international backgrounds and bring a broad range of relevant experience and skills to Council discussions. Trustees are elected to the council by other trustees normally for two terms of four years, although this can be extended in exceptional circumstances (such as where a particular skill cannot easily be replaced).

Recruitment of new trustees is based upon consideration of skills, mindful always of the need to reflect diversity (in terms of gender and disability in particular) and maintain a balance of individuals from different countries. Depending on the gap to be filled, this may be done via existing networks or by advertisement. All trustees have a tailored induction programme to familiarise themselves with their statutory responsibilities, their role within the Council, the governance framework and Sightsavers' objectives. They also have full access to the e-learning induction programme for staff and key programme database and performance measurement systems. Performance of the Council both collectively and as individual trustees is periodically assessed.

There are four committees of the Council:

- Audit, which monitors and reviews audit activities, the risk and control framework, the effectiveness of our processes and the statutory accounts/ annual report.
- Investment, which monitors investment performance and treasury activities.
- Remuneration, which monitors remuneration policy and salary decisions.
- Governance, which monitors legal and registration issues in countries in which we operate and advises on the appointment of trustees and honorary officers.

Committees may include specialists who are not members of the council, but volunteer to use their expertise to help the committees. As well as the formal governance committees, a Programme Expert Group meets twice a year and provides advice to the executive and insight on programme matters to the Council.

There are distinctions between the roles of the Council and of senior management, to whom day-to-day management is delegated. Matters such as policy and strategic plans are prepared by senior management for approval by the Council. There are three 'leadership teams' set up to facilitate decision-making at management level.



There is a management team that focuses on operational matters, consisting of 15 people drawn from across the organisation. This includes the regional directors, the CEOs of India and Ireland and senior-level staff across the different directorates. There is a strategy team, which is smaller and includes senior directors with a particular focus on strategic matters. This team looks further ahead and is also responsible for resource allocation recommendations. There is a people team, which handles all strategic HR matters such as the new VIP process. The team reviewed our HR policies in light of recent safeguarding issues in the media.

The organisation is structured with five main directorates, whose leaders report to the CEO. These are:

- 1 Policy and Programme Strategy**, which includes research, evidence, technical leadership, institutional relations, policy and advocacy.
- 2 Finance and Performance**, which includes all programme implementation, operations, finance, assurance and reporting. All country offices report through regional offices into this directorate.
- 3 NTDs**, which includes the management of large consortia grants and contracts, and technical support to NTD programmes.
- 4 Individual Giving**, which is responsible for smaller supporters across all our markets (although in the case of India and Ireland this is an advisory role).
- 5 Major Giving**, which includes corporates, trusts and major donors across all markets, with the same caveat as for Individual Giving.

The CEO of India reports day-to-day to the CEO of the international organisation, although he is ultimately responsible to the India Sightsavers Board. The CEO of Ireland reports to the Chair of Ireland and the Irish board with a dotted-line link into the international CEO.

This structure has been essentially stable throughout 2017, with only minor adjustments at mid levels.

As of 31 December 2017, there were eight subsidiary undertakings consolidated within the Group: Sightsavers (Trading) Limited, Sightsavers (Ireland), Sightsavers International (Italia), Sightsavers International Inc. (USA), Sightsavers Inc. (USA), Insamlingsstiftelsen Sightsavers International, Sverige (based in Sweden), Sightsavers Middle East Consultancy FZE (voluntarily liquidated in 2017, awaiting cancellation of its licence), and Stiftelsen Sightsavers International Norge (based in Norway). Further details are included in notes 14 and 16 to the financial statements.

Sightsavers is a charity registered in Scotland with the Office of the Scottish Charity Regulator, registration number SC038110. In 2017 Sightsavers raised £2.9 million (2016: £2.4 million) from donors based in Scotland.



## Remuneration

Sightsavers' policy on remuneration is to ensure that the reward package offered to staff is competitive with other organisations in the areas where we work, both in terms of geography and type of role, so we are able to recruit and retain staff. As stated previously, inability to do this is seen as a key risk to the organisation.

We have a Remuneration Committee that includes a subset of trustees, including one with extensive HR experience. The policy (approved in 2016) is based around benchmarks at the median level, with flexibility as required, particularly for roles that are difficult to benchmark. Sightsavers has a number of roles that are unusual in the sector (in particular combining some roles at senior level that are normally done by more than one individual in other organisations), which can mean some pragmatism is required in applying benchmarking. The salaries of all individuals who report to the CEO, and that of the CEO herself, are individually approved by the Remuneration Committee, as well as the overall policy.

As of December 2017 the salary of the CEO was £129,500. This was the highest salary in the organisation. There is no bonus scheme or car allowance, and she has the same pension rights as other UK staff.

All UK staff, including apprentices and interns, are paid at least the living wage. The ratio of the highest-paid person to the lowest in the UK is approximately 7:1, and the ratio of highest to median is 3:1.

As at the end of December 2017, of UK-based staff, 65% were women and 35% were men. The mean and median gender pay gaps were calculated to be 1% and 3% respectively. This is a low gap and reflects

the fairly even distribution of our staff across salary quartiles. This compares very well with other organisations, both within and outside the sector.

No bonuses are paid to staff.

## Governance code

The new governance code was published, after extensive consultation across the sector. Sightsavers' Board welcomed the introduction of this updated version of the code. Although not a legal or regulatory requirement, the code explains that it is a practical tool to help charities and their trustees develop high standards of governance. Its seven principles on organisational purpose, leadership, integrity, decision-making (risk and control), board effectiveness, diversity, and openness and accountability are central to the core values of this organisation. An assessment exercise was completed against the outcome and recommended practice components of the principles, and in our view we are compliant in all material respects with the code.

## Modern slavery

The Board published its first modern slavery statement in 2017 on the website. A specific policy on modern slavery was developed and approved by the Board, linked to the fundamental review of our procurement functions. This included a risk assessment and the production of a code of conduct, with which our suppliers are required to comply. At the request of DFID, the modern slavery questionnaire was successfully completed and the business is implementing DFID's recommendations.

## Safeguarding

Sightsavers has invested significantly in updating and strengthening its safeguarding systems. Our child safeguarding policy was reviewed and approved for publication on the website by the Board in the summer and work began immediately to develop, roll out and embed our new systems and processes across the organisation. Everyone employed by Sightsavers has completed the e-training package on safeguarding. Everyone throughout the organisation, from trustees downwards, has signed the new code of conduct, which is attached to the e-training package. All new staff will be mandated to complete this training. In addition, our partners now have to sign up to our code of conduct and demonstrate that they have or will have appropriate policies and systems in place in order to do business with us in future.

We have started appointing Child Safeguarding Focal Points in each of the countries in which we operate, to provide a local centre of expertise and source of advice and guidance. More detailed and formal training will be developed and provided to these safeguarding focal points. In parallel to this we have begun developing a policy for the protection of adults at risk with whom we or our partners engage (both beneficiaries and potential supporters) and this will be concluded in 2018.

## Accountability

Sightsavers is a member of the INGO Accountability Charter, which changed its name last year to Accountable Now. We submitted the fifth formal report to the Charter Company Independent Review Panel (IRP) last year on the basis of performance in 2015. This was well received.

Areas pulled out as particularly good practice were: "Sightsavers' very thorough monitoring, evaluation and learning system closely aligned with its strategic objectives, including the commendable SIM card, publication of all policy positions on its website, and the visualised partnership framework including individual toolkits for the three phases."

One recommendation was to look at whether we could improve individual staff training plans and their link with strategic objectives.

Sightsavers' Chief Executive is the Vice Chair of Accountable Now.



Read our key policies at  
[www.sightsavers.org/ourpolicies](http://www.sightsavers.org/ourpolicies)

Before she had cataract surgery, eight-year-old Suborna, from Bangladesh, was forced to cup her hand around her eye to help her focus.





# Review of financial outcome 2017

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Detailed financial information is reviewed by the Council in each of their meetings during the year. The financial outcome for 2017 is set out in the consolidated statement of financial activities.

## Income

Total income was £321.7 million in 2017, an increase of £19.7 million compared with 2016. The principal contributor was growth in gift-in-kind income. 2017 income excluding gift-in-kind donations was £73.2 million, up slightly by £1.1 million (2%) from 2016. Overall income in 2017 exceeded our original financial plan for the year.

Total income from donations, excluding legacies, was £38.4 million, an increase of 8% from 2016.

Overall income from individual donations increased by £2 million, which in aggregate across the group was only just below plan for the year. We maintained investment across all our international markets, with all markets achieving increased individual income over 2016. The UK and Ireland, our most significant markets historically, achieved 6% and 4% increases respectively. The most significant increase was in India, up to £1.5 million of individual income, while Italy achieved a 10% increase to £2.4 million.

We are continuing to slowly build fundraising capacity and capability in the Middle East. Our longer-term expectations remain positive for all our international territories.

Legacy income remained strong in 2017 at £9.4 million. We had not expected to match the record high of 2016, which had benefited from receipt of one particularly

large legacy. The future legacy pipeline also continues to look strong.

We were delighted to receive significant donation funding in the US from Good Ventures Foundation (GiveWell) of £2.4 million, which helped push donations from trusts to nearly £5 million. Corporate donations were slightly reduced, but more than offset by increases from community service and other organisations.

Consistent with 2016 being the last year of the UK government's DFID Programme Partnership Agreement (PPA) funding, donation income from institutional donors was expected to fall in 2017. Overall such income was £4.5 million in 2017, reflecting £1.5 million of Irish Aid income and continuing support from a number of long-standing existing donors. We are engaging with DFID on the new funding mechanisms being introduced from 2017.

The ending of PPA funding and the reduction in legacy income are the principal factors in overall unrestricted donation income reducing by £6.7 million. This reduction was nearly fully offset by increases in restricted donation income.

Gifts-in-kind income was £248.5 million, compared with £229.5 million in 2016. Income from gifts of Mectizan® tablets from Merck & Co Inc to treat river blindness increased by £31.5 million to £222 million. In 2017 we also continued to receive donated Zithromax® treatments

in Sudan from the International Trachoma Initiative, for which we recognised £26 million of gift-in-kind income.

Our income from our large NTD grants remained significant in 2017, with continuing but more modest growth. Total incoming resources from charitable activities were £25.1 million in 2017, an increase of £1.5 million from 2016. Our aggregate funding in this category from the UK government (DFID) remained constant at just over £14 million, covering a variety of programmes including the large neglected tropical disease projects. The DFID-funded Global Trachoma Mapping Project has concluded, but that income was more than replaced by increases on the DFID SAFE programme. Income from The Queen Elizabeth Diamond Jubilee Trust for the Trust Trachoma initiative increased to £7.9 million. Significant incoming resources were received again in 2017 from the Bill & Melinda Gates Foundation, increasing to £1.5 million, from the European Commission, and via USAID.

Investment income increased in 2017, to £0.3 million.

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## Expenditure

Total expenditure was £321.7 million in 2017, an increase of £23.5 million compared with 2016. These higher expenditures again principally reflect the expenditures incurred related to the distribution and use in our programmes of the greater quantities of donated gifts in kind.

Costs of generating funds, including institutional fundraising costs, rose by £0.9 million year on year to £19.3 million. This represents a continuation of the strategy to invest in voluntary fundraising income and donor recruitment, with the objective of balancing and complementing

the levels of grant income received in recent years. Expenditures and investments were broadly maintained across all markets, segments and activities. Given the reduction in unrestricted income, maintaining these expenditures levels has been funded by using unrestricted reserves from above the upper end of the target range, as well as reducing unrestricted funded charitable expenditures.

