



Sightsavers

**Annual report  
and financial  
statements**

**2014**



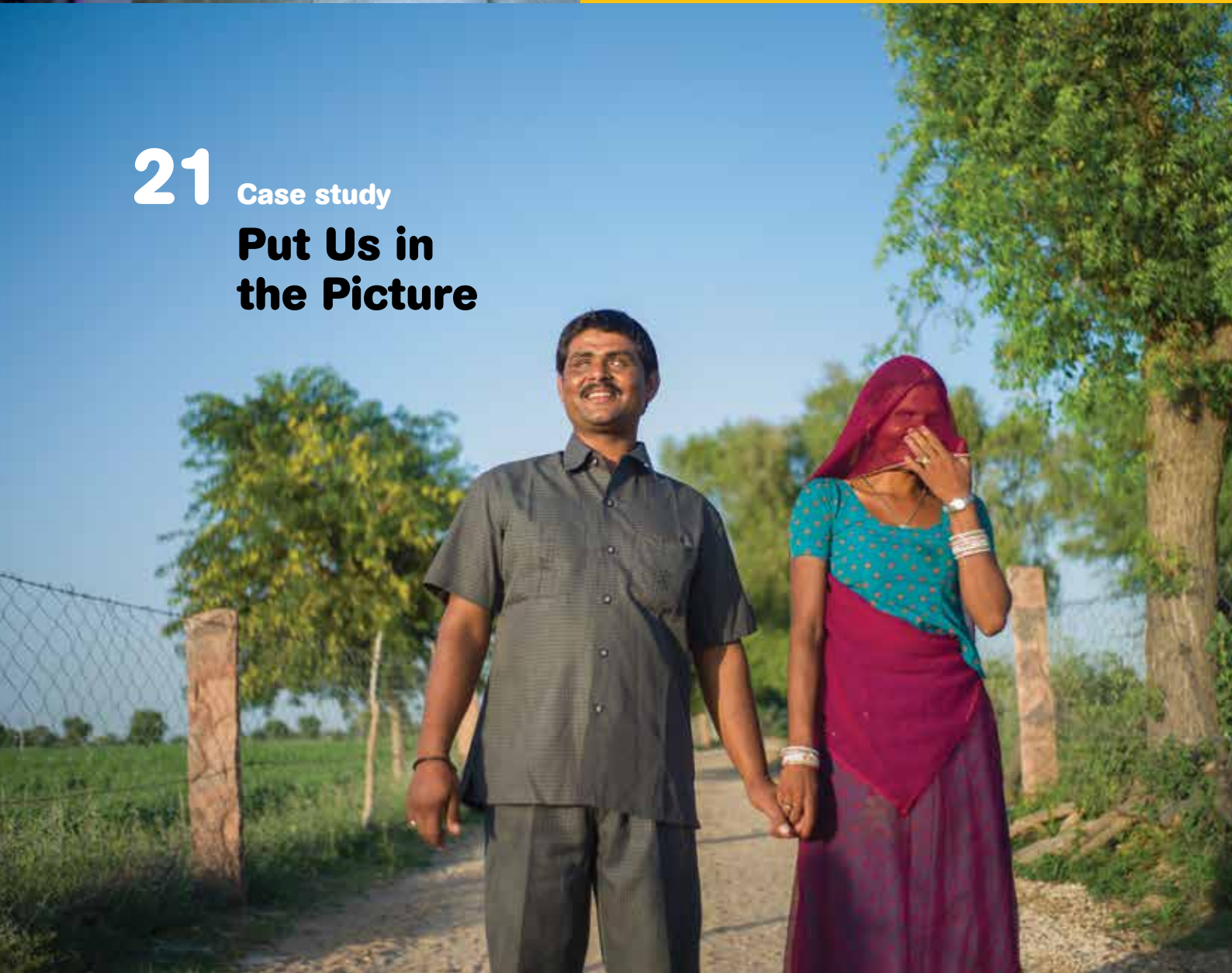
**Cover**

## **Sankarlal Bishnoi**

Sankarlal runs a shop and is spokesperson for a DPO (disabled people's organisation) funded by Sightsavers in Bikaner, India.

# 21

Case study  
**Put Us in  
the Picture**



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# The context

## According to the World Health Organization:

- Around one billion people (15 per cent of all people in the world) have some form of disability, with 285 million of these being blind or visually impaired.
- Of these 285 million people, 39 million are blind, two thirds of whom are women and almost half of whom are blind from cataracts.
- Of these 285 million people, 123 million are visually impaired from uncorrected refractive error, and an additional 517 million are functionally impaired by presbyopia.
- 80 per cent of visual impairment is treatable or preventable.
- 80 per cent of people with disabilities and 90 per cent of people who are blind or visually impaired live in developing countries.
- Over one billion people are affected by neglected tropical diseases. These include blinding trachoma, river blindness (onchocerciasis), lymphatic filariasis (also called elephantiasis), schistosomiasis (also called bilharzia) and soil transmitted helminthiasis (a variety of intestinal worms).

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In 2015 world leaders will agree a set of Sustainable Development Goals that will focus governments on priority areas in economic, social and environmental fields. We are advocating for these goals to include the needs of all people with disabilities, neglected tropical diseases and treatable eye conditions.



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Winesi March, pictured here having his eyes tested, was diagnosed with bilateral cataracts.

## Our vision

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

## Our mission

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

# Message from our Chairman

Once again we have had a remarkable year in Sightsavers. Our work on neglected tropical diseases goes from strength to strength. This year our portfolio of grants increased to include a £40m contract from the UK government for trachoma which included Ethiopia – the country with the biggest burden of the disease. This contract fits well with the existing trachoma grant we have from The Queen Elizabeth Diamond Jubilee Trust and is a natural follow on from the Global Trachoma Mapping Project funded by the UK government Department for International Development. We lead coalitions in all these contracts, and consider that a cornerstone of success. We are also excited to have been chosen by the Bill & Melinda Gates Foundation, via competitive tender, to lead the Uniting to Combat NTDs Support Centre in partnership with The Taskforce for Global Health in Atlanta.

We are determined to play a leading role in the elimination of blinding trachoma, along with other NTDs such as river blindness (onchocerciasis) and lymphatic filariasis, so the people

for whom we work no longer have to suffer from these horrible conditions.

We had some tremendous success in advocacy – our Put Us in the Picture campaign on disability led to an announcement by the UK government to create a Disability Framework which is a huge step forward in ensuring that people with disabilities are not left behind in development. We are pleased to be working with the Department for International Development in making this a reality, and remain very active in pushing for disability to be included in the Sustainable Development Goals to be agreed at the UN in 2015.

A number of our larger eye health programmes came to an end in 2014, and we were really pleased that we delivered or exceeded most of our targets within them. Thanks must go to our partners and staff who have been instrumental in this achievement. Our programme portfolio is going through significant change at the moment, as some large contracts end but others begin, and as we move our portfolio into

one more aligned with our strategic aims. This is difficult but is making us stronger for the future.

There have been some difficulties within the external environment this year – the most tragic of course being the impact of Ebola in West Africa, and conflict in countries such as South Sudan. Our programme work in these countries has been affected, and the number of operations, treatments and indeed the amount of training we have been able to do is lower as a result.

We launched a flagship fundraising programme in 2014 – A Million Miracles, focusing on cataract (it is important not to forget that half the blindness in developing countries still comes from cataract). We were pleased to raise over £10 million – and particularly pleased that this meant we were able to secure the maximum possible Aid Match funding from the UK government, which had generously agreed to support the campaign.

We had a stronger year financially than expected, with income (excluding Gifts in Kind) exceeding £50 million for the first time in our history. We ended the year with a surplus of around £1.4 million when we had planned for a deficit. This was in large part due to voluntary income increasing more than expected, even though we had a record year for legacies in 2013, and had expected to see an overall decrease. This is a great result and I am very grateful to all our supporters without whom this would not have been possible.

I am standing down as Chair at the annual meeting in June after almost eight eventful years. It has been an enormous privilege to Chair this remarkable organisation, particularly at a time of such rapid growth and development. It has also been a great pleasure working with my fellow trustees and with Caroline Harper and her senior team who have provided such outstanding leadership, brilliant skills and extraordinary dedication and determination. I am delighted that Martin Dinham, currently the Vice Chair, will be taking over as Chair and bringing his personal commitment and wealth of experience to the role.

Let me conclude by thanking everyone who works for Sightsavers whether in Haywards Heath or in country teams for the way they have undertaken their work and for their great achievements. I hope every one of them looks back with pride at their contribution to the successes described in this report. Let me also thank our many partners, big and small, for working with us so effectively in our joint enterprise and shared vision. Finally, let me thank our donors and volunteers for what they have helped us to achieve by their generous and continuing support. Everyone – donors, partners, volunteers, staff and trustees – has played their part in the achievements described here.



