



Sightsavers

Annual Report and Financial Statements

31 December 2012

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The challenge

According to the World Health Organization (WHO):

- 285 million people are blind or visually impaired, and 80% of this is treatable or preventable.
- Of these 285 million people, 39 million are blind.
- 90% of people who are blind or visually impaired live in developing countries.
- Over one billion people are affected by neglected tropical diseases (which include the blinding conditions trachoma and onchocerciasis).

We also know that:

- 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 vision and mission

Sightsavers' vision is of a world where no one is blind from avoidable causes and where visually impaired people participate equally in society.

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

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 – 2009-2018

We have an ambitious ten year strategy, and are now at the halfway stage, having undertaken a mid-term review in 2011. At its heart are our four change themes, which set out our ultimate and shorter term aims which will help us achieve our vision and mission. These are based around health, education, social inclusion and community development. We articulate our objectives and the way we measure progress by using our SIM card – Strategy Implementation and Monitoring Card.

The SIM card has four perspectives

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

Each perspective has a series of objectives, with indicators to measure progress. These indicators have targets set each year.

The strategy map is shown overleaf. Data for the indicators is collected via a web based dashboard, which is available to all staff, and the results are now available to the public on our website.

Message from CEO

Sightsavers' profile hit heady heights on the international stage in 2012. The year began with a meeting in London hosted by the Bill & Melinda Gates Foundation, attended by Bill Gates himself, at which I was the final speaker, and ended in Washington, where our President, HRH Princess Alexandra shared a platform with Dr Jim Kim, President of the World Bank. These meetings were focused around Neglected Tropical Diseases (or NTDs – two of which are blinding) and were attended by donors such as USAID and DFID, other INGOs,



Caroline Harper,
Chief Executive

academics, the WHO and the World Bank, together with representatives from endemic countries. The highlight was the 'London Declaration', which has become a rallying point for those dedicated to the elimination of NTDs.

We began the 'trachoma mapping' programme this year, funded by DFID, to map all remaining parts of the world where trachoma is endemic. An ambitious programme, involving a major collaboration of organisations, this will form the foundation for the drive to eliminate blinding trachoma.

Beyond NTDs, our work continued apace, with strong partnerships a key feature – notably with DFID via our Programme Partnership Agreement (PPA) and other INGOs such as the Fred Hollows Foundation. We also established new partnerships, for example with Light for the World. Advocacy continued on the framework to replace the current millennium development goals, particularly pushing to ensure the voices of disabled people are heard in the process and that health and disability are reflected in the final goals, targets and indicators.

It was, of course, a difficult year economically – as 2013 looks set to be. I am very pleased that, despite this, our individual giving in the UK increased this year, although corporate giving was down. Individual giving in Ireland was impacted by the economic situation, but we were pleased to secure an increased grant from Irish Aid.

The future looks very exciting, as NTD work grows and our profile continues to rise. But of course the bedrock of our work remains the strengthening of eye health systems to ensure people in the poorest countries have access to quality eye care services, and fighting for effective social inclusion (including education for visually impaired children), for those whose sight cannot be restored.

Thank you, as ever, to our loyal supporters, and our hard working staff and partners, without whom little could be achieved.

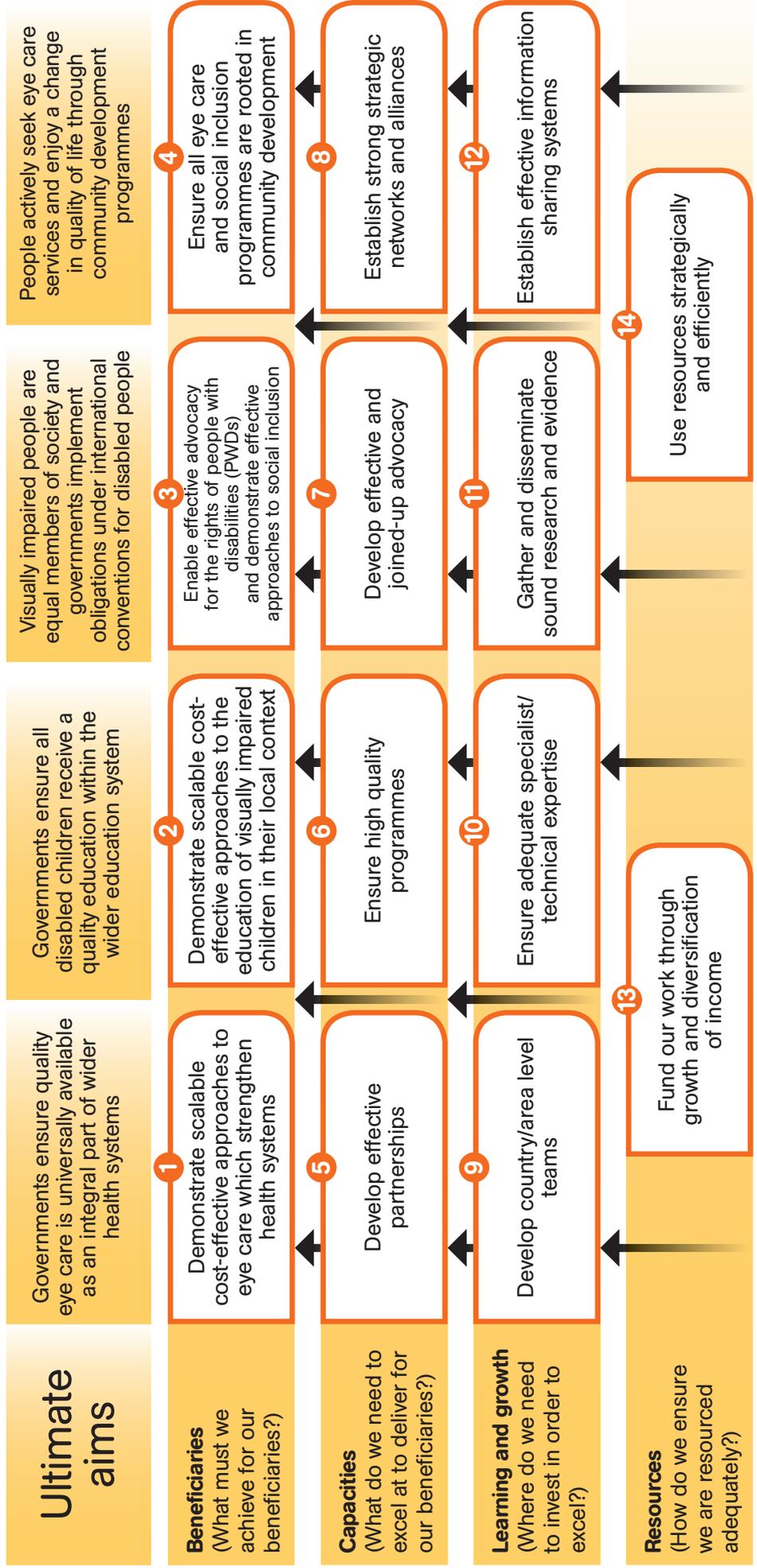


Sightsavers

The Sightsavers SIM Card (Strategy Implementation and Monitoring Card)

Sightsavers' 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



Objectives and activities

We always work with partners, building relationships with the relevant Ministries in-country, as well as with organisations of blind and/or disabled people. This is critical if we are to ensure our work dovetails with national plans, and leads to systemic change. We do not just support service delivery (important though that is), but look to strengthen all the building blocks of the health system (health workforce, financing, leadership and governance, information systems and technology) to promote sustainability. We gather evidence to ensure that our programmes make an impact and are cost effective, so the advocacy we undertake both from a policy perspective and to encourage others to replicate our work has a strong foundation. Our programmes should generally serve as demonstration projects for others to take to scale.

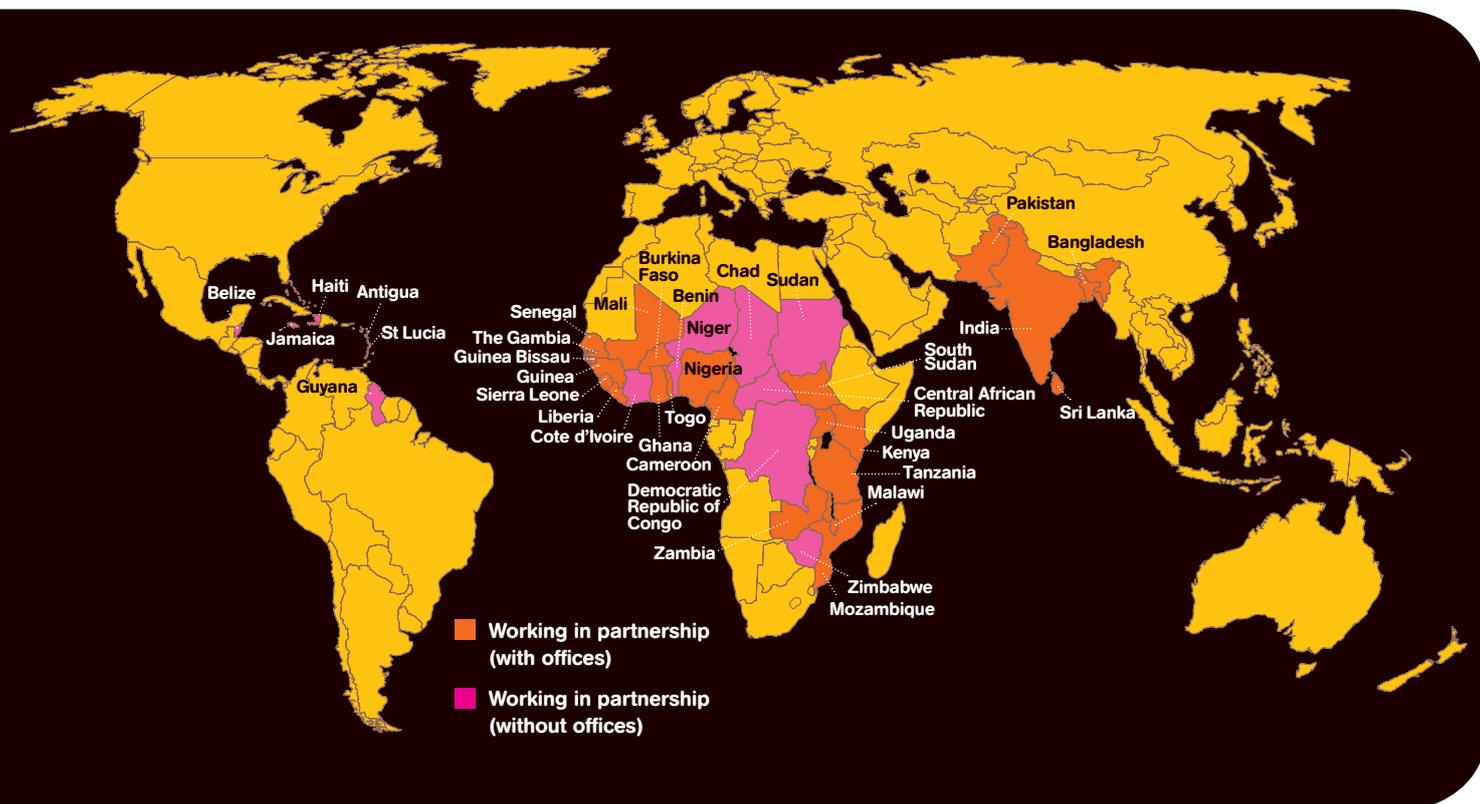
We work more and more in coalitions and alliances – most notably within NTDs where the International Coalition for Trachoma Control has been the fundamental building block for our trachoma mapping work, and will continue to be so as this moves into the implementation phase. As a number of NTDs are on an

elimination path, working in coalition becomes even more important. We have now become supporters of, rather than simply partners with, the African Programme for Onchocerciasis Control, focusing on surveillance activities, particularly in the post treatment phase, which is so critical for elimination programmes.