Total expenditure on charitable activities was £302.2 million in 2017 against £280.9 million in 2016, an increase of £21.3 million (8%). Costs ascribed to Mectizan<sup>®</sup> tablets were higher in 2016, which together with gifted Zithromax<sup>®</sup> treatments represent £248 million of expenditures of donated drugs, an increase of £19 million.

Total expenditure on NTD programmes increased by 14%, reflecting an increase in restricted funded activities offset by reductions in unrestricted funded activities. There was a small aggregate reduction across the other thematic categories of charitable activity.

With the increase in incoming restricted resources in 2017, we applied those funds to increased restricted expenditures across each thematic category. In particular, we incurred increased restricted expenditures of approximately £1.9 million on eye health and £3.9 million on NTD programme activities.

Excluding donated drugs, overall our charitable expenditures were £2.8 million higher in 2017. This increased programme activity led to a broadly proportionate increase in each type of costs, of grants payable, direct costs and allocated support costs. In aggregate, total expenditures on policy and research, education and social inclusion activities were comparable across 2017 and 2016.

## Grant-making policy

Sightsavers works in partnership with numerous organisations. Grants payable are made in line with the strategic objectives. We monitor all grants to partner organisations in accordance with the relevant partnership agreement. There is an annual process to review the project and partner budgets for the following year and determine what funds will be paid.



A list of principal grants is available at [www.sightsavers.org/how-were-run/annual-reports](http://www.sightsavers.org/how-were-run/annual-reports)

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## Financial position and reserves

Reserves policy is decided by the Council, taking into consideration relevant Charity Commission guidance.

The reserves policy seeks to balance the objective of promptly spending income with the need to maintain a level of reserves to ensure uninterrupted operations and to provide time to adjust to a change in financial circumstances and the financial impact of risk events.

The target unrestricted reserve level was maintained at £7 million +/- £1.5 million in 2017, which is assessed as striking a balance between the need to spend down income and maintaining operational integrity. This level of reserves is consistent with Sightsavers' business model and the assessed financial impact of key risks.

Sightsavers planned to run a modest deficit in 2017. The outturn for the year saw overall income and expenditures essentially in balance, resulting in a neutral

operating position. Separately, we earned a gain from the investment portfolio of £0.5 million, and benefitted from an actuarial gain of £0.2 million related to the defined benefit pension scheme. Overall a financial surplus of £0.7 million was earned for 2017.

Total fund balances were £16.4 million at the end of 2017, comprising £11.2 million of unrestricted funds, £0.2 million of endowment funds and £5 million of restricted funds. Unrestricted funds comprised general reserves of £10 million and £1.2 million of designated funds. Of the designated funds, cash held overseas of £1.1 million is available for use, and £0.1 million represents tangible fixed assets.

As discussed in the Income and Expenditure sections of this review, we ran an unrestricted funds operating deficit and an equal and opposite restricted funds surplus, reflecting in part certain timing differences between income recognition and expenditures across year end, which is expected to reverse in 2018. After taking in to account transfers between funds and the investment and actuarial gains, the net movement of unrestricted funds in 2017 was a deficit of £1.7 million. This deficit was within the planned overall deficit for the year, and the level of unrestricted reserves remains above the top end of the target range as at 31 December 2017.

This level of reserves remains above policy guidelines. The trustees believe this level of reserves is acceptable and prudent given the continuing requirement for investment in fundraising and a desire for programmatic expansion in the future. In addition, reserves are being held to fund a further modest planned deficit for the 2018 financial year, with the aim of continuing to grow programmatic activity, and allowing for new sources of funding currently being pursued to be closed. The reserves policy is periodically reviewed to ensure that it remains appropriate as circumstances change.



## Investments

Our investment activities are supported by UBS Wealth Management and the investment committee. This committee meets regularly with UBS to assess investment strategy and performance.

The value of assets held with our fund manager at 31 December 2017 was £6.5 million. We hold a mix of investment assets including cash, fixed income, equity, hedge funds and real estate. We are currently maintaining a tactical asset allocation preference for equities over bonds. The portfolio net of fees returned 10.2% in 2017, which was ahead of benchmark indices for the period. Sightsavers' level of fixed-asset investments is calibrated with the targeted quantum of reserves and ongoing liquidity needs. The investment objectives are to maximise investment returns from a long-term discretionary portfolio, through both income and capital growth, at acceptable levels of risk, while maintaining good liquidity and in line with ethical standards consistent with our objects and values.

## Pensions

Sightsavers operates a defined contribution pension scheme, which was established in 2002, with membership made available to all UK contracted employees.

Sightsavers also operates a defined benefit pension scheme for UK contracted employees. This scheme was closed to new entrants in 2002 and closed to future accruals for existing employees in August 2010. As set out in note 12 to the financial statements, under FRS 102 there was a deficit in the scheme of £0.4 million at the end of 2017.

The most recent full triennial actuarial valuation of the scheme was prepared as at 31 December 2015. As agreed with the trustees of the pension plan, Sightsavers had been contributing ongoing regular annual funding to the scheme of £660,000 through 2016. In the first quarter of 2017 Sightsavers agreed further funding, including a new forward plan for ongoing contributions to the scheme at a monthly level of £30,000, effective 1 January 2017 and extending beyond 2018.

## Financial outlook

The strategic direction of the organisation is defined in the strategic framework, most recently refreshed in 2014 and which continues until 2019. We intend to review this, starting in the latter part of 2018, with a view to publishing a revised strategy by the end of 2019. Financial planning and forecasting activity takes place within the context of the overall strategic plan and objectives.

Sightsavers continues to hold unrestricted reserves above the top end of the target range. The 2018 financial plan is to run a deficit of approximately £1.5 million, reflecting projected income of £75.4 million and expenditure of £76.9 million, each excluding pharmaceutical gifts in kind. Both these planned total income and expenditure levels, exclusive of gifts in kind, are above 2017 outturn levels.

A proportion of this deficit is made up of the mismatch between income recognition and expenditure in 2017 on the Good Venture Foundation (GiveWell) deworming grant and is therefore funded from restricted funds. We will be expecting to draw down on our general reserves by around £1 million with an estimated reserves position by the end of 2018 of approximately £10 million, still ahead of our target of £7 million +/- £1.5 million.

This plan allows us to maintain or increase categories of expenditures, while continuing the transition to new and different forms of institutional funding.

Fundraising investment levels are planned to be maintained in 2018 as a part of the continuing strategy to strengthen the base of committed givers across all fundraising markets.

While the fundraising climate in the UK remains challenging, we retain a positive outlook on this core market. We are also continuing our long-standing strategy of income diversification in international markets.

Total charitable expenditures, including programme expenditures, are planned to be in the region of £63 million, excluding the value of gift-in-kind distributions, prior to the allocation of certain shared costs for statutory reporting purposes. Spend is expected to generally increase slightly across the portfolio of projects, with continuing significant expenditures on our large NTD grants and contracts. Programme effectiveness is continually assessed and the portfolio mix of projects is expected to continue to change and improve.

Our medium-term planning work factors in the risks of the purchasing power of sterling and we hold a level of reserves in order to mitigate this and other risks.

There are a number of significant grant and contract funding opportunities that are not included in the 2018 plan figures, including the Audacious NTD proposal and our DFID disability funding opportunities. If we are successful with any of these opportunities, our overall budget will change considerably.

## Going concern

There is a reasonable expectation that Sightsavers has adequate resources to continue in operational existence for the foreseeable future. The trustees believe that there are no material uncertainties that call into doubt the charity's ability to continue. The financial statements have therefore been prepared on the basis that the charity is a going concern, as described in note 2 therein.

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## Public benefit

We develop our strategic plans to ensure that we provide public benefit and achieve our objectives as set out in the SIM card.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning activities and setting policies for the year ahead.

## Statement of trustees' responsibilities

Charity law and the terms of Sightsavers' Royal Charter require the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and the group at the end of the financial year, and of its incoming resources and application of resources for the period.

### In preparing those financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity, and ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Keita Kadiatou Doumbia, a teacher from Mali, specialises in inclusive education and helps to teach students with visual impairments.



# Key people and suppliers

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## Patron

Her Majesty The Queen

## President

Her Royal Highness Princess Alexandra  
The Hon. Lady Ogilvy GCVO

## Vice presidents

Lady Wilson OBE

Sir David Thompson KCMG

Sir Graham Burton KCMG

Lord Nigel Crisp KCB

Dr Ramachandra Pararajasegaram

## Honorary officers

Martin Dinham CBE, Chair

Michael Chilton, Vice Chair

Bill Kendall, Treasurer

## Members of the Council (the trustees)

Ms Abia Akram  
(appointed September 2017)

Dr Uche Amazigo

Prof Ekanem Ikpi Braide  
(term ended July 2017)

Dr Robert Chappell OBE

Michael Chilton

Howard Dalzell

Maryanne Diamond

Martin Dinham CBE

William Gardner  
(stepped down October 2017)

Barry Hoffman

Bill Kendall

Christopher Kinder

Stephen King

Elaine Lee

Mavis Owusu-Gyamfi  
(appointed November 2017)

Dr Ramachandra Pararajasegaram  
(term ended July 2017)

Dr Manoj Parulekar

Prof Christopher Whitty  
(appointed November 2017)

## The committees

### Audit Committee

Christopher Kinder (Chair)

Dr Robert Chappell OBE

Michael Chilton

Bill Kendall

Martin Kyndt  
(non-trustee member)

Richard Ufland  
(non-trustee member)

### Governance Committee

Martin Dinham (Chair)

Michael Chilton

Barry Hoffman

Bill Kendall

Christopher Kinder

Stephen King

### Investment Committee

Bill Kendall (Chair)

Michael Chilton

Genny Kiff  
(non-trustee member)

Christopher Kinder

### Remuneration Committee

Martin Dinham (Chair)

Michael Chilton

Bill Kendall

Barry Hoffman

Stephen King

## Strategy team

Dr Caroline Harper CBE  
(Chair), Chief Executive

Anna Becker  
Director of Institutional  
Funding

Simon Bush  
Director of Neglected  
Tropical Diseases

Dominic Haslam  
Director of Policy and  
Programme Strategy

Rebecca Jupp  
Director of Individual  
Giving and Marketing

Kenneth Moon  
Director of Finance and  
Performance

Thoko Pooley  
Strategic Director,  
Institutional Funding

Gareth Roberts  
Planning, Monitoring and  
Reporting Director

Elena Schmidt  
Director of Strategic  
Programme Development,  
Evidence and Research

## Management team

Kenneth Moon (Chair),  
Director of Finance and  
Performance

Anna Becker  
Director of Institutional  
Funding

Alistair Burnett  
Director of News

Alicia Cummins  
Head of Operations and  
Planning, Policy and  
Programme Strategy

Dr Caroline Harper CBE  
Chief Executive

Dominic Haslam  
Director of Policy and  
Programme Strategy

Rebecca Jupp  
Director of Individual  
Giving and Marketing

Charlie Lamson  
Chief Executive, Ireland

Thomas Millar  
Neglected Tropical  
Diseases Operations  
Director

RN Mohanty  
Chief Executive, India

John Muriuki  
Regional Director, East  
Central and Southern  
Africa

Gareth Roberts  
Planning, Monitoring and  
Reporting Director and  
interim Regional Director,  
West Africa

Michael Straney  
Director of Major Giving



## Principal addresses

Registered address:  
35 Perrymount Road  
Haywards Heath  
West Sussex RH16 3BW

Correspondence address:  
Bumpers Way  
Bumpers Farm  
Chippenham SN14 6NG

## Principal bankers

HSBC plc  
40 South Road  
Haywards Heath  
West Sussex RH16 4LU

Standard Chartered Bank  
1 Basinghall Avenue  
London EC2V 5DD

Allied Irish Bank  
7/12 Dame Street  
Dublin 2

## Investment managers

UBS Wealth Management  
1 Curzon St  
London W1J 5UB

## Solicitors

Bates, Wells & Braithwaite  
Cheapside House  
138 Cheapside  
London EC2V 6BB

McCann FitzGerald  
Riverside One  
Sir John Rogerson's Quay  
Dublin 2

## Independent auditors

Crowe U.K. LLP  
St Bride's House  
10 Salisbury Square  
London EC4Y 8EH

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## Independent auditors

On 25 June 2018, Crowe Clark Whitehill LLP changed its name to Crowe U.K. LLP. Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

A resolution relating to the appointment of Crowe U.K. LLP as the independent auditor to Sightsavers will be proposed at the forthcoming annual general meeting.