**Lord Crisp,**  
Chairman Sightsavers

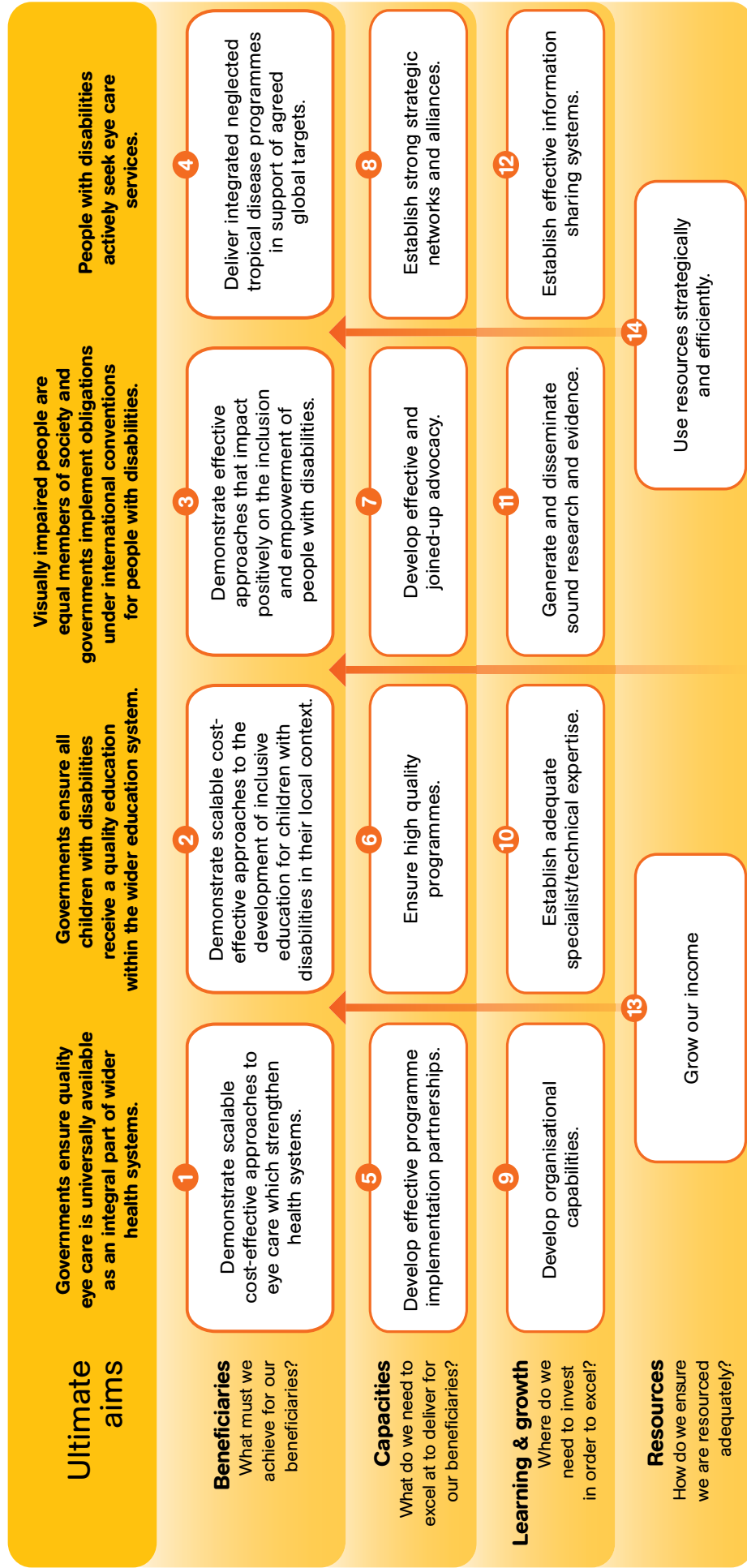
# The SIM card

## Strategy, Implementation and Monitoring



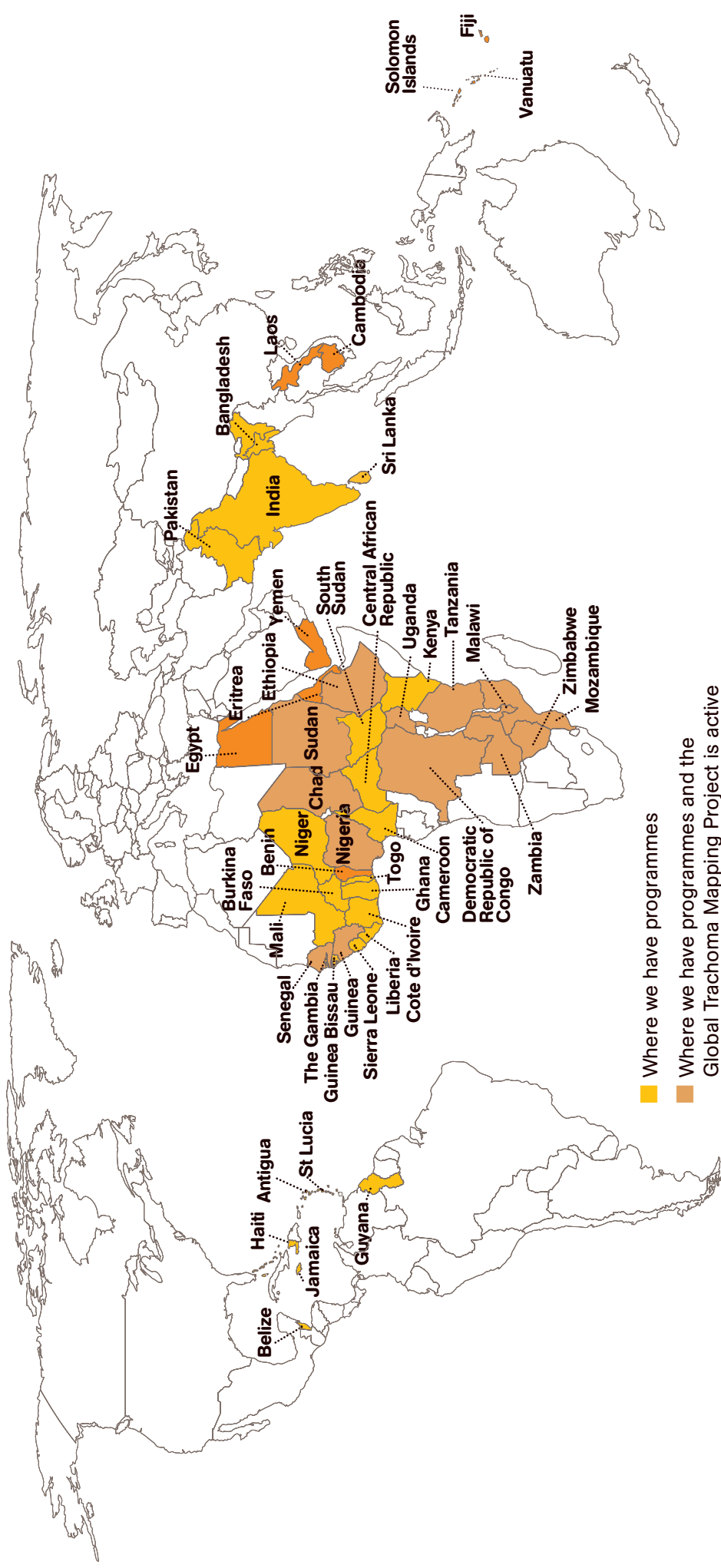
Sightsavers

**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.





# Where we work



- Where we have programmes
- Where we have programmes and the Global Trachoma Mapping Project is active
- Where the Global Trachoma Mapping Project is active

# Strategy, objectives and activities

Our strategy was first conceived in 2008, and was reviewed and refreshed in both 2011 and 2014.

We amended the four main change themes in 2014. Previously these had been based around health, education, social inclusion and community development but this year we have replaced community development with NTDs, in recognition of the importance these now hold in our work. Community development has been mainstreamed where relevant, and the health theme now focuses on eye health other than NTDs.

We articulate our objectives and measure progress towards them by using a balanced scorecard – our SIM (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
- The finding and best use of resources

Each perspective has a series of objectives, with lead and lag indicators to measure progress. These indicators have targets set each year. We collect data every six months via a web-based dashboard, and publish the results on our website.

The objectives and lead and lag indicators were all reviewed in 2014 to ensure they were still relevant, and a number of changes were made. These were approved by our trustees in January 2015, but we had been collecting data on a number of new indicators during 2014, recognising the need to obtain baselines. Some were formulated too late for this to be possible and will be baselined during 2015. The new SIM card (shown on page 8) and the indicators underlying it are explained in more detail later (from page 14).

All our work is done in partnership – in particular with the relevant ministries in-country. We ensure that our work is in line with relevant national plans and, where appropriate, international ones (eg the World Health Organization (WHO) Roadmap

# £100m

IN CONTRACTS FOR FOUR LARGE  
NTD GRANTS

for NTDs and the WHO Global Action Plan for Universal Access to Eye Health). We also work with other NGOs, organisations of blind and/or disabled people and increasingly, the private sector. We gather evidence to ensure that our programmes make an impact and are cost-effective, undertaking advocacy both from a policy perspective and to encourage others to replicate our work.

We work increasingly in coalitions – most notably within NTDs. We now have four large grants in full swing – the Global Trachoma Mapping Project, DFID SAFE (trachoma in Ethiopia, Zambia, Tanzania and potentially South Sudan and Central African Republic), The Queen Elizabeth Diamond Jubilee Trachoma Initiative (in Kenya, Mozambique, Uganda, Malawi, Tanzania and one state of Nigeria) and the UNITED programme (integrated NTDs in Nigeria, funded by DFID). We are the grant manager for all of these, which in total represent more than £100 million under contract.

This year we have emphasised a realignment of our programmes with our strategy, closing a number of programmes which did not meet our criteria. We developed a range of thematic strategies to help us achieve this. This process is now complete, and we are now rebuilding the portfolio ensuring that all future programmes are fully evidence-based (and evidence-generating) and in line with the relevant strategy.

The map on page 9 shows how our reach has extended – often by working with others in a country rather than having our own offices.

# 2014 highlights

## 1. NTDs – working towards elimination

Our NTD programmes stepped up once again in 2014 (see case study) although external factors (Ebola and conflict) impacted the number of treatments we were able to support. Nonetheless, we still supported more than 100 million treatments. The Global Trachoma Mapping Project continued

apace, and the major contracts progressed well. The grant from the Bill & Melinda Gates Foundation to support NTD progress globally will enable us to influence progress on a much wider scale than our own programmes.

## 2. Leaving no one behind: a new Disability Framework

We were ecstatic when the UK government launched a disability framework in December 2014, responding to our calls to deliver disability-inclusive development.

Put Us in the Picture was our first policy campaign, involving a petition via Change.org and including a number of high profile media events.

## 3. A Million Miracles raised over £10 million

A Million Miracles was launched in October 2014 on World Sight Day, and was our first internationally coordinated fundraising appeal. It focused on cataracts and on the journey from blindness to sight of Wineshi March in Malawi. The aim was to raise £30 million (enough to

fund one million cataract operations), and we were over a third of the way there after just three months. Almost half the money came from the UK government as an Aid Match grant for UK individual donors – this will be received over the next four years.

# £10m

RAISED FOR A MILLION  
MIRACLES APPEAL

## 4. Programme implementation – delivering on promises

In the past we have sometimes struggled to meet targets on very large grants such as those from Standard Chartered Bank and the European Commission. A concerted effort over the last few years to strengthen our capability both in-country and centrally, with a major

focus on project management and reporting, has transformed the situation. When a number of large grants ended recently most of them had achieved or exceeded their targets – important for both beneficiaries and donors.

## 5. Programme strategies – creating the foundation for a strong portfolio

We have now almost completed a suite of thematic strategies – eye health, education, social inclusion (completed at time of writing apart from SIM indicators) and research. We are in the process of writing a more integrated NTD strategy (we have strategies for river blindness

and trachoma) and will be refreshing our advocacy strategy next year once the Sustainable Development Goals are known. These strategies form the bedrock of our work, articulating the objectives in the SIM card in more depth.

## SIM card – results of beneficiary indicators

As mentioned above, we reviewed all the indicators in 2014. This process involved cross-organisational working groups, and we ensured the objectives and indicators linked into current international frameworks and Sightsavers policies. The final version was approved by trustees in January 2015.

Two key changes were made to the strategy map – firstly, the ultimate aim that “people actively seek eye care services and enjoy a change in quality of life through community development programmes” was replaced by one saying “people with disabilities actively seek eye care services”. This recognises that we will strive to make our programmes inclusive. Also, if people with disabilities are actively seeking services, that means it is likely that all people are doing so. Our community development work is now embedded within other objectives. We have replaced the old separate community development objective with one covering NTDs.

A number of our indicators have been replaced right across the SIM card. Within the beneficiaries’ perspective, we are still working on social inclusion indicators which will fit with the new strategy. Beneficiary indicators are shown on the following three pages.

We now have a more rigorous data entry and review process involving both technical and programme management expertise, including challenging performance discussions prior to final submission. This has helped us guide decisionmaking and once the new SIM card is fully up and running we expect it to be a more powerful strategy tool.

One drawback of the thorough refresh is that trend analysis is not possible for most indicators this year. Most of the results will be used for setting future performance targets.

### Key to performance indicators

- ✓ ✓ Significant improvement
- ✓ Small improvement
- No change
- ✗ Small reduction
- ✗ ✗ Significant reduction

Objective	Indicator	Result period	2014 Target	Latest result	Progress Since last data
Health	% of countries showing increase in public spending on eye health or availability of eye health services <i>Being replaced</i>	Q4 2014 (annual)	35%	32%	✓ increase from 30%
	% of countries, where Sightsavers has an eye health project, that demonstrate progress towards improved access to eye care services that are integrated into health systems <i>New – baseline collected</i>	Q4 2014 (annual)	No target	56%	N/A
	% of Sightsavers country teams in sub-Saharan Africa actively working to address the eye health workforce crisis <i>Being replaced</i>	Q4 2014 (bi-annual)	50%	17%	✗ ✗ fall from 32%
	% of countries, where Sightsavers has an eye health project, that have contributed to identification of gaps/needs through an eye health system assessment in the last 5 years <i>New – baseline collected</i>	Q4 2014 (annual)	No target	31%	N/A
	% of countries, where Sightsavers has an eye health project, that have contributed to identification of gaps/needs through a prevalence survey in the last 5 years <i>New – baseline collected</i>	Q4 2014 (annual)	No target	44%	N/A
	% of health projects with clearly defined strategies to improve access by people with disabilities and to reach a higher number of women than men <i>New – baseline collected</i>	Q4 2014 (bi-annual)	No target	33%	N/A

<b>Objective</b>	<b>Indicator</b>	<b>Result period</b>	<b>2014 Target</b>	<b>Latest result</b>	<b>Progress Since last data</b>
<b>Education</b>	% of countries, with education projects, where government has an education policy in line with the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD) <i>New – baseline collected</i>	Q4 2014 (annual)	No target	15%	N/A
	% of education projects that are suitable for replication/ adoption by the government or other service providers <i>Continuing but measured differently</i>	Q4 2014 (bi-annual)	No target	35%	N/A
<b>Social Inclusion</b>	% of countries where advocacy by Blind People’s Organisations (BPOs)/Disabled People’s Organisations (DPOs) and/or the disability movement results in policies in line with UNCRPD <i>Under review</i>	Q4 2014 (annual)	55%	60%	✓ increase from 57%
	% of countries where increased mainstreaming for people with disabilities has been demonstrated <i>Under review</i>	Q4 2014 (annual)	50%	21%	✗ fall from 60%
	% of countries where we are supporting BPO/DPO partners and/or the disability movement to advocate <i>Under review</i>	Q4 2014 (bi-annual)	No target	32%	N/A**
	Number of initiatives where we are supporting the mainstreaming of disability within communities and across sectors <i>Under review</i>	Q4 2014 (bi-annual)	110	75%	✗ (fall from 91%)



<b>Objective</b>	<b>Indicator</b>	<b>Result period</b>	<b>2014 Target</b>	<b>Latest result</b>	<b>Progress Since last data</b>
<b>Neglected Tropical Diseases (NTDs)</b>	% of countries, where Sightsavers supports specific NTD disease projects, that are meeting national milestones to eliminate or control these specific NTDS <i>New – baselining in 2015</i>	N/A	N/A	N/A	N/A
	% of projects which meet or exceed their MDA targets for programme and geographical coverage <i>New – baselining in 2015</i>	N/A	N/A	N/A	N/A
	% of NTD projects with clearly defined strategies to improve access by people with disabilities <i>New – baselining in 2015</i>	N/A	N/A	N/A	N/A

There were two indicators showing significant falls – one on eye health workforce and the other on mainstreaming disability. We had some major programmes in these areas which closed in 2013 and others in Ebola-affected countries, but an additional impact was the more rigorous data review. We are looking again at our strategy on human resources for eye health and in particular how this fits with overall health system strengthening.

## Output statistics

The impact of Ebola and insecurity in a number of countries is a recurring theme of 2014, and output statistics are no different. There was an additional impact of the completion of longstanding donor projects (some ending in 2013 and some 2014) along with the strategic alignment process where we closed a number of projects to make way for new, better ones. New projects will take some time to come to fruition.

Nonetheless we delivered over 100 million NTD treatments for the second year in a row. Had it not been for the Ebola situation, we estimate we would have supported 130.8 million rather than 102.3 million treatments. Similarly we would have trained some 205,000 community volunteers rather than 166,539.

Our cataract surgery numbers went up as a result of increased investment in programmes in Bangladesh, Pakistan and India. There was some fall in trichiasis surgeries due to reductions in Sudan and South Sudan; we expect to see a significant rise next year as the surgery (rather than treatment distribution) elements of our grants start to accelerate. Note that with coalition programmes we only report outputs which are derived from areas where we are the implementing partner.

The increase in training for people who are visually impaired is due to continued scale-up of such programmes in India. Reductions in eye health worker training were mainly due to some large grants ending at the close of 2013. We expect to see this activity gradually increase over the next few years.