We are increasingly supporting other INGOs to do NTD work in countries where we do not have offices, extending our reach in the goal to eliminate NTDs without extending our overheads.

This year has seen investment in quality in all its guises – the introduction of a quality standards and assessment system, improvements to programme cycle management and implementation, and a continued drive to streamline business processes.

We now work in 37 countries (and have 23 country offices).



A snapshot of what we achieved in 2012

Highlights of the year

1. Our work on NTDs – both in terms of advocacy and delivery. We commenced a landmark trachoma mapping programme, with a grant of over £10 million from DFID, working with the major organisations worldwide on trachoma and of course national ministries. This programme uses innovative mobile technology to enable us to operate at an unprecedented pace and cost. Our involvement in international NTD fora reached a new prominence, establishing us as a leading player in the fight to eliminate NTDs. Our treatment numbers for trachoma and onchocerciasis shot up dramatically.
2. We completed our first full year of PPA with DFID, and were one of just nine out of 45 agencies to score a ‘high’ grade.
3. As part of the high profile Beyond 2015 campaign, we have enabled disabled peoples’ organisations to take part in several United Nations-led processes within countries in Africa and Asia and ensured the voices of disabled people were heard at meetings of the UN High Level panel on the MDGs in London, Monrovia and Bali. There is also growing weight behind our push, working with others, to change to global monitoring processes which will allow for much improved monitoring of the impact of development programmes on disabled people.
4. Income from our Christmas Appeal to supporters in the UK was up by over 34% compared to 2011 at over half a million pounds. This result was largely down to a refocused, simplified approach to the appeal, using a single strong case study. We are very grateful to our supporters as this is quite an achievement in these difficult times.
5. Our overarching goal in our health and education programmes is to effect systemic change, getting governments and others to replicate our approaches. A great example of this in 2012 was in Pakistan, where an agreement was reached with the primary health care programme (initially in Punjab, but we are close to agreement in two other provinces) to include a new eye health chapter in the curriculum of the Lady Health Workers (LHWs). We have supported this programme for a number of years, and now

we can be confident that it will continue after our intervention has ceased. The LHWs reach millions of people, particularly women and children in rural areas.

SIM card – results of beneficiary indicators.

Our SIM card results are now publicly available on our website. The results this year were mixed. Note that a few indicators are either new or have been modified since last year (see page 9).

We have amended the indicator on public spending, replacing the previous one which focused only on public spending on eye health, for which data was usually unavailable in a timely fashion, particularly in Africa. The inclusion of ‘availability of eye health services’ to the original indicator relies on information about the number of government funded health facilities providing eye health services nationwide and whether the geographic coverage of services is expanding. This is based on an assumption that data on eye health services available nationwide should be available from the National Eye Care co-ordination office more easily than public spending. Some country offices have commented that the data was not available at the time of collection so we still have not solved this problem, and hence the information is incomplete.

We have missed the target on onchocerciasis and trachoma national plans – having set this very high, as is needed for an elimination programme. However there is a significant increase over last year (see our output statistics on page 11), so we are moving in the right direction.

Performance of countries on the eye health workforce is a significant cause for concern. The data collected this year was of a higher quality than last – leading us to believe that 2011 performance may have been overstated. This shows the parlous state of the eye health workforce in Sub-Saharan Africa, and the disappointing progress being made against national plans. We are addressing this via a new partnership with IAPB Africa, but it is going to be a long haul.

Objective	Indicator	Result period	2012 Target	Latest result	Progress since last Data Collection
Health	% of countries showing increase in public spending on eye health or availability of eye health services	Q4 2012 (annual)	25%	17%	N/A
	% of endemic countries that are meeting national milestones to eliminate trachoma and/or onchocerciasis	Q4 2012 (annual)	90%	67%	✓✓ (increase from 44%)
	% of Sub-Saharan African countries that are meeting national eye health workforce targets	Q4 2012 (annual)	12%	8%	✗ (Fall from 12.5%)
	% of eye health projects that are embedded in national and local government health plans	Q4 2012 (biannual)	70%	70%	✓
	% of Sightsavers country teams in Sub-Saharan Africa actively working to address the eye health workforce crisis	Q4 2012 (biannual)	40%	38%	–
Education	% of countries where government implements education plans in line with internationally recognised practice	Q4 2012 (annual)	30%	34%	✓
	% of education projects suitable for replication/adoption by the government/other service providers	Q4 2012 (biannual)	20%	31%	✓
Social Inclusion	% of countries where advocacy by Blind People's Organisations (BPOs)/ Disabled Peoples Organisations (DPOs) and/or disability movement results in policies in line with the UN Convention for the Rights of Persons with Disabilities (UNCRPD)	Q4 2012 (annual)	50%	62%	N/A
	% of countries where increased mainstreaming for disabled people has been demonstrated	Q4 2012 (annual)	50%	34%	N/A
	% of countries where Sightsavers is supporting Blind People's Organisations (BPOs)/Disabled Peoples Organisations (DPOs) partners and/or the disability movement to advocate	Q4 2012 (biannual)	60%	28%	✗✗ (fall from 55%)
	No. of initiatives where Sightsavers is supporting the mainstreaming of disability within communities and across sectors	Q4 2012 (biannual)	100%	94%	✓✓ (increase from 70)

Objective	Indicator	Result period	2012 Target	Latest result	Progress since last Data Collection
Community Development	% of projects that result in visually impaired/disabled people participating to greater extent in community life	Q4 2012 (annual)	50%	45%	✓
	% of projects resulting in communities demonstrating health seeking behaviours	Q4 2012 (annual)	70%	60%	✗
	% of community based projects designed, implemented, monitored & evaluated with involvement of local communities, including people with disabilities	Q4 2012 (biannual)	60%	76%	✓✓ (increase from 65%)

The indicator around mainstreaming of disability is new. It is quite challenging as in order to score positively, countries need to demonstrate that more agencies are mainstreaming than were last year – in ten of our countries the number remained static.

On social inclusion, we introduced a new criterion for success this year – countries had

to show that BPOs/DPOs were advocating on the basis of the UNCRPD. This meant performance appeared to drop. Had we not done this, performance would have improved and the target would have been met. We are impressing on countries the importance of the UNCRPD, and believe it should still be a criterion.

Case Study

Supporting innovation

Sightsavers is supporting an increasingly diverse range of imaginative projects through a new Innovation Fund. Established to deliver a key component of our Programme Partnership Arrangement (PPA) with the UK Department for International Development (DFID), the Fund is expected to generate new evidence to inform and guide best practice. Through the PPA, DFID encourages Sightsavers to explore innovative approaches to deliver effective eye health, inclusive education and social inclusion programmes.

We chose five Sightsavers projects in Tanzania, Pakistan, Nigeria and Bangladesh to be the first recipients of support. For example, in Bangladesh we are examining the effects of climate change on the lives of people with disabilities, and looking at how to ensure that disaster preparedness activities are responsive to their particular needs. This project also investigates alternative livelihoods for people living in areas affected by climate change.

In May 2012 Sightsavers opened up its Innovation Fund to submissions from other



NGOs, academic institutions, the private sector and disabled people's organisations. We received 477 proposals from a wide variety of organisations and countries, and through a rigorous appraisal selected 13 initiatives to support through grants of up to £75,000 each. These projects started in September 2012 and initial results are exciting.

Output statistics

In 2012, Sightsavers supported 290 projects that were implemented in partnership with 272 partners.

Overall, the output statistics for 2012 continue to reflect our organisational strategic shift towards system strengthening, and the push to eliminate NTDs. A significant increase in treatments for both onchocerciasis and trachoma can be seen, together with a major increase in the number of village level volunteers trained.

An increase in screenings back to the levels of 2009 is due to the resumption of the LHWs programme in Pakistan, and the resolution of the data issue at the Ministry.

Treatments associated with the screenings by LHWs are not shown, as they refer patients on and it is not possible to track back how many are treated. We do know that over five million people were referred by them to various facilities in 2012.

The number of operations funded by Sightsavers fell in 2012 – this reduction was almost entirely cataract operations and the main reduction was down to the closure of some older projects in India, with a delay in the opening of some newer projects

One of our objectives for 2012 was to increase our work in social inclusion and education, and the increases in the number of children in our education programmes, and blind and disabled adults reflect this.

It is important to remember that output statistics only tell part of the story of achievement. Sightsavers is looking to make systemic change – getting others to take on and replicate our programmes, and to impact on government policies at both local and national level. Measuring these achievements is more difficult than counting outputs. We have the SIM card indicators, which operate more at the outcome level and we are working on how to articulate our impact beyond simply sharing case studies.

Global Output Statistics Summary	2009 totals	2010 totals	2011 totals	2012 totals
Eye Health:				
Number of people examined	13,357,577	15,087,120	5,982,571	13,861,209
Number of operations performed (cataract, glaucoma surgery, diabetic retinopathy, trichiasis and other general eye operations)	361,432	350,323	326,490	284,332
Number of treatments for eye conditions (refractive error, glaucoma, retinopathy of prematurity and other general eye treatments. Does not include trachoma or onchocerciasis, as these are shown under NTD treatments)	371,606	422,378	1,740,701	1,967,510
Neglected Tropical Diseases:				
Number of people treated for Trachoma	990,798	1,859,253	4,644,847	12,116,546
Number of people treated for Onchocerciasis	21,796,685	23,146,596	24,387,260	35,143,396
Number of people treated for Lymphatic Filariasis	no data	17,626,317	34,076,763	29,515,058
Number of people treated for Soil Transmitted Helminths	no data	no data	14,261,362	12,851,369
Number of people treated for Schistosomiasis	no data	no data	2,148,614	4,086,162

Global Output Statistics Summary	2009 totals	2010 totals	2011 totals	2012 totals
Education and inclusion:				
Number of blind/LV or other disabled children being supported in school	5,919	16,315	6,246	8,377
Number of blind/LV or other disabled people who received training (i.e. daily living skills, mobility & orienteering, vocational training or rights & entitlements training)	8,667	5,370	6,430	15,333
Human resource development:				
Number of health workers trained to gain initial professional qualification (includes ophthalmologists, cataract surgeons, OCOs/ONs, optometrists, low vision specialists and technicians)	364	299	334	371
Number of education/inclusion personnel trained to gain initial professional qualification (includes itinerant teachers, rehab specialists and CBR workers)	no data	no data	no data	129
Number of professionals supported on eye health short courses	71,247	53,229	61,233	49,457
Number of professionals supported on education or inclusion short courses	2,273	3,692	12,552	6,102
Human resource development:				
Total number of village level volunteers trained (NB: includes community drug distribution, primary eye care, education and inclusion courses)	80,813	103,630	153,596	222,074

Progress towards SIM card objectives

Delivering for the beneficiaries

What we planned to do	What we did
Ramp up our NTD work significantly, ensuring we are a leading player in the global NTD movement – both in terms of delivery on the ground and influence at the policy level.	<p>Our NTD work accelerated significantly over the year. We established ourselves as one of the leading players in the NTD movement – playing key roles in a number of major international meetings in London and Washington (see case study).</p> <p>Our reach in terms of mass drug administration (MDA) increased particularly for trachoma, although we were disappointed not to increase the number of TT surgeries performed – remedial efforts are in play for 2013.</p> <p>We were awarded a major grant from DFID to map trachoma across the globe, and are leading a coalition of the main trachoma players in doing this (see case study). This should enable the coalition to move on to full SAFE implementation as long as pledges by donors are honoured.</p>
Publish and commence implementation of a plan for our Human Resources for Health (HRH) in Africa initiative and ensure countries are supported to develop their own country specific HRH plans.	Although the plan is not yet published, implementation in countries is in progress, specifically engaging with national HRH planning through the Country Coordinating Framework (CCF) to ensure inclusion of the eye health workforce in national HRH plans. Progress on this is dependent on progress with national HRH planning led by ministries of health but already nearly 40% of our country offices are actively engaging with the CCF. Over 90% are supporting the development of the eye health workforce in some form as part of the country programme portfolio. Key achievements include the establishment of a School of Optometry in Cameroon.
Increase emphasis on our work in social inclusion and education (setting out clear plans), now we have the resources to do this.	Criteria introduced to assess and guide development of education programmes. Specific approaches, strategies and plans were agreed. Training of programme staff on social inclusion had to be postponed to 2013 due to organisational congestion.

