



Sightsavers

Annual Report and Financial Statements

31 December 2009



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The Challenge

314 million people are blind or visually impaired, and 75% of this is treatable or preventable

153 million people are blind or severely visually impaired simply for want of a pair of glasses

Over 500 million people struggle for want of glasses for close work (eg sewing or reading)

90% of people who are blind or visually impaired live in developing countries

Two thirds of blind people are women

There is a shortage of 1.5 million health workers in Sub-Saharan Africa

In Africa, less than 10% of disabled children go to school

1 in 5 of the world's poorest people has a disability

Our Values

Blindness is an important cause and effect of poverty.

We work with poor and marginalised communities in developing countries

We achieve much more when we collaborate.

We forge alliances and partnerships to ensure a positive and long term impact on people's lives.

People should not go blind unnecessarily.

We prevent, treat and cure avoidable blindness and promote eye health.

People with visual impairment should be able to develop their potential to the full.

We work with disabled people and others to promote equal rights and opportunities.

With the right resources, people can find their own solutions.

We strengthen organisations and communities to develop practical and enduring solutions.

Learning and innovation are essential in order to improve the quality of what we do.

We underpin our work with the best available evidence and research

Our supporters are a key part of the solution.

We work together to accomplish our goals.

Our Strategy

Our new strategy was launched at the beginning of 2009 – and documented in the publication ‘Strategic Framework 2009 – 2013: Making the Connections’. At the heart of our strategy is the SIM card, or Strategy, Implementation and Monitoring Card, which is based on the balanced scorecard methodology and includes a strategy map and a scorecard of indicators and targets. The strategy map sets out how we will meet our four ultimate aims, or change themes as we call them, which in turn are the aims which will enable us to fulfil our vision and mission.

The SIM card has four perspectives

- a) What we must deliver for our beneficiaries
- b) What we must excel at to do this – our capacities
- c) What we must invest in to excel – our learning and growth objectives
- d) How do we ensure we are resourced properly.

Each perspective has a series of objectives, each of which includes indicators to measure progress. We have both lead and lag indicators to help us identify whether we are undertaking the right activity to lead towards desired outcomes, as well as measuring the outcomes themselves as far as possible. These indicators have targets set each year. It is challenging to ensure that the indicators are sufficiently tightly defined as to be totally unambiguous, so that data is comparable country by country. We expect to hone these indicators over time as we become more experienced at collecting them.

The strategy map is shown opposite. Data for the indicators is collected via a web based dashboard, which has been developed and deployed, and is available to all staff. This enables us to see at a glance whether we are on target, and if we are not, to drill down and understand why not.

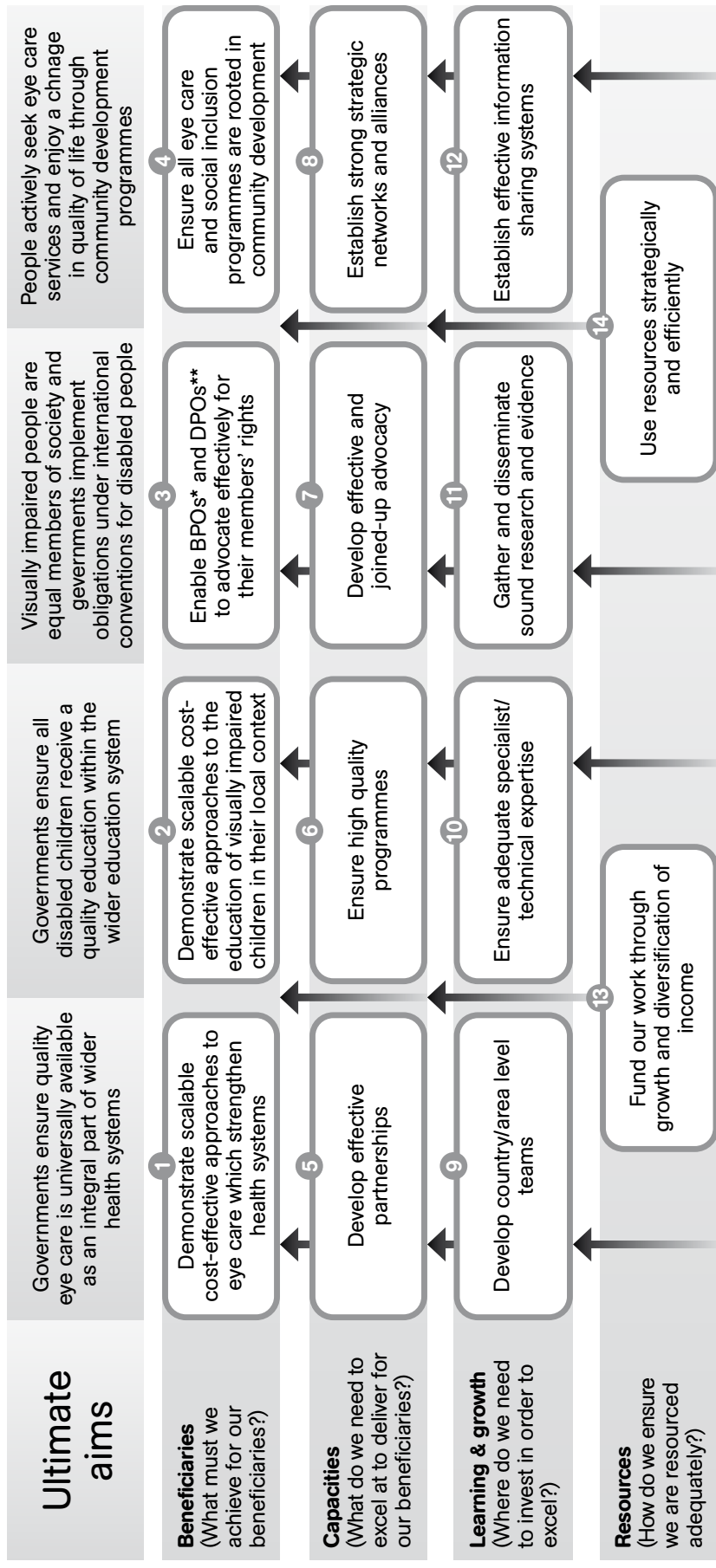


The Sightsavers SIM Card

(Strategy Implementation and Monitoring Card)

The 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



*BPO: Blind People's Organisation **DPO: Disabled People's Organisation

Objectives and Activities

What we do:

We work with partners in developing countries, working towards those goals set out in our SIM card. Our intention is that all our programmes and our allocation of resources should be aligned with the new strategy, but we recognise it will take a year or two for this to happen, as we must be mindful of various stakeholder relationships and not cause inappropriate disruption.

Our work involves considerable amounts of service delivery – as a key building block of both health and education systems – but our view is that we must ensure that this service delivery is done in the context of local systems, strengthening rather than competing with them. We are looking for others – mostly governments, but sometimes other NGOs or even the private sector, depending on the local situation – to replicate our work so that ultimately we can exit and leave behind a sustainable programme. There are other aspects to strengthening systems – such as human resource development – to which we also contribute in our drive to achieve our goals.

Advocacy is an increasingly important part of our work, usually working with our partners or other coalitions to ensure our voice is as effective as possible. We have found that advocacy – based on the solid work we do in our programmes – has a profound and long lasting impact. In our social inclusion work we emphasise supporting blind and disabled people's organisations to advocate for their members rights as this is more powerful than operating alone.

We work in collaboration with a range of local, national and international initiatives and coalitions including VISION 2020, a global initiative aiming to eliminate avoidable blindness by the year 2020. Over the last year we have become more active in wider coalitions where we want to ensure our mission is recognised, such as the Global Call to Action on Poverty (GCAP).

Our aim is to become more evidence based in our approach, both in designing our programmes and to support our advocacy. We have begun to strengthen our capacity in that area, although much more work is needed for us to achieve what is required. We have also recognised how important it is for us to develop our staff at the country and area level so they are able to deliver the new strategy and hence achieve what is necessary for our beneficiaries.

We raise money from a wide variety of supporters to help us fund our work, and are working to diversify the sources from which this money comes to enable us to be more secure into the future. We expect to invest more in exploring new markets for funding into the future as we believe the economic situation has meant that our traditional markets will not see significant growth for some time to come.

Where we work:

We currently work in 32 countries in Africa, Asia and the Caribbean, often in difficult and challenging environments. We stopped supporting programmes in Trinidad and Dominica at the end of 2008 in line with our approach to rebalance investment in favour of poorer countries. Specific locations are outlined in the map below:



A snapshot of what we achieved in 2009

2009 was a difficult year for most people given the extreme economic conditions. It was of course challenging for Sightsavers too. The global recession impacted on our supporters, particularly in Ireland, and the volatility of currencies (especially the plunge in sterling in the first half of the year) meant that each pound of income bought less in the countries where we work. Although inflation was low in Europe, this was not the case in the countries where we work. Given the environment, the organisation has achieved a lot, and we are extremely grateful to our supporters, most of whom have proved exceptionally loyal to us in difficult times.

SIM card – results of beneficiary indicators.

Our SIM Card indicators enable us to assess the progress we are making towards our strategic change theme aims. The lag indicators measure the long-term, lasting impact of our work and are outward-facing; they look at the behaviour of governments, communities and individuals in the countries where we work. The lead indicators measure more immediate outcomes and are inward-facing; they look at the results and design of our programmes themselves. The results for 2009 for the indicators related to the 'delivering for beneficiaries' perspective are as follows:

Objective (short – medium term aim)	Indicator	Target	Result
'Health' Demonstrate scalable, cost effective approaches to eye health	Lag: % of countries showing significant increase in public spending on eye health	10%	7%
	Lead: % of eye health projects that are embedded in national and local government health plans	60%	53%
'Education' Demonstrate scalable, cost effective approaches to education	Lag: % of countries where Govt implements education plans in line with global best practice	-	-
	Lead: % of education projects that are suitable for replication by Govt or other service providers	-	-
'Social Inclusion' Enable BPOs and DPOs to advocate effectively	Lag: % of countries where advocacy by BPOs/DPOs/ disability networks results in improved support or inclusion for disabled people	20%	43%
	Lead: % of countries where we are supporting BPO/ DPOs or the disability movement to advocate	30%	39%
'Community Development' Ensure programmes are rooted in community development	Lag: % of projects resulting in communities demonstrating health-seeking behaviours	10%	56%
	Lag: % of projects that result in VI/ disabled people participating to a greater extent in community life	30%	38%
	Lead: % of projects that are designed, implemented and evaluated with the involvement of local communities, including people with disabilities	20%	26%

The Health indicators were slightly under target, but came fairly close. Education indicators are not collectable until 2010 after the roll-out of the new education policy (which will define the terms “global best practice” and “programme replication criteria” that are needed to apply the indicators). All the social inclusion and community development indicators performed above target, which was encouraging, although we are challenging ourselves to ensure that we are applying the definitions which underlie them rigorously.

Other SIM card indicators

Results were varied in the Capacities, Learning & Growth and Resources perspectives, with several indicators still awaiting baselining and not due for first collection until 2010.

Output Statistics

In 2009 Sightsavers supported 436 projects that were implemented in partnership with 258 partners.

	2007	2008	2009
Number of people screened	5,652,000	5,722,000	13,358,000
Number of those people screened who received treatment	3,590,900	3,776,000	9,845,000
Number of operations	297,400	344,400	361,400
Number of people treated to prevent onchocerciasis	19,675,100	22,120,000	21,800,000
Number of people treated with azithromycin (treatment for trachoma)	730,923	875,014	990,798
Number of people screened for refractive error and low vision	2,063,000	2,163,000	2,208,000
Number of people screened who received treatment for refractive error and low vision	609,000	801,000	651,000
Number of people trained	85,000	131,300*	155,400
Number of blind people given rehabilitation training	9,700	8,700	7,200
Number of children receiving specialist support in mainstream schools	5,000	5,900	5,900

*We have restated the number of people trained in eyecare or social inclusion work in 2008, as the number shown in last year's report (72,000) was erroneous due to consolidation errors within the West Africa region.