## Global output statistics summary

	2011 totals	2012 totals	2013 totals	2014 totals
<b>Eye health</b>				
<b>No. of people examined</b>	5,982,571	13,861,209	13,872,336	12,812,741
<b>No. of operations performed</b> (cataract, glaucoma surgery, diabetic retinopathy, trichiasis and other general eye operations)	326,490	284,332	296,319	271,026
<b>No of operations which were for cataract</b>	251,048	205,825	210,011	217,907
<b>Neglected tropical diseases</b>				
<b>No. of people treated for trachoma</b>	4,644,847	12,116,546	9,044,720	9,283,731
<b>No. of people treated for river blindness</b>	24,387,260	32,186,529*	34,302,111	29,401,080
<b>No. of people treated for lymphatic filariasis</b>	34,076,763	30,536,116**	44,221,205	44,867,923
<b>No. of people treated for soil-transmitted helminths</b>	14,261,362	12,851,369	12,550,999	14,304,849
<b>No. of people treated for schistosomiasis</b>	2,148,614	4,086,162	3,441,817	4,402,205
<b>Education and inclusion</b>				
<b>No. of children who are blind, have low vision or other disabilities, being supported in school</b>	6,246	8,377	9,062	8,159
<b>No. of people who are blind, have low vision or other disabilities, who received training</b> (eg daily living skills, mobility and orienteering, vocational training or rights and entitlements training)	6,430	15,333	26,203	32,247

\* Onchocerciasis treatments have been restated for 2012 due to an overstatement in Ghana

\*\* Lymphatic Filariasis treatments have been restated for 2012 due to an understatement in Ghana

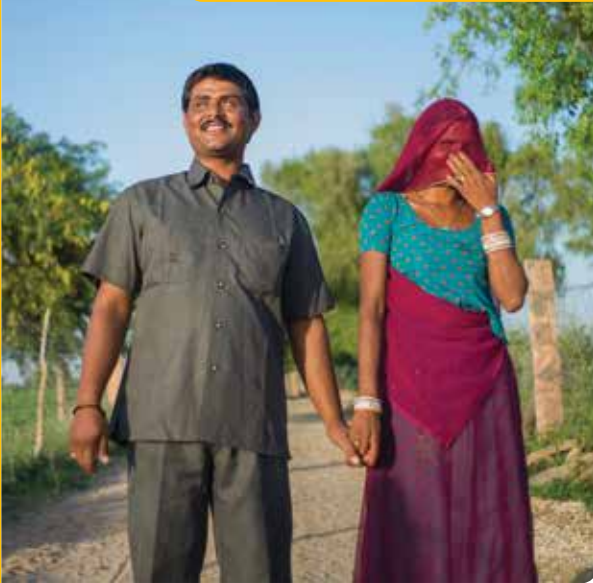
## Global output statistics summary

	2011 totals	2012 totals	2013 totals	2014 totals
<b>Human resource development</b>				
<b>No. of health workers trained to gain initial professional qualification</b> (includes ophthalmologists, cataract surgeons, ophthalmic clinical officers/ophthalmic nurses, optometrists, low vision specialists and technicians)	334	371	886	300
<b>No. of education/inclusion personnel trained to gain initial professional qualification</b> (includes itinerant teachers, rehab specialists and community based rehabilitation workers)	no data	129	201	219
<b>No. of professionals supported on eye health short courses</b>	61,233	49,457	49,131	26,781
<b>No. of professionals supported on education or inclusion short courses</b>	12,552	6,102	11,845	8,665
<b>Volunteers</b>				
<b>Total number of village level volunteers trained</b> (NB: includes community distribution of treatment, primary eye care, education and inclusion courses)	153,596	222,074	199,473	166,539

## Case study

# Making the picture of development inclusive

Sankarlal Sansi and his wife Gomati have benefited from a government loan enabling Sankarlal, who's blind, to set up his own shop.



© Graeme Robertson / Sightsavers

Put Us in the Picture, Sightsavers' first policy campaign, has achieved a huge amount since its launch in December 2013. Our public petition, calling on the UK government to make global development disability-inclusive, gained 20,000 signatures and saw the second-fastest conversion rate (the time between someone reading our content and signing up) that campaigning site Change.org had seen with a charity campaign. This contributed to the UK government publishing its first Disability Framework – a huge win for the campaign and the future of development.

We also held a successful photographic exhibition in London in support of Put Us in the Picture. Framing Perceptions was sponsored by the Guardian and featured the work of Guardian photographer Graeme Robertson, who visited Sightsavers' programmes in Uganda and India to see the impact of inclusion and exclusion on the lives of people with disabilities. Baroness Northover, then Under Secretary of State for International Development, said of the display: "This is a fabulous exhibition – this shows what it is all about."

Our campaigners have been vital to the success of Put Us in the Picture, doing everything from writing to and tweeting politicians, to adding their photograph to our picture of supporters, to sharing content on social media.

We're hopeful that before 2015 is out, we'll see a change in global development that'll make an incredible difference to the 800 million people with disabilities living in developing countries, and take us huge strides forward in gaining equality of opportunity for people with visual impairments and other disabilities.

## Progress towards planned objectives

### Delivering for the beneficiaries

#### What we planned to do

Ensure we deliver against our plans for the major NTD contracts/grants, and ensure the start-up of any new ones is done well.

#### What we did

Our NTD contract work continues to increase and we were very pleased with the way the inception planning phases went last year. The NTD case study covers this in much more detail.

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Develop a new social inclusion strategy.

The strategy for social inclusion is now complete apart from decisions on indicators for the SIM card. The two priority areas are: mainstreaming disability inclusion within our programmes and operations; and working with people with disabilities on targeted interventions that contribute to their individual and collective empowerment.

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Design and develop a global programme portfolio consistent with the new thematic strategies.

The portfolio now aligns with the new thematic strategies and has been rebalanced to ensure demonstration programmes are delivered across a range of geographic, socio-economic and systemic contexts.

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Manage exit from non-strategic programmes effectively minimising impact on partners and beneficiaries.

Our country offices were guided through this by a structured exit process designed to minimise impact on partners and beneficiaries, and to ensure Sightsavers could absorb learning from the projects. In future all projects will have exit strategies built in from the start.

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### **What we planned to do**

Review all country and regional offices' management structure, staffing and costs – ensuring we have the right staffing levels and expertise to deliver the portfolio in a cost-effective way.

### **What we did**

The role of the regional offices was reviewed and we implemented a shift away from regional involvement in programme development and management. As a result, the regional set up in South Asia was closed and our regional office structures in Africa were streamlined to reduce cost. More support was given to country teams in planning, resourcing and reporting. Management processes around country recruitment and retention were strengthened to improve the balance between programme delivery skills and technical knowledge.

In parallel management costs across all country offices were examined and areas of sustainable reductions were found notably by moving offices in Ghana and Kenya.

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## Other major achievements in this area

A new approach to project design has been developed and piloted. The key principles of the new approach include cross-organisational collaboration, an explicit 'Theory of Change' in project design, rigorous evaluations, innovations and learning, and a clear exit path. The process resulted in the establishment of better links between research, evaluations, programme development, policy and advocacy.

Sightsavers India introduced and began to implement a new 'Vision

for India'. Its health programme has four national programmes (rural, urban and school eye health plus low vision). The inclusive education programme focuses on improved learning outcomes together with an enabling environment. The social inclusion programme takes empowerment as its main theme, particularly economic empowerment. Although these are national programmes, the focus is on 100 districts in the poorer northern part of India.

## Challenges and risks we faced and what we learned

As mentioned above the biggest challenge has been the Ebola crisis, which meant we essentially suspended our activities in the affected countries. There is a separate case study here on how we have tackled the situation, the help we have given and the wider impact we believe it will have on health systems.

It is good to get the strategic alignment process behind us so we can focus on building the portfolio. This has been a rigorous but difficult process, particularly at the country level.

The NTD programmes have generally gone very well, subject to similar caveats around insecurity and Ebola. A significant concern for the river blindness programme is the demise of the African Programme for Onchocerciasis Control (APOC), scheduled for the end of 2015. At present APOC provides technical support to countries, coordination

(notably for border issues), surveillance and around 75 per cent of the cost of treatment distribution. It is very unclear what will replace APOC and discussions with WHO and donors continue at time of writing. From Sightsavers' perspective the critical thing is not to prejudice the overall river blindness programme when elimination is in our sights.

Our risk log includes two key risks from the beneficiary perspective – inability to manage the NTD consortia and inability to manage sensitive programmes. The NTD consortia management, while always tricky, seems to be producing results and all donors are satisfied with performance under the contracts.

All sensitive programmes are reviewed at a number of levels right up to our Audit Committee. This appears to be bearing fruit given the significantly improved performance.



## Increasing our capacities (areas where we need to excel)

### What we planned to do

Develop a global advocacy strategy, including the influencing of two core international areas of promotion of the WHO Action Plan and the post-2015 framework.

### What we did

We were able to influence the development of the WHO 'Universal Access to Eye Health: A Global Action Plan 2014-2019' report and continue to support country programmes to deliver and monitor against that plan.

We contributed to a range of UN processes to ensure the inclusion of disability and health issues in the negotiations. We supported partners in a range of countries to ensure the engagement of people with disabilities in these processes.

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Deliver the policy campaign successfully.

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In 2014, Put Us in the Picture (see case study) called on the UK government to deliver disability inclusive development. A petition was delivered to the Department for International Development and a number of high profile events held. The UK government launched its Disability Framework in December 2014.

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Prioritise learning and innovation within programmes, documenting and promoting our achievements.

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We have moved from treating learning as a standalone activity within the organisation to a more dynamic and integrated approach. Learning and evaluation is integrated into all projects at the design stage. We used the programme portal training as an opportunity to standardise requirements around programme monitoring and reinforce best practice.

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## **Other major achievements in this area**

We developed a process for programme oversight for major projects which provides an opportunity for project managers to share issues and access expertise from across the organisation.

We continue to look for opportunities for innovation – in 2014 we designed a significant new programme to capitalise on the screening undertaken within large scale trachoma programmes. This will ensure that people presenting with cataracts and refractive error at trichiasis outreach camps will be able to access treatment. This exciting programme will be funded by DFID and will start in 2015.

## **Challenges and risks we faced and what we learned**

The critical organisational risk facing us relating to the capacity objectives is poor quality of programmes. Our quality management system, the QSAT (quality systems assessment tool) has been implemented and is now being used by country offices. We will continue to develop this tool and deepen its use in all of our programmes.

## Case study

# Ebola: the impact, the response and the way forward

The Ebola epidemic has greatly affected Sightsavers' work in three programme countries: Guinea Conakry, Liberia and Sierra Leone. Despite temporary country office closures and the suspension of programmes, our dedicated staff in these countries continue to work from home, and have been able to deliver some services in eye health units.

Community activities like outreach events and MDAs (mass drug administrations) have been impacted, and government warnings against large gatherings (to avoid the spread of disease) have meant we've reached fewer people than planned.

Some people who have survived the virus have subsequently reported eye health complications and Sightsavers is working to support ministries of health and eye care partners in researching this.

As travel restrictions are lifted we are conducting a country-by-country situational analysis to help form our post-Ebola plans. We are engaging with funders to keep them up-to-date and to discuss how best to distribute funds as we contribute to the rebuilding of the health systems in the affected countries.

In Guinea, we have met with WHO, UNICEF and other NGOs to discuss



**Despite disruption caused by Ebola, some eye services in the affected countries have been delivered.**

© Peter Caton / Sightsavers

practical solutions for Ebola control, and have met with associations for people with disabilities to help them access support from the Ebola response committee.

In Liberia, some eye screenings and treatments have resumed and the country has been declared Ebola-free. Our country office has provided technical support to the National Eye Health Programme to push for eye health to be a priority in the Ebola recovery plan.

In Sierra Leone, eye care work has resumed at low levels in some areas, and preparations are underway for a mass drug administration later in 2015. A plan has been developed with the National Commission of Persons with Disabilities to support Ebola survivors with eye complications free of charge.

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

### What we planned to do

Finalise and commence implementation of the new research strategy.

### What we did

The research strategy was completed and published in 2014. 17 research projects were implemented in 2014, of which eight were completed and four are near completion. Findings from our research were disseminated through 11 peer-reviewed publications and presentations at eight global conferences. The research team has been strengthened through additional posts focusing on systematic review of evidence and NTDs. We developed and piloted an innovative methodology for disaggregating data by disability and received our first Economic and Social Research Council/DFID grant for early childhood development research.

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Roll out the programme portal and make a step change in quality of management information systems.

Sightsavers' programme portal was rolled out in December following major development work throughout the year. Staff have been trained in its use and it was used for the first time to collect and consolidate output statistics for 2014. It is the central repository of all programme documentation. The system will enable us to make a step change in monitoring project performance and will be a major building block towards improving information management in the organisation.

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### **What we planned to do**

Re-engineer our resilience processes around security and data (progress towards ISO 27001).

### **What we did**

We created a new expanded audit and assurance department, including all resilience processes and headed up by a newly appointed Head of Audit and Assurance. We are making good progress towards ISO27001:2013 compliance. The Resilience portal supports information security training and incident reporting for all staff. We have had no loss of inadequately protected electronic data and no unauthorised disclosure in 2014.

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### **Challenges and risks we faced and what we learned**

Restructuring of the organisation continued this year, particularly within programme countries. We are mindful of the risk around the recruitment and retention of key staff and consultants, and restructuring, while essential to ensure value for money and fitness for purpose, always introduces uncertainty for staff and can increase unmanaged attrition levels. Our unmanaged attrition rate for 2014 was 13 per cent, which we understand to compare well with the rest of the sector. In programme countries it was lower than in Europe, at nine per cent.

We reviewed a number of our HR policies and procedures and are developing a new global organisational induction tool, First Sight, which will be rolled out in 2015.

We have recruited a new Director of Strategic Communications, and she will be working with the new Head of Audit and Assurance to test out business continuity and crisis management plans in 2015.

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

Implement the new fundraising strategy, integrating our teams to achieve more synergies and investing more in the recruitment of regular individual supporters in key markets based on relative returns on investment.

The new strategy has provided an impetus around more global working, as witnessed by A Million Miracles, our fundraising appeal. We increased investment in individual giving, and recruited just under 25,000 new regular supporters across the world in 2014. That is an increase of 120% on 2013. We have a dynamic approach to investment, reassessing performance in each market and channel every quarter and adjusting investment accordingly.

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Significantly increase the proportion of UK and Irish donors upgrading the value of their regular gifts.

We achieved a year on year increase in the UK of 178% in the number of donors increasing the value of their regular gifts. The Irish market was more difficult and we upgraded slightly fewer supporters than in 2013.

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Significantly increase the proportion of donors being reached and responding through digital channels, and substantially increase our digital reach to new audiences.

We doubled the number of existing donors being emailed in 2014 compared to 2013. Online income also doubled to just below £1 million. In terms of reaching new audiences, we showed over 26 million adverts online.

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Launch a major fundraising appeal based on eye health across our key markets.

Our appeal, A Million Miracles, is the subject of a separate case study in the document (see page 35).

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Continue to develop significant funding relationships in the UAE and Middle East.