What we planned to do

Prioritise the set up and management of a number of new strategic programmes (notably those supported by DFID, EC, Irish Aid, SCB and USAID).

What we did

DFID PPA management was carefully co-ordinated across the organisation, leading to a successful first report and progress review (scoring 'high'). The Innovation Fund was well received and oversubscribed (see case study). We took on prominent roles in the Learning Groups and Steering committee.

The DFID trachoma mapping programme started well and is now accelerating into early 2013.

The Irish Aid block grant got off to a good start, focusing on West Africa, with regular governance meetings held with the Irish office.

Problems with management of some contracts led to a major refocus on the management of large and sensitive programmes and a refresh of the staffing in both Zambia and Bangladesh.

Case Study

Putting trachoma on the map

Sightsavers is leading a consortium of NGOs, academic institutions and the International Trachoma Initiative (ITI) to map the spread of the most common infectious cause of blindness. Funded by the UK government, the global survey aims to examine four million people across more than 30 countries by March 2015, in an ambitious move towards the elimination of trachoma.

More than 21 million people are known to be affected by trachoma, but it is estimated that as many as 180 million more live in areas where the disease is highly prevalent, putting them at risk of blindness. The mapping project will identify these areas and determine where prevention and treatment programmes are needed.

ITI and The Fred Hollows Foundation are supporting Ethiopia's Ministry of Health to deliver the programme in Ethiopia, the first country to be mapped. Dr Danny Haddad, director of the ITI commented: "It is exciting to launch this global survey in Ethiopia. Blinding trachoma has a devastating personal and economic impact on people living in some of the world's poorest countries. By working with a group of NGOs with trachoma expertise, the consortium is bringing together the best available resources for planning,



implementation and research to achieve maximum impact with our mapping."

Dr Anthony Solomon, Senior Lecturer at the London School of Hygiene & Tropical Medicine and Chief Scientist for the mapping project, said: "Ethiopia may be the country most profoundly affected by this cruel disease, so I am delighted that we are starting this ambitious project here. The completion of the mapping of this region, Ethiopia and ultimately all endemic countries will mean the scale of the problem can be understood and it will be clear exactly where trachoma is putting people at risk of blindness so that the resources can be mobilised to enable us to end this dreadful condition."

Other major achievements in this area

The World Health Assembly in May approved a motion to create a new Action Plan for avoidable blindness – to be created and proposed at the next WHA in 2013. Sightsavers worked extensively with FHF and IAPB in advocating for this, and we were really pleased to hear so many Member States supporting the idea.

Work on trachoma began in the Republic of Sudan as part of a new partnership with the Carter Center. We obtained our formal registration for our office in the Republic of South Sudan, a country with the worst trachoma rates in the world.

Great progress was made on the development of an international treaty on the 'Right to Read'. At the Assembly in November, WIPO Director General Francis Gurry welcomed the "extremely constructive engagement of member states". He underlined the progress made by member states in setting timetables for concluding negotiations on international instruments on access to copyrighted work by the visually impaired. The next meeting will be in June 2013, where it is hoped that a treaty will finally be agreed.

Challenges and risks we faced and what we learned

As part of the introduction of the new strategy we went through a 'portfolio rationalisation' process, in which we identified programmes which were no longer strategically aligned and developed plans to phase them out. This was painful, as some of these programmes were longstanding.

We found in particular that whilst some programmes had had excellent impact (in terms of reducing blindness prevalence), we had created dependencies amongst some partners which meant the programmes were not sustainable. An example was our programme in the Gambia – highly successful in terms of dramatic reductions in blindness but after many years of support the programme was seen as owned by Sightsavers, and we needed to find a way to exit without damaging the good work done so far. A joint plan for this has now been formulated with the government. This was in contrast to a more positive experience in Kaduna, Nigeria.

Our HRH programmes and overall plan have taken longer than we had hoped. There are many players in this complex arena, and some dispute over the best approaches to take. Of particular note is the debate over whether cataract surgeons (normally ophthalmic nurses who have been trained to perform cataract operations) are a good solution to the problem of providing enough ophthalmologists (and enough working away from urban settings).

We have been reaching out to the Human Resources for Health community of practice, as we believe it is very important to ensure our work is set in the overall context of the healthworker shortage in Africa. We have had difficulties this year in a number of countries where there have been security issues which have disrupted programme work.

The critical organisational risks we face in relation to the beneficiary objectives are the inability to manage large, complex and/or sensitive programmes and to demonstrate impact. We have also introduced a separate risk for the major trachoma mapping programme, and poor governance leading to strategic misalignment (or financial loss),

The trachoma mapping programme is structured in such a way as to mitigate risk – with its own Programme Management Unit including a dedicated Finance and Risk Manager.

Good progress has been made in improving our governance arrangements in both India and Zambia – two countries where changes were needed to comply with changing regulations (and in India with the introduction of fundraising activities).

Increasing our capacities (areas where we need to excel)

What we planned to do	What we did
<p>Provide good first year report to DFID (including second round of Innovation Fund), and implement phase 2 of the DFID engagement plan focusing on in-country engagement.</p>	<p>The first annual review of the PPA was submitted to DFID and an independent progress review carried out and concluded in October 2012. The final report to DFID was extremely positive and concluded that Sightsavers was making strategic and effective use of its PPA funds. The additionality of the PPA was also found to be evident across all our work.</p> <p>To quote from their letter – “DFID country offices have praised your pragmatic and effective work in-country.”</p> <p>Of the 45 organisations with PPAs with DFID, Sightsavers was one of only nine to be rated as High Performing.</p> <p>We received a staggering 477 applications to the Innovation Fund, which greatly exceeded our expectations. Proposals were received from a wide range of applicants including disabled people’s and blind people’s organisations, local and international NGOs, foundations and academic institutions. The range of countries covered was also vast, and included projects in Afghanistan, Bhutan, Ethiopia, Malawi, and Nigeria to name a few. Following a thorough review and selection process which included both an internal and external panel, 24 strong applications were put through to the final review stage and 13 projects were approved for funding.</p>
<p>Develop (and commence implementation of) engagement plans for USAID, World Bank and Gates Foundation.</p>	<p>Engagement with USAID, the World Bank and the Gates Foundation all stepped up a gear. A plan for further development of our relationship with USAID has been drafted, but needs deeper consideration as the cost of implementation would be high. World Bank engagement has been around research work in Cambodia on the provision of glasses to children as part of a school health programme, working in partnership with Fred Hollows Foundation and the University of Melbourne. Also considerable work in advocacy around NTDs (see case study). Gates engagement has been mainly around NTD advocacy – we hope to step up engagement in 2013 into a more concrete relationship.</p>
<p>Commence an assessment of the clinical outcomes of a sample of our eye health programmes.</p>	<p>We completed a review of clinical quality against our Quality standards. This covered five randomly sampled partners across our programme portfolio. The review focused on adult cataract service provision and the results validate our core approach to eye health via health systems strengthening. The review informed us that in three cases, health management information systems will need to be strengthened in specific ways in order to be able to effectively monitor quality of outcomes. It also provided evidence for our view that we need to take a holistic approach to quality improvement as multiple factors affect patient outcomes and safety.</p>

What we planned to do	What we did
Develop a Programme Implementation Guide as part of the drive to improve quality and programme management.	A number of sections such as programme start up and monitoring were rolled out but the full roll out of the complete Programme Implementation Manual is set for June 2013.
Enhance the quality and consistency of programme monitoring as part of the overall M&E system.	Monitoring framework and template introduced to ensure consistent practice for all countries based on defined minimum expectations of the frequency of monitoring and terms of reference for monitoring visits.
Play a leading role in NTD advocacy at the global level, in particular with the UK Coalition and the NGDO (Non Governmental Development Organisations) Group to ensure momentum is maintained.	As mentioned elsewhere, momentum was more than maintained. Sightsavers was voted Vice Chair of the UK Coalition, and chaired the NGDO Network.
Advocate for disability to be included adequately in the Post 2015 framework.	Our Director of Policy and Strategic Programme Support was elected on to the International Executive Committee of Beyond 2015, the global civil society campaign on the MDG framework's replacement.
Devise a systematic plan for engagement with and management of priority strategic alliance partners and the private sector (beyond fundraising).	<p>We examined and confirmed our current priority strategic alliances, and added two new ones with Light for the World and The Carter Center. We made great strides leveraging alliances for advocacy on issues such as shaping the new WHO Global Action Plan, continuing to raise the global profile of NTDs and building momentum around human resources for eye health in Africa.</p> <p>We engaged Accenture Development Partnerships in a brief consultancy to explore the potential for Sightsavers in private sector partnering. A small team was set up to take this forward with an initial focus on the use of mobile technology in health programmes.</p>

Challenges and risks we faced and what we learned

We have a tendency to try to do too much and act before plans are fully developed. Hence engagement plans for alliances and advocacy targets have been delayed, whilst actions have still continued apace. This could lead to a lack of joined up structured activity.

We have not made as much progress as we would have liked in providing guidance via the Programme Implementation Manual, partly because we diverted effort into remedial work

around a couple of major programmes which were in danger of going awry (see above).

The critical organisational risk we face relating to the capacity objectives is poor quality of programmes. As stated above, we are prioritising quality improvements and have taken a number of steps in 2012 to roll out quality initiatives. This will continue in 2013, particularly using the results of the new Quality Systems Assessment Tool to improve programmes.

Raising our profile

Sightsavers cemented its reputation as an international player in the fight against global blindness this year through contributions to two high profile discussions of NTDs.

A meeting in London convened by The Bill & Melinda Gates Foundation and the UK Coalition against NTDs brought together government representatives and influential international organisations to discuss increased commitments to improve the lives of more than one billion people affected by NTDs. CEO Caroline Harper was chosen to make the closing speech.

At the end of 2012 Washington played host to a conference entitled *Uniting to Combat Neglected Tropical Diseases*. Chaired by The World Bank and the Gates Foundation, the conference provided an opportunity

to discuss funding and methods of collaboration to achieve the aims agreed in London – the ‘London Declaration’.

At the opening reception Sightsavers’ President, HRH Princess Alexandra, and World Bank Group President, Dr Jim Yong Kim (pictured below), met with Sightsavers’ Chair, Lord Crisp, Dr Julie Jacobson of the Gates Foundation and Professor Don Bundy of the World Bank. Caroline Harper chaired an event celebrating progress in the fight against NTDs, and some of our directors gave presentations around related topics.

The event proved to be an overwhelming success for Sightsavers and allowed us to showcase our expertise and leadership in the NTD field.