This year sees a substantial increase in the number of people screened and treated, due to big increases from the Lady Healthcare Workers programme in Pakistan. The majority of those treated in this programme were for simple conditions such as conjunctivitis – which though minor often results in people attending a hospital and putting a burden on the health service. More serious problems are referred on. The increase in operations came mainly from a rise in treatment for diabetic retinopathy in India and trichiasis surgery in Africa.

The drop in number of treatments to prevent onchocerciasis arises entirely from a problem in Liberia, where the Ministry of Health replaced most of the relevant personnel early in the year. This led to a delay in ordering of drugs which in turn meant that these arrived too late for the treatment season. This is a one off event that should not recur in 2010.

The number of people treated with azithromycin for trachoma increased significantly due mainly to a large increase in Kenya within the European Commission (EC) trachoma project there.

There has been a change in the referral process for children with refractive error in Pakistan, with the Ministry of Education taking responsibility for final referral. This has led to a temporary reduction in the number of people treated for refractive error and low vision in 2009.

Of the 155,400 trained this year, 151,000 were eye health rather than social inclusion related. The increases over the last two years include a considerable contribution from the training of Lady Healthcare Workers in Pakistan, but all regions are expanding their human resource development work.

There were reductions in the number of blind people receiving rehabilitation training – mainly due to the phasing out of three CBR programmes in Bangladesh which were not in line with our strategy. The number of blind or low vision children receiving support in mainstream schools remained stable.

Highlights of the Year

- Our Human Resource Development (HRD) work continued to expand significantly, with a number of major new initiatives involving different consortia either being launched or receiving funding, and a significant scaling up of the Lady Healthworkers training programme in Pakistan.
- Our work on Neglected Tropical Diseases (NTDs), of which onchocerciasis and trachoma are two, attracted more international attention and we are now playing a leading role in a number of the global networks.
- Our advocacy efforts at the country level to get governments to prioritise eye health as part of the public health agenda are beginning to bear fruit – with particularly strong results in Nigeria.
- In terms of income generation, increasing the amount we raised per supporter from £80 to £86, and obtaining two new EC grants which took our total grant income from the EC to 16.5 million euros.

Progress Towards SIM Card Objectives

Delivering for the beneficiaries

What we planned to do	What we did
<p>Begin to distill and document our approaches to eye health so we can ensure that our programmes represent approaches suitable for demonstration</p>	<p>Identified need to clarify exactly what a demonstration approach is and provide clear guidance to country offices. A template has been developed but more detail required.</p>
<p>Increase support for programmes which support primary eye health and its integration into primary health care – dovetailing this with increased advocacy efforts to ensure governments prioritise eye health and its integration within national health policies</p>	<p>A workshop on integrating primary eye care into primary health care was held in southern Africa, attended by almost all the national eye care coordinators and primary health directors across the SADC (Southern Africa Development Community) countries.</p> <p>In Nigeria we succeeded in getting eye health into all state strategic health plans, and it is now a priority in the government health agenda.</p>
<p>Increase emphasis on the Human Resource Development programmes (eg training of mid level eye health personnel)</p>	<p>There was significant progress in India, where government approved a Sightsavers led consortium of INGOs to develop a standardised curriculum for the training of mid level ophthalmic professionals which will be accredited nationwide.</p> <p>A new School of Optometry for the SADC region was launched in partnership with ICEE (International Council for Eyecare Education) and OGS (Optometry Giving Sight). The first graduate optometrists will emerge in 2012 along with 20 optometric technicians</p> <p>The East Africa College of Ophthalmologists launched a new, EU funded (4 million euros) coalition involving three eyecare agencies, led by Sightsavers, to increase the capacity of ophthalmic institutions in Kenya, Uganda and Tanzania</p> <p>A new course for optometric technicians was developed and launched at the Sheikh Zayed Regional Eyecare Centre in the Gambia.</p> <p>A new consortium, led by Sightsavers, launched a programme covering Mozambique, Malawi and Zimbabwe to scale up the training of mid level eye care workers.</p> <p>Construction began of a new teaching block and hospital to house the DESSO course (Francophone Diploma in Ophthalmology) in Guinea – in partnership with CBM and WAHO. This will enable a doubling of the intake of students from Francophone countries for the 2 year diplomate programme.</p>

What we planned to do	What we did
Develop a generic proposal for the local production of eye drops and the establishment of 'opti- shops' to support effective building of health systems with a pilot in our East, Central and Southern Africa region.	Two proposals were developed – one for the optishops and one for local production of eyedrops – we are now looking for funding to demonstrate the approaches with a view to scaling up.
Identify and pursue opportunities to enhance Community Based Rehabilitation (CBR) and social inclusion work in all countries including implementation of WHO guidelines and inclusion of blind people in mainstream community development programmes	A training workshop for social inclusion is being rolled out across country offices to improve knowledge of disability and the new WHO CBR guidelines. We played a leading role in India in the establishment of a CBR network and the establishment of a Disability and Development consortium. A key priority of the consortium is inclusive education.
Raise our profile and influence within the Neglected Tropical Diseases arena, ensuring that trachoma and onchocerciasis receive due attention. Continue to increase our efforts in tackling these two focal diseases.	We led the formation of and are playing a lead role in the NGDO NTD network which gives NGOs a much stronger voice within the wider NTD fora. We have been invited to attend a Bill and Melinda Gates Foundation meeting on NTDs – a recognition of our increasing influence in this arena.

Other major achievements in this area

We have now commenced our work in Southern Sudan – a highly challenging environment. We are focusing on Upper Nile state, which has the highest levels of trachoma in the world.

In The Gambia, we completed a final round of mass treatment with Azithromycin which means the country is on track to eliminate trachoma. We are also working in Ghana with the International Trachoma Initiative on clearing the backlog of trichiasis operations with a view to Ghana also being capable of being declared trachoma free soon.

In Pakistan the completion of a new eye complex in District Vehari was a breakthrough, especially as we mobilised 80% of the money required from the district government.

Challenges we faced and what we learned

It has been difficult to ensure that all our countries have a common view about which programmes are fully in line with our strategy – and in particular what is a demonstration project which is capable of being taken to scale. Getting full alignment and crystal clear definitions is a key task for 2010.

We are pleased that our continuing emphasis on HRD is beginning to bear fruit – but it remains challenging to get some of the Ministries of Health to nominate candidates and employ them afterwards in the places of greatest need. This is especially the case in parts of Francophone Africa.

We have begun to appreciate the huge burden that ocular morbidity has on hospitals – where anecdotal evidence suggests that over 25% of people attending outpatients departments have some kind of eye problem. This is an area we need to research and understand as clearly a better primary care service would reduce this burden.

Increasing our capacities (areas where we need to excel)

What we planned to do	What we did
Develop and disseminate an Advocacy and Public Policy Development strategy across the organisation	Guidelines of key advocacy areas were produced for country teams to assist them in developing their local advocacy plans. More work is needed on public policy development.
Develop and disseminate a Quality Framework across the organisation	A Quality Framework linking quality standards, a new Adaptive Monitoring & Evaluation approach and the new Technical Assistance Plans has been developed. Further work is needed on exactly how we want to structure the quality standards (ie what areas they should cover) and how quality should be embedded in project cycle management.
Develop new policies on Refractive Error and Education	<p>The new refractive error policy was approved and has now been rolled out internally and shared with a number of other organisations.</p> <p>The Education policy proved to be challenging with a number of important issues to be agreed, and will now be scheduled in mid 2010.</p>
For a Global Advocacy Team and a Quality Task Force, in furtherance of the above	The Global Advocacy Team was set up and developed the guidelines for country offices mentioned above. We need to be clearer about its role into the future and will be relooking at its terms of reference. The Quality Task Force is set up and is currently piloting the new M&E system.
Develop a strategic alliances plan, including the strengthening of alliances with organisations such as African Union of the Blind, African Decade of Persons with Disabilities and WHO, together with the identification of new alliances which are critical to achieve our aims	<p>A draft of this plan was completed, although it needs to be fleshed out further. We identified seven organisations or groups who we felt were top priority for us – all global alliances. Some were ones we have prioritised before (eg WHO) and some were new (eg Global Call to Action against Poverty)</p> <p>We identified a range of other eyecare and development organisations which we should prioritise in terms of developing closer relationships.</p> <p>We recognised that there were a number of key organisations in Africa which were essential for us to work with.</p>
Develop a greater understanding of and engagement with wider disability sector networks and coalitions in order to develop a collaborative approach to advocacy with BPOs, DPOs and other disability focused organisations.	We chaired the BOND Disability and Development group, and were an active part of the IDDC (International Disability and Development Consortium) UN Task Group, providing input and information for a range of activities advocating for the MDGs to include disabled people explicitly.

Other major achievements in this area

We made a significant breakthrough with WHO in Africa, meeting with them at their regional office in Brazzaville – the first eyecare INGO to make this connection. We anticipate signing a formal partnership agreement with them in 2010. They have committed to sponsor a workshop for Central Africa on Primary Eye Care in 2010.

Working with RNIB and the World Blind Union, we secured the adoption of the WBU Treaty Proposal on Copyright and the Visually Impaired and ensured it was formally tabled on to the WIPO (World Intellectual Property Organisation) agenda.

We are beginning to get some publications on our work into external journals – beyond those read only by eye care professionals. This is essential if we are to raise the profile of eye health within the main public health agenda.

Challenges we faced and what we learned

We created a new directorate of 'Strategic Programme Development' to cover government relations, advocacy and public policy, research, quality, learning and technical advice. The directorate was dispersed across five different countries, and it proved difficult to pull this together as a tight and focused team. We will be evaluating the group after a year's experience in 2010, looking at what skills are missing and how the structure could be improved to enable us to relaunch it as a group providing both expert support (and challenge where necessary) to the programmes together with the dissemination of knowledge and experience of Sightsavers work externally in international fora as part of our advocacy plan.

Learning and Growth (areas where we need to invest to achieve excellence)

What we planned to do	What we did
Update all job descriptions for country and regional job roles, including clarification of the competencies needed for each.	This has been completed
Undertake a learning needs analysis to determine those competencies most in need of development, draft a template for team development plans and ensure all Regional, Country and Area Directors have drawn up team development plans.	This was deferred to the beginning of 2010 given the need to prioritise other processes within forecasting and funding planning. It will now be implemented in 2010 along with a significant increase in investment for leadership and development for our country and area offices.
Formalise Technical Assistance Plans to support regions and countries	This was done, including an annual review to highlight achievements and areas for improvement.
Develop and disseminate a Research and Learning strategy	<p>Progress was made on the Learning side, with a Programme Learning Review on Human Resources for Health and a paper on Eye Health and Health Systems produced, plus the launch of the 'Insight' series of learning documents from strategic evaluations (starting with the Kaduna state programme in Nigeria)</p> <p>Our countries and regional offices were consulted on what research priorities they had, but we were disappointed with our lack of progress on developing a research strategy.</p>

What we planned to do	What we did
Develop an improved information management system	<p>We continue to invest in communication infrastructure internationally and have implemented VSAT (satellite internet) in Uganda, Malawi, Sierra Leone and Liberia.</p> <p>We are expanding our use of collaborative technologies to reduce travel costs – eg training to support the global roll out of the Sun accounting upgrade was performed via an internet training tool.</p> <p>A web based Management Information System was developed and implemented in India. This allows for systematic capture of partner and programme information across the India operations. We have received a grant from a major trust to turn this into a state of the art programme management system.</p>

Other major achievements in this area

We were certified under the People in Aid code. This represents an external verification that we follow good HR practice internationally. We conducted a survey of employees which achieved an incredible 96% response rate. It showed that 81% of staff are engaged and enthusiastic about the future, 87% know and understand the SIM card and 86% think Sightsavers is a great place to work. A five point action plan has been developed – our biggest challenge is seen to be the handling of poor performers.