We held a high profile event in Abu Dhabi in April, involving HRH Princess Alexandra (our President) and Sir John Major (Chair of The Queen Elizabeth Diamond Jubilee Trust). We continue to follow up the contacts made and are optimistic of funding.

We secured significant funding for our Mali eye health programme and are developing a good corporate sector base in the Middle East. Security problems in South Sudan and Yemen have impacted our ability to raise funds in some places as these are areas of interest for a number of donors in this region.

We have recruited a programme expert who will be based in UAE which will improve our contacts with a number of key institutional donors.

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Test and assess Sweden as a new market.

Fundraising in Sweden commenced in April and has been a spectacular success. We have recruited more than 3,500 regular Swedish donors at good returns on investment.

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

Consolidate and strengthen our relationships with existing institutional donors, and broaden the institutional funding base.

We have consolidated our relationship with the UK government Department for International Development in a number of ways in 2014, receiving money from it via grants, contracts, research grants and the Aid Match scheme. We also work closely with the Department on policy matters. We received more funding from organisations such as the END (Ending Neglected Diseases) fund and the Conrad N. Hilton Foundation, and have received our first ever Bill & Melinda Gates Foundation grant.

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Develop a new treasury policy, and improve management of receivables and cash given the risks around management of new large grants.

The new treasury policy was agreed in June. Liquidity risk was split out into a separate section and a new role of Treasury Manager was created. The policy also reflected the European Markets and Infrastructure requirements.

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Strengthen cost recovery systems and processes.

Great progress has been made in 2014 with the rollout of fund accounting to all restricted grants. This enables us to code and track cost recovery elements that are now built into all project budgets funded by significant donors. This gives us a solid audit trail for cost recovery which can be used to support reporting. We have made good progress in developing systems for cost recovery in payroll costs and are piloting time sheets in some overseas offices.

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For Agira Ricardo, from Mozambique, the bus fare to attend hospital eye appointments in the city was unaffordable – but an outreach service was set up to provide free transport, meaning Agira could have her sight-restoring cataract operation.

## 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
- Liquidity issues, particularly as some of our larger grants pay in arrears leading to larger working capital requirements
- Inability to raise adequate voluntary income in new and existing markets, with a particular risk in the Middle East due to political sensitivities
- Financial loss due to misalignment at the governance level or poor linkages between programmes and fundraising
- Inappropriate controls

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

Several new large grants were negotiated over the last two years which put increased focus on our management of liquidity and working capital. Our new Treasury Manager was appointed and far more detailed cashflow modelling is now undertaken. We have put in place a secured borrowing facility with our investment manager UBS and unsecured overdraft facilities with our lead clearing banks HSBC and Standard Chartered Bank.

While 2014 was a fantastic year for raising unrestricted income, we still struggle with the production of consistent fundraising management information across all the countries where we fundraise. We have some way to go to enable countries to report on a like-for-like basis, not least in consideration of the different level of service provided by the UK to the different markets and hence the treatment of indirect costs. We also need to improve our content generation, and we need more good case studies and video footage.

Our Director of Global Fundraising left us in November 2014, but rather than directly replacing him, the Global Directors of Individual Giving and Major Giving now report directly to the CEO, reducing the risk of dislocation to the strategy agreed.

We have introduced a more inclusive approach to management decisionmaking, by creating two key leadership teams, one devoted to management and the other to strategy. The management team draws on a wider range of people than just the CEO direct reports, including the regional directors and the CEO of India and now Ireland. This team looks at all operational management decisions, oversight and risks. The strategy team takes an in-depth look at broader topics in terms of how we develop the organisation over a longer period of time, as well as proposed resource allocation. We also have a 'people team' which focuses on HR policy matters.

We are making a conscious effort to improve connectedness between the different boards – the UK board visited the India board last year when the new India strategy was discussed and agreed, and visited the Irish board in March 2015.

## Case study

# A Million Miracles

Last year Sightsavers launched its biggest ever global fundraising appeal, A Million Miracles, with the aim of raising £30 million (USD\$50 million) by 2018 to fund one million sight-restoring cataract operations in some of the poorest parts of the world.

So far we're on track to hit our target with donations to date raising enough to fund over 365,000 operations. The UK government's Department for International Development (DFID) pledged to double all donations made from October-December 2014, up to £5 million. By the end of the year we had successfully hit the target, making a total of £10 million!

The appeal was brought to life by 70-year-old Winesi March and his family, from Malawi. Winesi had been blind for two years and visually impaired for over 12. He had never seen his two-year-old grandson Luka, and he had become heavily dependent on his wife Namaleta who was doing everything she could to support the family.

We accompanied Winesi on his journey from blindness to sight, culminating in a live online broadcast of his sight-restoring cataract



**Winesi March and his wife Namaleta embrace after a cataract operation restored Winesi's sight.**

© Rachel Palmer / Sightsavers

operation. Although the broadcast had its challenges, including a sudden power cut, the operation was a success and Winesi was able to see his wife and family again, and see his grandson for the first time.

This innovative digital storytelling (which garnered extensive media coverage and support from blogging communities, and had an online reach of 20 million people) was key to the appeal's success. Donors could see for themselves the impact their donations had on people's lives, and see the faces of the people whose lives were changed thanks to their support.

# Plans for 2015

## Our priority objectives

### Delivering for our beneficiaries

- Deliver on targets for all sensitive programmes (those under contract with specific donors).
- Use completed thematic strategies to create a balanced programme portfolio, developing new programmes to fill in any gaps. In particular, commence implementation of the new social inclusion strategy by developing programmes which align with it.
- Manage exit from Sri Lanka Country Programme.
- Participate in the discussions on any replacement to APOC and ensure our river blindness programmes are resilient to its demise. Review whether we can support further river blindness programmes given this gap (and subject to available funding).

### Increasing our capacities (areas where we need to excel)

- Ramp up advocacy in terms of the Sustainable Development Goals – for disability to be cross-cutting, for NTDs to be explicitly referenced at the target level and for cataract surgery to be a tracer indicator.
- Introduce a new partnership framework including updated partnership tools.
- Maximise the value of (and our value to) identified strategic alliance partners such as Bill & Melinda Gates Foundation, the UK government, Fred Hollows Foundation, World Bank, WHO and The Taskforce for Global Health.

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

- Broaden our technical expertise base further within research and health systems in particular.
- Expand and strengthen evidence-generating activities and organisational learning.
- Ensure our various new management information systems are fully rolled out and well utilised. Embark on a new information strategy to migrate our intranet to Sharepoint 2013, creating an overarching management information system and a full 'workplace portal' enabling coherent access to all our systems and information.
- Undertake an employee survey and act on the findings.

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

- Increase unrestricted income across a range of markets making the most of A Million Miracles, ensuring our management systems are good enough to ensure investment is being made in the areas where we can maximise return.
- Build and diversify our giving from corporates, trusts and major donors.
- Broaden and deepen our institutional funding base.
- Consolidate, improve and relaunch our websites and strengthen our ecommerce capabilities.
- Review our Middle East and US strategies.
- Improve and test our business continuity and crisis management processes.

In addition to the above, we will roll out a refreshed SIM card to improve strategic engagement and improve outcome reporting.

# 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.

We have 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 the 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 the council and senior management to whom day to day management is delegated. Matters such as policy and strategic plans are prepared by senior management for consideration and approval by the council.

There are four committees of the council: audit, which monitors and reviews audit activities, risk and control framework, process effectiveness and the 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 seven subsidiary undertakings consolidated within

the Group. These are Sightsavers (Trading) Limited, Sightsavers (Ireland), Sightsavers International (Italia) Sightsavers International Inc (USA), Insamlingsstiftelsen Sightsavers International, Sverige (based in Sweden), Sightsavers Middle East Consultancy FZE and Stiftelsen Sightsavers International Norge (based in Norway). Further details are included in note 18 to the financial statements.

## Sightsavers Scotland

Sightsavers is a charity registered in Scotland with the Office of the Scottish Charity Regulator, registration number SC038110. In 2014 Sightsavers raised £1.8 million (2013: £1.8 million) from donors based in Scotland.

## Risk management

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

The current risk management framework was established during 2009. The framework focuses on identifying risks, prioritising them and setting out mitigation approaches and accountabilities for priority items. The principal risks and mitigation strategies are set out in the earlier section describing Sightsavers' progress towards the SIM card objectives.

The council is satisfied that adequate 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 the third formal report to the Charter Company Independent Review Panel (IRP) last year on the basis of performance in 2013. Sightsavers' Chief Executive is now the Vice Chair of the INGO Accountability Charter company.

The IRP was impressed by the report, saying "Sightsavers' third accountability report to the INGO Accountability Charter can be seen as very good, comprehensive, complete and having improved from previous reports. The Panel even regards this report as an exemplary report for other Charter Members."

The IRP also highlighted areas of improvement as follows, "Evidence that policies and procedures work well in practice are provided for some indicators but should be more frequently referenced in the next report. Moreover, the Panel looks forward to more details about how complaints and feedback led to changes in decision-making, and were resolved or followed up upon." We will work to address these concerns in our next report.

The full report can be accessed via the website.

## Case study

# Neglected tropical disease programmes

Our NTD work continued to gather momentum in 2014, despite the challenges of Ebola and security issues in a number of countries. In total we supported 102.3 million treatments.

The Global Trachoma Mapping Project (GTMP) – the largest ever infectious disease mapping project – examined more than 1.7 million people across 22 countries: an average of one person every 30 seconds. The GTMP is run by a consortium led by Sightsavers, and is funded by the UK government.

The Queen Elizabeth Diamond Jubilee Trust Trachoma Initiative in Africa, managed on behalf of the International Coalition for Trachoma Control by Sightsavers, held formal launches in Kenya, Malawi, Mozambique and Uganda. Over one million people across five countries were treated with antibiotics (Zithromax).

The UK Department for International Development funded a project, managed by Sightsavers, to implement the World Health Organization's SAFE strategy for the elimination of trachoma (surgery, antibiotics, facial cleanliness and environmental improvements)

in Ethiopia, Chad, Zambia and potentially Central African Republic and South Sudan.

We launched an innovative programme with Unilever to promote hand and face washing in schools in Kenya, to help reduce the spread of trachoma infection.

We also launched a pilot project using mobile phones to record and transmit data for trachoma treatment in Mali, co-funded by the Conrad N. Hilton Foundation and the IZUMI Foundation.

Our onchocerciasis work was particularly hit by Ebola and security issues, although we were still able to support nearly half a million treatments in South Sudan. We are concerned about the impact of the closure of APOC at the end of 2015 on the overall onchocerciasis elimination programme.

The UK government Department for International Development scored the pilot phase of our integrated NTD programme in Nigeria (which it part-funds) an A grade for performance. The programme will deliver 112 million treatments by 2017, protecting 18 million people against seven NTDs. In 2014 we supported the training





**We have used innovative mobile technology to help us map over 1.7 million people as part of the Global Trachoma Mapping Project.**

© Tom Saater / Sightsavers

of more than 13,000 community volunteers in Nigeria.

We secured a multi year grant from the Bill & Melinda Gates Foundation to lead the Uniting to Combat NTDs Support Centre. Working in partnership with the US-based

Taskforce for Global Health, we will be tracking the progress of partners across the world towards the goals in the WHO Roadmap, and helping coordinate efforts. This will enable us to amplify our impact significantly in the NTD arena.

# Review of financial outcome 2014

The financial outcome for 2014 is set out in the consolidated statement of financial activities.

## Income

In 2014 total income was £187.6 million, a decrease of £12.2 million compared to 2013. 2014 income excluding gift in kind donations was £53.3 million, up £6.2 million (12.5%) from 2013.

Legacy income decreased year on year by £2.4 million to £7.3 million. 2013 was the highest ever year for legacies due to the receipt of a large, one-off legacy. 2014 is in line with 2012.

Following significant investment in voluntary fundraising in 2014, donations increased by 17.5% to £24.8 million. The majority of this rise resulted from increases in UK individual giving but improvements were also seen in Italy, India and other fundraising markets.

Gifts in kind from Merck & Co Inc. of Mectizan® tablets were £133.8 million, down from £152.3 million in 2013. The decrease reflects timing differences

in the receipt of the tablets, the impact of the Ebola outbreak on the distribution of tablets in Guinea Conakry, Liberia and Sierra Leone and the reduction in tablets required in some countries as the diseases move towards elimination.

Grant income fell by £0.5 million to £6.4 million. Several grants came to an end this year, although this was partially offset by a new grant from Imperial College London and increases in matched giving funding from the the UK government Department for International Development.

Incoming resources from charitable activities increased by £3.8 million to £12.9 million in 2014. Income from the European Commission (EC) was down £1.7 million following the completion of two significant projects in 2013. Income from The Queen Elizabeth Diamond Jubilee Trust increased significantly as the trachoma programme activity ramped up. A new grant was received from the UK government to undertake further trachoma control and elimination work which generated income of £1.0 million in 2014.

In 2014, we sold our Grosvenor Hall premises and moved into rented accommodation. This generated sale proceeds of £2.3 million and a profit on disposal of £1.7m.

## Expenditure

In 2014 total expenditure was £185.0 million, a decrease of £15.4 million compared to 2013. As with income, this reduction is primarily attributable to a reduction in the volume of Mectizan<sup>®</sup> tablets received.

Costs of generating funds increased by £4.2 million year on year to £14.3 million. This rise is a result of a new fundraising strategy for investment in donor recruitment, designed to generate increased voluntary income alongside the significant growth in grant income seen in recent years. The largest increases in expenditure were made in the UK, Italy and new fundraising activity in Sweden.

Spending on charitable activities was £169.8 million in 2014 against £189.4 million in 2013, a decrease of £19.6 million (10.3%). There was an £18.5 million decrease relating to the reduced volume of Mectizan<sup>®</sup> tablets received, in line with the fall in income. Programme expenditure on eye care, education and social inclusion decreased by £1.0 million year on year as a result of the completion of significant EC grants in West and East Africa, a focus on realigning the programme portfolio with the organisational strategy, reducing overseas overhead costs

and the impact of the Ebola outbreak. This was offset by an increase in NTD related expenditure. Spend on policy development and research activities remained broadly flat year on year.