**Approved by the trustees and signed on their behalf on:**



Martin Dinham, CBE  
Chairman



Date

# Independent Auditor's Report to the Trustees of the Royal Commonwealth Society for the Blind

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## Opinion

We have audited the financial statements of the Royal Commonwealth Society for the Blind for the year ended 31 December 2017, which comprise the consolidated statement of financial activities, group and charity balance sheets, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable by law and United Kingdom accounting standards, including Financial Reporting Standard 102, the financial reporting standard applicable in the UK and Republic of Ireland (United Kingdom generally accepted accounting practice).

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's 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 charity and the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

### In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2017 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom generally accepted accounting practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other

information. If, based on the work we have performed, we conclude there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



## Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement (set out on page 80), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



A further description of our responsibilities for the audit of the financial statements can be found on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

This description forms part of our auditor's report.

Signature: *Crowe UK LLP*

Crowe U.K. LLP  
Statutory Auditor  
London

Date: 15 July 2018

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# Consolidated statement of financial activities

## Year ended 31 December 2017

	Note	Unrestricted funds 2017 £'000	Restricted funds 2017 £'000	Total 2017 £'000	Unrestricted funds 2016 £'000	Restricted funds 2016 £'000	Total 2016 £'000
<b>Income and endowments from:</b>							
Donations and legacies	3	30,529	17,221	47,750	37,235	11,001	48,236
Gifts in kind	4	543	247,993	248,536	407	229,486	229,893
Charitable activities	5	-	25,121	25,121	-	23,591	23,591
Investments	6	279	-	279	224	-	224
Other	7	25	-	25	73	-	73
<b>Total income and endowments</b>		<b>31,376</b>	<b>290,335</b>	<b>321,711</b>	<b>37,939</b>	<b>264,078</b>	<b>302,017</b>
<b>Expenditure on:</b>							
Raising funds	9	19,339	-	19,339	18,473	-	18,473
<b>Charitable activities</b>							
Health: eye care	8,9	8,524	9,911	18,435	11,518	8,051	19,569
Neglected tropical diseases	8,9	1,667	26,238	27,905	2,041	22,356	24,397
Gift-in-kind drug donation	8,9	-	247,993	247,993	-	229,486	229,486
Education	8,9	1,114	1,575	2,689	1,105	1,389	2,494
Social inclusion	8,9	1,776	976	2,752	2,122	512	2,634
Policy and research	8,9	2,358	29	2,387	2,290	-	2,290
<b>Total charitable activities</b>	<b>8,9</b>	<b>15,439</b>	<b>286,722</b>	<b>302,161</b>	<b>19,076</b>	<b>261,794</b>	<b>280,870</b>
Other	9	249	-	249	(1,133)	-	(1,133)
<b>Total expenditure</b>		<b>35,027</b>	<b>286,722</b>	<b>321,749</b>	<b>36,416</b>	<b>261,794</b>	<b>298,210</b>
Operating (deficit) / surplus		(3,651)	3,613	(38)	1,523	2,284	3,807
Gains on investments	16	508	-	508	425	-	425
<b>Net income / (expenditure)</b>		<b>(3,143)</b>	<b>3,613</b>	<b>470</b>	<b>1,948</b>	<b>2,284</b>	<b>4,232</b>
Transfer between funds	22	1,242	(1,242)	-	1,585	(1,585)	-
<b>Net income / (expenditure) before other recognised gains / (losses)</b>		<b>(1,901)</b>	<b>2,371</b>	<b>470</b>	<b>3,533</b>	<b>699</b>	<b>4,232</b>
Actuarial gains / (losses) on defined benefit pension scheme	12	199	-	199	(1,813)	-	(1,813)
<b>Net movement in funds</b>		<b>(1,702)</b>	<b>2,371</b>	<b>669</b>	<b>1,720</b>	<b>699</b>	<b>2,419</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		12,888	2,865	15,753	11,168	2,166	13,334
<b>Total funds carried forward</b>	<b>22</b>	<b>11,186</b>	<b>5,236</b>	<b>16,422</b>	<b>12,888</b>	<b>2,865</b>	<b>15,753</b>

Restricted funds include endowment funds, which had a balance at 31 December 2017 of £214,000 (2016: £214,000). See note 22 for information. All incoming and outgoing resources arise from continuing activities. All gains and losses recognised in the year are included above.

# Consolidated and charity balance sheet

## 31 December 2017

	Note	2017 £'000	Group 2016 £'000	2017 £'000	Charity 2016 £'000
<b>Fixed assets</b>					
Tangible assets	15	124	287	124	287
Investments	16	6,483	5,942	6,483	5,964
<b>Total fixed assets</b>		<b>6,607</b>	<b>6,229</b>	<b>6,607</b>	<b>6,251</b>
<b>Current assets</b>					
Debtors	17	4,620	5,879	5,348	5,341
Cash at bank and in hand	18	17,383	18,473	14,793	16,027
<b>Total current assets</b>		<b>22,003</b>	<b>24,352</b>	<b>20,141</b>	<b>21,368</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	19	11,198	13,076	10,853	12,221
<b>Net current assets</b>		<b>10,805</b>	<b>11,276</b>	<b>9,288</b>	<b>9,147</b>
<b>Total assets less current liabilities</b>		<b>17,412</b>	<b>17,505</b>	<b>15,895</b>	<b>15,398</b>
Creditors: amounts falling due after more than one year	19	14	179	14	179
Provision for other liabilities	19,20	585	481	579	469
<b>Net assets excluding pension (liability)</b>		<b>16,813</b>	<b>16,845</b>	<b>15,302</b>	<b>14,750</b>
Defined benefit pension scheme (liability)	12	(391)	(1,092)	(391)	(1,092)
<b>Total net assets</b>		<b>16,422</b>	<b>15,753</b>	<b>14,911</b>	<b>13,658</b>
<b>The funds of the charity:</b>					
<b>Unrestricted funds</b>					
Free reserve	22,23	10,411	11,952	8,900	9,883
Pension reserve	12,22,23	(391)	(1,092)	(391)	(1,092)
General	22,23	10,020	10,860	8,509	8,791
Designated	22,23	1,166	2,028	1,166	2,028
<b>Total unrestricted funds</b>		<b>11,186</b>	<b>12,888</b>	<b>9,675</b>	<b>10,819</b>
Restricted funds	22,23	5,022	2,651	5,022	2,625
Endowment funds	22,23	214	214	214	214
<b>Total funds</b>		<b>16,422</b>	<b>15,753</b>	<b>14,911</b>	<b>13,658</b>

The trustees have prepared group accounts in accordance with section 138 of the Charities Act 2011. The notes on pages 92-126 form part of these financial statements.

These financial statements were approved by the Council on 5 July 2018 and signed on their behalf by:

Chairman *Marti J Dinham*

Hon. Treasurer

*W Kendall*



# Consolidated statement of cash flows

## Year ended 31 December 2017

	Note	2017 £'000	2016 £'000
<b>Net income / (expenditure) for the reporting period (as per the statement of financial activities)</b>		<b>668</b>	<b>2,419</b>
<b>Adjustments for:</b>			
Depreciation charges		195	162
Gains on investments	16	(508)	(325)
Investment income	6	(279)	(224)
Exchange rate (gain) / loss	9	(246)	(1,151)
(Profit) on sale of fixed assets	7	25	(65)
Increase / (decrease) in provisions		103	104
(Increase) / decrease in debtors		1,260	(731)
Increase / (decrease) in creditors		(2,043)	4,188
Increase in defined benefit pension liabilities	12	(701)	1,138
<b>Net cash provided by (used in) operating activities</b>		<b>(1,526)</b>	<b>5,515</b>
<b>Cash flows from investing activities:</b>			
Payments to acquire tangible fixed assets	15	(32)	(96)
Payments to acquire investments	16	(1,358)	(2,406)
Receipts from sale of fixed assets		(25)	65
Receipts from sale of investments		1,373	2,319
Decrease in cash held for investment	16	(47)	12
Investment income	6	279	224
<b>Net cash provided by investing activities</b>		<b>190</b>	<b>118</b>
<b>Cash flows from financing activities:</b>			
Repayment of borrowing		-	-
<b>Net cash provided by (used in) financing activities</b>		<b>-</b>	<b>-</b>
<b>Change in cash and cash equivalents</b>		<b>(1,336)</b>	<b>5,633</b>
Cash and cash equivalents at the beginning of the year		18,473	11,689
Exchange gains / (losses) on cash equivalents		246	1,151
<b>Cash and cash equivalents at the end of the year</b>		<b>17,383</b>	<b>18,473</b>
<b>Cash and cash equivalents consist of:</b>			
Cash in hand		17,383	13,805
Notice deposits (less than three months)		-	4,668
<b>Total cash and cash equivalents</b>		<b>17,383</b>	<b>18,473</b>

Bengali Prasad, from Bihar in eastern India, was forced to stop working when his sight deteriorated. But after receiving cataract surgery and spectacles, he is now able to read again.



# Notes to the financial statements

## Year ended 31 December 2017

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### 1 Charity information

The Royal Commonwealth Society for the Blind, trading as Sightsavers, is a registered charity (No. 207544 and SCO38110) which is incorporated and domiciled in the UK. The address of the registered office is 35 Perrymount Road, Haywards Heath, West Sussex, RH16 4BX, UK.

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### 2 Accounting policies

#### Basis of accounting

The financial statements have been prepared under the historical cost convention, modified by the inclusion of investments at market value, and in accordance with applicable United Kingdom accounting standards. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Charities Act 2011 and UK generally accepted practice as it applies from 1 January 2015. The accounting policies have been applied consistently throughout the current and previous year.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following accounting and reporting by charities preparing their accounts in accordance with the Financial

Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

The trustees' report includes a review of financial performance and the charity's reserves position (pages 77-78). Sightsavers has adequate financial resources and is well placed to manage the business risks. The planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. There is a reasonable expectation that Sightsavers has adequate resources to continue in operational existence for the foreseeable future. The trustees believe that there are no material uncertainties that call into doubt the charity's ability to continue. The financial statements have therefore been prepared on the basis that the charity is a going concern.

Sightsavers meets the definition of a public benefit entity under FRS 102.



## Basis of consolidation

The financial statements consolidate the results of the charity and its subsidiary undertakings on a line-by-line basis.

A separate Statement of Financial Activities (SOFA) has not been presented for the charity alone, which is consistent with previous years. The net result for the charity (which includes all its branches) is a surplus of £553,000, which comprises income of £61,261,000, expenditure of £61,196,000 and a gain on investment of £488,000 (2016 surplus of £2,861,000). Sightsavers has the following subsidiary undertakings, for which group accounts have been prepared. These all undertake fundraising activity in their local jurisdictions.