We played a leading role in the development of a new vision assessment scoring system for blind cricket which has been adopted by the World Blind Cricket Council.

Challenges we faced and what we learned

It is becoming very clear that the objective to ‘develop country and area level teams’ is a major endeavour. Ensuring our Country Directors have the skills to effectively be ‘Managing Directors’ in their country, responsible not just for the programmes, but for advocacy, networking, financial management and staff management is a big task. Many were originally hired as effectively Programme managers – a much narrower remit. We would like to be able to devolve more responsibility for decision making to the country level to free up regional staff for more strategic work, but to do this we need to ensure that all our Country Directors and their teams have the skills and support systems, and that we have the control framework in place to be able to do this.

We are disappointed with the rate of progress on our research objective. We need to increase our capacity to assess what research needs to be done, to prepare proposals, and to share in the intellectual property generated so we can use this as necessary in our advocacy work. Otherwise we will lack the evidence to persuade others that our approaches are the right ones – an essential prerequisite of ensuring our approaches are taken to scale. We will strengthen this area in the relaunch of the Strategic Programme Development directorate.

Resources (funding our work, and ensuring efficient and strategic use of resources)

What we planned to do	What we did
Significantly grow support from multinational companies, trusts and foundations	This proved to be an impossible task given the economic circumstances, which hit trusts and foundations particularly hard. Overall income from these sources fell by 8%. However, good foundations were laid to enable us to resume growth next year.
Source £3 million from government funding	<p>The total revenue recognised under government funding for 2009 is £2.4 million. Irish Aid cut our Block Grant by 220k euros for 2009 due to economic constraints.</p> <p>New grants were secured in 2009 from the EC, with the total contract value from EC now standing at 16.5 million euros.</p>
Explore new markets for funds	<p>Sightsavers Italia income exceeded a million euros for the first time. Registration in the UAE has taken longer than planned, but relationship development is stronger than expected.</p> <p>We undertook online individual supporter recruitment tests in the US towards the end of the year. The results will be reviewed in 2010 and successful activity will be rolled out. We have also had some success with US trusts.</p>
Develop more valuable relationships with existing individual supporters	<p>This has been achieved beyond our expectations, especially given the current environment. Average yield per UK supporter is up 8% from £80 to £86.</p> <p>The initiative designed to develop high potential supporters continues to outperform targets. Product development was broadly on track with a new 'events' package and an improved virtual gifts offer (Gift of Sight).</p>
Develop programme teams engagement in funding and funding teams understanding of programmes, with particular emphasis on increasing restricted funding for those countries where this is currently a very low percentage of overall funding	The Country Champion initiative, where a member of the funding team becomes an expert in our work in a particular country, was effectively implemented and has delivered benefits. It has significantly reduced barriers between funding and programme teams.
Review and improve key organisational processes	<p>The Sun accounting system upgrade was rolled out globally, delivering a common accounting and reporting platform across our international operations.</p> <p>We have simplified our planning and forecasting processes, creating a new annual operating calendar.</p> <p>The resource allocation process was improved to provide clearer links between income and expenditure, and more clarity for country staff.</p>

What we planned to do	What we did
Complete implementation of a new procurement system with rollout extended to all users	The eProcurement system was implemented, delivering an end to end procure to pay process with electronic authorisation and an interface with our accounting system for commitment accounting. It has been deployed in the UK and Ireland, with rollout internationally planned for next year.
Review investment policy and ensure it is fit for purpose in the current environment.	We decided that our investment strategy was fit for purpose and it remains unchanged.

Other major achievements in this area

Although our overall income from companies, trusts and foundations fell, we were really pleased to win several large new multi year contracts under the highly successful Seeing is Believing, Standard Chartered Bank initiative.

We introduced a new currency risk management strategy, based on ongoing analyses of the currencies in which we spend money and the degree to which they correlate with the dollar. We then purchase dollars forward to cover an element of this expenditure, based on an agreed hedging matrix, using our Grosvenor Hall property as security. This enables us to reduce the risk from the volatility we have seen in currency movements – where we estimate that each 5 cent adverse move in the sterling exchange rate across a 12 month period would otherwise lead to reduced purchasing power of approximately £600k. We are reasonably balanced in euro terms so do not actively hedge this currency.

Challenges we faced and what we learned

We have invested this year in systems and process capability, and will continue to do so despite economic conditions. The driver for this is to support better cost management as well as improved performance – we believe the payback here to be substantial.

Increasing staff costs at a time when income is static has been problematic. Our reward policy has been to award increases in line with inflation – which was quite high at the end of 2008, especially in programme countries and hence salaries for 2009 increased. We have imposed a salary freeze in UK and Ireland for 2010, and have delayed our normal cost of living increase in programme countries by three months. Our staff have been very understanding of the pressures we are under and have accepted this with great maturity.

Plans for 2010

Our plans are driven by our strategy as set out in the SIM card. We continue to work to embed the new strategy into the organisation. This means revisiting all our reporting, and making sure that we have clear definitions of what the strategy means and how it should be implemented.

Specific objectives, grouped in line with the four perspectives of the SIM card are:

Delivering for the Beneficiaries

- Commence work in Burkina Faso, and develop a plan for entering Niger.
- Create a framework and set of tools to assess which programmes/projects meet the criteria for a demonstration programme.
- Review the programme portfolio against this framework to enable us to phase out non strategic projects.
- Review eye health programmes against the new framework for Health Systems Strengthening to redesign those which fit with the demonstration criteria and align them with the new strategy.
- Develop a concept for a major collaboration around HRD in Africa which consolidates progress to date but aims for a significant change in gear and ambition.
- Create a plan which changes the emphasis of our trachoma and onchocerciasis programmes from control to elimination.
- All countries to engage with disability movements and BPOs and to review social inclusion programmes against the new programme design framework.
- Create awareness about the exclusion of disabled children from EFA through country level networks and coalitions.
- Project cycle guidelines to be updated to incorporate an emphasis on community development in the various processes.
- Obtain an international treaty to give visually impaired people the right to access to print.

Increasing our Capacities (areas where need to excel)

- Restructure and relaunch our Strategic Programme Development directorate to strengthen its capacity, taking account of learning from its first year of operation.
- Strengthen our policy and strategic relations with institutional donors, with a particular emphasis on DFID.
- Develop and disseminate a policy on education.
- Follow a coherent and joined up plan to drive for the inclusion of NTDs and disability in the MDGs following the international review in September 2010.
- Speed up our utilisation of tools developed alongside the partnership policy.
- Flesh out our strategic alliances plans for identified alliance partners and begin to implement them.

Learning & Growth (areas where we need to invest to achieve excellence)

- Finalise the organisational learning and development priorities for country and area level teams, and an action plan to achieve them
- Increase our investment in learning and development to 7% of salary
- Introduce an assessment process to measure the effectiveness of our staff development programmes
- Complete pilots of our Adaptive Monitoring and Evaluation system in at least one country in each region, and develop a rollout plan for 2011.
- Undertake research into the impact of ocular morbidity on primary health care and service delivery at the district level.
- Coordinate and deliver a session on eye health at the first WHO Health Systems Research Symposium
- Increase the technical and specialist expertise available within the Strategic Programme Development directorate
- Implement a global database to support programme and fund management activities

Resources (funding our work, and ensuring efficient and strategic use of resources)

- Significantly grow support from multinational companies, trusts and foundations.
- Increase income from government funding to over £4 million.
- Undertake a feasibility study into fundraising in India.
- Test supporter recruitment in France in partnership with Helen Keller International
- Continue the focus on developing more valuable relationships with existing individual supporters.
- Extend the Country Champion concept to the regional level
- Review reserves policy and alignment with the risk framework
- Continue to improve key organisational processes including full roll out of procurement system

In addition a key aim for 2010 is to roll out the new risk framework.

As at the end of 2009 we were working on a new brand identity for the organisation, as the old one was no longer fit for purpose. Aside from it being inaccessible to people with low vision, it was not sufficiently distinctive, only appealed to a narrow audience and was difficult to use in non English speaking countries. A key aim for 2010 is to launch the new brand and roll it out both across the organisation and with all external stakeholders.

Structure, Governance and Risk Management

Sightsavers is the working name of Royal Commonwealth Society for the Blind. Originally founded in 1950 it is now a company 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.

Sightsavers' Royal Charter and its Rules were revised in July 2009. The main changes were:

- an overhaul of the objects so they are not exclusively for but with particular emphasis on persons suffering from blindness;
- an overhaul of the powers to reflect practices in a modern day charity; and
- to move most of the Rules to Standing Orders to allow for greater flexibility to amend them going forward.

Sightsavers has a governing Council of Trustees. The Council 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 Council by other trustees for a maximum total term of eight years. All Trustees attend an induction programme to familiarise themselves with their statutory responsibilities, their role within the Council, the governance framework and Sightsavers' objectives. Performance of the Council both collectively and as individual trustees is periodically assessed.

There are clear distinctions between the roles of Council and the Strategic Management Team to which day to day management is delegated. Matters such as policy and strategic plans are prepared by the Strategic Management Team for consideration and approval by Council.

There are four committees of Council; *Audit* which monitors audit activities, risk and control framework and process effectiveness, *Investment* which monitors investment performance and treasury activities, *Remuneration* which monitors remuneration policy and key salary decisions and *Membership* which advises on the appointment of Trustees and Honorary Officers. Committees may include specialists who are not members of the Council but who volunteer to use their expertise to assist the committees on an ongoing basis. There are also a number of advisory panels (on Funding and Marketing, Programmes and ICT) which provide advice to both Council and the Strategic Management Team, but have no formal delegated responsibilities.

There are four subsidiary undertakings consolidated within the Group. These are Sightsavers (Trading) Limited, Sightsavers International (Ireland), Sightsavers International (Italia) and Sightsavers International Inc. Further details are included in Note 17 of the accounts.

Sightsavers Scotland

Sightsavers is a charity registered in Scotland with the Office of the Scottish Charity Regulator, registration number SC038110. In 2009 Sightsavers raised £2.0 million from donors based in Scotland. We have a Scotland office and undertake fundraising and awareness building activities with individuals, corporate partners, trusts and community groups.

Risk management

The Trustees are required to identify and review the strategic, operational, regulatory, people, political and environmental risks to which Sightsavers is exposed; and to assess the likelihood of such risks and the possible level of impact they would have.

Sightsavers updated its risk management framework during 2009; identifying risks, prioritising them and setting out mitigation approaches and accountabilities for the highest priority items.

The top six risks were identified as:

Foreign currency volatility: Sightsavers is exposed to exchange rate risk. Most of our income is denominated in Sterling and Euro, whilst most of our overseas charitable expenditure takes place in Africa and South Asia. When Sterling depreciates in value against the US Dollar then our ability to maintain funding of overseas programmes is affected. During 2009 more active approaches to treasury management were introduced including the use of forward exchange contracts.

Staff security: Sightsavers operates in regions where the political and social circumstances make the personal security of staff a major potential concern. The security of our staff is an imperative and in 2009 we continued to develop our travel and security policies as well as enhancing our crisis management capabilities and infrastructure.