Governance costs were £0.9 million in 2014, up £0.1 million when compared to 2013.

As a result of a review in 2014 of cost allocations between direct costs and support costs, a changed basis of allocation has been adopted. More detail can be found in note 10 to the financial statements.

## Grant making policy

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

## Financial position and reserves

Sightsavers expected to run a small deficit in 2014. However, a better than anticipated fundraising performance and the impact of the FRS 17 adjustment for the defined benefit pension scheme helped us produce an overall financial surplus of £2.5 million. The impact of pension scheme actuarial adjustments, gains on investment assets and exchange

differences arising on consolidation reduced this surplus to £1.4 million.

It is our policy to retain sufficient reserves to safeguard ongoing commitments and operations. The current reserves policy is to maintain a level of unrestricted reserves of £6.0 million, +/- £1.5 million.

Total fund balances were £11.2 million at the end of 2014, of which, £9.9 million is unrestricted. This includes designated funds of £1.9 million, of which £0.9 million is cash held overseas. The baseline to compare to the reserves target is calculated by subtracting the designated funds from the unrestricted funds and adding back the cash held overseas, which is available for use. This gives a reserves figure of £8.9 million.

This level of reserves is above policy guidelines. The trustees believe this level of reserves is acceptable given the continued requirement for additional investment in fundraising and plans for ongoing programmatic expansion in 2015 and beyond.

## Investments

Sightsavers' level of fixed asset investments is calibrated with the targeted quantum of reserves and ongoing liquidity needs.

The investment objectives are to maximise investment returns at acceptable levels of risk and in line with ethical standards consistent with our objects and values.

The investment approach is to target a mix of equity, hedge fund, bond instruments and property funds. Investment activities are supported by UBS Wealth Management and the investment committee. This committee meets regularly with UBS to assess investment strategy and performance.

## Remuneration

Sightsavers' principle on remuneration is to ensure the reward package is competitive with other equivalent organisations in the areas where it works (both geographically and by type of role), so it is able to attract and retain staff. We see our ability to recruit and retain key staff as fundamental and it is a key organisational risk.

Salaries are compared across other INGOs and, where appropriate, other types of organisations, and we look at medians as the basis of pay. This is not rigid as there are times when there is a need to offer more, and times when an individual is still growing into a role so less is offered. Typically, a 15% margin above and below the median is used.

A number of different survey providers are used and, where appropriate, a direct comparison with other similar NGOs is undertaken. The remuneration committee sets the salary for the Chief Executive, approves the salaries of her direct reports and the overall reward structure and policy.

As at December 2014 the Chief Executive's salary was £114,128. There is no bonus scheme or car allowance, and she has the same pension rights as all other UK staff.

All UK staff are paid at least the living wage, including interns. The ratio of the highest paid person to the lowest in the UK is approximately 6:1, and the ratio of highest to median is 3:1.

## 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 16 to the accounts, under FRS 17 there was a deficit of £0.7 million at the end of 2014.

In 2013, a triennial actuarial valuation was performed and a revision to the recovery plan was agreed with the trustees of the pension plan. This sets the annual contribution at £624,000 per annum (previously £400,000) with a mechanism to increase repayments at future triennial valuations, if required, to address the deficit within the ten year period from 1 January 2010. However, in 2014, a single payment of £1,352,000 was made to fund contributions from 1 May 2014 to 30 June 2016 after which the payments will resume. This was funded from the sale of the Grosvenor Hall property.

A defined contribution pension 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. This is scheduled to run up to the end of 2018. Financial planning and forecasting activity takes place within the context of the overall strategic plan and objectives.

Sightsavers plans to maintain increased levels of fundraising investment in 2015 as a continuation of the strategy to grow the base of committed givers across all fundraising markets. The aim for 2015 is to grow voluntary funding by £5m. Growth is also expected in institutional funding within the year as several of the large NTD grants hit peak levels. 2015 income is planned at £64m. Return on investment in new territories and activities will be monitored on an ongoing basis.

We expect to increase expenditure in line with income growth. Much of the increase will be driven by expenditure within the three large NTD grants in Nigeria and East and Southern Africa but new project development following the strategic review of programmes will also lead to increased spend in several countries.

The expectation is that 2015 will see roughly balanced income and expenditure.

## Public benefit

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

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

## Statement of trustees' responsibilities

Charity law and the terms of Sightsavers' Royal Charter require the trustees to prepare financial statements for each financial year 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.
- 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.

**Manoj (10), pictured here with his dad Ventakesh, was partially sighted since birth. A cataract operation transformed his life.**



# 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

Sir Graham Burton KCMG

## Honorary officers

Chairman Lord Nigel Crisp KCB

Vice Chairman Martin Dinham

Treasurer Michael Chilton

## Members of the Council

(the trustees)

Dr Uche Amazigo

Dr Ekanem Ikpi Braide

Caroline Casey

Alexandra Cole

Dr Robert Chappell OBE

Michael Chilton

Lord Nigel Crisp KCB

Howard Dalzell

Martin Dinham

William Gardner

Jeremy Hughes (resigned July 2014)

Christopher Kinder

Stephen King

John Lafferty

Dr Ramachandra Pararasegaram

Dr Manoj Parulekar

## Senior management

Chief Executive

Dr Caroline Harper OBE

Director of Policy and Programme  
Strategies Dominic Haslam

Director of Finance and Performance  
Kenneth Moon

Director of Neglected Tropical  
Diseases Simon Bush

Director of Human Resources &  
Organisational Development  
Elissa Pette

Director of Individual Giving  
Becki Jupp

Director of Major Giving Katie Cotton

Director of Strategic Communications  
Judith Barnard

## The committees

### Audit Committee

Christopher Kinder, Chair

Michael Chilton

Dr Robert Chappell OBE

Martin Kyndt (co-opted)

### Governance Committee

Lord Nigel Crisp KCB, Chair

Martin Dinham

Stephen King

Christopher Kinder

Michael Chilton

### Investment Committee

Michael Chilton, Chair

Christopher Kinder

Genny Kiff (co-opted)

### Remuneration Committee

Lord Nigel Crisp KCB, Chair

Martin Dinham

Stephen King

Michael Chilton

Catherine McMenamin (co-opted)



### Principal addresses

#### Registered address

35 Perrymount Road  
Haywards Heath  
West Sussex  
RH16 3BW

#### Correspondence address

2A Halifax Road  
Melksham  
Wiltshire  
SN12 6YY

### 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

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

15 June 2015.



**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 2014 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 25.

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 2014 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**  
Statutory Auditor  
London

19 June 2015.

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 2014

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
<b>Incoming resources</b>					
Incoming resources from generated funds:					
Voluntary income					
Donations and gifts	2	19,506	5,319	24,825	21,100
Legacies	3	7,053	209	7,262	9,709
Grants	4	4,373	1,988	6,361	6,926
Gifts in kind	5	408	133,864	134,272	152,587
Investment income	6	201	-	201	189
Incoming resources from charitable activities	7	-	12,895	12,895	9,062
Other incoming resources	8	1,762	-	1,762	115
<b>Total incoming resources</b>		<b>33,303</b>	<b>154,275</b>	<b>187,578</b>	<b>199,688</b>
<b>Resources expended</b>					
Costs of generating funds:					
Voluntary income					
Costs of raising current year's income	10	6,555	-	6,555	6,407
Investment to raise income in future years	10	6,232	-	6,232	2,786
Grant income	10	1,462	-	1,462	896
Fundraising trading costs	10	5	-	5	2
Investment management fees	10	36	-	36	35
<b>Total costs of generating funds</b>		<b>14,290</b>	<b>-</b>	<b>14,290</b>	<b>10,126</b>
Charitable activities:					
Health – Eye care	9,10	10,669	17,016	27,685	28,086
Health – Mectizan distribution	9,10	810	134,484	135,294	153,527
Education	9,10	1,359	888	2,247	2,687
Social inclusion	9,10	2,231	797	3,028	3,565
Policy and research	9,10	1,555	-	1,555	1,569
<b>Total charitable activities</b>	<b>9</b>	<b>16,624</b>	<b>153,185</b>	<b>169,809</b>	<b>189,434</b>
Governance costs	10,11	942	-	942	846
<b>Total resources expended</b>		<b>31,856</b>	<b>153,185</b>	<b>185,041</b>	<b>200,406</b>
<b>Net incoming / (outgoing) resources before transfer</b>		<b>1,447</b>	<b>1,090</b>	<b>2,537</b>	<b>(718)</b>
Transfer between funds	22	750	(750)	-	-
<b>Net incoming / (outgoing) resources before other gains and losses</b>	<b>12</b>	<b>2,197</b>	<b>340</b>	<b>2,537</b>	<b>(718)</b>
Exchange translation difference arising on consolidation		(651)	-	(651)	(263)
Gains on investment assets	18	232	-	232	353
Actuarial losses on defined benefit pension scheme	16	(696)	-	(696)	(314)
<b>Net movement in funds for the year</b>		<b>1,082</b>	<b>340</b>	<b>1,422</b>	<b>(942)</b>
Fund balances at 1 January		8,851	945	9,796	10,738
<b>Fund balances at 31 December</b>	<b>22</b>	<b>9,933</b>	<b>1,285</b>	<b>11,218</b>	<b>9,796</b>

The notes on pages 55 to 86 form part of these financial statements.

Restricted funds include endowment funds, which had a balance at 31 December 2014 of £214,000 (2013: £317,000). See note 22 for further information. All incoming and outgoing resources arise from continuing activities. All gains and losses recognised in the year are included above.

# Balance sheets

31 December 2014

	Note	Group		Charity	
		2014 £'000	2013 £'000	2014 £'000	2013 £'000
<b>Fixed assets</b>					
Tangible fixed assets	17	626	640	621	636
Investments	18	5,488	5,621	5,505	5,621
		<b>6,114</b>	<b>6,261</b>	<b>6,126</b>	<b>6,257</b>
<b>Current assets</b>					
Debtors	19	5,696	5,028	5,976	5,199
Short term cash deposits	20	6,142	2,217	6,142	2,217
Cash at bank and in hand	20	6,339	3,914	4,549	2,634
		<b>18,177</b>	<b>11,159</b>	<b>16,667</b>	<b>10,050</b>
Creditors: amounts falling due within one year	21	11,873	5,864	11,599	6,136
<b>Net current assets</b>		<b>6,304</b>	<b>5,295</b>	<b>5,068</b>	<b>3,914</b>
Long term liabilities	24	466	-	466	-
<b>Net assets before pension liability</b>		<b>11,952</b>	<b>11,556</b>	<b>10,728</b>	<b>10,171</b>
Defined benefit pension scheme liability	16	(734)	(1,760)	(734)	(1,760)
<b>Net assets after pension liability</b>		<b>11,218</b>	<b>9,796</b>	<b>9,994</b>	<b>8,411</b>
<b>Funds</b>					
Unrestricted funds					
Free reserve	22	8,719	8,442	7,588	7,249
Pension reserve	16	(734)	(1,760)	(734)	(1,760)
General		<b>7,985</b>	<b>6,682</b>	<b>6,854</b>	<b>5,489</b>
Designated	22	1,948	2,169	1,948	2,169
<b>Total unrestricted funds</b>		<b>9,933</b>	<b>8,851</b>	<b>8,802</b>	<b>7,658</b>
Restricted funds	22	1,071	628	978	436
Endowment funds	22	214	317	214	317
<b>Total funds</b>		<b>11,218</b>	<b>9,796</b>	<b>9,994</b>	<b>8,411</b>

The notes on pages 55 to 86 form part of these financial statements.

These financial statements were approved by the Council on 15 June 2015 and signed on their behalf by:



Chairman



Hon. Treasurer

# Consolidated cash flow statement

Year ended 31 December 2014

	Notes	2014 £'000	2013 £'000	
<b>Net cash inflow / (outflow) from operating activities</b>	A	<b>3,578</b>	<b>(1,360)</b>	
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible fixed assets	17	(164)	(74)	
Payments to acquire investments	18	(3,552)	(1,914)	
Receipts from sale of fixed assets		2,370	82	
Receipts from sale of investments		3,516	2,116	
Decrease in cash held for investment		401	51	
Investment income		201	189	
<b>Increase in capital expenditure and financial investment</b>		<b>2,772</b>	<b>450</b>	
<b>Management of liquid resources</b>				
(Increase) / decrease in short term cash deposits	B	(3,925)	283	
<b>Increase / (decrease) in cash in the year</b>	B	<b>2,425</b>	<b>(627)</b>	
<b>Notes to the cash flow statement</b>				
		<b>2014 £'000</b>	<b>2013 £'000</b>	
<b>A Reconciliation of net incoming resources for the year to net cash flow</b>				
Net incoming / (outgoing) resources		2,537	(718)	
Profit on sale of fixed assets		(1,762)	(81)	
Depreciation		189	131	
Increase in provisions (before actuarial losses)		(2,341)	(607)	
Exchange translation differences arising on consolidation		(651)	(263)	
(Increase) in debtors		(668)	(1,045)	
Increase in creditors		6,475	1,412	
Investment income		(201)	(189)	
<b>Net cash inflow / (outflow) from operating activities</b>		<b>3,578</b>	<b>(1,360)</b>	
		<b>1 January 2014 £'000</b>	<b>31 December 2014 £'000</b>	
<b>B Analysis of changes in net cash</b>				
Short term cash deposits	20	2,217	3,925	6,142
Cash at bank and in hand	20	3,914	2,425	6,339
		<b>6,131</b>	<b>6,350</b>	<b>12,481</b>

The notes on pages 55 to 86 form part of these financial statements.

# Notes to the financial statements

Year ended 31 December 2014

## 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.

The trustees report includes a review of financial performance and the charity's reserves position (pages 42-46). Sightsavers has adequate financial resources and is well placed to manage the business risks. The planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. There is a reasonable expectation that Sightsavers has adequate resources to continue in operational existence for the foreseeable future. The trustees believe that there are no material uncertainties that call into doubt the charity's ability to continue. The 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 surplus of £1,583,000 (2013 deficit of £1,554,000). 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<sup>®</sup> tablets.