Sightsavers (Trading) Limited is a UK-registered company (No: 2464229). Control is established by virtue of the charity owning 100% of the issued share capital of the organisation.

Sightsavers International Inc. is registered in the USA, incorporated under the laws of the State of Delaware (federal ID: 31-1740776). The charity has the right to appoint all directors of the organisation and there is a management contract between the organisations.

Sightsavers Inc. is registered in the USA, incorporated under the laws of the State of Missouri (federal ID: 47-4657747). The charity has the right to appoint all directors of the organisation and there is a management contract between the organisations.

Sightsavers (Ireland) is registered in Ireland (company number: 377692, charity number: CHY15437). The charity appoints two directors to the board of the organisation and there is a management contract in place between the organisations.

Sightsavers International Italia (Onlus No: 97653640017) is registered in Italy as an Onlus non-profit, non-stock corporation. The majority of the board of the entity are trustees or senior management of the charity. The charity and subsidiary are managed on a unified basis.

Insamlingsstiftelsen Sightsavers International (Sverige) is registered in Sweden (company number: 802477-8188, charity number: 90 03 63-3). The charity, as founder, has the right to appoint the board in the governing document.

Stiftelsen Sightsavers International Norge is registered in Norway (No: 912 388 573). The charity, as founder, has the right to appoint the board in the governing document.

During 2017, Sightsavers Middle East Consultancy FZE was voluntarily liquidated, and at 31 December 2017 held no assets or liabilities and was awaiting cancellation of its licence by the Dubai Silicon Oasis authority. The charity had owned 100% of the issued share capital of the organisation. See note 16 for more details.

## Fund accounting

General funds are unrestricted funds available for use at the discretion of the trustees to further the general objectives of Sightsavers that have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The use of each designated fund is set out in note 22.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. Details of restricted funds are set out in note 22.

Endowment funds comprise monies that must be held indefinitely as capital. Related income is credited to general funds and applied for general purposes unless under the terms of the endowment such income must be used for specific purposes, in which case it is credited to restricted funds.

## Income

Income is recognised when Sightsavers is entitled to the income, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

### Charitable activities performance-related conditions:

Some funding agreements specify the services to be performed by Sightsavers for receiving the funds. Where this is the case, Sightsavers becomes entitled to the funds as it earns the right to consideration by its performance. When cash is received in advance of entitlement, income is deferred and included in creditors. Where entitlement occurs before cash being received, the income is accrued.

### The following specific policies apply to categories of income:

- Legacies: these are recognised at the earlier of estate accounts being finalised and Sightsavers being notified that a payment will be made.
- Gifts in kind in the form of Mectizan<sup>®</sup> and Zithromax<sup>®</sup> tablets: these are included in the SOFA at the donor's wholesale price or equivalent at the date the tablets are recorded as being received overseas for use. These amounts will vary each year based on the donor's distribution plans.
- Other gifts in kind are included at the value to the charity and are recognised as income when utilised.

## Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is inclusive of irrecoverable VAT where applicable. Expenditure is classified into the following categories:

- Costs of raising funds are those incurred in seeking voluntary and grant income, trading activities and investment management. They do not include the costs of disseminating information in support of charitable activities.
- Expenditure on charitable activities is reported as an analysis between the different thematic aims of the organisation, being health, neglected tropical diseases, education and social inclusion. The amount spent on policy and research activities is also reported.

Amounts payable to partners for overseas projects are charged when an obligation exists and are described as grants payable in note 9. These payments are made under standard partner agreements, which include an agreed project budget, in response to payment requests made by the partner. These requests are reviewed and approved on an individual basis and the obligation to pay exists and is generally recognised as a partner payable, as opposed to an accrual, once the payment request has been approved.

Employee benefits include all costs incurred by the charity in exchange for the services of its employees. Expenditure is recognised for all employee benefits resulting from their service to Sightsavers during the reporting period. A liability is recognised for the cost of all benefits to which employees are entitled at the reporting date that have yet to be paid.

Redundancy costs (termination benefits) are recognised as an immediate cost and charged to the SOFA on a demonstrable commitment to termination, with provision for future redundancy costs measured at a best estimate of the expenditure that would be required to settle the obligation at the reporting date.

Expenditure includes gifts in kind that are valued and recognised on the same basis as gifts in kind shown as income.

**Allocation of support costs**

Support costs include the central and regional office functions such as general management, payroll administration, budgeting, forecasting and accounting, information technology, human resources and facilities management. These are allocated across the categories of expenditure outlined above. The basis of the cost allocation is explained in note 9.

**Operating leases**

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the most likely term of the lease.

**Finance leases**

Leases are accounted for as finance leases when substantially all the risk and rewards relating to the leased property transfer to Sightsavers. The asset is recognised as a tangible fixed asset. Rentals payable are apportioned between:

- a charge for the acquisition of the interest in the property (recognised as a liability in the balance sheet at the start of the lease, matched with a tangible fixed asset). The liability is written down as the rent becomes payable; and
- a finance charge (charged to the SOFA as the rent becomes payable).

Fixed assets recognised under finance leases are accounted for using the policies applied generally to tangible fixed assets.

**Tangible fixed assets**

Individual tangible fixed assets costing £1,500 or more are capitalised at cost. Depreciation is provided on all tangible fixed assets, excluding freehold land, at rates calculated to write off the cost or valuation of each asset on a straight line basis over their expected useful economic lives as set out below:

Tangible fixed asset	Depreciation
Freehold buildings	2% to 4%
Computer equipment	33%
Motor vehicles held overseas	100%
Fittings and office equipment	25%
Leasehold improvements	To the date of the next lease break point

**Investments**

Investments are initially measured at cost and subsequently at market value at the balance sheet date. The SOFA includes the net gains and losses arising from disposals and revaluations throughout the year.

**Debtors**

Debtors are measured in the accounts at their recoverable amount.

**Creditors**

Creditors are measured in the accounts at their settlement amount.



## Forward exchange contracts

Sightsavers has entered into forward exchange contracts during the year to hedge forward currency exposure on near-term future programme expenditure. Forward currency exchanges made under these contracts are recorded at the specified rate at the time of the transaction.

At the end of each reporting period, each contract is revalued based on the rate of exchange ruling at the balance sheet date. An asset or liability is recorded and the gain or loss is reported in the SOFA.

## Financial instruments

Sightsavers only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Investments held as part of an investment portfolio are held at fair value at the balance sheet date, with gains and losses being recognised in the SOFA. Investments in subsidiary undertakings are held at cost less impairment.

## Provisions

Provisions are recognised when the charity has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

## Pension

Sightsavers operates a defined benefit pension scheme for its eligible UK contracted employees. This scheme was closed to new members in September 2002 and to future accruals in August 2010. The pension costs and the pension provision for the defined benefit scheme are calculated on the basis of actuarial advice and are charged to the SOFA in accordance with the requirements of FRS 102.

Sightsavers also operates a defined contribution scheme for eligible UK contracted employees. Pension costs for the scheme are charged to the accounts as they are accrued.

A pensions reserve has been created within unrestricted funds in compliance with paragraph 10.93 of the Charities SORP (FRS 102). Details of the pension schemes are disclosed in note 12.

For staff based overseas, Sightsavers contributes to both locally managed provident fund schemes and a centrally managed end-of-service benefit scheme based on the number of years' service completed, in line with local employment laws. Any benefit accrued but not paid at the year end is recorded as a liability.

All pension costs are allocated between activities and between restricted and unrestricted funds on the basis of the time spent.

## Foreign exchange

Assets and liabilities denominated in foreign currencies have been translated at the rate of exchange ruling at the balance sheet date. Exchange differences are recognised within net income / (expenditure).

Income and expenditure transactions incurred in a foreign currency have been translated during the course of the year at the rate of exchange ruling at the date of the transaction and are disclosed in the SOFA.

## Functional/presentation currency

The functional currency of the charity and its subsidiaries is considered to be pound sterling because that is the currency of the primary economic environment in which Sightsavers operates. The consolidated financial statements are also presented in pound sterling and rounded to the nearest thousand.

## Critical accounting judgements and key sources of estimation uncertainty

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

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

The key sources of estimation uncertainty that have an effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

- **Pension liabilities:** the charity recognises its liability to its defined benefit pension scheme, which involves a number of estimates as disclosed in note 12.
- **Provisions for liabilities:** the charity has provided for its possible liabilities in relation to its leasehold property and employees, which have been estimated as disclosed in note 20.

### 3 Donations and legacies

	2017 £'000	2016 £'000
<b>Individuals</b>		
UK	16,338	15,370
Ireland	3,105	2,983
Italy	2,357	2,135
India	1,486	1,042
Other	1,278	954
<b>Total from individuals</b>	<b>24,564</b>	<b>22,484</b>
<b>Legacies</b>		
Government, NGO and institutional donors	4,456	7,660
Companies	2,620	2,873
Trusts	4,608	1,912
Community service and other organisations	2,118	581
<b>Total</b>	<b>47,750</b>	<b>48,236</b>
<b>Donations, excluding legacies, above £100,000 included within the above:</b>		
<b>Government, NGO and institutional donors:</b>		
DFID Programme Partnership Arrangement	-	3,739
Irish Aid	1,531	1,189
The END Fund	619	1,295
Conrad N Hilton Foundation	969	423
Fred Hollows Foundation	645	584
IZUMI Foundation	120	-
Charity Projects Comic Relief	182	240
<b>Companies:</b>		
Standard Chartered Seeing is Believing	875	1,217
Kumba International	-	202
Arab Fund	131	-
Dubai Duty Free	116	132
<b>Trusts:</b>		
Good Ventures Foundation (GiveWell)	2,442	-
<b>Community service and other organisations:</b>		
Lions	1,129	-

As at 31 December 2017, in addition to legacy income that has been included in the accounts, Sightsavers is expected to benefit from a number of legacies from estates for which the administration had yet to be finalised or Sightsavers notified that a payment will be made. Sightsavers' future income from these legacies is estimated at £11,300,000 (2016: estimated at £10,000,000). In addition, Sightsavers is the future beneficiary of legacy assets transferred to and held in trust, with an estimated value of £2,100,000.



## 4 Gifts in kind

In 2017, Sightsavers International Inc. secured gift-in-kind donations valued at £221,956,000 (2016: £190,535,000) from Merck Inc in the form of Mectizan® tablets, which have been shipped to Benin, Cameroon, Cote D'Ivoire, Ghana, Guinea, Guinea Bissau, Liberia, Malawi, Nigeria, Democratic Republic of Congo and Togo.

Sightsavers is responsible for coordinating Mectizan® tablet distribution to people at risk of developing river blindness. The gift-in-kind donations received reflects the approximate value of tablets distributed through the Sightsavers coordination work. Sightsavers works in collaboration with a small number of other agencies to ensure the responsibilities for coordination are most effectively undertaken.

In 2017 Sightsavers received a shipment of the drug Zithromax® from the International Trachoma Initiative (ITI), an organisation founded by Pfizer. This donation has been valued at £26,037,000 (2016: £38,951,000).

Sightsavers' Sudan county office is the named consignee on the shipments from ITI and takes receipt and title to shipments of Zithromax®, with swift onward distribution and transfer to government and ministry supply chains in Khartoum for use in programme activity. Sightsavers' entitlement to the receipt is by an equivalent form of management control to that exercised for Mectizan®.

During the year, Sightsavers utilised 30,472,000 air miles (2016: 20,118,000) for the purpose of 341 related flights (2016: 335), that were donated by Emirates. These have been valued at £258,000 (2016: £125,000) based on the lowest economy fare available at the time of travel.