Accuracy of forecasting information: Decision making in the organisation relies on good quality forecasting and planning data. This has been brought into sharp focus by the global recession with knock on effects to income, asset values and currency volatility. In 2009 a global funding group was successfully established to promote better operational connectivity between funding and related programme activity. That said, achieving greater accuracy of forecast expenditure remains a priority and there is ongoing effort to simplify and automate our reporting timetable, processes and templates.

Quality of programmes: Sightsavers works with partner organisations to deliver programmes. Ensuring adequate quality assurance, safety and clinical governance is in place with our partners is important. In 2009 our policy framework continued to be developed to ensure that partners chosen are appropriate, programme design principles are consistently applied, the partner organisation is supported and the relationship with Sightsavers is properly managed.

Management of contracts: Sightsavers has been increasingly successful in securing government grants, particularly from the EC. However, effective management of these contracts is required to execute commitments properly, report effectively as well as to enhance our positioning for future grants. In 2009 we strengthened our country offices where EC contracts are being delivered and developed a more stringent pre contract commitment process.

Demonstrating impact: In order that Sightsavers maximises the use of its resources to assist beneficiaries, the organisation needs to demonstrate that its resources are being used as effectively as possible. In 2009 continued progress has been made in monitoring outcomes through the organisational SIM card. On impact we have focused on developing relevant case studies as well as some specific research projects. Implementing our monitoring and evaluation framework in 2010 will take us a further step forward in what is a complex area.

There are six other high priority risks which have clear mitigation strategies and are formally reviewed annually. These are:

Inability to raise income; Financial loss due to fraud; Failure to manage defined benefit pension liabilities; Inappropriate controls leading to mismanagement of resources; Misalignment of strategic priorities in different parts of the organization and Credit events leading to financial loss.

Council is satisfied that systems are in place to monitor, manage and where appropriate mitigate Sightsavers' exposure to the major risks.

Review of Financial Outcome 2009

The financial outcome for 2009 is set out in the Consolidated Statement of Financial Activities.

Income

In 2009 total income was £100.2 million, a decrease of £1.4 million compared to 2008.

This reduction was in large part due to lower legacy income down £0.9 million year on year, and was a better performance than expected given the economic environment.

Voluntary donations from individuals was £22.0 million up £0.2 million from 2008, this despite the challenging environment in our core fundraising markets in the UK, Ireland and Italy.

Gifts in kind from Merck & Co Inc. of Mectizan® tablets for river blindness protection were once again substantial at £68.9 million (2008 £69.3 million).

Grant income increased slightly to £2.6 million in 2009 due to increased funding from the EC which offset reduced levels of block grant income from Irish Aid.

Expenditure

In 2009 total expenditure was £99.2 million, a reduction of £2.4 million compared to 2008.

Costs of raising voluntary income were down £0.6 million year on year. This was in part due to securing favourable terms for media and print buying but also rigorous cost management within the funding and marketing team.

Spending on charitable activities was £91.0 million in 2009 against £92.4 million in 2008. We were mindful from late 2008 that 2009 was likely to be a tough year for income, and made savings accordingly. Travel costs were curtailed, and a number of less strategic programmes were closed. This year was our first full period of operating under the new strategy. Over time we expect to close a number of less strategic programmes (eg ones which are not suitable as demonstration projects, not scalable or not cost effective enough). We also expect to rebalance the portfolio of programmes geographically, reducing spend in countries or areas where the human development index is higher and increasing spend in poorer countries.

Governance costs were £0.5 million in 2009, a reduction of £0.1 million compared to 2008, partly because our strategic review was completed in 2008.

Grant making policy

Sightsavers works in partnership with numerous organisations. Grants payable are made in line with our strategic objectives. Sightsavers monitors all grants to partner organisations in accordance with the relevant partnership agreement. A full list of grants is available on request.

Financial position and reserves

Total fund balances were £9.4 million at the end of the year. Unrestricted reserves were £9.1 million offset by the defined benefit pension scheme liability of £1.9 million. Restricted fund balances were £1.9 million.

It is Sightsavers' policy to retain sufficient reserves to safeguard ongoing commitments and operations. Our current benchmark is to maintain a level of unrestricted reserves at 25% +/- 5% of projected unrestricted expenditure for the following year.

For the purpose of this calculation we include both reported unrestricted reserves and the market value of our UK Grosvenor Hall property in the reserves calculation. At the end of 2009 our level of reserves were £10.8million representing 36% of projected unrestricted expenditure (2008 £11.0 million and 40%). This is above benchmark. However, given economic uncertainty in our core fundraising markets, as well as continued volatility in currency markets, the Trustees believe this level of reserves is prudent.

Investments

Sightsavers maintains a level of fixed asset investments. Investment levels are calibrated with the targeted quantum of reserves and ongoing liquidity needs. Our investment objectives are to maximise investment returns at acceptable levels of risk and in line with ethical standards consistent with Sightsavers' objects and values.

Our investment approach is to target an even mix of equities and bonds. Investment activities are supported by UBS Wealth Management and our Investment Committee which meets quarterly with UBS to assess investment strategy and performance.

Pensions

Sightsavers operates a defined benefit pension scheme for UK contracted employees. This scheme was closed to new entrants in 2002. As set out in Note 15 under Financial Reporting Standard 17 there was a deficit of £1.9 million at the end of the year. In 2010 there was a triennial actuarial valuation performed and a new recovery plan will be agreed with the Trustees of the pension plan.

A defined contribution scheme was established in 2002 with membership made available to all UK contracted employees.

Financial outlook

The strategic direction of the organisation is defined in the strategic framework published in January 2009 and scheduled to run up to the end of 2013. Financial planning and forecasting activity takes place within the context of the overall strategic plan and objectives.

For 2010 our expectation is that economic challenges will continue in core fundraising geographies with some additional downside potential for further depreciation of Sterling against other major currencies.

Given this environment we expect voluntary income growth to remain static but with some increase in government funding from new EC contracts.

Sightsavers remains committed to executing its strategy and we expect to increase expenditure in 2010 compared to 2009. Some of that increase will be in extending our charitable activities; some will be in developing new fundraising opportunities and markets. Notwithstanding, a continued focus on cost management and procurement efficiency remain an operational imperative.

Our expectation is that we will run a deficit in 2010 to be funded from existing reserves, which are currently higher than our benchmark.

Public benefit

Sightsavers develops its strategic plans to ensure that we provide public benefit and achieve our objectives as set out in our 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 Sightsavers' aims and objectives and in planning activities and setting policies for the year ahead.

Statement of Council of Trustees' responsibilities

Charity law and the terms of the Royal Charter require the Trustees to prepare financial statements for each financial year which 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; and
- 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 which disclose with reasonable accuracy at any time the financial position of the Charity, and ensure that the financial statements comply with the Charities Act 1993. 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.

Key People and Suppliers

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 Nicholas Fenn GCMG
Sir John Coles GCMG
Edward Heimsath
Richard Porter
Dennis Williams (appointed June 09)

Honorary Officers

Chairman
Lord Crisp KCB
Vice Chairman
David Jordan CBE
Treasurer
Michael Chilton (appointed July 09)
Michael Pitts (retired June 09)

Members of Council (the Trustees)

Professor Ekanem Ikpi Braide
Sir Graham Burton KCMG (retired June 09)
Caroline Casey
Dr Robert Chappell OBE MPhil DSc(hon) FCOptom (appointed November 09)
Michael Chilton (appointed July 09)
Lord Crisp KCB
Imtiaz Dossa
Professor Harminder Dua FRCOphth
Pat Farrell
Jeremy Hughes
David Jordan CBE
Stephen King
John Lafferty
Denise Mabey FRCOphth (retired June 09)
Amin Mawji (retired November 09)
Michael Pitts (retired June 09)
Dr Ramachandra Pararasegaram FRCSOphth
Debbie Ramsay
David Sands Smith CBE

Strategic Management Team

Chief Executive

Dr Caroline Harper OBE

International Programme Operations Director

Adelaide Addo-Fening OBE

Director of Strategic Programme Development

Dr Haroon Awan

Director of Funding and Marketing

John Bines

Director of Finance, Planning and Services

Kenneth Moon

Director of HR & Organisational Development

Mark Barrett

Principal address

Grosvenor Hall

Bolnore Road

Haywards Heath

West Sussex RH16 4BX

Principal bankers

HSBC plc

40 South Road

Haywards Heath

West Sussex RH16 4LU

Standard Chartered Bank

1 Aldermanbury Square

London EC2V 7SB

Allied Irish Bank

7/12 Dame Street

Dublin 2

Investment managers

UBS Wealth Management

1 Curzon St

London

W1J 5UB

Surveyors

Gould & Co

Museum House

Museum St

London WC1A 1JT

Solicitors

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

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

Waugh & Co
3 Heath Square
Boltro Road
Haywards Heath
West Sussex RH16 1BD

Independent auditors

Horwath Clark Whitehill
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Independent auditors

A resolution that Horwath Clark Whitehill be appointed 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 *6 June* 2010.



Lord Crisp, Chairman

Independent auditors' report to the trustees of the Royal Commonwealth Society for the Blind

We have audited the financial statements of the Royal Commonwealth Society for the Blind for the year ended 31 December 2009 set out on pages 30 to 58. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with section 44 of the Charities Act 1993 and in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993 and comply with the requirements of regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report if, in our opinion, the information given in the Trustees' Report is not consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 December 2009 and of its incoming resources and application of resources for the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities Act 1993 and comply with the requirements of regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Horwath Clark Whitehill LLP

Horwath Clark Whitehill LLP
Chartered Accountants & Registered Auditors

St Bride's House, 10 Salisbury Square, London, EC4Y 8EH

9 June 2010

Date: _____

Consolidated statement of financial activities

Year ended 31 December 2009

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2009 £'000	Total 2008 £'000
Incoming resources					
Incoming resources from generated funds:					
Voluntary income					
Donations and gifts	2	14,539	7,467	22,006	21,783
Legacies	3	6,285	-	6,285	7,169
Gifts in kind	4	72	68,864	68,936	69,378
Investment income	5	192	1	193	379
Incoming resources from charitable activities	6	-	2,559	2,559	2,459
Other incoming resources	7	189	-	189	408
Total incoming resources		21,277	78,891	100,168	101,576
Resources expended					
Costs of generating funds					
Voluntary income					
Costs of raising current year's income	9	5,208	-	5,208	5,810
Investment to raise income in future years	9	1,750	-	1,750	1,794
Grant income	9	730	-	730	594
Fundraising trading costs	9	6	-	6	7
Investment management fees	9	27	-	27	25
		7,721	-	7,721	8,230
Charitable activities					
Health – Eye care	8,9	8,301	7,997	16,298	18,290
Health – Mectizan distribution	8,9	232	69,277	69,509	69,789
Education	8,9	1,561	686	2,247	1,663
Social inclusion	8,9	1,612	116	1,728	1,425
Community development	8,9	747	471	1,218	1,188
Total charitable activities	8	12,453	78,547	91,000	92,355
Governance costs	10	491	-	491	641
Other resources expended	9	-	-	-	433
Total resources expended		20,665	78,547	99,212	101,659
Net incoming/(outgoing) resources before transfer		612	344	956	(83)
Transfer between funds	22	(754)	754	-	-
Net incoming/(outgoing) resources before other recognised gains and losses	11	(142)	1,098	956	(83)
Exchange translation difference arising on consolidation		(245)	-	(245)	316
Gains/(losses) on investment assets	17	598	50	648	(756)
Actuarial losses on defined benefit pension scheme	15	(451)	-	(451)	(1,198)
Net movement in Funds for the year		(240)	1,148	908	(1,721)
Fund balances at 1 January 2009		7,439	1,083	8,522	10,243
Fund balances at 31 December 2009	22	7,199	2,231	9,430	8,522

Restricted funds include endowment funds, which had a balance at 31 December 2009 of £296,000 (2008: £246,000). See Note 22 for further information. The 2008 figures have been restated in respect of the re-classification of Charitable activities expenditure. All incoming and outgoing resources arise from continuing activities. All gains and losses recognised in the year are included above. The notes on pages 33 to 58 form part of these financial statements.