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

**Sightsavers International (Italia)**

was registered in July 2004, with the purpose of expanding Sightsavers' fundraising operations and establishing a permanent presence in Italy.

**Sightsavers Middle East Consultancy**

**FZE** was registered in January 2013 with the purpose of expanding Sightsavers' fundraising operations in the Middle East.

**Insamlingsstiftelsen Sightsavers International (Sverige)**

was registered in May 2013, with the purpose of expanding Sightsavers' fundraising operations in Sweden.

**Stiftelsen Sightsavers International**

**Norge** was registered in June 2013, with the purpose of expanding Sightsavers' fundraising operations in Norway.

## 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 these relate to performance and specific deliverables they are accounted for as the charity earns the right to

consideration by its performance. When cash is received in advance of its recognition, income is deferred and included in creditors. Where entitlement occurs before cash being received, the income is accrued.

Gifts in kind in the form of Mectizan<sup>®</sup> tablets: these 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 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 applicable regulations.

**Support costs** include the central and regional office functions such as general management, payroll



administration, budgeting, forecasting and accounting, information technology, human resources and facilities management. These are allocated across the categories of charitable expenditure, governance costs and the costs of generating funds. The basis of the cost allocation is explained in note 10.

Amounts payable to partners for overseas projects are charged when an obligation exists and are described as grants payable in note 10. Other direct charitable expenditure (including direct staff costs) is charged on an accruals basis.

Resources expended include gifts in kind which are valued on the same basis as incoming resources of gifts in kind.

**Fund accounting**

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

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

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

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

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost. Depreciation is provided on all tangible fixed assets, excluding freehold land, at rates calculated to write off the cost or valuation of each asset on a straight line basis over their expected useful economic lives as follows:

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

**Investments**

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 so as to spread the costs over the employees' working lives, in accordance with the requirements of FRS 17.

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 FRS 17.

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 16.

For staff based overseas, Sightsavers contributes to both locally managed provident fund schemes and a centrally managed end of service benefit scheme based on the number of years' service completed, in line with local employment laws.

## Operating leases

Rentals payable under operating leases are charged to the SOFA on a straight line basis to the earlier of the lease break point or the end of the lease.

## Finance leases

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

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

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

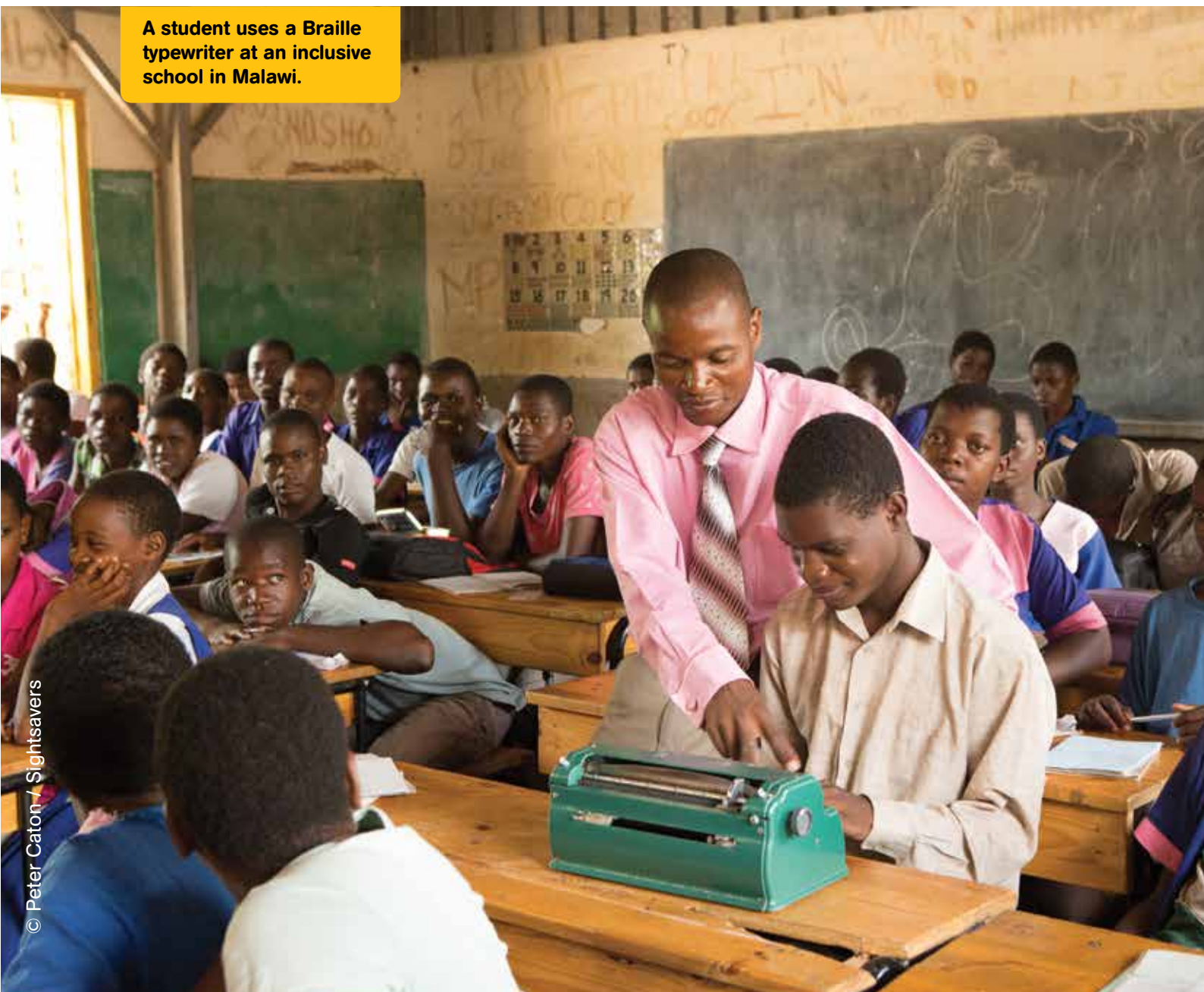
## Forward exchange contracts

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 FRS 8, Related Party Disclosures, that allows it not to disclose transactions with group undertakings that are eliminated on consolidation.

A student uses a Braille typewriter at an inclusive school in Malawi.



## 2 Donations and gifts

	2014 £'000	2013 £'000
<b>Individuals</b>		
<b>UK</b>		
Committed giving	6,964	6,711
Other public donations and appeals income	7,337	4,764
Tax recoverable from UK donors	2,214	1,913
	<b>16,515</b>	<b>13,388</b>
<b>Ireland</b>		
Committed giving	1,782	2,014
Other public donations and appeals income	807	717
Tax recoverable from Irish donors	90	116
	<b>2,679</b>	<b>2,847</b>
<b>Italy</b>		
Committed giving	206	87
Other public donations and appeals income	1,161	1,045
	<b>1,367</b>	<b>1,132</b>
<b>India</b>		
Other public donations and appeals income	371	170
	<b>371</b>	<b>170</b>
<b>Other</b>		
Other public donations and appeals income	181	20
	<b>181</b>	<b>20</b>
<b>Total from individuals</b>	<b>21,113</b>	<b>17,557</b>
Trusts	1,254	1,221
Companies	2,077	1,865
Community service and other organisations	381	457
	<b>24,825</b>	<b>21,100</b>

## 3 Legacies

	2014 £'000	2013 £'000
UK	7,132	9,601
Ireland	130	108
	<b>7,262</b>	<b>9,709</b>

As at 31 December 2014, 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 £7,356,000 (2013: estimated at £6,591,000).

## 4 Grants within voluntary income

	2014 £'000	2013 £'000
BRAC	-	221
Comic Relief	-	158
Conrad N. Hilton Foundation	135	268
DFID FT matched giving	381	200
DFID Programme Partnership Arrangement	3,739	3,739
EC consortium partners	96	29
Fred Hollows Foundation	137	287
Imperial College London	232	-
International Islamic Relief Organisation of Saudi Arabia (IIROSA)	13	-
Irish Aid	1,221	1,322
Isle of Man Overseas Aid Committee	94	92
IZUMI Foundation	104	15
Jersey Overseas Aid Commission	182	121
OPEC Foundation	-	19
Open Society Initiative	15	16
The END Fund	-	318
World Health Organization (WHO) / African Programme for Onchocerciasis Control (APOC)	-	103
Other	12	18
	<b>6,361</b>	<b>6,926</b>

## 5 Gifts in kind

In 2014, Sightsavers International Inc. secured gift in kind donations valued at £133,864,000 (2013: £152,297,000) from Merck Inc. in the form of Mectizan® tablets, which have been shipped to Uganda, Liberia, Togo, Malawi, Nigeria, Benin, Ghana, Cote D'Ivoire and Guinea Bissau.

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

During the year, we utilised 20,549,000 airmiles (2013: 7,905,000) for the purpose of 303 related flights (2013: 155), which were donated by Emirates. These have been valued at £158,000 (2013: £52,000) 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 we secured donations valued at £250,000 (2013: £238,000).

## 6 Investment income

	2014 £'000	2013 £'000
Dividends from investments	159	162
Bank deposit interest	42	27
	<b>201</b>	<b>189</b>

## 7 Incoming resources from charitable activities

	2014 £'000	2013 £'000
Children's Investment Fund Foundation (CIFF)	517	325
DFID Global Trachoma Mapping Project	2,984	4,296
DFID Nigeria NTD	2,011	154
DFID SAFE	977	-
European Commission	1,509	3,179
Helen Keller International	532	539
The Queen Elizabeth Diamond Jubilee Trust	4,088	93
Scottish Government	-	26
USAID	277	450
	<b>12,895</b>	<b>9,062</b>

## 8 Other incoming resources

	2014 £'000	2013 £'000
Profit on disposal of fixed assets	1,762	82
Rental income	-	33
	<b>1,762</b>	<b>115</b>

The profit on disposal of fixed assets includes the sale of Grosvenor Hall, which was Sightsavers' head office. Further details can be found in note 17.

## 9 Charitable activities

	Health eye care £'000	Health Mectizan <sup>®</sup> £'000	Education £'000	Social inclusion £'000	Policy and research £'000	2014 £'000	2013 £'000
Kenya	1,045	-	97	8	-	1,150	1,340
Malawi	658	-	72	30	-	760	701
Mozambique	597	-	-	-	-	597	885
Sudan	597	-	-	-	-	597	710
South Sudan	278	-	-	-	-	278	466
Tanzania	721	-	27	70	-	818	913
Uganda	737	80	59	165	-	1,041	909
Zambia	361	-	135	-	-	496	714
Zimbabwe	290	-	5	-	-	295	157
East, Central & Southern Africa (ECSA) regional office	1,084	-	-	-	-	1,084	2,191
<b>Sub total ECSA</b>	<b>6,368</b>	<b>80</b>	<b>395</b>	<b>273</b>	<b>-</b>	<b>7,116</b>	<b>8,986</b>
Benin	28	4	-	-	-	32	15
Burkina Faso	83	23	-	-	-	106	158
Cameroon	404	837	64	113	-	1,418	1,508
Cote D'Ivoire	75	31	-	-	-	106	136
Gambia	109	-	-	-	-	109	181
Ghana	300	-	-	98	-	398	653
Guinea	106	5	-	-	8	119	193
Guinea Bissau	167	10	-	-	-	177	169
Liberia	238	6	10	-	-	254	305
Mali	647	59	99	63	-	868	824
Nigeria	2,824	15	-	2	-	2,841	1,782
Senegal	490	-	171	130	-	791	574
Sierra Leone	368	13	36	71	-	488	669
Togo	44	53	-	-	-	97	113
Post Health for Peace Initiative	52	-	-	-	-	52	1,282
West Africa (WA) regional office	72	72	54	54	-	252	602
<b>Sub total WA</b>	<b>6,007</b>	<b>1,128</b>	<b>434</b>	<b>531</b>	<b>8</b>	<b>8,108</b>	<b>9,164</b>



	Health eye care £'000	Health Mectizan® £'000	Education £'000	Social inclusion £'000	Policy and research £'000	2014 £'000	2013 £'000
India	1,730	-	96	273	-	2,099	1,670
India Regional Office	312	-	34	57	-	403	425
<b>Sub total India</b>	<b>2,042</b>	<b>-</b>	<b>130</b>	<b>330</b>	<b>-</b>	<b>2,502</b>	<b>2,095</b>
Bangladesh	1,256	-	68	321	-	1,645	1,512
Pakistan	862	-	237	200	-	1,299	890
Sri Lanka	190	-	-	63	-	253	465
South Asia Regional Office	9	-	-	19	-	28	79
<b>Sub total South Asia</b>	<b>2,317</b>	<b>-</b>	<b>305</b>	<b>603</b>	<b>-</b>	<b>3,225</b>	<b>2,946</b>
Caribbean	815	-	-	8	-	823	938
<b>Sub total Caribbean</b>	<b>815</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>823</b>	<b>938</b>
Global programmes	5,510	-	-	-	-	5,510	-
Gifts in Kind	141	133,864	-	-	-	134,005	152,345
Central support functions	1,343	145	381	654	242	2,765	2,948
Programme technical support	2,476	77	537	422	486	3,998	6,962
Advocacy and policy support	666	-	65	207	819	1,757	3,050
<b>Direct charitable expenditure</b>	<b>27,685</b>	<b>135,294</b>	<b>2,247</b>	<b>3,028</b>	<b>1,555</b>	<b>169,809</b>	<b>189,434</b>

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

A list of principal grants is available on request.