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

What we planned to do	What we did
Ensure we have the capacity to deliver at scale, particularly for NTDs, (bringing in technical and programme management expertise, addressing management structures and capacity gaps at country level).	<p>We introduced a new post at SMT level – given the importance of NTD programmes our Director of NTDs joined the SMT. We built (and continue to build) this directorate both with employees and with partnerships with academic institutions (eg London School of Hygiene and Tropical Medicine)</p> <p>We introduced a new unit – the ‘Programme Implementation Monitoring unit’, focused on ensuring large, sensitive programmes are set up and managed properly.</p> <p>The Trachoma mapping programme has its own management unit, including a Programme Director and Chief Scientist.</p> <p>At country level, the first phase of a ‘right-sizing/skilling’ exercise was completed, involving the assessment of staff competencies.</p>
Complete the second year of developing country level teams (DCLT), commence evaluation and create a plan for sustainability (eg managing new starters).	<p>Following the completion of the Global DCLT modules an annual Competency Framework Assessment process was put in place for Programme staff and Country Directors. The process incorporates individual development and improvement plans. New starters are assessed against the Competency Framework throughout their probation period and an action plan put in place to develop knowledge and skill sets. These individual assessments are combined to give an overall assessment rating for the competency level within each Country team.</p>
Finalise a new research strategy (including governance procedures, data management, IPR and web approach), commence implementation and publish results of ocular morbidity studies.	<p>The current research portfolio and the roadmap for Strategy development was presented to the Council. The decision was taken to defer the finalisation of the full research strategy and research governance policies until 2013 to harmonise it with the development of programmatic strategies (on Eye health and Education).</p> <p>The results of an ocular morbidity study for Kenya were presented at internal seminars and as a poster at the WHO Symposium on Health Systems research in Beijing. The poster was one of three prize winners out of 164 entries.</p>

Challenges and risks we faced and what we learned

As mentioned earlier, we had some issues with a few of our major programmes, although remedial works have seen significant improvements. We now have better processes in place for start up.

Our trachoma mapping programme is going at an incredible pace (as at time of writing we estimate that we are screening one person every 15 seconds). There are challenges here around the use of data (using cloud computing has proved a challenging concept for some ministries of health) and the question of whether we can co-ordinate the mapping with other NTDs without compromising the main goal of mapping trachoma within time and budget provided by DFID.

The critical organisational risks relating to the learning and growth objectives are health, safety and security of staff and the ability to retain key people. The risk around management of major programmes is one which crosses most of the SIM card perspectives.

Recognising that security issues are becoming an increasing concern, we recruited a Security and Compliance Officer, who had a security and military background. He has carried out a series of scoping visits with a view to standardising and improving our security procedures. We have introduced mandatory security training for Europe-based travellers, and will look at whether this needs to be extended.

Retention of key people remains a concern, as once again our profile has increased, particularly around NTDs and policy work.

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

What we planned to do	What we did
Secure income from our UK individual supporter base and capitalise on the raised profile from 2011 media campaigns to bring in new high net worth supporters, thereby increasing our UK contribution levels.	<p>During 2012 we continued to benefit from the 2011/12 FT Seasonal Appeal which raised £3.3 million for Sightsavers across a 10-week period, making it the most successful UK newspaper seasonal charity campaign ever. A total of 1,590 donations were received throughout the appeal, 1,185 of which came from new donors. A number of these donors are now part of our active 'high net worth' supporter development programme and we are seeing a number of repeat donations.</p> <p>UK voluntary fundraising contribution for 2012 came in slightly above plan – with a particularly strong performance for the Christmas Appeal.</p>
Create a plan for digital which includes both external engagement and use of digital for internal services.	<p>The digital strategy was approved, focusing on developing a global approach to embedding the use of digital channels for our supporters.</p> <p>The next phase of the strategy will look more at internal infrastructure.</p>
Refocus all our fundraising and marketing teams to place more emphasis on 'front line' supporter engagement, international diversification and more rigorous analysis and decision making processes.	<p>The team was significantly restructured, bringing new emphasis to supporter engagement and bringing in new skills (both in terms of employees and a refresh of agencies used). A number of Community Fundraising activities that were not yielding enough return have now ceased.</p>
Increase both contribution and the number of committed givers in Italy and Ireland.	<p>The underlying economic conditions meant that fundraising conditions were challenging in both countries. A new property tax levied in December in Italy had a significant impact on the returns from Christmas appeal activity. In response to the market conditions cost cutting measures were put in place to focus on supporter development rather than recruitment.</p> <p>There is evidence that economic growth is returning in Ireland, but the impact of that growth will take some time to feed through to improved disposable incomes and hence opportunity for fundraising growth. The headline achievement of the year was the doubling of the Irish Aid grant to €1.5 million, bringing total funds raised from the operation back over €5 million.</p>

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

What we planned to do	What we did
Operationalise the new fundraising plan in India.	This was the first full year of operation for the new team in India. They met their goals and hope to develop rapidly over the coming years to meet the objective of all Sightsavers programmes in India being funded from India. One of the highlights of the year included the appointment as Ambassador of former Indian cricket captain Kapil Dev who will help build the public profile of the organisation.
Increase income in Middle East and US, implementing plans for raising money from corporate and major donors (and mass market in Middle East, investing in additional local, Arabic speaking staff).	The year saw revenue growth from the Dubai office with new funding sources developed from across the region. Sightsavers is grateful for the support of HRH Sheikh Nahyan bin Mubarak Al Nahyan, President of Sightsavers in the Middle East, for his endorsement of the fundraising programme and the development of the organisation.
Test out a number of new markets following research into potential candidates.	<p>A campaign to raise \$1 million to support onchocerciasis work was launched by our President, HRH Princess Alexandra, in New York in November. The Appeal reflects a change in focus in the US programme that will concentrate on developing major donors in the country.</p> <p>Research was conducted into potential new markets, and a number of countries were prioritised for entry in 2013, and as funds allow.</p> <p>We are increasingly working with countries where programmes are conducted to raise funds from local corporates (notable examples being Ghana and Cameroon, where income has been generated from mobile phone companies, and Senegal from mining companies).</p>
Secure further funding from DFID outside the PPA process.	The trachoma mapping grant was a prime example of non PPA funding which we were able to secure. We also raised money from DFID through arranging match funding for the FT appeal.

What we planned to do

What we did

Develop the 'value for money' agenda in Sightsavers, enabling us to talk more confidently about what we are trying to achieve with the cost minimisation, cost effectiveness and cost benefit areas.

We are now articulating our value for money agenda around economy, efficiency and effectiveness rather than through cost minimisation, effectiveness and benefit. To demonstrate economy, we have implemented systems improvement in procurement, expenses, cash transfers to offices and partners, and financial planning that have strengthened processes and reduced costs. We have improved our efficiency by continuing to strengthen and widen our commitments processes to ensure that our resources are being targeted on high quality and strategically aligned activities only. We have also begun participating in external benchmarking processes with peer organisations to deepen our understanding of how efficiently we are using our resources. Finally, we continue to develop our SIM card to enhance understanding of organisational effectiveness and inform decision making.

Further improve key organisational processes – in particular outsource donations processing to reduce cost.

We have successfully outsourced a significant part of our donation handling and fulfilment functions to enable our own people to focus on areas where they can add real value. 2012 was a time of learning in respect of outsourcing such activities. We expect the depth and breadth of outsourced activities to increase significantly over time especially where we can mitigate risk and improve scalability as a result.

We introduced e-expenses internationally and the majority of partner funds transfer requests are being processed electronically via our e-procurement system. A new Intranet, based on SharePoint, was implemented.

Challenges and risks we faced and what we learned

The critical risks facing the organisation in relation to resources are as follows:

- Financial loss due to currency volatility or credit event
- Poor grant management
- Inability to retain or replace institutional income
- Inability to raise adequate voluntary income in existing markets
- Inability to ramp up income in new markets (international and digital)
- Inappropriate controls.

We mitigate our currency volatility exposure via hedging in line with an agreed matrix. This is monitored by the Investment Committee.

We recognise that the economic climate is becoming increasingly malign for fundraising – and the pressure on governments to cut aid budgets is also increasing – although so far both UK and Irish governments have held firm. Our voluntary fundraising in both Italy and Ireland has proved particularly difficult, whilst the UK has held up remarkably well. New markets have had mixed results – we have been pleased with performance in India, but the US remains difficult.

We continue to focus on grant management and associated programme implementation, although success in terms of implementation has been mixed – West Africa has done really well, whilst Eastern and Southern Africa has struggled with some of the complex contracts, particularly in southern Africa. Our new Programme Implementation Monitoring Unit (PIMU) should help.

We had no significant frauds in 2012, but remain vigilant.

Plans for 2013

Our objectives for 2013 are as follows:

Delivering for the beneficiaries

- Consolidate our position on NTDs (with an emphasis on trachoma and onchocerciasis) ensuring that we are leading players - both in terms of delivery on the ground on the elimination agendas and influence at the policy level, especially in Africa.
- Finalise and roll out thematic strategies to provide a stronger steer for assessing existing programmes and to inform programme development for the next five years.
- Develop new Country Strategy Papers.
- Publish HReH strategy, and commence implementation via partnership with IAPB Africa.
- Ensure that PIMU is fully operationalised and working with other departments to ensure good implementation, particularly of sensitive projects, and improve governance oversight of programmes.
- Prioritise the set up and management of new strategic grant programmes, notably those in support of NTDs; e.g. ClIFF; DFID, Conrad Hilton and USAID and other large scale funding from EC, Irish Aid and SiB.

Increasing our capacities (areas where we need to excel)

- Roll out Programme Implementation Manual in full – this includes monitoring countries against performance standards to enhance quality of programming.
- Submit a high quality year two report to DFID, and successfully implement DFID in-country engagement plans and management of Innovation Fund Projects.
- Roll out quality assessment and improvement system for our country offices and supported projects so as to embed effective practice in quality improvement.
- Influence the ongoing development process of the next phase of Millennium Development Goals ('Beyond 2015'), to ensure they include health systems strengthening and are explicitly inclusive of disabled people.
- Trial the use of mobile technology to improve information management in our NTD programmes.

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

- Finalise a new research strategy (including governance procedures, data management, intellectual property and web approach) and agreements with key research partners.
- Ensure we have the right structures and skills to deliver on the increasingly more complex grants and contract tenders, both in terms of securing them and managing them properly.
- Develop an overarching HR Strategy, and review HR policies and procedures globally to ensure they are fit for purpose.

Plans for 2013 continued

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

- Grow UK contribution by improving recruitment of committed and high value major donors, and increasing the number of our supporters who upgrade their commitments.
- Implement our digital strategy.
- Continue to invest in US, Middle East and test at least one new market.
- Invest in fundraising in India with the aim of breaking even in 2013, and moving towards a self-funding model longer term.
- Rebuild voluntary funding in Ireland through investment in Individual and Corporate fundraising.
- Raise our profile with new institutional donors and continue to develop existing ones to secure further funding.
- Continue to develop analytical capability to strengthen our understanding of the economics of Sightsavers' model and various activities, and to increase our ability to achieve full cost recovery on contracts and major grants.
- Implement a new approach to internal audit and control working with an external service provider.
- Improve our management information capability, particularly in the programme area.

In addition we will be undertaking a review of the organisation and its operating model to ensure we are structured in the most cost effective way, especially as our sources of funding are changing.

Structure, governance and risk management

Sightsavers is the working name of the 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 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, process effectiveness and statutory accounts/annual report, Investment which monitors investment performance and treasury activities, Remuneration which monitors remuneration policy, succession plans and key salary decisions and Governance which monitors legal and registration issues in the countries where we operate and 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 four subsidiary undertakings consolidated within the Group. These are Sightsavers (Trading) Limited, Sightsavers (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 2012 Sightsavers raised £1.6 million from donors based in Scotland. This compared to 2011 income of £2.1 million which was boosted by two significant legacies. We have a Scotland office and undertake fundraising and awareness building activities with individuals, corporate partners, trusts, the Scottish Government and community.