Balance sheets

31 December 2009

		Group		Charity	
	Note	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Fixed assets					
Tangible assets	16	886	1,036	851	976
Investments	17	4,947	4,329	4,947	4,329
		<u>5,833</u>	<u>5,365</u>	<u>5,798</u>	<u>5,305</u>
Current assets					
Debtors	19	2,704	2,254	2,669	2,153
Short term investments		-	967	-	-
Short term cash deposits	18	1,526	2,149	1,526	1,849
Cash at bank and in hand	20	4,571	3,074	3,335	1,880
		<u>8,801</u>	<u>8,444</u>	<u>7,530</u>	<u>5,882</u>
Creditors: amounts falling due within one year	21	<u>3,266</u>	<u>3,653</u>	<u>3,660</u>	<u>2,848</u>
Net current assets		<u>5,535</u>	<u>4,791</u>	<u>3,870</u>	<u>3,034</u>
Net assets before pension liability		<u>11,368</u>	<u>10,156</u>	<u>9,668</u>	<u>8,339</u>
Defined benefit pension scheme liability	15	<u>(1,938)</u>	<u>(1,634)</u>	<u>(1,938)</u>	<u>(1,634)</u>
Net assets after pension liability		<u>9,430</u>	<u>8,522</u>	<u>7,730</u>	<u>6,705</u>
Funds					
Unrestricted funds					
Free reserve	22	7,837	7,738	6,821	5,981
Pension reserve		<u>(1,938)</u>	<u>(1,634)</u>	<u>(1,938)</u>	<u>(1,634)</u>
General		5,899	6,104	4,883	4,347
Designated	22	<u>1,300</u>	<u>1,335</u>	<u>1,265</u>	<u>1,275</u>
Total unrestricted funds		<u>7,199</u>	<u>7,439</u>	<u>6,148</u>	<u>5,622</u>
Restricted funds	22	<u>1,935</u>	<u>837</u>	<u>1,286</u>	<u>837</u>
Endowment funds	22	<u>296</u>	<u>246</u>	<u>296</u>	<u>246</u>
Total funds		<u>9,430</u>	<u>8,522</u>	<u>7,730</u>	<u>6,705</u>

These financial statements were approved by the Council on 14 MAY 2010 and signed on their behalf by:

Chairman 

Hon. Treasurer 

Consolidated cash flow statement

Year ended 31 December 2009

	Notes	2009 £'000	2008 £'000
Net cash inflow from operating activities	A	<u>11</u>	<u>700</u>
Capital expenditure and financial investment			
Payments to acquire fixed assets		(91)	(271)
Payments to acquire investments		(1,898)	(2,204)
Receipts from sale of fixed assets		8	9
Receipts from sale of investments		1,375	2,642
Decrease/(Increase) in cash held for investment		<u>502</u>	<u>(7)</u>
		<u>(104)</u>	<u>169</u>
		(93)	869
Management of liquid resources			
Decrease / (Increase) in short term investments	B	967	(967)
Decrease in short term cash deposits	B	<u>623</u>	<u>1,168</u>
Increase in cash in the year	B	<u>1,497</u>	<u>1,070</u>
Notes to the cash flow statement		2009 £'000	2008 £'000

A

Reconciliation of net incoming resources for the year to net cash flow from operations

Net incoming/(outgoing) resources	956	(83)
Profit on sale of fixed assets	(8)	(9)
Depreciation	241	269
Increase in provisions	(97)	(587)
Exchange translation differences arising on consolidation	(244)	316
Decrease in stock	-	1
Increase in debtors	(450)	(946)
(Decrease)/Increase in creditors	<u>(387)</u>	<u>1,739</u>
Net cash inflow from operating activities	<u>11</u>	<u>700</u>

B

Analysis of changes in net cash

	1 January 2009 £'000	Cash flow £'000	31 December 2009 £'000
Short term investments	967	(967)	-
Short term cash deposits	2,149	(623)	1,526
Cash at bank and in hand	<u>3,074</u>	<u>1,497</u>	<u>4,571</u>
	<u>6,190</u>	<u>(93)</u>	<u>6,097</u>

Notes to the accounts

Year ended 31 December 2009

1 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 are drawn up to reflect the format of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities", published in March 2005. The accounting policies have been applied consistently throughout the current and previous year.

Basis of consolidation

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of Sightsavers and its subsidiary undertakings. No separate SOFA has been presented for the Charity alone, as permitted by paragraph 397 of the SORP. The net result for Sightsavers is a surplus of £591,000 (2008 deficit of £2,491,000). Sightsavers has the following subsidiary undertakings for which group accounts have been prepared:

Sightsavers (Trading) Limited is registered in the UK. The principal activities of the company are the sales of Christmas cards, promotional merchandise and receipt of corporate sponsorship.

Sightsavers International Inc is registered in the USA, incorporated under the laws of the District of Delaware. The primary purpose is to secure gift in kind donations from Merck Inc. in the form of Mectizan® tablets.

Sightsavers International (Ireland) was registered in November 2003, with the purpose of expanding our fundraising operations and establishing a permanent presence in Ireland.

Sightsavers International (Italia) was registered in July 2004, with the purpose of expanding our fundraising operations and establishing a permanent presence in Italy.

Incoming resources

All incoming resources are included in the SOFA when Sightsavers is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies apply to categories of income:

Legacies: entitlement is the earlier of Sightsavers being notified of an impending distribution, or the legacy being received.

Grants from Governments and other institutional donors: where related to performance and specific deliverables are accounted for as the charity earns the right to consideration by its performance. Where income is received in advance of its recognition it is deferred and included in creditors. Where entitlement occurs before income being received the income is accrued.

Gifts in kind in the form of Mectizan® tablets: are included in the SOFA at the donor's wholesale price 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 valuation and are recognized as income when utilised.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. All expenditure is inclusive of irrecoverable VAT where applicable.

Costs of generating funds are those incurred in seeking voluntary and grant income, and do not include the costs of disseminating information in support of the charitable activities.

Governance costs comprise all costs identified as wholly or mainly attributable to ensuring the public accountability of the charity and its compliance with regulation.

Support costs, which include the central and regional office functions such as general management, payroll administration, budgeting, forecasting and accounting, information technology, human resources and facilities management are allocated across the categories of charitable expenditure, governance costs and the costs of generating funds. The basis of the cost allocation has been explained in note 9.

Charitable activities, which include amounts payable to partners for overseas projects are charged when an obligation exists and are described as grants payable in the notes. Other direct charitable expenditure (including direct staff costs) is charged on an accruals basis.

Resource expended include gifts in kind which are valued as explained in the incoming resources accounting policy.

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 which 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.

Tangible Fixed Assets and depreciation

Tangible fixed assets are stated 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 follows:

Freehold buildings	2% to 4%
Computer equipment	33%
Motor vehicles held overseas	100%
Fittings and office equipment	25%

Fixed asset investments

Fixed asset investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising from disposals and revaluations throughout the year.

Stocks

Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

Foreign exchange

Assets and liabilities denominated in foreign currencies have been translated at the rate of exchange ruling at the balance sheet date. 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.

Pension

Sightsavers operates a defined benefit pension scheme for its eligible UK contracted employees. 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 on a basis to spread the costs over the employees' working lives, in accordance with the requirements of FRS17.

Sightsavers also operates a defined contribution scheme for eligible UK contracted employees. Pension costs for the defined contribution scheme are charged to the accounts on an accruals basis, also in accordance with the requirements of FRS17.

A pensions reserve has been created within unrestricted funds in compliance with paragraph 335 of the SORP. Details of the pension schemes are disclosed in note 15 to the accounts.

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, according to local employment laws.

Operating leases

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

Forward exchange contracts

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

Related party disclosures

The charity has taken advantage of the exemption which is conferred by Financial Reporting Standard 8, Related Party Disclosures, that allows it not to disclose transactions with group undertakings that are eliminated on consolidation.

2 Donations

	2009 £'000	2008 £'000
Individuals		
UK		
Committed giving	6,710	6,670
Other public donations and appeals income	4,323	4,506
Tax recoverable from UK donors	<u>2,146</u>	<u>2,120</u>
	<u>13,179</u>	<u>13,296</u>
Ireland		
Committed giving	2,782	2,623
Other public donations and appeals income	1,160	1,069
Tax recoverable from Irish donors	<u>143</u>	<u>205</u>
	<u>4,085</u>	<u>3,897</u>
Italy		
Committed giving	15	4
Other public donations and appeals income	<u>865</u>	<u>518</u>
	<u>880</u>	<u>522</u>
Other		
Committed giving	71	74
Other public donations and appeals income	<u>94</u>	<u>53</u>
	<u>165</u>	<u>127</u>
Total from individuals	18,309	17,842
Trusts	1,058	1,167
Companies	2,189	2,376
Community service and other organisations	<u>450</u>	<u>398</u>
	<u>22,006</u>	<u>21,783</u>

3 Legacies

	2009 £'000	2008 £'000
UK	6,174	6,877
Ireland	89	57
Other	22	235
	<u>6,285</u>	<u>7,169</u>

At 31 December 2009, 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 finalized. Sightsavers future income from these legacies is estimated at £4,692,000 (2008: estimated at £4,000,000).

4 Gifts in kind

Sightsavers International Inc. is registered in the USA to raise funds. In 2009, Sightsavers International Inc. secured gift in kind donations valued at £68,864,000 (2008: £69,314,000) from Merck Inc. in the form of Mectizan® tablets, which have been shipped to Togo, Guinea, Ghana, Malawi, Sierra Leone, Uganda and Benin.

Sightsavers is responsible for the coordination of Mectizan® tablet distribution to those people at risk of developing river blindness. The gift in kind donations received approximately reflects the 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.

During the year, Sightsavers utilised 11,227,000 airmiles (2008: 9,733,000) for the purpose of 123 related flights (2008: 94), which were donated by Emirates. These have been valued at £72,000 (2008: £64,000) based on the lowest economy fare available at the time of travel.

5 Investment income

	2009 £'000	2008 £'000
Dividends from listed investments	162	204
Bank deposit interest	31	175
	<u>193</u>	<u>379</u>

6 Incoming resources from charitable activities

	2009	2008
	£'000	£'000
European Commission	1,102	457
Comic Relief	73	91
States of Guernsey	14	68
States of Jersey	138	119
Isle of Man Overseas Aid Committee	66	19
Irish Aid	702	1,269
Gorta	34	62
USAID	51	50
Department for International Development	111	76
African Medical and Research Foundation (AMREF)	36	-
Christian Aid / DEC - Tsunami	-	25
Christoffel-Blindenmission (CBM)	16	34
Danish International Development Agency (DANIDA)	-	6
BRAC	39	57
Fred Hollows Foundation	67	-
Other	110	126
	<u>2,559</u>	<u>2,459</u>

7 Other incoming resources

	2009	2008
	£'000	£'000
Profit on disposal of fixed assets	8	9
Rental income	91	68
Additional expected recovery of cash from Kaupthing Singer & Friedlander	89	-
Investment in respect of general funds *	-	329
Exchange gains on revaluing bank accounts at year end	-	329
Miscellaneous overseas income	1	2
	<u>189</u>	<u>408</u>

* A provision had been made in the Year Ending 31 December 2008 for £433,000 and was reported under Other Resources Expended.