## 10 Total resources expended

	Grants payable £'000	Direct costs £'000	Gifts in kind £'000	Allocation of support costs £'000	Total 2014 £'000	Total 2013 £'000
<b>Costs of generating funds</b>						
Voluntary income						
Costs of raising current year's income	-	5,119	267	1,169	6,555	6,407
Investment to raise income in future years	-	5,666	-	566	6,232	2,786
Grant income	-	1,003	-	459	1,462	896
Fundraising trading:						
cost of goods sold and other costs	-	5	-	-	5	2
Investment management fees	-	36	-	-	36	35
<b>Charitable activities</b>						
Health - eye care	13,740	11,466	141	2,338	27,685	28,086
Health – Mectizan distribution	137	1,067	133,864	226	135,294	153,527
Education	601	1,136	-	510	2,247	2,687
Social inclusion	994	1,403	-	631	3,028	3,565
Policy and research	65	1,220	-	270	1,555	1,569
Governance costs	-	234	-	708	942	846
<b>Total resources expended 2014</b>	<b>15,537</b>	<b>28,355</b>	<b>134,272</b>	<b>6,877</b>	<b>185,041</b>	<b>-</b>
<b>Total resources expended 2013</b>	<b>15,837</b>	<b>23,514</b>	<b>152,586</b>	<b>8,469</b>	<b>-</b>	<b>200,406</b>

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

Direct costs include costs of £8,133,000 which are directly attributable to generating funds (2013: £4,716,000), costs associated with the direct operation of the overseas programmes, including the procurement of equipment for use in the programmes of £1,642,000 (2013: £2,101,000), informing and creating awareness among the public and governance of Sightsavers. Staff costs included in direct costs is £9,135,000 (2013: £8,081,000).

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

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Directorate	519	1,084
Financial management	523	722
Information communication technology	1,311	1,383
Human resources	641	743
Global procurement	103	297
Planning, performance and reporting	552	357
Programme support	3,228	3,883
	<b>6,877</b>	<b>8,469</b>

In 2014, Sightsavers changed the way that costs are allocated between support and direct costs to make this clearer and more transparent. Support costs are defined as costs which cannot be directly identified with a single activity of the organisation, such as head office finance, human resources, facilities etc, and are primarily identified by cost centre. All costs associated with

our overseas offices, such as finance, rent etc, are included as direct costs as these are directly related to the implementation of our programmes.

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

## 11 Governance costs

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Internal audit	114	124
External audit (including overseas offices)	177	163
Company secretarial	50	60
Apportionment of Directors' costs	497	374
Trustees' expenses	16	4
Finance	88	121
	<b>942</b>	<b>846</b>

## 12 Net incoming / (outgoing) resources

Stated after charging:	2014 £'000	2014 £'000	2013 £'000	2013 £'000
Depreciation		316		131
Auditors' remuneration:				
UK charity audit	73		68	
International offices	91		95	
		164		163
Taxation services	1		12	
EC project verification	17		19	
USAID	9		6	
		27		37
Investment managers' fees		36		35
Solicitors' fees		119		261
Surveyors' fees		8		11
Operating lease charges		272		27

## 13 Staff costs

	2014 £'000	2013 £'000
Wages and salaries	10,483	11,278
Social security costs	725	743
Pension costs	639	771
	11,847	12,792
European based employees	6,966	7,105
Overseas based employees on UK contracts	193	472
Overseas based employees on overseas contracts	4,688	5,215
	11,847	12,792
	2014 £'000	2013 £'000
Within wages and salaries for overseas based employees on overseas contracts, the following amounts were charged for the provision of an End of Service Benefit for some overseas staff.	313	304

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

	2014 No.	2013 No.
Directorate	6	
Finance and performance	57	
Global fundraising	51	
HR & organisational development	8	
NTD's	15	
Policy and programme strategies	39	
Strategic communications team	13	
International programmes	213	
	<b>402</b>	
European based employees:		
Chief Executive's office		9
Finance, planning and services		44
Fundraising and communications		57
Overseas programmes		36
Overseas based employees on UK contracts and consultancy fees		6
Overseas based employees on overseas contracts		259
		<b>411</b>

The directorate structure changed during 2014 and the average number of full time equivalent employees during the year reflects this new structure. There is no direct read across between the old and new structures.

	2014 Employees	2013 Employees
Emoluments (salary and taxable benefits in kind)		
£60,000 - £69,999	10	7
£70,000 - £79,999	5	3
£80,000 - £89,999	2	1
£90,000 - £99,999	1	3
£100,000 - £109,999	3	2
£110,000 - £119,999	1	-

Sightsavers paid £94,934 (2013: £68,038) into a defined contribution pension scheme for 14 (2013: 9) higher paid employees.

## 14 Trustees' expenses

	2014 No. of trustees	2014 £'000	2013 No. of trustees	2013 £'000
Reimbursed to trustees:				
UK related	15	7	6	1
Programme visits	8	9	2	3

No emoluments have been paid to the trustees (2013: £nil). Trustees can be reimbursed for their travel and subsistence expenses in attending meetings. Additionally, trustees may occasionally visit Sightsavers' partners

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

## 15 Related party transactions

The International Agency for the Prevention of Blindness (IAPB) is identified as a related party and was paid £85,547 in 2014 (2013: £87,317) for support to World Health Organization – Prevention of Blindness and Deafness 2014 and for workshop contributions; no balance was outstanding at the end of the year (2013: £nil). During 2014, £100,343 (2013: £86,980) was paid by Sightsavers which is recognised as a gift in kind to the IAPB. We received grant funding of £581,752 in 2014 (2013: £640,626) 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
- **Dr Caroline Harper**  
Chief Executive of Sightsavers

Dr Caroline Harper is a board member of the INGO Accountability Charter. The Charter was paid £5,744 in 2014 (2013: £6,035) for membership fees. No balance was outstanding at the end of the year (2013: £nil). Dr Harper is also on the Board of Trustees of the International Civil Society Centre; the Centre was paid £14,201 in 2014 (2013: £32,982) for workshop and support payments.

Stephen King is a trustee of Sightsavers and President of the Daisy Consortium, to whom Sightsavers paid £1,960 in 2014 for annual membership fees (2013: £2,041).

## 16 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 2013. The principal assumptions were an increase in salary costs of 3.7% per annum, and a rate of interest of 5.0% per annum. The market value of the scheme assets at 31 December 2012 was £9,825,000. The actuarial valuation of the assets of the scheme represented 75% of the actuarial valuation of the accrued liabilities.

Between 1 January 2014 and 31 December 2018 the charity has agreed to fund the past service deficit

at a rate of £624,000 per annum. However, in 2014 a single payment of £1,352,000 was made to fund contributions from 1 May 2014 to 30 June 2016 after which the payments of £624,000 per annum will resume.

During the year Sightsavers contributed £1,560,000 (2013: £624,000) to the scheme, of which £nil was outstanding at the balance sheet date (2013: £nil).

The best estimate of contributions expected to be paid to the scheme by Sightsavers for the period to 31 December 2015 is £nil.

As required for the preparation of statutory accounts and in accordance with the requirements of FRS 17 the actuarial valuation at 1 January 2014 was updated by JLT Benefit Solutions Limited at 31 December 2014. The major assumptions they used for the purpose of calculating the deficit were:

	2014	2013	2012
Discount rate	3.50%	4.50%	4.45%
Inflation assumption	3.10%	3.50%	3.00%
Rate of increase in salaries	2.40%	3.00%	4.00%
Rate of increase in payment*	3.00%	3.40%	2.95%

\*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.

## 16 Pension costs continued

The mortality assumptions adopted at 31 December 2014 imply the following life expectancies at age 65:

	2014 Years	2013 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	24.5	24.4
Member aged 45 (life expectancy at 65) - female	26.4	26.3

The assets of the scheme are held with Legal & General, M&G and Standard Life. These managed funds are invested in a diversified portfolio of investments comprising 54% growth assets, 23% gilts and 21% corporate bonds and 2% cash.

The fair value of assets and present value of liabilities of the scheme at 31 December 2014, along with the expected percentage rates of return on the scheme assets are as follows:

	%	2014 £'000	%	2013 £'000	%	2012 £'000
Growth assets	8.40	6,918	8.40	6,228	7.50	5,604
Gilts	3.60	2,922	3.60	1,941	2.75	2,066
Corporate bonds	4.40	2,624	4.40	2,213	4.10	2,223
Cash	4.00	278	4.00	18	3.40	(69)
Total market value of scheme assets		12,742		10,400		9,824
Present value of scheme liabilities		(13,476)		(12,160)		(11,877)
<b>Net pension scheme liabilities</b>		<b>(734)</b>		<b>(1,760)</b>		<b>(2,053)</b>



## Analysis of the amount charged to resources expended

	2014 £'000	2013 £'000
Current service cost	(111)	(68)
Expected return on pension scheme assets	723	572
Interest on pension scheme liabilities	(535)	(521)
<b>Net charge</b>	<b>77</b>	<b>(17)</b>

## Analysis of movement in the scheme liabilities during the year

	2014 £'000	2013 £'000
Scheme liabilities at beginning of period	(12,160)	(11,877)
Benefits paid, death in service premiums & expenses	663	401
Current service cost	(111)	(68)
Interest cost	(535)	(521)
Actuarial losses	(1,333)	(95)
<b>Liabilities in the scheme at end of period</b>	<b>(13,476)</b>	<b>(12,160)</b>

## Analysis of movement in the scheme assets during the year

	2014 £'000	2013 £'000
Fair value of scheme assets at beginning of period	10,400	9,824
Benefits paid, death in service premiums & expenses	(663)	(401)
Expected return on scheme assets	723	572
Contributions by the employer	1,645	624
Actuarial losses	637	(219)
<b>Assets in the scheme at end of period</b>	<b>12,742</b>	<b>10,400</b>

Cumulative actuarial losses are £2,852,000 (2013: £2,156,000).

## 16 Pension costs continued

### History of experienced gains and losses

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Defined benefit obligation	(13,476)	(12,160)	(11,877)	(11,073)	(10,606)
Fair value of scheme assets	12,742	10,400	9,824	9,399	9,058
<b>Deficit) / surplus</b>	<b>(734)</b>	<b>(1,760)</b>	<b>(2,053)</b>	<b>(1,674)</b>	<b>(1,548)</b>
Actual return less expected return on scheme assets:					
Amount	637	(219)	(212)	(161)	412
As a % of scheme assets	5%	(2%)	(2%)	(2%)	5%
Experience gains / (losses) on scheme liabilities:					
Amount	-	55	-	-	(132)
As a % of the present value of the scheme liabilities	0%	0%	0%	0%	(1%)
Total (loss) / gain recognised in statement of total recognised gains and losses:					
Amount	(696)	(314)	(934)	(541)	(44)
As a % of the present value of the scheme liabilities	(5%)	(3%)	(8%)	(5%)	(0%)

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 twice the level of an employee's

contribution up to a maximum of 10% of pensionable pay. Contributions payable by Sightsavers were £601,284 in 2014 (2013: £614,253) of which £53,889 was outstanding at the balance sheet date (2013: £48,783).

## 17 Tangible fixed assets

	Freehold property £'000	Leasehold property £'000	Computer equipment £'000	Office fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<b>Cost or valuation</b>						
At 1 January 2014	1,859	-	372	309	818	3,358
Additions	-	747	25	-	139	911
Disposals	(1,800)	-	-	(4)	(116)	(1,920)
<b>At 31 December 2014</b>	<b>59</b>	<b>747</b>	<b>397</b>	<b>305</b>	<b>841</b>	<b>2,349</b>
<b>Depreciation</b>						
At 1 January 2014	1,241	-	350	309	818	2,718
Charge for the year	9	148	20	-	139	316
Disposals	(1,191)	-	-	(4)	(116)	(1,311)
<b>At 31 December 2014</b>	<b>59</b>	<b>148</b>	<b>370</b>	<b>305</b>	<b>841</b>	<b>1,723</b>
<b>Net book value</b>						
<b>At 31 December 2014</b>	<b>-</b>	<b>599</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>626</b>
<b>At 31 December 2013</b>	<b>618</b>	<b>-</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>640</b>

The opening freehold property balance 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. The property was sold in February 2014 for £2,275,000 million.

Our head office has relocated to 35 Perrymount Road, Haywards Heath, a leasehold property.

The balance held in leasehold property above includes the capitalised finance lease cost associated with leasehold improvements and associated fixtures and fittings and a provision for future dilapidations costs to remove leasehold improvements at the end of the lease, in line with the conditions of the lease agreement.

All assets are held for charitable purposes. Group figures include computer equipment of £5,000 (2013: £4,000) held with a related party in Ireland (Sightsavers Ireland).

## 18 Investments

	Group		Charity	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Market value at 1 January	5,025	4,875	5,025	4,875
Disposals at opening market value	(3,504)	(2,123)	(3,504)	(2,123)
Acquisitions at cost	3,552	1,914	3,569	1,914
Net unrealised gains on revaluation at 31 December *	220	359	220	359
	<b>5,293</b>	<b>5,025</b>	<b>5,310</b>	<b>5,025</b>
Cash held in portfolio at 31 December	195	206	195	206
Cash held on deposit (including for endowment funds)	-	390	-	390
<b>Market value at 31 December</b>	<b>5,488</b>	<b>5,621</b>	<b>5,505</b>	<b>5,621</b>
<b>Historical cost at 31 December</b>	<b>5,051</b>	<b>4,645</b>	<b>5,068</b>	<b>4,645</b>
Listed securities at market value	5,270	5,004	5,270	5,004
Unlisted securities at trustees valuation	23	21	40	21
	<b>5,293</b>	<b>5,025</b>	<b>5,310</b>	<b>5,025</b>

\* In addition to the 2014 unrealised gains shown above, there were realised gains of £11,936 in the year (2013: realised losses of £6,649) which combine to provide the total net gains as shown in the statement of financial activities on page 52.

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

	%	2014 £'000	2013 £'000
Key Multi Manager Hedge Fund Diversified	11.1	584	115
UBS Investment Fund ICVC S&P	8.9	467	-
Ishares II Plc FTSE	8.1	429	390
Charity Property Fund	7.9	417	375
M & G Investment Fund Corporate Bond	6.2	327	475
Ishares Corporate GBP Bond Fund	6.1	322	230
UBS ETF PLC MSCI UK	5.9	313	-
Ishares S&P 500	-	-	262

## 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. The income and expenditure account of Sightsavers (Trading) Limited is as follows:

	2014		2013	
	£'000	£'000	£'000	£'000
Turnover		19		17
Administration expenses	(2)		(1)	
Intercompany expenses	(3)		(1)	
Total expenses		(5)		(2)
<b>Profit for the year</b>		<b>14</b>		<b>15</b>
<b>Amount gift aided to Sightsavers</b>		<b>14</b>		<b>15</b>

The net assets of Sightsavers (Trading) Limited at 31 December 2014 were £100 (2013: £100).