Structure, governance and risk management continued

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 established its current risk management framework during 2009: the framework focuses on identifying risks, prioritising them and setting out mitigation approaches and accountabilities for the highest priority items. The risk log is reviewed by the Senior Management Team every quarter, by the Audit committee twice a year and by Council every year. Our principal risks and mitigation strategies are set out in the earlier section describing our progress towards SIM card objectives.

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

Accountability

Sightsavers is a member of the INGO Accountability Charter, submitting our first formal report to the Charter company's Individual Review Panel last year. This report was very well received, with comments made that 'The report is good in particular for a first report. It is comprehensive, well articulated, and gives a very good sense about what your organisation does. The level of evidence is good and the report includes good examples of the involvement of beneficiaries and achievement of programme effectiveness'.

Areas for possible improvement included provision of more information on gender and diversity, and a strengthening of our complaint handling procedures.

Sightsavers is committed to demonstrating accountability, particularly in these challenging times when development and aid funding is under attack in certain media. As part of that commitment, our CEO is on the board of the INGO Accountability Charter, and we have also taken shares in the not for profit organisation 'The Berlin Civil Society Centre', which provides support to the Charter and to civil society.

Review of financial outcome 2012

The financial outcome for 2012 is set out in the Consolidated Statement of Financial Activities.

Income

In 2012 total income was £158.6 million, a decrease of £2.7 million compared to 2011. 2012 income excluding gift in kind donations was £38.8 million, down £0.3 million from 2011.

Legacy income decreased year on year by £0.8 million to £7.4 million. Legacy performance was strong but not quite at 2011 legacy income levels of £8.2 million, our highest ever year.

Donations were £21.1 million, a decrease of £0.8 million from 2011. Committed giving levels held up year on year in the UK. Ireland saw a £0.3 million decline in committed giving levels reflecting continued testing economic conditions. Income from corporates declined by £0.5 million. This was in part due to a number of arrangements coming to a close in the year as well as reduced expenditure on the SCB Seeing is Believing programme as current phases of work completed and we embark on Phase 5 activities.

Gifts in kind from Merck & Co Inc. of Mectizan® tablets for river blindness protection were £119.5 million, down from £121.8 million in 2011. This substantial contribution reflects our continued focus on treatment of NTDs and the move from prevention to elimination of onchocerciasis in the regions where we work.

Grant income increased from £8.7 million in 2011 to £10.0 million. This increase reflected first full year of receipts from DFID under their Partnership Programme Agreement (PPA) of £0.9 million, other increases in DFID from matched funding and trachoma mapping £0.6 million and new Irish Aid block grant of £1.3 million. This was partially offset by some decreases in EC funding, and reduced income from USAID, Comic Relief and other NGO funders. Comic Relief funding stemmed from Sightsavers involvement in Red Nose Day in 2011, and the majority was received in that year. A significant EC grant in Mali was completed at the end of 2011.

Expenditure

In 2012 total expenditure was £159.3 million, an increase of £0.6 million compared to 2011.

Costs of generating funds increased £0.8 million year on year to £9.7 million. Increased investment in international markets including India and the Middle East was £0.4 million, UK fundraising costs increased £0.3 million and costs relating to raising grant income were up £0.1 million.

Spending on charitable activities was £148.9 million in 2012 against £149.2 million in 2011, a decrease of £0.3 million. There was a £2.4 million reduction relating to distribution of Mectizan® tablets. Programme expenditure on eye care, education and social inclusion increased by £1.5 million year on year. Spend on policy development and research activities increased by £0.6 million.

In 2012 we continued to review our portfolio of programme work and exited a number of programmes which were not considered strategic. We also continued to review our support operating model resulting in a number of administrative job losses at our headoffice at Haywards Heath.

Governance costs were £0.7 million in 2012, up £0.1 million compared to 2011.

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.

Review of financial outcome 2012 continued

Financial position and reserves

Sightsavers expected to run a deficit in 2012. This year produced an overall financial deficit of £0.7 million. Pension scheme actuarial adjustments on the defined benefits scheme increased this deficit to £1.6 million.

Total fund balances were £10.7 million at the end of the year. Unrestricted reserves were £11.4 million offset by the defined benefit pension scheme liability of £2.1 million. Restricted fund balances were £1.4 million.

It is Sightsavers' policy to retain sufficient reserves to safeguard ongoing commitments and operations. Our current reserves policy 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 2012 our reserves were £11.1 million, representing 31% of projected unrestricted expenditure (2011 £13.5 million and 39%). This is above policy guidelines. The Trustees believe this level of reserves is acceptable given we expect to run a deficit in 2013.

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' objectives and values.

Our investment approach is to target a mix of equity, hedge fund and bond instruments. 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 and closed to future accruals for existing employees in August 2010. As set out in note 15 to the accounts under Financial Reporting Standard (FRS) 17 there was a deficit of £2.1 million at the end of the year. In 2010 there was a triennial actuarial valuation performed and a 10 year recovery plan was agreed with the Trustees of the pension plan in 2011. This sets the annual repayment at £400,000 per annum with a mechanism to increase repayments at future triennial valuations if required to address the deficit within the ten year period.

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 originally published in January 2009, subsequently updated and republished in 2012 and which is scheduled to run up to the end of 2018. Financial planning and forecasting activity take place within the context of the overall strategic plan and objectives.

For 2013 our expectation is that the economic situation will remain challenging in core fundraising geographies. That said, Sightsavers income in 2013 (excluding gifts in kind) is planned at £45.9 million, almost £7.1 million higher than in 2012. We expect income from legacies to increase by £1.2 million and a significant uplift in grant income notably from DFID trachoma mapping grant, £4.6 million.

Sightsavers expects to increase expenditure in 2013 compared to 2012. Most of that increase will be in extending our charitable activities; some will be in developing new fundraising opportunities and markets.

Our expectation is that we will run a deficit in 2013 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 our 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 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Honorary Officers

Chairman Lord Crisp KCB

Vice Chairman Martin Dinham

(Appointed July 2012)

Treasurer Michael Chilton

Members of Council (the Trustees)

Professor Ekanem Ikpi Braide

Caroline Casey

Dr Robert Chappell OBE FCOptom

Michael Chilton

Alexandra Cole

Lord Crisp KCB

Martin Dinham

Professor Harminder Dua FRCOphth

Pat Farrell

Jeremy Hughes

David Jordan CBE (Retired July 2012)

Stephen King

John Lafferty

Dr Ramachandra Pararasegaram FRCOphth

Paresh Mashru

Dr Uche Amazigo

William Gardner

Alexandra Cole

Strategic Management Team

Chief Executive Dr Caroline Harper OBE

Director of Programmes

Adelaide Addo-Fening OBE

Director of Policy and Strategic Programmes

Dominic Haslam

Director of UK Funding and Marketing

Susan Adams

Director of International Funding and Marketing

John Fleming

Director of Finance, Planning and Operations

Kenneth Moon

Director of HR & Organisational Development

Mark Barrett

Director of Advocacy & NTD's

Simon Bush (Appointed August 2012)

Key people and suppliers continued

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 Basinghall Avenue
London EC2V 5DD

Allied Irish Bank
7/12 Dame Street
Dublin 2

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

Investment managers

UBS Wealth Management
1 Curzon St
London
W1J 5UB

Surveyors

Gould & Co
Museum House
Museum St
London WC1A 1JT

Independent auditors

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

Independent auditors

A resolution that Crowe 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 *21 June* 2013.



Lord Crisp, Chairman

Independent Auditor's 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 2012 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011 and section 44(1c) 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 151 of the Charities Act 2011 and section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 December 2012 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 or the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

Crowe Clark Whitehill LLP

Crowe Clark Whitehill LLP
Statutory Auditor
London

Date: *25 June 2013*

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities

Year ended 31 December 2012

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2012 £'000	Total 2011 £'000
Income and expenditure					
Incoming resources					
Incoming resources from generated funds:					
Voluntary income					
Donations and gifts	2	13,835	7,263	21,098	21,920
Legacies	3	7,399	-	7,399	8,245
Gifts in kind	4	335	119,501	119,836	122,166
Investment income	5	166	-	166	171
Incoming resources from charitable activities	6	4,911	5,076	9,987	8,658
Other incoming resources	7	143	-	143	151
Total incoming resources		26,789	131,840	158,629	161,311
Resources expended					
Costs of generating funds					
Voluntary income					
Costs of raising current year's income	9	6,058	-	6,058	5,964
Investment to raise income in future years	9	2,681	-	2,681	1,984
Grant income	9	950	-	950	864
Fundraising trading costs	9	5	-	5	4
Investment management fees	9	41	-	41	48
		9,735	-	9,735	8,864
Charitable activities					
Health – Eye care	8,9	10,960	10,096	21,056	20,887
Health – Mectizan distribution	8,9	1,027	119,512	120,539	122,911
Education	8,9	1,726	1,121	2,847	2,488
Social inclusion	8,9	2,108	1,165	3,273	2,285
Policy and Research	8,9	1,140	58	1,198	608
Total charitable activities	8	16,961	131,952	148,913	149,179
Governance costs	9,10	672	-	672	638
Total resources expended		27,368	131,952	159,320	158,681
Net outgoing resources before transfer		(579)	(112)	(691)	2,630
Transfer between funds	20	258	(258)	-	-
Net outgoing resources before other recognised gains and losses	11	(321)	(370)	(691)	2,630
Exchange translation difference arising on consolidation		(244)	-	(244)	(272)
Gains / (losses) on investment assets	17	248	-	248	(75)
Actuarial losses on defined benefit pension scheme	15	(934)	-	(934)	(541)
Net movement in Funds for the year		(1,251)	(370)	(1,621)	1,742
Fund balances at 1 January 2012		10,631	1,728	12,359	10,617
Fund balances at 31 December 2012	20	9,380	1,358	10,738	12,359

Restricted funds include endowment funds, which had a balance at 31 December 2012 of £390,000 (2011: £390,000). See note 20 for further information. All incoming and outgoing

resources arise from continuing activities. All gains and losses recognised in the year are included above. The notes on pages 39 to 62 form part of these financial statements.

Balance Sheets

31 December 2012

	Note	Group		Charity	
		2012 £'000	2011 £'000	2012 £'000	2011 £'000
Fixed assets					
Tangible assets	16	697	747	693	736
Investments	17	5,522	5,318	5,522	5,318
		6,219	6,065	6,215	6,054
Current assets					
Debtors	18	3,983	2,813	4,292	3,023
Short term cash deposits		2,500	2,284	2,500	2,284
Cash at bank and in hand		4,541	5,624	2,945	4,709
		11,024	10,721	9,737	10,016
Creditors: amounts falling due within one year	19	4,452	2,753	4,227	3,359
Net current assets		6,572	7,968	5,510	6,657
Net assets before pension liability		12,791	14,033	11,725	12,711
Defined benefit pension scheme liability	15	(2,053)	(1,674)	(2,053)	(1,674)
Net assets after pension liability		10,738	12,359	9,672	11,037
Funds					
Unrestricted funds					
Free reserve	20	9,036	10,697	8,149	9,450
Pension reserve		(2,053)	(1,674)	(2,053)	(1,674)
General		6,983	9,023	6,096	7,776
Designated	20	2,397	1,608	2,394	1,597
Total unrestricted funds		9,380	10,631	8,490	9,373
Restricted funds	20	968	1,338	792	1,274
Endowment funds	20	390	390	390	390
Total funds		10,738	12,359	9,672	11,037

The notes on pages 39 to 62 form part of these financial statements.