8 Charitable activities

	Health Eye Care £'000	Mectizan distribution £'000	Education £'000	Social Inclusion £'000	Community Development £'000	2009 £'000	2008 £'000
Kenya	895	-	309	19	113	1,336	1,323
Malawi	625	-	106	43	-	774	718
Mozambique	170	-	-	-	-	170	167
Northern Sudan	4	-	-	-	-	4	-
South Africa	25	-	-	-	-	25	19
Southern Sudan	37	-	-	-	-	37	6
Tanzania	511	-	58	58	72	699	800
Uganda	397	-	273	30	3	703	667
Zambia	415	-	14	4	1	434	691
Zimbabwe	31	-	27	15	-	73	75
East Central Southern Africa Regional Office	588	-	7	92	-	687	638
Sub total ECSA	3,698	-	794	261	189	4,942	5,104
Benin	-	56	-	-	-	56	41
Cameroon	263	133	-	-	-	396	497
Ghana	360	8	22	44	4	438	416
Nigeria	760	78	72	-	28	938	1,350
Togo	83	43	-	-	-	126	107
West Africa Regional Office East	333	183	10	1	-	527	1,659
Sub total WARO East	1,799	501	104	45	32	2,481	4,070
The Gambia	103	-	78	59	-	240	468
Guinea	167	1	-	-	-	168	154
Guinea Bissau	49	-	-	-	-	49	154
Liberia	308	-	7	-	-	315	269
Mali	541	13	14	9	28	605	675
Senegal	160	-	-	-	-	160	159
Sierra Leone	563	-	7	-	132	702	801
Post Health for Peace	665	-	-	-	-	665	94
West Africa Regional Office West	582	-	9	3	32	626	-
Sub total WARO West	3,138	14	115	71	192	3,530	2,774
India	1,933	-	110	74	367	2,484	2,702
India Regional Office	159	-	38	55	4	256	221
Sub total India	2,092	-	148	129	371	2,740	2,923

	Health Eye Care £'000	Mectizan distribution £'000	Education £'000	Social Inclusion £'000	Community Development £'000	2009 £'000	2008 £'000
Bangladesh	1,033	-	53	353	-	1,439	1,253
Bangladesh BRAC	41	-	-	-	-	41	54
Bangladesh Childhood Cataract Campaign	376	-	-	-	-	376	555
Pakistan	1,162	-	15	31	162	1,370	1,657
Sri Lanka	245	-	-	14	14	273	200
SAC Regional Office	32	-	3	8	3	46	281
Sub total SAC	2,889	-	71	406	179	3,545	4,000
Belize	95	-	-	-	-	95	109
Caribbean	311	-	15	94	-	420	419
Caribbean Programme Management	47	-	1	6	3	57	-
Sub total Caribbean	453	-	16	100	3	572	528
Gifts in Kind	-	68,864	-	-	-	68,864	69,314
Head Office	2,217	130	999	716	252	4,314	3,567
Seeing is Believing*	12	-	-	-	-	12	75
Direct Charitable Expenditure	16,298	69,509	2,247	1,728	1,218	91,000	92,355

* Projects funded by Standard Chartered Bank in agreement with Sightsavers but managed by other international NGOs predominantly in countries where Sightsavers does not operate.

Expenditure charged to projects includes grants paid to partner organisations, representing an integral part of Sightsavers programme work. The work of these local organisations is closely monitored by Sightsavers.

A list of principal grants is available on request from our Registered Office in Haywards Heath.

9 Total resources expended

	Grants Payable £'000	Direct Costs £'000	Mectizan® Gifts in Kind £'000	Allocation of Support Costs £'000	Total 2009 £'000	Total 2008 £'000
Costs of generating funds						
Voluntary income						
Costs of raising current years income	-	4,429	-	779	5,208	5,810
Investment to raise income in future years	-	1,311	-	439	1,750	1,794
Grant income	-	527	-	203	730	594
Fundraising trading: cost of goods sold and other costs	-	6	-	-	6	7
Investment management fees	-	27	-	-	27	25
Charitable activities						
Health - Eye Care	6,826	6,986	-	2,486	16,298	18,290
Health – Mectizan distribution	143	260	68,864	242	69,509	69,789
Education	612	1,320	-	315	2,247	1,663
Social inclusion	609	659	-	460	1,728	1,425
Community Development	730	257	-	231	1,218	1,188
Governance costs	-	158	-	333	491	641
Other resources expended (note 7)	-	-	-	-	-	433
Total resources expended 2009	8,920	15,940	68,864	5,488	99,212	
Total resources expended 2008	7,705	19,062	69,314	5,578		101,659

During the year Sightsavers made grants to partner organisations carrying out work to combat blindness and help visually impaired people.

Grants payable to partner organisations are considered to be part of the costs of activities in furtherance of the objects of Sightsavers because 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. This includes capacity building and partnership development. The work of these local organisations is closely monitored by Sightsavers.

Direct Costs include all the costs which are directly attributable to generating funds £4,247,000 (2008: £5,309,000), the direct operation of the overseas programmes, including the procurement of equipment for use in the programmes £2,578,000 (2008: £2,920,000), informing and creating awareness amongst the public and governance of Sightsavers. Staff costs included in direct costs is £5,342,000 (2008: £4,623,000.)

Total resources expended

The support costs and the basis of their allocation was as follows:

	2009 £'000	2008 £'000
Directorate	877	830
Financial management	373	366
Information communication technology	714	530
Human resources	369	374
Information management	22	62
Facilities	94	95
Global procurement	319	313
Planning, performance & analysis	295	293
Programme support	2,425	2,282
Other resources expended	-	433
	<u>5,488</u>	<u>5,578</u>

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

10 Governance costs

	2009 £'000	2008 £'000
Internal audit	52	47
External audit (including overseas offices)	111	93
Company secretarial	17	24
Apportionment of Directors' costs	234	392
Trustees' expenses	9	12
Finance	68	73
	<u>491</u>	<u>641</u>

11 Net Incoming resources

This is stated after charging:

	2009 £'000	2008 £'000
Depreciation	241	269
Auditors' remuneration:		
UK charity audit	35	32
International offices *	99	74
Investment managers' fees	27	25
Solicitors' fees	52	30
Surveyors' fees	8	6
Operating lease charges	51	22

* Paid to firms other than Horwath Clark Whitehill LLP

12 Staff costs

	2009	2008
	£'000	£'000
Wages and salaries	8,024	7,279
Social security costs	462	416
Pension costs	<u>818</u>	<u>904</u>
	<u>9,304</u>	<u>8,599</u>
European based employees (UK, Ireland and Italy)	4,823	5,092
Overseas based employees on UK contracts	585	476
Overseas based employees on overseas contracts	<u>3,896</u>	<u>3,031</u>
	<u>9,304</u>	<u>8,599</u>
	2009	2008
	£'000	£'000
Within wages and salaries for overseas based employees on overseas contracts, the following amounts were charged to the provision of an End of Service Benefit for some overseas staff.	<u>210</u>	<u>399</u>

The average full time equivalent of employees during the year was made up as follows:

	2009	2008
	No.	No.
European based employees:		
Chief Executive's office	9	9
Finance, planning and services	36	33
Fundraising and communications	67	65
Overseas programmes	14	14
Overseas based employees on UK contracts and consultancy fees	5	10
Overseas based employees on overseas contracts	<u>231</u>	<u>211</u>
	<u>362</u>	<u>342</u>

Staff costs have increased during the year due to adverse currency moves, inflation, end of service benefits (specifically shown) and additional investment in fundraising activities.

There was 1 employee (2008: 3) whose emoluments were in the range £60,000 - £69,999.

There were 2 employees (2008: 1) whose emoluments were in the range £70,000 - £79,999.

There was 1 employee (2008: 1) whose emoluments were in the range £90,000 - £99,999.

13 Trustees' expenses

	2009		2008	
	No. of trustees	£'000	No. of trustees	£'000
Reimbursed to trustees:				
UK related	15	8	15	5
Overseas visits	-	-	4	7

No emoluments have been paid to the trustees (2008: 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.

14 Related party transactions

The International Agency for the Prevention of Blindness, a charity of which the Chief Executive Officer is a Trustee, is identified as a related party and was paid £131,000 in 2009 (2008: £79,000) for membership fees, funding a workshop and contribution towards salary costs. A balance of £nil was outstanding at the end of the year (2008: £19,000).

15 Pension costs

Sightsavers operates a defined benefit pension scheme subscribed to by approximately a third of its UK contracted employees, which is funded by contributions partly from the employees and partly from the charity. The assets of the scheme are held separately from those of the Charity. The scheme was closed to new members on 30 September 2002 and member contributions were increased in 2008. As the scheme is closed, under the projected unit method the current finance cost will increase as the members of the scheme approach retirement.

Contributions to the scheme by Sightsavers are charged to the SOFA so as to spread the cost of the pensions over the employees' working lives with the charity and are determined by a qualified actuary on the basis of triennial valuations. The most recent valuation was at 1 January 2007. The principal assumptions were an increase in salary costs of 4.25% per annum and rate of interest of 6.5% per annum reflecting an assumed out performance of equities over gilts of approximately 2.0%. The market value of the scheme assets at 31 December 2006 was £7,354,000. The actuarial valuation of the assets of the scheme represented 74% of the actuarial valuation of the accrued liabilities. The actuarial assessment of the pension funding rate of the scheme is 29% with effect from 1 January 2006. The charity has agreed to fund the past service deficit at a rate of £242,000 per annum over 3 years, whilst member contributions were increased in 2008 to 7% with a further increase to 9% in 2009. In addition, premiums of 1.4% are being paid in respect of permanent health insurance benefits covered by the scheme.

During the year Sightsavers contributed £474,000 (2008: £472,000) to the scheme, of which £46,000 was outstanding at the balance sheet date and paid in January 2010.

The best estimate of contributions expected to be paid to the scheme by Sightsavers for the period to 31 December 2010 is £283,000.

As required for the preparation of statutory accounts and in accordance with the requirements of Financial Reporting Standard 17 the actuarial valuation at 1 January 2007 was updated by HSBC Actuaries and Consultants Limited at 31 December 2009.

The major assumptions they used for the purpose of calculating the deficiency were:

	2009	2008	2007
Discount rate	5.50%	6.00%	5.50%
Inflation assumption	3.25%	3.00%	3.00%
Rate of increase in salaries	4.25%	4.50%	4.50%
Rate of increase in payment*	3.25%	2.75%	2.75%

The rate quoted for increase in pensions in payment represents the increase applied to the majority of pensions in excess of the guaranteed minimum pension.

The mortality assumptions adopted at 31 December 2009 imply the following life expectancies at age 65:

	2009 Years	2008 Years
Member aged 65 (current life expectancy) - male	22.0	22.0
Member aged 45 (life expectancy at 65) - male	23.1	23.1
Member aged 65 (current life expectancy) - female	24.9	24.9
Member aged 45 (life expectancy at 65) - female	25.9	25.9

The assets of the scheme are held with Legal & General. The managed funds are invested in a diversified portfolio of investments comprising 65% equities, 35% bonds and 0% cash.