Google Grants is a unique gift-in-kind donation programme that awards free Adwords advertising to selected charitable organisations. It supports organisations that share Google's philosophy of community service to help the world in areas such as science and technology, education, global public health, the environment, youth advocacy and the arts. During the year Sightsavers secured donations valued at £285,000 (2016: £255,000).

During the year Sightsavers benefited from the contribution of many unpaid volunteers. The activities carried out by these volunteers, predominantly involving interactions with schools and community groups, have not been included in the accounts in accordance with the SORP, due to the absence of any reliable measurement basis.

## 5 Income from charitable activities

	2017 £'000	2016 £'000
DFID Aid Match	1,389	1,370
DFID UK Aid Match Onchocerciasis/Lymphatic filariasis	1,171	962
DFID Health Services Onchocerciasis/Lymphatic filariasis	306	270
DFID Global Trachoma Mapping Project	-	525
DFID Nigeria NTD	2,081	3,258
DFID SAFE	9,453	7,836
European Commission	529	236
The Gates Foundation	1,471	978
The Queen Elizabeth Diamond Jubilee Trust	7,917	6,635
The World Bank	6	830
USAID (through HKI, JSI and RTI)	798	691
<b>Total</b>	<b>25,121</b>	<b>23,591</b>

Further information on each of these income sources is provided in note 22.

## 6 Investment income

	2017 £'000	2016 £'000
Dividends from investments	201	153
Bank deposit interest	78	71
<b>Total</b>	<b>279</b>	<b>224</b>

## 7 Other income

	2017 £'000	2016 £'000
Profit on disposal of fixed assets	25	65
Rental income	-	8
<b>Total</b>	<b>25</b>	<b>73</b>

Monica Adong practises with her sewing machine on the first day of her vocational course for people with disabilities at the St Kizito Vocational Training Institute in Masindi, Uganda.



## 8 Charitable activities

	Health eye care £'000	Neglected tropical diseases £'000	Gift- in-kind drugs £'000	Education £'000	Social inclusion £'000	Policy and Research £'000	2017 £'000	2016 £'000
Kenya	540	1,459	-	119	-	-	2,118	1,718
Malawi	441	748	-	278	10	-	1,477	1,397
Mozambique	673	129	-	-	-	-	802	534
Sudan	202	614	-	-	-	-	816	899
South Sudan	238	273	-	-	-	-	511	334
Tanzania	1,027	331	-	10	30	-	1,398	1,287
Uganda	745	1,081	-	33	258	-	2,117	1,918
Zambia	688	1,416	-	99	-	-	2,203	1,625
Zimbabwe	79	-	-	2	-	-	81	198
East Central Southern Africa (ECSA) Regional Office	288	-	-	-	-	-	288	362
<b>Sub-total ECSA</b>	<b>4,921</b>	<b>6,051</b>	<b>-</b>	<b>541</b>	<b>298</b>	<b>-</b>	<b>11,811</b>	<b>10,272</b>
Benin	28	102	-	-	-	-	130	77
Burkina Faso	32	90	-	-	-	-	122	130
Cameroon	421	883	-	91	89	-	1,484	1,585
Cote D'Ivoire	28	384	-	-	-	-	412	359
Ghana	70	203	-	-	28	-	301	306
Guinea	136	248	-	-	-	11	395	492
Guinea-Bissau	22	354	-	-	-	-	376	542
Liberia	555	107	-	15	-	-	677	661
Mali	390	373	-	161	35	-	959	924
Nigeria	634	3,676	-	-	-	-	4,310	4,220
Senegal	321	75	-	146	118	-	660	1,078
Sierra Leone	633	132	-	253	68	-	1,086	790
The Gambia	74	28	-	-	-	-	102	104
Togo	40	43	-	-	-	-	83	88
West Africa Regional Office	69	-	-	26	26	-	121	188
<b>Sub-total WARO</b>	<b>3,453</b>	<b>6,698</b>	<b>-</b>	<b>692</b>	<b>364</b>	<b>11</b>	<b>11,218</b>	<b>11,544</b>
India	3,007	-	-	236	611	-	3,854	2,196
India Regional Office	430	-	-	37	82	-	549	1,305
<b>Sub-total India</b>	<b>3,437</b>	<b>-</b>	<b>-</b>	<b>273</b>	<b>693</b>	<b>-</b>	<b>4,403</b>	<b>3,501</b>
Bangladesh	1,117	-	-	12	52	-	1,181	1,308
Pakistan	981	-	-	221	44	-	1,246	1,396
Sri Lanka	-	-	-	-	-	-	-	107
<b>Sub-total South Asia</b>	<b>2,098</b>	<b>-</b>	<b>-</b>	<b>233</b>	<b>96</b>	<b>-</b>	<b>2,427</b>	<b>2,811</b>



	Health eye care £'000	Neglected tropical diseases £'000	Gift- in-kind drugs £'000	Education £'000	Social inclusion £'000	Policy and Research £'000	2017 £'000	2016 £'000
Caribbean	(3)	-	-	-	-	-	(3)	404
Global programmes	905	11,188	-	-	-	-	12,093	10,932
Gifts in kind	235	-	247,993	-	-	-	248,228	229,631
Central support functions	1,241	-	-	353	578	296	2,468	2,488
Programme technical support	1,087	2,874	-	528	510	957	5,956	5,539
Advocacy and policy support	1,061	1,094	-	69	213	1,123	3,560	3,748
<b>Direct charitable expenditure</b>	<b>18,435</b>	<b>27,905</b>	<b>247,993</b>	<b>2,689</b>	<b>2,752</b>	<b>2,387</b>	<b>302,161</b>	<b>280,870</b>

Our income from our charitable activities arises from activities across our programme portfolio, which is described in the section 'Our portfolio' on page 12. The principal programme categories and types of activities undertaken are as follows:

- 1 Eye health:** our programmes cover various service interventions, with cataracts being a particular focus, and we work on various aspects of eye health systems strengthening programmes.
- 2 Neglected tropical diseases (NTDs):** we have continued with three large grants: the Department for International Development (DFID) SAFE (trachoma in Ethiopia, Zambia, Tanzania, Chad and additionally South Sudan); the Queen Elizabeth Diamond Jubilee Trachoma Initiative (in Kenya, Mozambique, Uganda, Malawi, Tanzania and one state of Nigeria); and the UNITED programme (integrated NTDs in Nigeria, funded by DFID).
- 3 Education:** examples of our education programmes include developing teaching and college systems and access to them, and developing community-based education centres.
- 4 Social inclusion:** our programmes aim to improve economic empowerment and political participation, with a particular focus on gender and advocacy.
- 5 Policy and research:** these activities provide a consistent underpinning in support of our programme activities.

## 9 Total expenditure

	Grants payable £'000	Direct costs £'000	Gifts in kind £'000	Allocation of support costs £'000	Total 2017 £'000	Total 2016 £'000
Raising funds	-	15,759	308	3,272	19,339	18,473
<b>Charitable activities</b>						
Health: eye care	6,108	9,833	235	2,259	18,435	19,569
Neglected tropical disease	18,293	9,590	-	22	27,905	24,397
Gift-in-kind medication	-	-	247,993	-	247,993	229,486
Education	586	1,666	-	437	2,689	2,494
Social inclusion	793	1,198	-	761	2,752	2,634
Policy and research	16	2,006	-	365	2,387	2,290
Other	-	249	-	-	249	(1,133)
<b>Total resources expended 2017</b>	<b>25,796</b>	<b>40,301</b>	<b>248,536</b>	<b>7,116</b>	<b>321,749</b>	<b>n/a</b>
<b>Total resources expended 2016</b>	<b>24,768</b>	<b>36,840</b>	<b>229,893</b>	<b>6,709</b>	<b>n/a</b>	<b>298,210</b>

During the year Sightsavers made grants to partner organisations carrying out work in support of the mission. These are considered to be part of the costs of activities in furtherance of the aims of Sightsavers: much of the charity's programme activity is carried out through grants to local organisations that support long-term, sustainable benefits for people affected by blindness, visual impairment and disability. This includes capacity building and partnership development. The work of these local organisations is closely monitored by Sightsavers.

Direct costs include costs of £10,332,000 that are directly attributable to generating funds (2016: £10,162,000), costs associated with the direct operation of the overseas programmes, including the procurement of equipment for use in the programmes of £2,173,000 (2016: £2,276,000), informing and creating awareness among the public and governance of Sightsavers. Staff costs included in direct costs is £14,540,000 (2016: £13,333,000).



A list of principal grants is available at  
[www.sightsavers.org/  
 how-were-run/annual-reports](http://www.sightsavers.org/how-were-run/annual-reports)

## The support costs and the basis of their allocation

	2017 £'000	2016 £'000
Directorate	103	269
Governance	1,733	1,352
Financial management	494	10
Information communication technology	2,038	2,047
Human resources	589	556
Planning, performance and reporting	71	121
Programme support	2,088	2,354
<b>Total</b>	<b>7,116</b>	<b>6,709</b>

Support costs are defined as costs that cannot be directly identified with a single activity of the organisation, such as head office finance, human resources or facilities, and are primarily identified by cost centre. All costs associated with Sightsavers' overseas offices, such as finance or rent, are included as direct costs as these are directly related to the implementation of Sightsavers' programmes.

The support costs were allocated across the expenditure categories based on an estimate of the time spent. This estimate is updated annually.

Financial management costs were stated inclusive of all overall VAT recovered in 2016. This allocation basis was changed in 2017 to reflect the 100% recovery of VAT on contracts that are identifiable to particular direct cost centres.

Other costs include foreign exchange gains and losses. In 2017 a foreign exchange loss of £200,000 (2016: gain of £1,100,000) arose on the translation of foreign currency denominated monetary net assets.

## 10 Net income / expenditure

	2017 £'000	2017 £'000	2016 £'000	2016 £'000
<b>Stated after charging:</b>				
Depreciation		195		264
<b>Fees paid to Crowe:</b>				
UK charity audit	72		72	
Pension scheme audit	6		6	
USAID audit	17		9	
		95		87
<b>Fees paid to other audit firms:</b>				
International audits	155		147	
EC project verification	8		19	
		163		166
Investment managers' fees		53		24
Operating lease charges		624		678

## 11 Staff costs

	2017 £'000	2016 £'000
Wages and salaries (2016 reclassified*)	14,006	12,743
Social security costs	1,285	1,107
Employer's contribution to defined contribution pension scheme	686	916
Operating costs of defined benefit pension scheme	-	7
End-of-service benefit	417	352
Other employee benefits	536	455
<b>Total</b>	<b>16,930</b>	<b>15,580</b>

\*2016 reclassified to include direct project cost resource

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

	2017 No.	2016 No.
Directorate	8	8
Finance and performance	72	71
Global fundraising	69	54
NTDs	22	16
Policy and programme strategies	75	65
International programmes	270	262
<b>Total</b>	<b>516</b>	<b>476</b>



One third of the staff number increase relates to new grants or contracts and hence their costs are recovered directly under those grants/contracts. Other increases represent a broad investment across a range of departments supporting our international diversification in fundraising, strengthening of technical capacity and additional regulatory requirements.

The total employee remuneration of the Chief Executive and her direct reports was £872,519 (2016: £871,907), inclusive of employer pension and national insurance contributions.

For staff paid £60,000 or more a year, the number of employees with emoluments in the following ranges were:

Range	No. employees	
	2017	2016
£60,000 – £69,999	12	10
£70,000 – £79,999	2	5
£80,000 – £89,999	4	2
£90,000 – £99,999	–	–
£100,000 – £109,999	2	2
£110,000 – £119,999	3	2
£120,000 – £129,999	1	2
£130,000 – £139,999	1	–

The Chief Executive received the highest base salary and the second highest emoluments in 2017.