These financial statements were approved by the Council on 21 June 2013

and signed on their behalf by:



Chairman



Hon. Treasurer

Consolidated Cash Flow Statement

Year ended 31 December 2012

	Notes	2012 £'000	2011 £'000
Net cash (outflow) / inflow from operating activities	A	(684)	1,808
Capital expenditure and financial investment			
Payments to acquire fixed assets		(311)	(275)
Payments to acquire investments		(1,075)	(1,019)
Receipts from sale of fixed assets		84	24
Receipts from sale of investments		1,282	802
(Increase) / Decrease in cash held for investment		(163)	203
		(183)	(265)
		(867)	1,543
Management of liquid resources			
Increase in short term cash deposits	B	(216)	(1,055)
(Decrease) / Increase in cash in the year	B	(1,083)	488

Notes to the cash flow statement

	2012 £'000	2011 £'000
A		
Reconciliation of net incoming resources for the year to net cash flow from operations		
Net (outgoing) / incoming resources	(691)	2,630
Profit on sale of fixed assets	(84)	(24)
Depreciation	361	301
Increase in provisions	(555)	(395)
Exchange translation differences arising on consolidation	(244)	(272)
Increase in debtors	(1,170)	(402)
Increase / (Decrease) in creditors	1,699	(30)
Net cash (outflow) / inflow from operating activities	(684)	1,808

	1 January 2012 £'000	Cash flow £'000	31 December 2012 £'000
B			
Analysis of changes in net cash			
Short term cash deposits	2,284	216	2,500
Cash at bank and in hand	5,624	(1,083)	4,541
	7,908	(867)	7,041

Notes to the accounts

Year ended 31 December 2012

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.

We have set out in the Trustees' report a review of financial performance and the Charity's reserves position (pages 29-31). We have adequate financial resources and are well placed to manage the business risks. Our planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. We have a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future. We believe that there are no material uncertainties that call into doubt the Charity's ability to continue. The accounts have therefore been prepared on the basis that the Charity is a going concern.

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 the Charity (which includes all its branches) is a deficit of £985,850 (2011 surplus of £2,461,000). 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 (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 recognised 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 20.

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 20.

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. This scheme was closed to future accruals in August 2010. The pension costs and the pension provision for the defined benefit scheme are calculated on the basis of actuarial advice and are charged to the SOFA 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

	2012 £'000	2011 £'000
Individuals		
UK		
Committed giving	6,778	6,754
Other public donations and appeals income	4,378	4,073
Tax recoverable from UK donors	1,927	1,995
	13,083	12,822
Ireland		
Committed giving	2,005	2,321
Other public donations and appeals income	571	661
Tax recoverable from Irish donors	107	150
	2,683	3,132
Italy		
Committed giving	69	53
Other public donations and appeals income	1,162	1,249
	1,231	1,302
Other		
Committed giving	68	68
Other public donations and appeals income	62	158
	130	226
Total from individuals	17,127	17,482
Trusts	1,437	1,440
Companies	2,067	2,619
Community service and other organisations	467	379
	21,098	21,920

3 Legacies

	2012 £'000	2011 £'000
UK	7,309	8,129
Ireland	90	24
Other	-	92
	7,399	8,245

At 31 December 2012, in addition to legacy income that has been included in the accounts, Sightsavers is expected to benefit from a number of legacies from estates for which the administration had yet to be finalised. Sightsavers future income from these legacies is estimated at £7,490,000 (2011: estimated at £5,644,000).

4 Gifts in kind

Sightsavers International Inc is registered in the USA to raise funds. In 2012, Sightsavers International Inc. secured gift in kind donations valued at £119,501,000 (2011: £121,791,000) from Merck Inc. in the form of Mectizan[®] tablets, which have been shipped to Guinea Bissau, Liberia, Nigeria, Cameroon, Uganda, Malawi, Sierra Leone, Ghana, Benin and Togo.

Sightsavers is responsible for the co-ordination 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 co-ordination are most effectively undertaken.

During the year, Sightsavers utilised 15,549,850 airmiles (2011: 34,852,302) for the purpose of 226 related flights (2011: 452), which were donated by Emirates. These have been valued at £133,000 (2011: £229,000) based on the lowest economy fare available at the time of travel.

Google grants is a unique gift in kind donation programme that awards free Adwords advertising to selected charitable organisations. It supports organisations that share Google's philosophy of community service to help the world in areas such as science and technology, education, global public health, the environment, youth advocacy and the arts. During the year Sightsavers secured donations valued at £202,181 (2011: £146,267).

5 Investment income

	2012 £'000	2011 £'000
Dividends from listed investments	125	142
Bank deposit interest	41	29
	166	171

6 Incoming resources from charitable activities

	2012 £'000	2011 £'000
Department for International Development (DFID)	71	99
DFID FT matched giving	150	-
DFID Programme Partnership Arrangement	3,740	2,804
DFID Trachoma Mapping	561	-
European Commission	2,133	2,672
States of Jersey	147	169
Isle of Man Overseas Aid Committee	100	100
USAID	61	341
Scottish Government	133	123
Irish Aid	1,273	-
Fred Hollows Foundation	468	685
BRAC	185	207
Comic Relief	775	1,123
OPEC Foundation	29	-
Helen Keller International	178	47
African Medical and Research Foundation (AMREF)	-	5
Christoffel-Blindenmission (CBM)	8	4
Operation Eye Sight (OES)	(93)	98
Light for the World	56	170
Other	12	11
	9,987	8,658

Operation Eye Sight 2012 write back against income reflects the non-recoverability of third party funding on a project which Sightsavers was lead agency.

7 Other incoming resources

	2012 £'000	2011 £'000
Profit on disposal of fixed assets	84	24
Rental income	59	92
Additional expected recovery of cash from Kaupthing Singer & Friedlander	-	35
	143	151

8 Charitable activities

	Health Eye Care £'000	Mectizan® distribution £'000	Education £'000	Social Inclusion £'000	Policy and Research £'000	2012 £'000	2011 £'000
Kenya	788	-	156	130	-	1,074	900
Malawi	395	-	80	44	-	519	731
Mozambique	747	-	-	-	-	747	674
Northern Sudan	37	-	-	-	-	37	-
Southern Sudan	302	-	-	-	-	302	117
Tanzania	588	-	122	145	-	855	583
Uganda	590	70	63	97	-	820	685
Zambia	545	-	142	26	-	713	1,058
Zimbabwe	118	-	23	-	-	141	114
East Central Southern Africa Regional Office	1,454	-	8	16	-	1,478	1,342
Sub total ECSA	5,564	70	594	458	-	6,686	6,204
Benin	9	20	-	-	-	29	37
Burkina Faso	154	15	-	-	-	169	106
Cameroon	651	393	68	71	-	1,183	825
Ghana	453	1	33	89	-	576	577
Nigeria	935	252	35	28	-	1,250	1,495
Togo	65	59	-	-	-	124	141
West Africa Regional Office East	-	-	-	-	-	-	456
Sub total WARO East	2,267	740	136	188	-	3,331	3,637
Cote D'Ivoire	95	-	-	-	-	95	-
Gambia	199	-	35	13	-	247	305
Guinea	180	-	-	-	-	180	105
Guinea Bissau	122	-	-	-	-	122	207
Liberia	286	34	22	-	-	342	345
Mali	538	71	2	6	-	617	898
Senegal	557	-	69	22	-	648	415
Sierra Leone	305	9	80	49	-	443	341
Post Health for Peace	789	-	-	-	-	789	1,224
West Africa Regional Office West	685	-	5	6	-	696	726
Sub total WARO West	3,756	114	213	96	-	4,179	4,566
India	1,027	-	408	496	-	1,931	2,001
India Regional Office	148	-	132	70	-	350	443
Sub total India	1,175	-	540	566	-	2,281	2,444

8 Charitable activities continued

	Health Eye Care £'000	Mectizan® distribution £'000	Education £'000	Social Inclusion £'000	Policy and Research £'000	2012 £'000	2011 £'000
Bangladesh	1,245	-	87	308	-	1,640	1,690
Bangladesh BRAC	-	-	-	-	-	-	1
Pakistan	569	-	284	320	-	1,173	1,182
Sri Lanka	343	-	1	145	-	489	485
South Asia Regional Office	23	-	2	61	-	86	73
Sub total South Asia	2,180	-	374	834	-	3,388	3,431
Caribbean	980	-	1	13	-	994	1,001
Sub total Caribbean	980	-	1	13	-	994	1,001
Gifts in Kind	116	119,501	-	-	-	119,617	122,002
Central Support Functions	1,158	108	876	645	307	3,094	2,984
Programme Technical Support	2,560	3	8	238	-	2,809	1,858
Advocacy and Policy Support	1,300	3	105	235	891	2,534	1,052
Direct Charitable Expenditure	21,056	120,539	2,847	3,273	1,198	148,913	149,179

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	Gifts in Kind £'000	Allocation of Support Costs £'000	Total 2012 £'000	Total 2011 £'000
Costs of generating funds						
Voluntary income						
Costs of raising current years income	-	4,906	219	933	6,058	5,964
Investment to raise income in future years	-	2,087	-	594	2,681	1,984
Grant income	-	742	-	208	950	864
Fundraising trading: cost of goods sold and other costs	-	5	-	-	5	4
Investment management fees	-	41	-	-	41	48
Charitable activities						
Health – Eye Care	8,471	8,678	116	3,791	21,056	20,887
Health – Mectizan® distribution	313	436	119,501	289	120,539	122,911
Education	930	1,158	-	759	2,847	2,488
Social inclusion	1,658	783	-	832	3,273	2,285
Policy and Research	8	911	-	279	1,198	608
Governance costs	-	326	-	346	672	638
Total resources expended 2012	11,380	20,073	119,836	8,031	159,320	-
Total resources expended 2011	10,275	18,900	122,166	7,340	-	158,681

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 £3,808,000 (2011: £4,016,000), the direct operation of the overseas programmes, including the procurement of equipment for use in the programmes £2,393,000 (2011: £1,540,000), informing and creating awareness amongst the public and governance of Sightsavers. Staff costs included in direct costs is £7,235,000 (2011: £6,005,000).

9 Total resources expended continued

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

	2012 £'000	2011 £'000
Directorate	716	659
Financial management	547	427
Information communication technology	1,217	1,069
Human resources	1,156	889
Global procurement	362	243
Planning, performance & analysis	364	387
Programme support	3,669	3,666
	8,031	7,340

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

10 Governance costs

	2012 £'000	2011 £'000
Internal audit	34	49
External audit (including overseas offices)	151	144
Company secretarial	55	13
Apportionment of Directors' costs	345	357
Trustees' expenses	3	5
Finance	84	70
	672	638

11 Net incoming resources

This is stated after charging:

	2012 £'000	2012 £'000	2011 £'000	2011 £'000
Depreciation		361		301
Auditors' remuneration:				
UK Charity audit	56		59	
International offices *	95	-	85	-
		151		144
Taxation services	4		5	
USAID	13	-	-	-
		17		5
Investment managers' fees		33		48
Solicitors' fees		202		132
Surveyors' fees		8		12
Operating lease charges		44		44

* Paid to firms other than Crowe Clark Whitehill LLP

12 Staff costs

	2012 £'000	2011 £'000
Wages and salaries	10,205	9,290
Social security costs	661	557
Pension costs	685	768
	11,551	10,615
Provision for overseas taxes for the period since 2005	-	151
	11,551	10,766
European based employees (UK, Ireland and Italy)	6,517	5,697
Overseas based employees on UK contracts	471	648
Overseas based employees on overseas contracts	4,563	4,270
	11,551	10,615

	2012 £'000	2011 £'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.	176	192

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

	2012 No.	2011 No.
European based employees:		
Chief Executive's office	10	8
Finance, planning and services	44	41
Fundraising and communications	58	59
Overseas programmes	27	20
Overseas based employees on UK contracts and consultancy fees	6	9
Overseas based employees on overseas contracts	243	230
	388	367

There were 3 employees (2011: 3) whose emoluments were in the range £60,000 - £69,999.