The fair value of assets and present value of liabilities of the scheme at 31 December 2009, along with the expected rates of return on the scheme assets are as follows:

	2009		2008		2007	
	%	£'000	%	£'000	%	£'000
Equities	8.25	5,112	8.25	3,933	8.25	5,471
Government Bonds	4.40	2,759	3.85	2,827	4.50	2,420
Cash	4.75	32	4.75	4	4.75	58
Total market value of scheme assets		7,903		6,764		7,949
Present value of scheme liabilities		(9,841)		(8,398)		(8,727)
Net pension scheme liabilities		<u>(1,938)</u>		<u>(1,634)</u>		<u>(778)</u>

Analysis of the amount charged to resources expended

	2009 £'000	2008 £'000
Current service cost	(261)	(221)
Expected return on pension scheme assets	434	568
Interest on pension scheme liabilities	<u>(500)</u>	<u>(477)</u>
Net charge	<u><u>(327)</u></u>	<u><u>(130)</u></u>

Analysis of movement in deficit in the Scheme during the year

	2009 £'000	2008 £'000
Deficit in the Scheme at beginning of period	(1,634)	(778)
Contributions paid	474	472
Current service cost	(261)	(221)
Other finance (costs) / income	(66)	91
Actuarial losses	<u>(451)</u>	<u>(1,198)</u>
Deficit in the scheme at end of period	<u><u>(1,938)</u></u>	<u><u>(1,634)</u></u>

History of experience gains and losses

	2009 £'000	2008 £'000	2007 £'000	2006 £'000	2005 £'000
Defined benefit obligation	(9,841)	(8,398)	(8,727)	(8,467)	(8,959)
Fair value of scheme assets	<u>7,903</u>	<u>6,764</u>	<u>7,949</u>	<u>7,354</u>	<u>6,252</u>
Surplus / (deficit)	<u><u>(1,938)</u></u>	<u><u>(1,634)</u></u>	<u><u>(778)</u></u>	<u><u>(1,113)</u></u>	<u><u>(2,707)</u></u>
Actual return less expected return on Scheme assets:					
Amount	614	(1,906)	(192)	344	571
As % of Scheme assets	7.8%	(28%)	(2%)	5%	9%
Experience gains / (losses) on scheme liabilities:					
Amount	(23)	(72)	1	1,319	824
As % of the present value of the scheme liabilities	(0.2%)	(1%)	0%	16%	9%
Total gain / (loss) recognised in statement of total recognised gains and losses:					
Amount	(451)	(1,198)	32	1,421	(484)
As % of the present value of the scheme liabilities	(5%)	(14%)	0%	17%	(5%)

Sightsavers also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. Sightsavers contributes double the employee contributions up to a maximum of 10% of pensionable pay. The pension cost charge represents contributions payable by Sightsavers to the fund and amounted to £349,000 (2008: £290,000) of which £31,000 was outstanding at the balance sheet date (2008: £26,000).

16 Tangible fixed assets

	Freehold property £'000	Computer equipment £'000	Office fixtures and fittings £'000	Motor vehicles £'000	2009 Total £'000
Cost or valuation					
At 1 January 2009	1,859	362	309	717	3,247
Additions	-	-	-	91	91
Disposals	-	-	-	(39)	(39)
At 31 December 2009	<u>1,859</u>	<u>362</u>	<u>309</u>	<u>769</u>	<u>3,299</u>
Depreciation					
At 1 January 2009	1,060	263	171	717	2,211
Charge for the year	37	53	60	91	241
Disposals	-	-	-	(39)	(39)
At 31 December 2009	<u>1,097</u>	<u>316</u>	<u>231</u>	<u>769</u>	<u>2,413</u>
Net book value					
At 31 December 2009	<u>762</u>	<u>46</u>	<u>78</u>	<u>-</u>	<u>886</u>
At 31 December 2008	<u>799</u>	<u>99</u>	<u>138</u>	<u>-</u>	<u>1,036</u>

Freehold property includes £1,800,000 relating to the Grosvenor Hall estate, valued at open market value as at 31 December 1998 by Gould & Company, Chartered Surveyors. In accordance with the provisions of FRS 15 and the SORP this value has been treated as the initial carrying amount and Sightsavers is not required to, and has not, adopted a policy of revaluation of such properties. A mortgage valuation in 2009 indicated a lower value than the 2008 valuation of £2,955,000 and consequently the value incorporated within the Reserves Policy is £500,000 less than the figure included in the 2008 Reserves calculation.

All assets are held for charitable purposes.

17 Fixed asset investments

	Group		Charity	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Market value at 1 January	3,524	4,474	3,524	4,474
Disposals at opening market value	(1,268)	(2,616)	(1,268)	(2,616)
Acquisitions at cost	1,898	2,203	1,898	2,203
Net gains / (losses) on revaluation at 31 December *	490	(537)	490	(537)
	<u>4,644</u>	<u>3,524</u>	<u>4,644</u>	<u>3,524</u>
Cash held in portfolio at 31 December	6	559	6	559
Cash held on deposit for endowment funds	297	246	297	246
Market value at 31 December	<u>4,947</u>	<u>4,329</u>	<u>4,947</u>	<u>4,329</u>
Historical cost at 31 December	<u>4,176</u>	<u>3,645</u>	<u>4,176</u>	<u>3,645</u>
Subsidiary undertaking	-	-	-	-
Listed Securities at market value	4,625	3,505	4,625	3,505
Unlisted Securities at Trustees valuation	19	19	19	19
	<u>4,644</u>	<u>3,524</u>	<u>4,644</u>	<u>3,524</u>

* In addition to the 2009 unrealised gains shown above, there were realised gains of £108,000 in the year (2008: realised gains £26,000) which combine to provide the total net gains as shown in the statement of financial activities on page 30.

Of the UK amounts there were no holdings with a market value greater than 5% of the total portfolio value:

	%	2009 £'000	2008 £'000
UK fixed interest:			
M & G Investment Fund Corporate Bond	11.82	547	-
Invesco Corporate Bond Fund	6.35	294	-

17 Fixed asset investments (continued)

Subsidiary undertakings

Sightsavers owns the whole of the issued share capital of Sightsavers (Trading) Limited, a company which retails and distributes Christmas cards and novelties and undertakes various sponsorship events. The taxable profit is gift aided to Sightsavers.

	2009 £'000	2008 £'000
Turnover	14	26
Cost of sales	<u>-</u>	<u>1</u>
Administration expenses	5	5
	5	6
Inter company expenses	<u>2</u>	<u>3</u>
Total expenses	<u>7</u>	<u>9</u>
Profit for the year	7	17
Amount gift aided to Sightsavers	<u>7</u>	<u>17</u>

The net assets of Sightsavers (Trading) Limited at that date were £100.

Sightsavers has the following overseas subsidiaries:

Sightsavers International (Ireland), a registered charity in Ireland which raises funds in the Irish Republic towards the objectives of Sightsavers. The income and expenditure has been consolidated into these group accounts and in 2009 showed income of £5,096,000 (2008: £5,510,000) and a surplus of £354,000 (2008 surplus: £747,000).

The net assets of Sightsavers International (Ireland) at the year end were £1,594,000.

Sightsavers International (Italia) is a registered charity raising funds in Italy. The income and expenditure is consolidated into these group accounts and in 2009 showed income of £880,000 (2008: £522,000) and a deficit of £44,000 (2008 surplus: £6,000).

Sightsavers International Inc. is registered in Delaware, USA with the primary purpose to secure gift in kind donations from Merck Inc. These have been shown as gifts in kind and are disclosed in Note 4.

18 Current asset investments

The balance held on short term cash deposits is cash held on one day notice.

The balance on short term investments is held on one months notice.

19 Debtors

	2009 £'000	Group 2008 £'000	2009 £'000	Charity 2008 £'000
Prepayments	379	291	376	291
Tax claims and other accrued income	2,154	1,308	2,088	1,225
Other debtors	171	655	205	637
	<u>2,704</u>	<u>2,254</u>	<u>2,669</u>	<u>2,153</u>

Within Other Debtors for the charity figures, there was an amount due from Sightsavers International (Ireland) of £nil (2008: £498,000) at 31 December.

20 Cash at bank and in hand

	2009 £'000	Group 2008 £'000	2009 £'000	Charity 2008 £'000
Restricted funds	1,837	1,224	1,188	1,224
Unrestricted funds				
- General	2,320	1,551	1,733	357
- Designated	414	299	414	299
	<u>4,571</u>	<u>3,074</u>	<u>3,335</u>	<u>1,880</u>

At the balance sheet date, in addition to the above amounts, a sum of £66,000 (2008: £174,000) was held on behalf of Standard Chartered's Seeing is Believing project. Sightsavers is a joint signatory to this account but does not have entitlement to the funds.

21 Creditors: Amounts falling due within one year

	Group		Charity	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Taxes and social security costs	122	104	92	104
Other creditors	902	1,669	1,438	887
Deferred income	1,031	407	1,031	407
European accruals	221	87	109	64
Overseas accruals	<u>990</u>	<u>1,386</u>	<u>990</u>	<u>1,386</u>
	<u>3,266</u>	<u>3,653</u>	<u>3,660</u>	<u>2,848</u>

Within Other Creditors for the charity figures, there was an amount owing to Sightsavers International (Ireland) of £845,000 (2008: £nil) at 31 December.

Movement on deferred income during the year:

	Group	Charity
	2009	2009
	£'000	£'000
Balance brought forward	407	407
Released to income	(407)	(407)
Received in year	<u>1,031</u>	<u>1,031</u>
Balance carried forward	<u>1,031</u>	<u>1,031</u>

22 Statement of funds

	Balance at 1 January 2009 £'000	Income £'000	Expenditure £'000	Investment gains £'000	Transfers £'000	Other Gains / Losses & Revaluations £'000	Balance at 31 December 2009 £'000
General Reserve:							
Free Reserve	7,738	21,277	(20,812)	598	(719)	(245)	7,837
Pension Reserve	(1,634)	-	147	-	-	(451)	(1,938)
Designated funds:							
Future overseas expenditure	299	-	-	-	115	-	414
Fixed assets fund	1,036	-	-	-	(150)	-	886
Total Unrestricted Funds	7,439	21,277	(20,665)	598	(754)	(696)	7,199
Restricted funds:							
Incoming resources from charitable activities	132	2,559	(2,544)	-	561	-	708
Josef Sowa	-	-	-	-	-	-	-
Rotary African Vision	-	36	(36)	-	-	-	-
Daruvala Bequest	-	-	-	-	-	-	-
Dr Sinha	-	-	-	-	-	-	-
Good Gifts	-	40	(40)	-	-	-	-
Distributed Gifts in Kind	-	68,864	(68,864)	-	-	-	-
East, Central and Southern Africa:							
Kenya	8	358	(270)	-	-	-	96
Tanzania	355	443	(596)	-	-	-	202
Uganda	-	341	(340)	-	-	-	1
Zambia	-	215	(229)	-	50	-	36
Malawi	77	225	(235)	-	-	-	67
Mozambique	-	107	(102)	-	-	-	5
South Sudan	-	46	(36)	-	-	-	10
Zimbabwe	-	44	(44)	-	-	-	-
West Africa – East							
Cameroon	-	204	(92)	-	-	-	112
Benin	5	51	(56)	-	-	-	-
Ghana	-	49	(49)	-	-	-	-
Nigeria	21	418	(349)	-	-	-	90
Togo	-	15	(15)	-	-	-	-
West Africa - West							
Guinea	80	41	(107)	-	-	-	14
Guinea Bissau	-	146	(38)	-	-	-	108
Liberia	-	195	(182)	-	-	-	13
Mali	-	26	(26)	-	-	-	-
Senegal	-	178	(50)	-	-	-	128
Sierra Leone	-	315	(301)	-	-	-	14
The Gambia	-	49	(49)	-	-	-	-
South Asia and Caribbean:							
Bangladesh	-	881	(885)	-	44	-	40

	Balance at 1 January 2009 £'000	Income £'000	Expenditure £'000	Investment gains £'000	Transfers £'000	Other Gains / Losses & Revaluations £'000	Balance at 31 December 2009 £'000
Pakistan	-	867	(926)	-	91	-	32
Sri Lanka	-	23	(23)	-	-	-	-
Caribbean:							
Belize	-	10	(10)	-	-	-	-
Caribbean	-	4	(4)	-	-	-	-
India:	46	1,108	(1,076)	-	8	-	86
SCB Seeing is Believing	113	1,033	(973)	-	-	-	173
Total restricted funds	<u>837</u>	<u>78,891</u>	<u>(78,547)</u>	<u>-</u>	<u>754</u>	<u>-</u>	<u>1,935</u>
Endowment funds:							
Josef Sowa	25	-	-	5	-	-	30
Dr Sinha	16	-	-	3	-	-	19
Daruvala Bequest	40	-	-	8	-	-	48
The Gibson Orr Bequest	25	-	-	5	-	-	30
Joseph & Betty Davis Memorial Fund	5	-	-	1	-	-	6
Mountjoy Trust	135	-	-	28	-	-	163
Total endowment funds	<u>246</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>-</u>	<u>-</u>	<u>296</u>
Total Funds	<u>8,522</u>	<u>100,168</u>	<u>(99,212)</u>	<u>648</u>	<u>-</u>	<u>(696)</u>	<u>9,430</u>

Designated funds

The balance on future overseas expenditure represents cash held in overseas bank accounts at the balance sheet date. The balance on the fixed asset fund represents the net book value of tangible assets at the balance sheet date.