End-of-service benefit scheme liabilities/ payments are deemed as employers’ contributions to an individual employees pension scheme and as such are not classed as employee emoluments.

Sightsavers operates a flexible holidays scheme where employees can increase or decrease their annual holiday entitlement by buying or selling up to five days of holiday. The value of flexible holiday transactions, which increase and decrease remuneration, have not been included in the calculations of emoluments in the above table so as to allow comparability around base salary plus other emoluments.

Redundancy and termination payments made and provided for during the year to employees for compensation for loss of employment totalled £38,982 (2016: £37,823).

## 12 Pension costs

Sightsavers operates a defined contribution pension scheme for UK staff. The assets of the scheme are held separately from those of the charity in an independently administered fund. Sightsavers contributes twice the level of an employee's contribution up to a maximum of 10% of pensionable pay. Contributions payable by Sightsavers were £802,895 in 2017 (2016: £714,458), of which £67,631 was outstanding at the balance sheet date (2016: £69,331). The disclosure in note 11 also includes the costs of contributions to overseas pension schemes.

Sightsavers operates a defined benefit pension scheme in the UK. This is a separate trustee-administered fund holding the pension scheme assets to meet long-term pension liabilities. The scheme was closed to new members on 30 September 2002 and closed to future accrual on 31 August 2010, although active members at that date continue to have their benefits linked to future salary increases. A full actuarial valuation is carried out every three years by a qualified actuary, independent of the scheme's sponsoring employer, the latest at 31 December 2015. The major assumptions used by the actuary are shown on page 111.

Sightsavers agreed with the trustees to aim to eliminate the scheme deficit under the 2012 valuation over a period of six years from 1 January 2013 by the payment of contributions of £624,000 per annum until 31 December 2018. However, following the sale of a freehold property in Haywards Heath, Sightsavers made a single lump sum payment in May 2014 in respect of all remaining monthly deficit contributions due for the period up to 30 June 2016. The regular contributions were due to resume in July 2016, however, Sightsavers agreed to resume contributions at the rate of £55,000 per month effective from 1 July 2015, payable until 31 December 2018. In the first quarter of 2017 Sightsavers agreed further funding, including a new forward plan for ongoing contributions to the scheme, at a monthly level of £30,000, effective 1 January 2017 and extending beyond 2018.

## Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)

	2017 £'000	2016 £'000	2015 £'000
Fair value of plan assets	14,565	13,901	12,794
Present value of defined benefit obligation	(14,956)	(14,993)	(12,748)
Surplus (deficit) in plan	(391)	(1,092)	46
Unrecognised surplus	-	-	-
<b>Defined benefit asset (liability) to be recognised</b>	<b>(391)</b>	<b>(1,092)</b>	<b>46</b>

## Reconciliation of opening and closing balances of the defined benefit obligation

	2017 £'000	2016 £'000
Defined benefit obligation at start of period	14,993	12,748
Expenses	-	-
Interest expense	400	477
Actuarial losses (gains)	(70)	2,142
Benefits paid and expenses	(367)	(374)
<b>Defined benefit obligation at end of period</b>	<b>14,956</b>	<b>14,993</b>

## Reconciliation of opening and closing balances of the fair value of plan assets

	2017 £'000	2016 £'000
Fair value of plan assets at start of period	13,901	12,794
Interest income	377	492
Actuarial gains (losses)	129	329
Contributions by the employer	525	660
Benefits paid and expenses	(367)	(374)
<b>Fair value of plan assets at end of period</b>	<b>14,565</b>	<b>13,901</b>

The actuarial return on the plan assets over the period ending 31 December 2017 was £506,000 (2016: £821,000).

## Defined benefit costs recognised in net income/(expenditure)

	2017 £'000	2016 £'000
Net interest cost	23	(15)
<b>Defined benefit cost recognised in resources expended</b>	<b>23</b>	<b>(15)</b>

## Defined benefit costs recognised in other recognised gains (losses)

	2017 £'000	2016 £'000
Return on plan assets (excluding amounts included in net interest cost) – gain	129	329
Gains arising on the plan liabilities	121	299
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities – (loss)	(51)	(2,441)
<b>Total</b>	<b>199</b>	<b>(1,813)</b>

The assets of the scheme are held with Legal & General, M&G and Standard Life. The managed funds are invested in a diversified portfolio of investments comprising 56.8% growth assets, 22.5% gilts, 20.4% corporate bonds and 0.3% cash.

The fair value of assets of the scheme at 31 December 2017, along with the expected percentage rates of return (Asset RoR) on the scheme assets, are as follows:

	Asset RoR	2017 £'000	Asset RoR	2016 £'000	Asset RoR	2015 £'000
Growth assets		7,885		7,373		7,265
Gilts		3,367		3,405		2,878
Corporate bonds		3,281		3,076		2,605
Cash		32		47		46
<b>Total assets</b>	<b>2.50%</b>	<b>14,565</b>	<b>2.70%</b>	<b>13,901</b>	<b>3.80%</b>	<b>12,794</b>

None of the fair values of the assets shown above includes any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.



As required for the preparation of statutory accounts and in accordance with the requirements of FRS 102, the actuarial valuation was updated by JLT Benefit Solutions Limited at 31 December 2017. The major assumptions used for the purpose of calculating the deficiency were:

	2017	2016	2015
Discount rate	2.50%	2.70%	3.80%
Inflation (RPI)	3.25%	3.35%	3.20%
Inflation (CPI)	2.25%	2.35%	2.20%
Salary increases	2.55%	2.65%	2.50%
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.25%	2.35%	2.20%
Allowance for pension in payment increases of RPI or 8.5% p.a. if less	3.15%	3.25%	3.10%
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.15%	3.25%	3.10%
Allowance for pension in payment increases of CPI or 3% p.a. if less	2.25%	2.35%	2.20%

The mortality assumptions adopted at 31 December 2017 imply the following life expectancies at age 65:

	2017 Years	2016 Years
Member aged 65 (current life expectancy) – male	22.1	22.2
Member aged 45 (life expectancy at 65) – male	23.5	23.9
Member aged 65 (current life expectancy) – female	23.9	24.1
Member aged 45 (life expectancy at 65) – female	25.4	26.1

The best estimate of contributions to be paid by Sightsavers to the scheme for the period commencing 1 January 2018 is £360,000.

## 13 Trustees' expenses

	2017		2016	
	No. of trustees	£'000	No. of trustees	£'000
Reimbursed to trustees:				
UK-related	12	22	15	19
Programme visits	8	20	5	7

No emoluments or any other benefits have been received by the trustees (2016: £nil). Trustees can be reimbursed for their travel and subsistence expenses in attending meetings. Additionally, trustees may occasionally visit Sightsavers' partners and programmes overseas, with costs of such trips being met by the charity. Trustees are encouraged to visit at least one international programme in every four-year term served.

## 14 Related party transactions

The International Agency for the Prevention of Blindness (IAPB) is identified as a related party and was paid £149,724 in 2017 (2016: £272,472). In 2017 this payment was made primarily in support of its human resources for eye health programmes in Africa and also includes Sightsavers' membership fee to IAPB, with no payable balance outstanding at the end of the year (2016: £98,936). During 2017, gifts in kind totalling £44,679 (2016: £81,189) were provided by Sightsavers to the IAPB. Sightsavers received grant funding of £794,792 in 2017 (2016: £979,892) from Standard Chartered Bank's 'Seeing Is Believing' programme, which is co-managed by the IAPB.

### The following are also trustees of the IAPB:

Dr Caroline Harper: Chief Executive of Sightsavers.

Dr Robert Chappell: trustee of Sightsavers.

Dr Caroline Harper is a board member of Accountable Now (formally INGO Accountability Charter), which was paid £5,973 in 2017 (2016: £5,291) for membership fees. No balance was outstanding at the end of the year (2016: £nil). Dr Harper is also on the board of trustees of the International Civil Society Centre; the Centre was paid £14,860 in 2017 (2016: £17,512) for workshop and support payments.

The related party transactions and intercompany balances of the charity with subsidiary and related undertakings are:

	Grants from Sightsavers UK £'000	2017 Intercompany balances at 31 December £'000	Grants from Sightsavers UK £'000	2016 Intercompany balances at 31 December £'000
Sightsavers Ireland	-	464	-	(173)
Sightsavers Italia	-	317	-	(17)
Sightsavers International Inc.	15	(95)	12	(574)
Sightsavers Inc.	15	594	40	(136)
Insamlingsstiftelsen Sightsavers International (Sverige)	828	120	712	(159)
Stiftelsen Sightsavers International Norge	345	17	116	(12)
Sightsavers Middle East Consultancy FZE	189	-	189	(1)
Sightsavers (Trading)	-	21	-	25

## 15 Tangible fixed assets

	Freehold property £'000	Leasehold property £'000	Computer equipment £'000	Office fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<b>Cost or valuation</b>						
At 1 January 2017	59	747	117	266	845	2,034
Additions	-	-	-	-	32	32
Disposals	-	-	(95)	-	-	(95)
<b>At 31 December 2017</b>	<b>59</b>	<b>747</b>	<b>22</b>	<b>266</b>	<b>877</b>	<b>1,971</b>
<b>Depreciation</b>						
At 1 January 2017	59	465	112	266	845	1,747
Charge for the year	-	158	5	-	32	195
Disposals	-	-	(95)	-	-	(95)
<b>At 31 December 2017</b>	<b>59</b>	<b>623</b>	<b>22</b>	<b>266</b>	<b>877</b>	<b>1,847</b>
<b>Net book value</b>						
<b>At 31 December 2017</b>	<b>-</b>	<b>124</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>124</b>
<b>At 1 January 2017</b>	<b>-</b>	<b>282</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>287</b>

Sightsavers' head office relocated in 2014 to 35 Perrymount Road, Haywards Heath, a leasehold property. The balance held in leasehold property above includes the capitalised finance lease cost associated with leasehold improvements and associated fixtures and fittings and a provision for future dilapidations costs to remove leasehold improvements at the end of the lease, in line with the conditions of the lease agreement.

## 16 Investments

	2017 £'000	Group 2016 £'000	2017 £'000	Charity 2016 £'000
Market value at 1 January	5,801	5,391	5,823	5,408
Disposals at opening market value	(1,255)	(2,321)	(1,277)	(2,321)
Acquisitions at cost	1,357	2,406	1,357	2,406
Net unrealised gains on revaluation at 31 December*	391	325	391	330
	<b>6,294</b>	<b>5,801</b>	<b>6,294</b>	<b>5,823</b>
Cash held in portfolio at 31 December	189	141	189	141
<b>Market value at 31 December</b>	<b>6,483</b>	<b>5,942</b>	<b>6,483</b>	<b>5,964</b>
<b>Historical cost at 31 December</b>	<b>5,903</b>	<b>5,475</b>	<b>5,903</b>	<b>5,475</b>
Fund managed investments at market value	6,294	5,801	6,294	5,801
Non-fund managed investments at trustees valuation	-	-	-	22
	<b>6,294</b>	<b>5,801</b>	<b>6,294</b>	<b>5,823</b>

\* In addition to the 2017 unrealised gains shown above, there were realised gains of £117,000 in the year (2016: realised gains of £100,000), which combine to provide the total net gains on investments as shown in the statement of financial activities on page 88.