There were 4 employees (2011: 3) whose emoluments were in the range £70,000 - £79,999.

There were 3 employees (2011: 4) whose emoluments were in the range £80,000 - £89,999.

There were 0 employees (2011: 2) whose emoluments were in the range £90,000 - £99,999.

There were 2 employees (2011: 0) whose emoluments were in the range £100,000 - £109,999.

13 Trustees' expenses

	2012 No. of trustees	2012 £'000	2011 No. of trustees	2011 £'000
Reimbursed to trustees:				
UK related	11	1	11	4
Overseas visits	2	2	1	1

No emoluments have been paid to the trustees (2011: £nil). Trustees can be reimbursed for their travel and subsistence expenses in attending meetings. Additionally, Trustees may occasionally visit Sightsavers' partners and

programmes overseas, with costs of such trips being met by the Charity. Trustees are encouraged to visit at least one international program in every four year term served.

14 Related party transactions

The International Agency for the Prevention of Blindness (IAPB) is identified as a related party and was paid £235,715 in 2012 (2011: £140,365) for membership fees and funding a workshop; a balance of £2,120 was outstanding at the end of the year (2011: £nil). Sightsavers received grant funding of £653,950 in 2012 from Standard Chartered Bank's 'Seeing Is Believing' programme which is co-managed by the IAPB.

The following are also Trustees of IAPB:

Dr Robert Chappell – Trustee of Sightsavers

Stephen King – Trustee of Sightsavers

Dr Caroline Harper – Chief Executive Officer of Sightsavers

Dr Caroline Harper is a Board member of the INGO Accountability Charter. They were paid £3,559 in 2012 (2011: £2,620) for membership fees. A balance of £nil was outstanding at the end of the year (2011: £nil). During 2012 Dr Harper was also appointed to the Berlin Civil Society Centre board of trustees; the centre was paid £9,752 in 2012 (2011: £nil) for workshop and project consultancy fees.

Stephen King is also Group Director Prevention & International Affairs at the RNIB with whom Sightsavers traded and were paid £2,375 in 2012 (2011: £9,300). Stephen King is also a Board Member of the Daisy Consortium, to whom Sightsavers paid £5,176 in 2012 (2011: £1,919), representing an annual membership fee. A balance of £nil was outstanding at the end of the year to both the RNIB and the Daisy Consortium (2011: £nil).

No consultants were appointed as trustees during 2012 and as such no payments were made prior to appointment (2011: £5,121).

15 Pension costs

Sightsavers operates a defined benefit pension scheme, the assets of which are held separately from those of the Charity. The scheme was closed to new members on 30 September 2002 and to future accrual for existing members on 31 August 2010.

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 2010. The principal assumptions were an increase in salary costs of 4.35% per annum and rate of interest of 6.4% 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 2009 was £7,947,000. The actuarial valuation of the assets of the scheme represented 74% of the actuarial valuation of the accrued liabilities. The Charity has agreed to fund the past service deficit at a rate of £400,000 per annum over 10 years.

During the year Sightsavers contributed £595,000 (2011: £400,000) to the scheme, of which £nil was outstanding at the balance sheet date (2011: £nil). £400,000 was in respect of the deficit and the remainder was to meet the scheme's expenses in 2011, 2012 and 2013.

The best estimate of contributions expected to be paid to the scheme by Sightsavers for the period to 31 December 2013 is £600,000.

As required for the preparation of statutory accounts and in accordance with the requirements of FRS 17 the actuarial valuation at 1 January 2012 was updated by HSBC Actuaries and Consultants Limited at 31 December 2012.

15 Pension costs continued

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

	2012	2011	2010
Discount rate	4.45%	4.80%	5.40%
Inflation assumption	3.00%	3.00%	3.40%
Rate of increase in salaries	4.00%	4.00%	4.40%
Rate of increase in payment*	2.95%	2.95%	3.40%

* 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 2012 imply the following life expectancies at age 65:

	2012 Years	2011 Years
Member aged 65 (current life expectancy) – male	22.2	22.1
Member aged 45 (life expectancy at 65) – male	24.0	23.9
Member aged 65 (current life expectancy) – female	24.3	24.2
Member aged 45 (life expectancy at 65) – female	26.2	26.1

The assets of the scheme are held with Legal & General. The managed funds are invested in a diversified portfolio of investments comprising 57% growth assets, 21% bonds, 22% corporate bonds.

The fair value of assets and present value of liabilities of the scheme at 31 December 2012, along with the expected rates of return on the scheme assets are as follows:

	2012		2011		2010	
	%	£'000	%	£'000	%	£'000
Growth assets	7.50	5,604	-	-	-	-
Equities	-	-	8.25	5,287	8.25	5,470
Government Bonds	2.75	2,066	4.20	2,088	4.40	1,716
Corporate Bonds	4.10	2,223	5.40	1,935	-	1,702
Cash	3.40	(69)	4.75	89	4.75	170
Total market value of scheme assets		9,824		9,399		9,058
Present value of scheme liabilities		(11,877)		(11,073)		(10,606)
Net pension scheme liabilities		(2,053)		(1,674)		(1,548)

Analysis of the amount charged to resources expended

	2012 £'000	2011 £'000
Current service cost	(109)	(44)
Expected return on pension scheme assets	590	619
Interest on pension scheme liabilities	(521)	(560)
Net charge	(40)	15

15 Pension costs continued

Analysis of movement in deficit in the Scheme during the year

	2012 £'000	2011 £'000
Deficit in the Scheme at beginning of period	(1,674)	(1,548)
Contributions paid	595	400
Current service cost	(109)	(44)
Other finance income	69	59
Actuarial losses	(934)	(541)
Deficit in the scheme at end of period	(2,053)	(1,674)

History of experienced gains and losses

	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
Defined benefit obligation	(11,877)	(11,073)	(10,606)	(9,841)	(8,398)
Fair value of scheme assets	9,824	9,399	9,058	7,903	6,764
(Deficit) / surplus	(2,053)	(1,674)	(1,548)	(1,938)	(1,634)
Actual return less expected return on scheme assets:					
Amount	(212)	(161)	412	614	(1,906)
As % of scheme assets	(2%)	(2%)	5%	8%	(28%)
Experience (losses) / gains on scheme liabilities:					
Amount	-	-	(132)	(1,042)	(72)
As % of the present value of the scheme liabilities	0%	0%	(1%)	(11%)	(1%)
Total (loss) / gain recognised in statement of total recognised gains and losses:					
Amount	(934)	(541)	(44)	(451)	(1,198)
As % of the present value of the scheme liabilities	(8%)	(5%)	(0%)	(5%)	(14%)

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 £620,334 (2011: £560,791) of which £54,880 was outstanding at the balance sheet date (2011: £46,733).

16 Tangible fixed assets

	Freehold property £'000	Computer equipment £'000	Office fixtures and fittings £'000	Motor vehicles £'000	2012 Total £'000
Cost or valuation					
At 1 January 2012	1,859	355	309	908	3,431
Additions	-	16	-	295	311
Disposals	-	-	-	(291)	(291)
At 31 December 2012	1,859	371	309	912	3,451
Depreciation					
At 1 January 2012	1,169	313	294	908	2,684
Charge for the year	36	18	12	295	361
Disposals	-	-	-	(291)	(291)
At 31 December 2012	1,205	331	306	912	2,754
Net book value					
At 31 December 2012	654	40	3	-	697
At 31 December 2011	690	42	15	-	747

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.

All assets are held for charitable purposes. Group figures include computer equipment £4,000 (2011: £nil) and office fixtures and fittings £nil (2011: £12,000) held with the related party in Ireland (Sightsavers Ireland).

17 Fixed asset investments

	Group 2012 £'000	Group 2011 £'000	Charity 2012 £'000	Charity 2011 £'000
Market value at 1 January	4,835	4,713	4,835	4,713
Disposals at opening market value	(1,248)	(825)	(1,248)	(825)
Acquisitions at cost	1,075	1,019	1,075	1,019
Net gains / (losses) on revaluation at 31 December *	213	(72)	213	(72)
	4,875	4,835	4,875	4,835
Cash held in portfolio at 31 December	284	107	284	107
Cash held on deposit for endowment funds	363	376	363	376
Market value at 31 December	5,522	5,318	5,522	5,318
Historical cost at 31 December	4,678	4,887	4,678	4,887
Subsidiary undertaking	-	-	-	-
Listed securities at market value	4,856	4,816	4,856	4,816
Unlisted securities at Trustees valuation	19	19	19	19
	4,875	4,835	4,875	4,835

* In addition to the 2012 unrealised gains shown above, there were realised gains of £35,000 in the year (2011: realised losses of £23,000) which combine to provide the total net gains as shown in the statement of financial activities on page 36.

17 Fixed asset investments continued

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

	%	2012 £'000	2011 £'000
UK fixed interest:			
M & G Investment Fund Corporate Bond	12.10	586	599
Invesco Corporate Bond Fund		-	285
Henderson UK & Europe Funds	6.40	313	-
Ishares II Plc FTSE	5.00	243	-

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.

	2012 £'000	2011 £'000
Turnover	21	19
Administration expenses	(5)	(2)
Inter company expenses	(2)	(2)
Total expenses	(7)	(4)
Profit for the year	14	15
Amount gift aided to Sightsavers	14	15

The net assets of Sightsavers (Trading) Limited at 31 December 2012 were £100 (2011: £100).

Sightsavers has the following overseas subsidiaries:

Sightsavers (Ireland), is registered Charity which raises funds in the Irish Republic towards the objectives of the Charity. The income and expenditure has been consolidated into these group accounts and in 2012 showed income of £4,170,000 (2011: £3,335,000) and a surplus of £24,000 (2011 deficit: £653,000). The net assets of Sightsavers (Ireland) at the year end were £974,000 (2011: £986,000).

Sightsavers (Italia) is a registered Charity raising funds in Italy. The income and expenditure is consolidated into these group accounts and in 2012 showed income of £1,248,000 (2011: £1,339,000) and a surplus of £320,000 (2011 deficit: £189,000). The net assets of Sightsavers (Italia) at the end of the year were negative £176,000 (2011: £145,000).

Sightsavers International Inc. is registered in Delaware, USA with the primary purpose of securing gift in kind donations of Mectizan tablets from Merck Inc. These have been shown as gifts in kind and are disclosed in note 4. The income and expenditure is consolidated into these group accounts and in 2012 showed income of £311,000 (2011: £303,000) and a deficit of £5,600 (2011: surplus of £163,000). The net assets of Sightsavers International Inc. at the year end were £196,000 (2011: £38,000).

18 Debtors

	Group 2012 £'000	Group 2011 £'000	Charity 2012 £'000	Charity 2011 £'000
Prepayments	319	385	300	368
Tax claims and other accrued income	2,670	2,318	2,583	2,204
Other debtors	994	110	1,409	451
	3,983	2,813	4,292	3,023

19 Creditors: amounts falling due within one year

	Group 2012 £'000	Group 2011 £'000	Charity 2012 £'000	Charity 2011 £'000
Taxes and social security costs	219	182	161	156
Other creditors	1,164	1,172	1,334	1,898
Deferred income	1,315	93	1,190	93
Accruals	1,754	1,306	1,542	1,212
	4,452	2,753	4,227	3,359

Within other creditors for the Charity figures, there was an amount owing to Sightsavers (Ireland) of £367,000 (2011: £871,000) and to Sightsavers International Inc. of £nil (2011: £10,000) at 31 December.