Restricted funds

The transfer to restricted funds of £754,000 represents elements of unrestricted expenditure that were charged to restricted funds in 2008.

Significant restricted funds comprise:

- The fund balance for incoming resources from charitable activities represents funding from the States of Jersey for a project in Pakistan (£1,000) and a project in India (£15,000), funding from the Isle of Man for a project in India (£36,000), funding from Irish Aid under a Block Grant covering multiple countries (£577,000), funding from Helen Keller for a project in Nigeria (£11,000), funding from BRAC for a project in Bangladesh (£1,000) and funding from Fred Hollows Foundation for a project in Bangladesh (£67,000).
- Distributed Gifts in Kind represent Mectizan® tablets which have been shipped to our programme work overseas to support the Charity's river blindness work (Note 4).
- The fund balance for Kenya represents funding from key supporters for the Kenya Ophthalmic Programme.
- The fund balance for Tanzania represents funding from key supporters for the Muhimbili Childhood Blindness Initiative and the Iringa CES Eye Care project and funding from a community service organisation for Morogoro Eye Care.
- The fund balance for Malawi represents funding from trust partners for Jinja OCO Training project.
- The fund balance for Zambia represents funding from a corporate partner for Chainama Optometry Technologist Training programme.
- The fund balance for Malawi represents funding from key supporters for the SADC Ophthalmic Training Programme, SWZ CES Projects and Makande Resource Centre and funding from trust partners for the SWZ CES Project.
- The fund balance for Sudan represents funding from key supporters for the Southern Sudan Upper Nile Eye Care Programme.
- The fund balance for Cameroon represents funding from key supporters for the Eye Care Programme – South West Province and funding from trust partners for the Mectizan® South West Province Project.
- The fund balance for Nigeria represents funding from corporate partners for Mectizan® Kaduna and IEP Nigeria, and funding from key supporters for Zamfara State Eye Care Programme.
- The fund balance for Guinea represents funding from corporate partners for the Guinea Eye Care Boke project.
- The fund balance for Guinea Bissau represents funding from key supporters for the South West Guinea Bissau Eye Care project and funding from trust partners for the Guinea Bissau CDTI Project.
- The fund balance for Liberia represents funding from key supporters for various eye care projects.
- The fund balance for Senegal represents funding from key supporters and trust partners for the Louga Regional Eye Care project.
- The fund balance for Sierra Leone represents funding from key supporters for various eye care projects.

- The fund balance for Bangladesh represents funding from corporate partners for various eye care projects.
- The fund balance for Pakistan represents funding from trust partners for the AL Ibrahim HRD Project and the Control of RE and CBL project and funding from corporate partners for the Vihari Pediatric Unit Construction project.
- The fund balance for India represents funding from trust partners for various eye care projects, funding from key supporters for Barmer District IE-Sindhri-SURE project and funding from corporate partners for the Muzzafarpur District EC project, Sankar Foundation Paed Project, Ray of hope for children project and Vizag CES Network South-CBR project.
- The fund balance for SCB Seeing is Believing represents funding for completion of Phase IV of the project.

Endowment funds

The Josef Sowa Scholarship Fund was established by Dr Sowa, in memory of her husband Josef Sowa. The interest from the fund provides an annual scholarship for training of ophthalmic clinical officers in West Africa.

The fund established by Dr Sinha is invested and the interest earned is expended specifically on eye care projects in India.

The Daruvala Bequest is invested and the interest earned is expended specifically on cataract operations for people of India in accordance with the terms of the bequest.

Under the terms of the Gibson Orr Bequest, interest received after the first five years is to be accumulated for the next five years and added to the original sum. Interest earned in the third period of five years is available for the general purposes of Sightsavers. 2009 is the seventeenth year of the fund and therefore the interest from the investment amounting to £nil (2008: £2,000) has been expended in accordance with the terms of the bequest

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.

Included within the incoming resources from charitable activities figure of £2,559,000 are the following grants:

		£'000
Department for International Development:		
In the year ended 31st December 2009 grants totalling £112,000 (2007: £76,000) were received by Sightsavers International from the Department for International Development, as follows:		
Kenya	Enabling Kenyan children who are visually impaired to attend school	3
Pakistan – CSCF grant	Including disabled people in social development projects in Punjab province	109
We confirm that the CSCF funds have been spent in accordance with the terms in the Grant Funding Arrangements against the project CSCF 441 for the accounting period 1st January 2009 to 31st December 2009.		
European Commission:		
Mali	Strengthening the programme for the control of blindness in Koulikoro Region.	163
Kenya	Reducing the prevalence of trachoma in 3 trachoma endemic districts.	305
Post HFPI – The Gambia, Guinea Bissau, Senegal	Reducing poverty through improved eye health in the 'Health for Peace Initiative' sub-region.	460
EACO – Kenya, Uganda, Tanzania	Promoting Quality Ophthalmology in East Africa (Kenya, Uganda and Tanzania)	110
Malawi	To contribute to poverty alleviation in Malawi by eliminating the socio-economic challenges faced by the families and individuals affected by blinding eye conditions.	65
Comic Relief:		
Sierra Leone	Empowering blind and severely visually impaired people to become active members of society by strengthening the Sierra Leone Association of the Blind and providing community based rehabilitation services.	73
States of Guernsey:		
Pakistan	Increasing poor people's access to quality eye services in Pakistan	14
States of Jersey:		
Cameroon	To support the reduction in river blindness using the Community-Directed Treatment with Ivermectin (CDTI) strategy.	39
Togo	Community Directed Distribution of Ivermectin for the treatment and prevention of river blindness	45
India	To support Ramakrishna Mission Ashrama, a renowned registered society which runs Sarada Netralaya eye hospital which provides quality eye care services to the disadvantaged.	55
Isle of Man Overseas Aid Committee:		
India	To support the setting up of a Training Centre for eye health personnel in Eastern India in order to provide refresher training for paramedical eye personnel (MLOPs) and to increase their numbers in the country.	61
Pakistan	Promotion of Health & Hygiene Status in camps of Internally Displaced Persons (IDPs) of Swat Valley.	5
Irish Aid (Civil Society Fund):		
Ireland	As above	36
Kenya	As above	8
Liberia	As above	109
Mozambique	As above	99
Pakistan	As above	109
Senegal	As above	9

		£'000
Sierra Leone	As above	219
Sudan	As above	78
UK	As above	13
Zimbabwe	As above	23
Gorta:		
Malawi	Improving access to eye care services for mainly rural and underserved population in the central west and south east zones.	35
USAID:		
Malawi	Improving the vision and learning environment for children in Chikwawa and Blantyre.	1
Uganda	Strengthening refraction and low vision services for children in 4 regions.	50
BRAC:		
Bangladesh	Joint project aimed at providing eye care services for the ultra poor	39
Operation Eyesight Universal:		
Kenya, Uganda, Tanzania	Promoting Quality Ophthalmology in East Africa (Kenya, Uganda and Tanzania)	13
Light for the world:		
Kenya, Uganda, Tanzania	Promoting Quality Ophthalmology in East Africa (Kenya, Uganda and Tanzania)	13
AMREF		
Kenya	Reducing the prevalence of trachoma in 3 trachoma endemic districts.	36
CBM:		
Kenya	Reducing the prevalence of trachoma in 3 trachoma endemic districts.	14
Nigeria	Funding for dissemination workshops for the Nigeria survey results	3
IDDC		
UK	To support Sightsavers' website and campaign work	7
Sierra Leone	Mectizan Distribution Programme	2
Helen Keller:		
Nigeria	Support for vitamin A distribution programmes in Kwara and Kogi state.	20
Fred Hollows Foundation		
Bangladesh	To support the Bangladesh Childhood Cataract Campaign which aims to reduce the childhood cataract backlog and leave in place services and systems which can manage the incidence of cataract blindness in children in future	67
World Vision		
Ghana	Ghana Neglected Tropical Diseases Control Programme	36
Optometry Giving Sight:		
Zambia	To support the Giving Sight to School Children in Zambia project,	9
Opportunity Zambia:		
Zambia	To provide people in the Copperbelt province, with equity of access to cost effective quality eye care and social inclusion services.	4

23 Analysis of net assets between funds

	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Pension liability £'000	Net assets £'000
Unrestricted funds					
General		4,651	3,186	(1,938)	5,899
Designated	886		414		1,300
Restricted funds			1,935		1,935
Endowment funds		296			296
	<u>886</u>	<u>4,947</u>	<u>5,535</u>	<u>(1,938)</u>	<u>9,430</u>

24 Leasing commitments

Within the next year the charity is committed to making lease payments of £42,000 (2008: £46,000).

The obligation to make these annual payments expires as follows:

	2009 £'000	2008 £'000
Land and buildings		
Expiring within 1 year	8	8
Expiring within 2-5 years	-	-
Expiring over 5 years (related party – Sightsavers International Ireland)	<u>26</u>	<u>28</u>
	<u>34</u>	<u>36</u>
Other		
Expiring within 1 year	1	1
Expiring within 2-5 years	<u>7</u>	<u>9</u>
	<u>8</u>	<u>10</u>
Total	<u>42</u>	<u>46</u>

25 Forward exchange contracts

Sightsavers has entered into three 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) are each for up to twelve months in duration, at USD/GBP rates between 1.6200 and 1.6575. At the balance sheet date a combined purchase value of USD 9.5 million remained on these three contracts representing around 50% of forecast USD correlated overseas charitable expenditure for 2010.

Security is required by the UK clearing bank counterparty for these contracts. A charge of £1.25 million was written over our Grosvenor Hall property in favour of our counterparty during 2009. This arrangement allows Sightsavers to hedge an element of its currency exposure through the use of forward exchange contracts, whilst not drawing on cash holdings to support collateral requirements.

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Sightsavers is an international organisation working with partners in developing countries to eliminate avoidable blindness and promote equality of opportunity for disabled people.

For further information about Sightsavers, or to contact our regional offices, please visit our website: www.sightsavers.org

Front cover: 11-year-old Ahsanullah is able to learn alongside his sighted friends at Rahimabad Government Primary School, Bangladesh. Picture by Zul Mukhida/Sightsavers

Sightsavers is also known as The Royal Commonwealth Society for the Blind.

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