Of the UK amounts, the holdings with a market value greater than 5% of the total portfolio value were:

	%	2017 £'000	2016 £'000
Key Multi Manager Hedge Fund Diversified	11.0%	669	622
Charity Property Fund	7.5%	462	450
UBS ETF PLC MSCI UK	-	-	755
UBS INV Funds ICVC S&P	5.6%	344	375
UBS ETF PLC MSCI UK SOC RES UCITS	10.0%	629	-



## Subsidiary undertakings

These group accounts include the activities, assets and liabilities of its subsidiaries. Sightsavers has the following subsidiaries:

	Assets £'000s	Liabilities £'000s	Net assets £'000s	Capital £'000s	Income £'000s	Expenditure £'000s	Surplus / (deficit) £'000s
<b>2017</b>							
Sightsavers Ireland	1,477	534	943	-	5,335	5,543	(208)
Sightsavers Italia	1,074	588	486	-	2,417	2,662	(245)
Sightsavers International Inc.	146	9	137	-	511	495	16
Sightsavers Inc.	487	602	(115)	-	3,400	3,557	(157)
Insamlingsstiftelsen Sightsavers International (Sverige)	183	185	(2)	-	1,781	1,776	5
Stiftelsen Sightsavers International Norge	105	46	59	11	612	621	(9)
Sightsavers Middle East Consultancy FZE	-	-	-	-	189	208	(19)
Sightsavers Trading	26	26	-	-	6	6	-
<b>2016</b>							
Sightsavers Ireland	1,580	429	1,151	-	4,662	4,477	185
Sightsavers Italia	1,071	340	731	-	2,210	1,819	391
Sightsavers International Inc.	617	496	121	-	64	53	11
Sightsavers Inc.	476	434	42	-	664	622	42
Insamlingsstiftelsen Sightsavers International (Sverige)	248	255	(7)	-	1,655	1,660	(5)
Stiftelsen Sightsavers International Norge	114	46	68	11	223	160	63
Sightsavers Middle East Consultancy FZE	28	18	10	18	189	183	6
Sightsavers Trading	29	29	-	-	13	13	-

During 2017, Sightsavers Middle East Consultancy FZE was voluntarily liquidated, and at 31 December 2017 held no assets or liabilities and was awaiting cancellation of its licence by the Dubai Silicon Oasis authority. Sightsavers has consolidated its presence in Dubai and the UAE under its branch licensed by the International Humanitarian City, transferring to it all operations, ongoing staff and assets and liabilities of Sightsavers Middle East Consultancy FZE, effective 31 October 2017.

## 17 Debtors

	2017 £'000	Group 2016 £'000	2017 £'000	Charity 2016 £'000
Amounts owed by group and associated undertakings	–	–	1,533	51
Prepayments and accrued income	4,076	5,457	3,378	4,973
Other debtors	544	422	437	317
	<b>4,620</b>	<b>5,879</b>	<b>5,348</b>	<b>5,341</b>

Amounts owed by group and associated undertakings were: Sightsavers (Trading) £21,000 (2016: £25,000), Sightsavers Italia £317,000 (2016: £nil), Sightsavers Ireland £464,000 (2016: £nil), Sightsavers Inc. £594,000 (2016: £nil), Sightsavers Norway £17,000 (2016: £nil), and Sightsavers Sweden £120,000 (2016: £nil).

The charity is committed to purchasing a total of USD \$0.78 million (2016 \$2.72 million) under forward contract at 31 December 2017, and to sell a commensurate amount of GBP at a USD/GBP rate of 1.2910, as part of its operational foreign exchange risk management strategy. The fair value of these forward purchases is held within Other Debtors. See notes 21 and 25 for further details.

## 18 Cash at bank and in hand

Cash at bank includes money received at the year end that is to be expended in the first quarter of 2018. As at 31st December 2017, restricted cash stands at £11,833,000 (2016: £11,928,000).

## 19 Creditors

### Amounts falling due within one year

	Group		Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Bank loans and overdrafts	303	1	303	1
Amounts owed to group and associated undertakings	-	-	95	593
Payments received on account for contracts or performance-related grants	6,829	6,864	6,829	6,711
Accruals and deferred income	1,895	3,944	1,524	2,566
Taxation and social security	403	365	375	341
Other creditors	1,768	1,902	1,727	2,009
	<b>11,198</b>	<b>13,076</b>	<b>10,853</b>	<b>12,221</b>

Amount owed to group and associated undertakings was: Sightsavers International Inc. £95,000 (2016: £16,000).

Amounts also owed in 2016 were: Sightsavers Ireland £293,000, Sightsavers Sweden £159,000, Sightsavers Norway £12,000, Sightsavers Inc. £95,000, Sightsavers Italia £17,000 and Sightsavers Middle East £1,000.

The charity has a high level of restricted cash balances and associated liabilities due to a number of grants with performance-related conditions. When cash is received in advance on such grants, income is deferred until the performance conditions have been met.

### Amounts falling due after more than one year

	Group		Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Other creditors	14	179	14	179
Provisions for other liabilities	585	481	579	469
	<b>599</b>	<b>660</b>	<b>593</b>	<b>648</b>

### Movement on deferred income during the year

	Group		Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Balance brought forward	8,561	3,953	7,509	3,910
Received in year	19,891	23,042	19,876	21,947
Released to income	(21,343)	(18,434)	(20,276)	(18,348)
<b>Balance carried forward</b>	<b>7,109</b>	<b>8,561</b>	<b>7,109</b>	<b>7,509</b>

The balance carried forward on deferred income is split between payments received on account for contracts or performance-related grants and an element from accruals and deferred income. This element comprises funding received in advance for 2018 projects.

## 20 Provision for other liabilities

The charity had the following provisions during the year:

		Dilapidations provisions £'000	End of contract/ service benefit £'000	Employee benefit accrual £'000	Total 2017 £'000	Total 2016 £'000
<b>Group</b>	At 1 January 2017	50	346	85	481	377
	Additions	4	296	124	424	332
	Utilised	-	(193)	-	(193)	(191)
	Reversals	-	-	(85)	(85)	(53)
	Foreign exchange translation adjustment	-	(42)	-	(42)	16
	<b>At 31 December 2017</b>	<b>54</b>	<b>407</b>	<b>124</b>	<b>585</b>	<b>n/a</b>
	<b>At 31 December 2016</b>	<b>50</b>	<b>346</b>	<b>85</b>	<b>n/a</b>	<b>481</b>
<b>Charity</b>	At 1 January 2017	50	334	85	469	369
	Additions	-	308	122	430	329
	Utilised	-	(193)	-	(193)	(191)
	Reversals	-	-	(85)	(85)	(51)
	Foreign exchange translation adjustment	-	(42)	-	(42)	13
	<b>At 31 December 2017</b>	<b>50</b>	<b>407</b>	<b>122</b>	<b>579</b>	<b>n/a</b>
	<b>At 31 December 2016</b>	<b>50</b>	<b>334</b>	<b>85</b>	<b>n/a</b>	<b>469</b>

### Dilapidations provision

As part of the charity's property leasing arrangements, there is an obligation to repair damages that are incurred during the life of the lease, such as wear and tear. The cost is charged to the SOFA as the obligation arises. The provision is expected to be utilised before 2028, the year the leases terminate.

### End-of-contract/service benefit

The charity provides certain international employees with an end of contract/service benefit. The charity does not set aside assets to fund the payments and pays the benefits out of cash resources. The amounts provided are paid out as and when required and are ongoing while the employee remains in employment.

### Employee benefit accrual

The charity recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.



## 21 Financial instruments

The charity has certain financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Certain other financial instruments are held at fair value, with gains and losses being recognised within income and expenditure.

The charity has the following financial instruments:

	2017 £'000	Group 2016 £'000	2017 £'000	Charity 2016 £'000
<b>Financial assets measured at amortised cost</b>				
Cash at bank and in hand	17,383	17,726	14,793	15,280
Amounts owed by group undertakings	-	-	1,533	51
Other receivables	544	1,040	437	991
	<b>17,927</b>	<b>18,766</b>	<b>16,763</b>	<b>16,322</b>
<b>Financial liabilities measured at amortised cost</b>				
Bank loans and overdrafts	303	1	303	1
Finance leases	179	359	179	359
Accruals	1,615	2,302	1,244	1,749
Amounts owed to group undertakings	-	-	95	593
Other creditors	1,782	2,023	1,741	1,573
	<b>3,879</b>	<b>4,685</b>	<b>3,562</b>	<b>4,275</b>
<b>Financial assets measured at fair value, through profit and loss</b>				
Investments	6,483	5,942	6,483	5,964
Forward foreign exchange contracts	(20)	25	(20)	25
	<b>6,463</b>	<b>5,967</b>	<b>6,463</b>	<b>5,989</b>

	Group 2017			Group 2016		
	Income £'000	Expense £'000	Gain / (loss) £'000	Income £'000	Expense £'000	Gain / (loss) £'000
<b>Financial assets measured at amortised cost</b>						
Interest income	78	-	78	71	-	71
<b>Financial assets measured at fair value, through profit and loss</b>						
Investments	709	-	709	820	-	820
Forward foreign exchange contracts	5	-	5	-	(45)	(45)
	<b>792</b>	<b>-</b>	<b>792</b>	<b>891</b>	<b>(45)</b>	<b>846</b>

## 22 Statement of funds

2017

	Balance at 1 January 2017 £'000	Income £'000	Expenditure £'000	Investment gains/ (losses) £'000	Transfers £'000	Balance at 31 December 2017 £'000
<b>General reserve:</b>						
Free reserve	11,952	31,376	(35,529)	508	2,104	10,411
Pension reserve	(1,092)	-	502	199	-	(391)
<b>Designated funds:</b>						
Future overseas expenditure	1,741	-	-	-	(699)	1,042
Fixed assets fund	287	-	-	-	(163)	124
<b>Total unrestricted funds</b>	<b>12,888</b>	<b>31,376</b>	<b>(35,027)</b>	<b>707</b>	<b>1,242</b>	<b>11,186</b>
<b>Restricted funds:</b>						
<b>Donations and legacies:</b>						
Kumba International	70	-	(101)	-	31	-
Standard Chartered Bank Seeing is Believing	196	875	(945)	-	(8)	118
Irish Aid	-	1,531	(1,442)	-	(89)	-
States of Jersey	40	337	(339)	-	(33)	5
Fred Hollows Foundation	-	645	(485)	-	(48)	112
Charity Projects Comic Relief	114	182	(181)	-	(16)	99
Conrad N Hilton Foundation	165	969	(739)	-	(24)	371
Dubai Duty Free	-	116	(116)	-	-	-
The END Fund	503	619	(1,073)	-	70	119
Izumi Foundation	-	120	(105)	-	-	15
Good Ventures Foundation (GiveWell)	-	2,442	(706)	-	-	1,736
RPG Foundation	-	287	(217)	-	-	70
London School of Tropical Medicine	-	501	(241)	-	(28)	232
Imperial College of Science, Technology and Medicine	-	399	(347)	-	(52)	-
Big Lottery Fund	-	82	(16)	-	(5)	61
Other	948	8,116	(7,878)	-	(120)	1,066
<b>Sub-total</b>	<b>2,036</b>	<b>17,221</b>	<b>(14,931)</b>	<b>-</b>	<b>(322)</b>	<b>4,004</b>
Gifts in kind	-	247,993	(247,993)	-	-	-
<b>Income from charitable activities:</b>						
DFID Nigeria NTD	615	2,081	(1,731)	-	-	965
DFID Global Trachoma Mapping Project	-	-	(14)	-	14	-
DFID Aid Match and Health Services Onchocerciasis/Lymphatic filariasis	-	1,477	(1,465)	-	(12)	-
DFID SAFE	-	9,453	(9,219)	-	(234)	-
DFID Aid Match	-	1,389	(1,433)	-	44	-
USAID	-	798	(671)	-	(74)	53
The Queen Elizabeth Diamond Jubilee Trust	-	7,917	(7,481)	-	(436)	-
The Gates Foundation	-	1,471	(1,274)	-	(197)	-
The World Bank	-	6	(42)	-	36	-
EC CCB	-	77	3	-	(80)	-
EC Uganda	-	190	(179)	-	(11)	-
EC Sierra Leone	-	262	(292)	-	30	-
<b>Sub-total</b>	<b>615</b>	<b>25,121</b>	<b>(23,798)</b>	<b>-</b>	<b>(920)</b>	<b>1,018</b>
<b>Total restricted funds</b>	<b>2,651</b>	<b>290,335</b>	<b>(286,722)</b>	<b>-</b>	<b>(1,242)</b>	<b>5,022</b>

2017

	Balance at 1 January 2017 £'000	Income £'000	Expenditure £'000	Investment gains/ (losses) £'000	Transfers £'000	Balance at 31 December 2017 £'000
<b>Endowment funds:</b>						
Mountjoy Trust	214	-	-	-	-	214
<b>Total endowment funds</b>	<b>214</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>214</b>
<b>Total funds</b>	<b>15,753</b>	<b>321,711</b>	<b>(321,749)</b>	<b>707</b>	<b>-</b>	<b>16,422</b>

Eye health worker Felix Lesorogol cleans the eyes of a patient following her cataract surgery at Barsaloi health centre in central Kenya.