Movement on deferred income during the year:

	Group 2012 £'000	Charity 2012 £'000
Balance brought forward	93	93
Released to income	(33)	(33)
Received in year	1,255	1,130
Balance carried forward	1,315	1,190

20 Statement of funds

	Balance at 1 January 2012 £'000	Income £'000	Expenditure £'000	Investment gains £'000	Transfers £'000	Other Gains / Losses & Revaluations £'000	Balance at 31 December 2012 £'000
General Reserve:							
Free Reserve	10,697	26,789	(27,923)	248	(531)	(244)	9,036
Pension Reserve	(1,674)	-	555	-	-	(934)	(2,053)
Designated funds:							
Future overseas expenditure	861	-	-	-	(429)	-	432
Fixed assets fund	747	-	-	-	(50)	-	697
Financial Times Review	-	-	-	-	1,085	-	1,085
DFID PPA Innovation Fund	-	-	-	-	183	-	183
Total Unrestricted Funds	10,631	26,789	(27,368)	248	258	(1,178)	9,380
Restricted funds:							
Incoming resources from charitable activities	367	5,076	(4,971)	-	(120)	-	352
Rotary African Vision	-	17	(17)	-	-	-	-
Trachoma	-	166	(166)	-	-	-	-
Distributed Gifts in Kind	-	119,501	(119,501)	-	-	-	-
East, Central and Southern Africa:							
Kenya	51	2,033	(2,022)	-	(3)	-	59
Tanzania	31	203	(234)	-	-	-	-
Uganda	-	234	(223)	-	-	-	11
Zambia	35	66	(57)	-	-	-	44
Malawi	34	183	(204)	-	10	-	23
Mozambique	35	243	(235)	-	3	-	46
South Sudan	-	26	(16)	-	-	-	10
Zimbabwe	-	-	-	-	-	-	-
West Africa – East:							
Cameroon	31	218	(244)	-	-	-	5
Benin	-	32	(32)	-	-	-	-
Ghana	-	179	(175)	-	-	-	4
Nigeria	86	284	(362)	-	-	-	8
Togo	-	100	(100)	-	-	-	-
West Africa – West:							
Burkina Faso	-	50	(50)	-	-	-	-
Cote D'Ivoire	-	20	(20)	-	-	-	-
Guinea	-	53	(53)	-	-	-	-
Guinea Bissau	30	68	(98)	-	-	-	-
Liberia	-	123	(106)	-	9	-	26
Mali	-	250	(250)	-	-	-	-
Senegal	163	493	(429)	-	-	-	227
Sierra Leone	1	133	(131)	-	1	-	4
The Gambia	-	202	(196)	-	-	-	6

20 Statement of funds continued

	Balance at 1 January 2012 £'000	Income £'000	Expenditure £'000	Investment gains £'000	Transfers £'000	Other Gains / Losses & Revaluations £'000	Balance at 31 December 2012 £'000
South Asia:							
Bangladesh	7	466	(464)	-	-	-	9
Pakistan	8	45	(53)	-	-	-	-
Sri Lanka	77	90	(136)	-	-	-	31
Caribbean:	-	104	(104)	-	-	-	-
India:	107	481	(545)	-	1	-	44
Head Office	-	27	(7)	-	(10)	-	10
SCB Seeing is Believing	275	674	(751)	-	(149)	-	49
Total restricted funds	1,338	131,840	(131,952)	-	(258)	-	968
Endowment funds:							
Josef Sowa	40	-	-	-	-	-	40
Dr Sinha	25	-	-	-	-	-	25
Daruvala Bequest	63	-	-	-	-	-	63
The Gibson Orr Bequest	39	-	-	-	-	-	39
Joseph & Betty Davis Memorial Fund	8	-	-	-	-	-	8
Mountjoy Trust	215	-	-	-	-	-	215
Total endowment funds	390	-	-	-	-	-	390
Total Funds	12,359	158,629	(159,320)	248	-	(1,178)	10,738

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. The balance on the Financial Times Appeal designated funds represents funding raised through the FT Appeal in 2011 and 2012 which will be spent on several approved Seeing is Believing projects in 2013 and 2014. The balance on the DFID PPA Innovation fund represents part of our second year DFID PPA funding that has been allocated to specific projects that have a strong innovative content but which remains unspent at the year end. These funds and additional PPA funding from the third year of the funding will be spent by the end of March 2014.

Restricted funds

The transfer to unrestricted funds of £258,000 represents elements of unrestricted expenditure that were charged to restricted funds in 2012 but mostly relates to funds received as part of restricted funding agreements that are provided for Sightsavers' indirect costs.

Significant restricted funds comprise:

- The fund balance for incoming resources from charitable activities represents funding from Irish Aid under a Block Grant covering multiple countries (£103,000), funding from Light for the World for a project in Nigeria Kenya (£79,000), funding from EC HRD for a project in Kenya (£8,000), funding from EACO Light for the World for a project in Kenya (£17,000), funding from EC Health for Peace Initiative for a project in The Gambia (£3,000), funding from Comic Relief for a project in Kenya (£140,000) and funding from States of Jersey for a project in India (£2,000).

20 Statement of funds continued

- 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 trusts for the KIEP – KSB Programme and the Dagoretti VI Self Help Group Land and Resource Centre, from a corporate partner for the African Braille Centre and from a key supporter for the Prevention of Blindness (PBU) support to EACO.
- The fund balance for Uganda represents funding from a corporate partner for the Seeing is Believing programme.
- The fund balance for Zambia represents funding from a corporate partner for the Optometry Technologist Training Programme.
- The fund balance for Malawi represents funding from a key supporter for Lilongwe and District Comprehensive Eye Care programme.
- The fund balance for Mozambique represents funding from key supporters and corporates for the Nampula Eye Clinic Equipment Programme.
- The fund balance for South Sudan represents funding from a corporate partner for the Upper Nile State Eye Care Programme.
- The fund balance for Cameroon represents funding from a corporate partner for the Eye Care Programme – South West Province and from a key supporter for the Mectizan South West Province 2 Programme.
- The fund balance for Ghana represents funding from a corporate partner for the Eastern Region Eye Care Programme.
- The fund balance for Nigeria represents funding from an international foundation partnership for the Kwara State Neglected Tropical Disease Programme.
- The fund balance for Guinea represents funding from a key supporter for Trachoma Programme.
- The fund balance for Liberia represents funding from a corporate partner for the Supporting Eye Care Profession and Clinic Programme.
- The fund balance for Senegal represents funding from corporate partners for the Supporting Eye Care Profession and Clinic Programme, Djourbel Trachoma Programme, Inclusive Education Programme and the Trachoma Koalack, Kaffrine and Fatick Region Programme.
- The fund balance for Sierra Leone represents funding from a key supporter for the IEP Milton Margai Pauls School for the Blind Programme.
- The fund balance for The Gambia represents funding from a corporate partner for the Supporting Eye Care Profession and Clinic Programme.
- The fund balance for Bangladesh represents funding from a Trust for the Urban Project Programme.
- The fund balance for Sri Lanka represents funding from a key supporter for the District Comprehensive Eye Care Programme in Ampara.
- The fund balance for India represents funding from corporate partners for the Jhabua District Comprehensive Eye Services Programme and the Orissa Eye Health Systems Strengthening Programme and from key supporters for various eye care projects.
- The fund balance for Head Office represents funding from an international foundation partnership for WBU Committees.
- The fund balance for SCB Seeing is Believing represents funding for completion of Phase IV and V 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. 2012 is the twentieth year of the fund and therefore the interest from the investment amounting to £nil (2011: £nil) 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.

20 Statement of funds continued

Included within the incoming resources from charitable activities figure of £5,076,000 are the following grants:

		£'000
Department for International Development:		
In the year ended 31st December 2012 grants totalling £72,000 (2011: £99,000) were received by Sightsavers from the Department for International Development, as follows:		
Pakistan – CSCF grant	Including disabled people in social development projects in Punjab province	72
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 1 January 2012 to 31 December 2012.		
European Commission:		
EACO – Kenya, Uganda, Tanzania	Promoting good quality ophthalmology in East Africa	432
ECSA HRD – Mozambique, Malawi, Zimbabwe	Piloting intergrated comprehensive eye services and poverty alleviation for the blind and visually impaired persons and their families.	446
Zambia	Provision of inclusive education for visually impaired children.	66
Post HFPI – The Gambia, Guinea Bissau, Senegal	Reducing poverty through improved eye health in the 'Health for Peace Initiative' sub-region.	553
CCB – Caribbean	Promoting Vision 2020 the Right to Sight to eliminate avoidable blindness through capacity building in the region.	603
Uganda	Promoting access to employment for youth with disabilities.	23
Sierra Leone	Strengthening national health systems and increasing access to health systems for persons with disabilities.	10
Fred Hollows Foundation:		
Burkina Faso	Funding provided for trachoma control and elimination As above	21
Cameroon	As above	154
Nigeria	As above	103
Senegal	As above	62
Tanzania	As above	51
Uganda	As above	77
USAID:		
Uganda	Enhancement of national capacity in paediatric optometry. Received through World Learning.	61
Cameroon	To support the reduction in river blindness using the Community-Directed Treatment with Ivermectin (CDTI) strategy. Received through Helen Keller.	178
Light for the World:		
EACO – Kenya, Uganda, Tanzania	Promoting good quality ophthalmology in East Africa	27
RTI International:		
Envision Agreement – multi country	Control of neglected tropical diseases received through RTI International	11
Isle of Man Overseas Aid Committee:		
Post HFPI – The Gambia, Guinea Bissau, Senegal	Reducing poverty through improved eye health in the 'Health for Peace Initiative' sub-region	100
Comic Relief:		
Kenya	Trachoma control in the Marsubit District	250
States of Jersey:		
Bangladesh	Cataract and optical correction	55
Mozambique	Trachoma control	44
Nigeria	Tropical disease control	48
Scottish Government:		
Sri Lanka	Livelihoods for persons with disabilities	133

20 Statement of funds continued

		£'000
BRAC:		
Bangladesh	Vision Bangladesh	214
Helen Keller:		
Nigeria	Support for vitamin A distribution programme in Kwara and Kogi state.	9
Irish Aid (Programme Grant):		
	A 4 year block grant to strengthen eye care services and education for the visually impaired in fragile states.	
Cameroon	As above	193
Ghana	As above	215
Guinea	As above	77
Liberia	As above	264
Mali	As above	182
Senegal	As above	92
Sierra Leone	As above	34
Tanzania	As above	38
Europe	As above	178

21 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	-	5,159	3,877	(2,053)	6,983
– Designated	697	-	1,700	-	2,397
Restricted funds	-	-	968	-	968
Endowment funds	-	363	27	-	390
	697	5,522	6,572	(2,053)	10,738

22 Leasing commitments

Within the next year the charity is committed to making lease payments of £29,000 (2011: £44,000). The obligation to make these annual payments expires as follows:

	2012 £'000	2011 £'000
Land and buildings		
Expiring within 1 year	10	10
Expiring within 2-5 years	12	-
Expiring over 5 years (related party – Sightsavers International Ireland)	-	24
	22	34
	2012 £'000	2011 £'000
Other		
Expiring within 1 year	7	7
Expiring within 2-5 years	-	3
	7	10
Total	29	44

23 Forward exchange contracts

Sightsavers has entered into two 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 12 months in duration, at USD/GBP rates of 1.6012 and 1.6115. At the balance sheet date a combined purchase value of USD 3.1 million remained on these two contracts representing around 23% of forecast USD correlated overseas charitable expenditure for 2013.

Annual Report and Financial Statements

31 December 2012

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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:

Five-year-old Bigiltuu Kefeni, from Keta town in the Oromia region of Ethiopia is the first of four million people to be examined as part of a global project to map the blinding disease trachoma.

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

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