## 2016

	Balance at 1 January 2016 £'000	Income £'000	Expenditure £'000	Investment gains/ (losses) £'000	Transfers £'000	Balance at 31 December 2016 £'000
<b>General reserve:</b>						
Free reserve	9,094	37,939	(37,091)	425	1,585	11,952
Pension reserve	46	-	675	(1,813)	-	(1,092)
<b>Designated funds:</b>						
Future overseas expenditure	1,472	-	-	-	269	1,741
Fixed assets fund	455	-	-	-	(168)	287
Financial Times appeal	101	-	-	-	(101)	-
<b>Total unrestricted funds</b>	<b>11,168</b>	<b>37,939</b>	<b>(36,416)</b>	<b>(1,388)</b>	<b>1,585</b>	<b>12,888</b>
<b>Restricted funds:</b>						
<b>Donations and legacies:</b>						
Kumba International	192	202	(344)	-	20	70
Standard Chartered Bank Seeing is Believing	51	1,286	(1,241)	-	100	196
Irish Aid	-	1,189	(1,118)	-	(71)	-
States of Jersey	6	337	(297)	-	(6)	40
Fred Hollows Foundation	-	584	(584)	-	-	-
Charity Projects Comic Relief	-	240	(113)	-	(13)	114
Conrad N Hilton Foundation	-	423	(219)	-	(39)	165
Dubai Duty Free	-	132	(119)	-	(13)	-
The END Fund	1	1,295	(731)	-	(62)	503
Izumi Foundation	-	30	(16)	-	(14)	-
Other	482	5,283	(5,069)	-	(180)	516
<b>Sub-total</b>	<b>732</b>	<b>11,001</b>	<b>(9,851)</b>	<b>-</b>	<b>(278)</b>	<b>1,604</b>
Gifts in kind	-	229,486	(229,486)	-	-	-
<b>Income from charitable activities:</b>						
DFID Nigeria NTD	631	3,258	(2,819)	-	(455)	615
DFID Global Trachoma Mapping Project	-	525	(525)	-	-	-
DFID Onchocerciasis/Lymphatic filariasis	-	1,332	(1,232)	-	-	100
DFID SAFE	581	7,736	(7,858)	-	(127)	332
DFID Aid Match	-	1,370	(1,370)	-	-	-
USAID	8	691	(630)	-	(69)	-
The Queen Elizabeth Diamond Jubilee Trust	-	6,634	(6,242)	-	(392)	-
The Gates Foundation	-	978	(895)	-	(83)	-
The World Bank	-	831	(678)	-	(153)	-
EC CCB	-	2	9	-	(11)	-
EC Bangladesh	-	30	(28)	-	(2)	-
EC Uganda	-	100	(92)	-	(8)	-
EC Sierra Leone	-	104	(97)	-	(7)	-
<b>Sub-total</b>	<b>1,220</b>	<b>23,591</b>	<b>(22,457)</b>	<b>-</b>	<b>(1,307)</b>	<b>1,047</b>
<b>Total restricted funds</b>	<b>1,952</b>	<b>264,078</b>	<b>(261,794)</b>	<b>-</b>	<b>(1,585)</b>	<b>2,651</b>
<b>Endowment funds:</b>						
Mountjoy Trust	214	-	-	-	-	214
<b>Total endowment funds</b>	<b>214</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>214</b>
<b>Total funds</b>	<b>13,334</b>	<b>302,017</b>	<b>(298,210)</b>	<b>(1,388)</b>	<b>-</b>	<b>15,753</b>



## Designated funds

The balance on future overseas expenditure represents cash held in overseas bank accounts at the balance sheet date. These balances will be drawn down within one to two months of the year end.

The balance on the fixed-asset fund represents the net book value of tangible fixed assets at the balance sheet date. These are operational assets required for the day-to-day operations of the charity.

## Restricted funds

The transfer to unrestricted funds of £1,242,000 relates mainly to funds received as part of restricted funding agreements that are provided for Sightsavers' indirect costs, principally under our grant contracts with DFID and the Trust Trachoma grant.

## Endowment funds

The Mountjoy Trust is invested and the interest earned is expended specifically for the benefit of the visually deprived, either blind or near blind, in accordance with the terms of the bequest.

**The principal grant contracts that Sightsavers has classified as restricted fund projects in 2017, the majority of which are recognised under charitable activities, are set out here.**

Donor name	Countries affected	Formal contract name
Irish Aid	Cameroon, Guinea, Liberia, Mali, Senegal and Sierra Leone	Strengthening Sightsavers' reach and impact in West Africa
States of Jersey	Liberia, Benin, Cameroon and Tanzania	Jersey Overseas Aid Commission
Conrad N. Hilton Foundation	Mali	Reducing the TT backlog in Mali
The END Fund	Guinea-Bissau, Sudan, South Sudan, Ivory Coast and Tanzania	The END Fund
Izumi Foundation	Mali	Elimination of Blinding Trachoma in Mali 2014 and 2015
The World Bank	Senegal, Cambodia, Ethiopia and Ghana	School Health Integrated Programming
Department for International Development	Nigeria	Integrated Programme Approach to control a range of NTDs in Nigeria

Donor name	Countries affected	Formal contract name
Department for International Development	Global	Global Trachoma Mapping Project
Department for International Development	Democratic Republic of Congo, Guinea Bissau, Nigeria and Uganda	Reducing prevalence of River Blindness and Elephantiasis and improving the lives of poor people
Department for International Development	Chad, Ethiopia, Nigeria, Tanzania and Zambia	Trachoma SAFE Implementation
Department for International Development	Kenya, Uganda, Malawi, Zambia and Mozambique	UK Aid Match
USAID / RTI International	Chad and Zimbabwe	Trachoma Mapping
USAID / Helen Keller International	Cameroon	Support to Control of Neglected Tropical Disease Control Program (NTD Envision) in North West, South West and West regions of Cameroon
USAID / JSI Research & Training Institute, Inc	Bangladesh	Strengthen National Capacities on Paediatric Ophthalmology for Quality Child Eye Health in Bangladesh
The Queen Elizabeth Diamond Jubilee Trust	Kenya, Malawi, Mozambique, Nigeria and Uganda	The Queen Elizabeth Diamond Jubilee Trust Trachoma Initiative in Africa
The Gates Foundation	Global	Bill & Melinda Gates Foundation
European Commission	Caribbean	Delivering V2020 in the Caribbean (CCB)
European Commission	Bangladesh	Barrier Free Inclusive Society for Persons with Disabilities
European Commission	Uganda	Connecting the Dots: Investing in Youth with Disabilities for Enhanced Access to Employment in 4 Districts of Rural Uganda
European Commission	Zambia	Zambia Inclusive Education Programme (ZIEP)
European Commission	Sierra Leone	Strengthening national health systems and increasing access to health services for persons with disabilities in 3 regions of Sierra Leone

## 23 Analysis of net assets between funds

	Tangible fixed assets £'000	Investments £'000	Cash £'000	Other net assets £'000	Pension liability £'000	Net assets £'000
<b>2017</b> Unrestricted funds:						
General	-	6,269	4,508	(366)	(391)	10,020
Designated	124	-	1,042	-	-	1,166
Restricted funds	-	-	11,833	(6,811)	-	5,022
Endowment funds	-	214	-	-	-	214
	<b>124</b>	<b>6,483</b>	<b>17,383</b>	<b>(7,177)</b>	<b>(391)</b>	<b>16,422</b>
<b>2016</b> Unrestricted funds:						
General	-	5,728	4,804	1,420	(1,092)	10,860
Designated	287	-	1,741	-	-	2,028
Restricted funds	-	-	11,928	(9,277)	-	2,651
Endowment funds	-	214	-	-	-	214
	<b>287</b>	<b>5,942</b>	<b>18,473</b>	<b>(7,857)</b>	<b>(1,092)</b>	<b>15,753</b>

## 24 Leasing commitments

### Finance lease obligations

Sightsavers is committed to making future minimum lease payments under finance leases of £187,000 (2016: £359,000). The obligation to make these payments falls due as follows:

	2017 £'000	2016 £'000
<b>Land and buildings</b>		
Within 1 year	129	129
Within 2-5 years	11	140
<b>Sub total</b>	<b>140</b>	<b>269</b>
<b>Fixtures and fittings</b>		
Within 1 year	43	43
Within 2-5 years	4	47
<b>Sub total</b>	<b>47</b>	<b>90</b>
<b>Total</b>	<b>187</b>	<b>359</b>

## Operating lease obligations

Sightsavers is committed to making future minimum lease payments under non-cancellable operating leases of £1,788,000 (2016: £2,119,000). The obligation to make these payments falls due as follows:

	2017 £'000	2016 £'000
<b>Land and buildings</b>		
Within 1 year	611	645
Within 2-5 years	1,014	1,115
After 5 years	126	295
<b>Sub total</b>	<b>1,751</b>	<b>2,055</b>
<b>Other</b>		
Within 1 year	25	27
Within 2-5 years	12	37
<b>Sub total</b>	<b>37</b>	<b>64</b>
<b>Total</b>	<b>1,788</b>	<b>2,119</b>

## 25 Forward exchange contracts

Sightsavers entered into four forward exchange contracts during the year to hedge forward currency exposure on future programme expenditure. These contracts, to purchase US dollars (USD) using sterling (GBP), were each for up to six months in duration, at USD/GBP rates between 1.2542 and 1.3385.

At 31 December 2017 a combined purchase value of USD 774,600 remained on one contract at a USD/GBP rate of 1.2910, representing around 14% of forecast USD correlated overseas charitable expenditure for the equivalent period of the remaining contract (before taking account of USD income). At 31 December 2017, the average mark to market USD/GBP exchange rate was 1.34.

At 31 December 2017 the carrying amount in the balance sheet of these contracts was a loss of £20,000 (2016: loss of £25,000). This movement on the fair value forms part of the free reserves in note 22.



Albert with his brother at home in Masindi, western Uganda, as he prepares to begin a vocational training course for people with visual impairments.



We work with partners  
in developing countries to  
eliminate avoidable blindness  
and promote equal opportunities  
for people with disabilities

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