Sightsavers has the following overseas subsidiaries:

**Sightsavers (Ireland)** is a registered charity which raises funds in the Irish Republic. The income and expenditure has been consolidated into these group accounts and in 2014 showed income of £4,319,000 (2013: £4,683,000) and a surplus of £41,000 (2013 surplus: £22,000). The net assets of Sightsavers (Ireland) at the year end were £1,037,000 (2013: £996,000).

**Sightsavers (Italia)** is a registered charity raising funds in Italy. The income and expenditure is consolidated into these group accounts and in 2014 showed

income of £1,750,000 (2013: £1,137,000) and a deficit of £135,000 (2013 surplus: £446,000). The net assets of Sightsavers (Italia) at the end of the year were £136,000 (2013: £271,000).

**Sightsavers International Inc.** is registered in Delaware, USA with the primary purpose of securing gift in kind donations of Mectizan<sup>®</sup> tablets from Merck Inc. These have been shown as gifts in kind and are disclosed in note 5. The income and expenditure is consolidated into these group accounts and in 2014 had income of £521,000 (2013: £707,000) and a deficit of £106,000 (2013: deficit of £32,000). The net assets of Sightsavers International Inc. at the year-end were £55,000 (2013: £161,000).

## 18 Investments continued

**Insamlingsstiftelsen Sightsavers International (Sverige)** is a registered charity raising funds in Sweden. The income and expenditure is consolidated into these group accounts and in 2014 had income of £899,000 (2013: £nil) and a surplus of £3,000 (2013: deficit of £3,000).

**Stiftelsen Sightsavers International Norge** was registered in September 2013, with the purpose of expanding Sightsavers' fundraising operations in Norway. The income and expenditure is consolidated into these group

accounts and in 2014 had income of £47,000 (2013: £nil) and a surplus of £4,000 (2013: £nil).

**Sightsavers Middle East Consultancy FZE** was registered in January 2013 with the purpose of expanding Sightsavers fundraising operations in the Middle East. The income and expenditure is consolidated into these group accounts and in 2014 had income of £308,000 (2013: £69,000) and a surplus of £8,000 (2013: deficit of £106,000).

## 19 Debtors

	Group		Charity	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Prepayments	594	225	563	215
Tax claims and other accrued income	4,399	4,278	4,203	4,080
Other debtors	703	525	1,210	904
	<b>5,696</b>	<b>5,028</b>	<b>5,976</b>	<b>5,199</b>

Within other debtors for the charity figures, there were amounts due from Sightsavers (Trading) of £22,000 (2013: £19,000), Sightsavers International Italia of £133,000 (2013: £179,000), Sightsavers Inc £237,000

(2013: £203,000), Sightsavers Sweden of £117,000 (2013: £nil), Sightsavers Middle East £47,000 (2013: £57,000) and Sightsavers Denmark of £26,000 (2013: £nil).

## 20 Cash

As at 31 December 2014, Sightsavers held total cash balances of £12,481,000 (2013: £6,131,000). This increase is a result of signing two significant, restricted funded agreements where pre-financing is provided. See note 23 for more details.

## 21 Creditors: amounts falling due within one year

	Group		Charity	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Taxes and social security costs	313	240	288	219
Overdrafts	312	1,005	312	1,005
Other creditors	1,273	626	1,747	1,138
Deferred income	7,372	1,575	6,860	1,575
Accruals	2,603	2,418	2,392	2,199
	<b>11,873</b>	<b>5,864</b>	<b>11,599</b>	<b>6,136</b>

Within other creditors for the charity figures, there were amounts owing to Sightsavers (Ireland) of £634,000 (2013: £557,000) and Sightsavers (Norway) of £44,000 (2013: £nil).

### Movement on deferred income during the year:

	Group 2014 £'000	Charity 2014 £'000
Balance brought forward	1,575	1,575
Released to income	(6,771)	(6,713)
Received in year	12,568	11,998
<b>Balance carried forward</b>	<b>7,372</b>	<b>6,860</b>

## 22 Statement of funds

	Balance at 1 January 2014 £'000	Income £'000	Expenditure £'000	Investment gains £'000	Transfers £'000	Other Gains / (Losses) & Revaluations £'000	Balance at 31 December 2014 £'000
<b>General reserve:</b>							
Free reserve	8,442	33,303	(33,578)	232	971	(651)	8,719
Pension reserve	(1,760)	-	1,722	-	-	(696)	(734)
<b>Designated funds:</b>							
Future overseas expenditure	625	-	-	-	258	-	883
Fixed assets fund	640	-	-	-	(14)	-	626
Financial Times appeal	904	-	-	-	(465)	-	439
<b>Total unrestricted funds</b>	<b>8,851</b>	<b>33,303</b>	<b>(31,856)</b>	<b>232</b>	<b>750</b>	<b>(1,347)</b>	<b>9,933</b>
<b>Restricted funds:</b>							
<b>Grants within voluntary income:</b>							
Irish Aid	84	1,221	(1,299)	-	(6)	-	-
Fred Hollows Foundation	-	137	(137)	-	-	-	-
Comic Relief	116	-	(110)	-	(6)	-	-
Conrad N. Hilton Foundation	44	135	(155)	-	(9)	-	15
Izumi Foundation	-	104	(75)	-	(9)	-	20
Other	17	391	(364)	-	(6)	-	38
<b>Sub total</b>	<b>261</b>	<b>1,988</b>	<b>(2,140)</b>	<b>-</b>	<b>(36)</b>	<b>-</b>	<b>73</b>
<b>Incoming resources from charitable activities:</b>							
DFID Nigeria NTD	-	2,011	(1,462)	-	(149)	-	400
DFID Global Trachoma Mapping Project	-	2,984	(2,741)	-	(243)	-	-
DFID SAFE	-	977	(917)	-	(60)	-	-
USAID	-	809	(742)	-	(67)	-	-
The Queen Elizabeth Diamond Jubilee Trust	-	4,088	(3,797)	-	(291)	-	-
Children's Investment Fund Foundation	-	517	(447)	-	(70)	-	-
EC HFPI	-	(24)	24	-	-	-	-
EC CCB	-	589	(553)	-	(36)	-	-
EC Sierra Leone	-	61	(57)	-	(4)	-	-
EC AHC	-	503	(470)	-	(33)	-	-
EC Bangladesh	-	192	(181)	-	(11)	-	-
EC Uganda	-	87	(82)	-	(5)	-	-
EC ZIEP	-	101	(93)	-	(8)	-	-
<b>Sub total</b>	<b>-</b>	<b>12,895</b>	<b>(11,518)</b>	<b>-</b>	<b>(977)</b>	<b>-</b>	<b>400</b>



	Balance at 1 January 2014 £'000	Income £'000	Expenditure £'000	Investment gains £'000	Transfers £'000	Other Gains / (Losses) & Revaluations £'000	Balance at 31 December 2014 £'000
<b>Donations and gifts:</b>							
Ministry of Mines	80	378	(423)	-	-	-	35
SCB Seeing is Believing	119	792	(1,238)	-	413	-	86
Other	168	4,149	(3,793)	-	(47)	-	477
<b>Sub total</b>	<b>367</b>	<b>5,319</b>	<b>(5,454)</b>	<b>-</b>	<b>366</b>	<b>-</b>	<b>598</b>
Legacies	-	209	(209)	-	-	-	-
Distributed gifts in kind	-	133,864	(133,864)	-	-	-	-
Other incoming resources	-	-	-	-	-	-	-
<b>Total restricted funds</b>	<b>628</b>	<b>154,275</b>	<b>(153,185)</b>	<b>-</b>	<b>(647)</b>	<b>-</b>	<b>1,071</b>
<b>Endowment funds:</b>							
Daruvala Bequest	64	-	-	-	(64)	-	-
The Gibson Orr Bequest	39	-	-	-	(39)	-	-
Mountjoy Trust	214	-	-	-	-	-	214
<b>Total endowment funds</b>	<b>317</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(103)</b>	<b>-</b>	<b>214</b>
<b>Total funds</b>	<b>9,796</b>	<b>187,578</b>	<b>(185,041)</b>	<b>232</b>	<b>-</b>	<b>(1,347)</b>	<b>11,218</b>

## 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 fixed 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 is being spent on a number of Seeing is Believing projects.

## Restricted funds

The transfer to unrestricted funds of £647,000 relates mainly to funds received as part of restricted funding agreements that are provided for Sightsavers indirect costs.

## Endowment funds

During 2014 Sightsavers spent down two funds in a manner programmatically consistent with their bequests. These were The Daruvala Bequest and The Gibson Orr 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.

## 22 Statement of funds continued

<b>Donor Name</b>	<b>Countries affected</b>	<b>Formal contract name</b>
Irish Aid	Cameroon, Guinea, Liberia, Mali, Senegal and Sierra Leone	Strengthening Sightsavers reach and impact in West Africa
Fred Hollows Foundation	Cameroon and Guinea Bissau	Sightsavers Fast Track Initiative to Eliminate Blinding Trachoma
Comic Relief	Kenya	Trachoma Control in Marsabit, Kenya
Conrad N. Hilton Foundation	Mali	Reducing the TT backlog in Mali
Izumi Foundation	Mali	Elimination of Blinding Trachoma in Mali 2014 and 2015
Department for International Development	Nigeria	Integrated Programme Approach to Control a range of NTDs in Nigeria
Department for International Development	Global	Global Trachoma Mapping Project
Department for International Development	Chad, Ethiopia, South Sudan, Tanzania and Zambia	Trachoma SAFE Implementation
USAID / RTI International	Chad and Zimbabwe	Trachoma Mapping
USAID / Helen Keller International	Cameroon	Support to Control of Neglected Tropical Disease Control Program (NTD Envision) in North West, South West and West regions of Cameroon
USAID / JSI Research & Training Institute, Inc	Bangladesh	Strengthen National Capacities on Paediatric Ophthalmology for Quality Child Eye Health in Bangladesh
The Queen Elizabeth Diamond Jubilee Trust	Kenya, Malawi, Mozambique, Nigeria and Uganda	The Queen Elizabeth Diamond Jubilee Trust Trachoma Initiative in Africa
Children's Investment Fund Foundation	Nigeria	Nigeria Disease Mapping
European Commission	Guinea Bissau, The Gambia and Senegal	Reducing Poverty through Improved Eye Health in the Health for Peace Initiative Sub-Region (HFPI)
European Commission	Caribbean	Delivering V2020 in the Caribbean (CCB)
European Commission	Sierra Leone	Strengthening National Health Systems and Increasing Access to Health Services for Persons with Disabilities in 3 Regions of Sierra Leone
European Commission	Malawi, Mozambique and Zimbabwe	Advancing Healthy Communities – Affordable, Accessible and Quality Eye Care in Malawi, Mozambique and Zimbabwe (AHC)
European Commission	Bangladesh	Barrier Free Inclusive Society for Persons with Disabilities

<b>Donor Name</b>	<b>Countries affected</b>	<b>Formal contract name</b>
European Commission	Uganda	Connecting the Dots: Investing in Youth with Disabilities for Enhanced Access to Employment in 4 Districts of Rural Uganda
European Commission	Zambia	Zambia Inclusive Education Programme (ZIEP)

## 23 Analysis of net assets between funds

	Tangible fixed assets £'000	Investments £'000	Cash £'000	Other net current assets £'000	Pension liability £'000	Net assets £'000
<b>Unrestricted funds:</b>						
General	-	5,274	3,700	(255)	(734)	7,985
Designated	626	-	1,322	-	-	1,948
<b>Restricted funds</b>	-	-	7,459	(6,388)	-	1,071
<b>Endowment funds</b>	-	214	-	-	-	214
	<b>626</b>	<b>5,488</b>	<b>12,481</b>	<b>(6,643)</b>	<b>(734)</b>	<b>11,218</b>

The charity has a high level of restricted cash balances and associated liabilities due to a number of grants with performance related conditions. When cash is received in advance on such grants, income is deferred until the performance conditions have been met. This includes the funding from The Queen Elizabeth Diamond Jubilee Trust and the European Commission among others.

## 24 Leasing commitments

### Finance lease obligations

Sightsavers is committed to making lease payments under finance leases of £591,000 (2013: £nil). The obligation to make these payments falls due as follows:

	2014 £'000	2013 £'000
<b>Land and buildings</b>		
Expiring within 1 year	94	-
Expiring within 2 years	349	-
	443	-
<b>Fixtures and fittings</b>		
Expiring within 1 year	31	-
Expiring within 2-5 years	117	-
	148	-
<b>Total</b>	<b>591</b>	<b>-</b>

Long term liabilities under finance leases total £466,000 (2013: £nil).

### Operating lease obligations

In the next year, Sightsavers is committed to making lease payments under operating leases of £253,000 (2013: £51,000). The table below analyses this figure between those leases in which the commitment expires within the next year, in two to five years and over five years from the balance sheet date:

	2014 £'000	2013 £'000
<b>Land and buildings</b>		
Expiring within 1 year	-	38
Expiring within 2-5 years	11	12
Expiring after 5 years	240	-
	251	50
<b>Other</b>		
Expiring within 1 year	-	1
Expiring within 2-5 years	1	-
Expiring after 5 years	1	-
	2	1
<b>Total</b>	<b>253</b>	<b>51</b>

## 25 Forward exchange contracts

Sightsavers entered into four forward exchange contracts during the year to hedge forward currency exposure on future programme expenditure. These contracts, to purchase US Dollars (USD) using Sterling (GBP), are each for up to 12 months in duration, at USD / GBP rates between 1.6035 and 1.6694. At 31 December

2014 a combined purchase value of USD 6.55 million remained on these contracts representing around 35% of forecast USD correlated overseas charitable expenditure for 2015.

At 31 December 2014, the USD / GBP exchange rate was approximately 1.5666.

Rehema, who's nine years old and pictured here with her mother, used to be bullied by the other children in her village. But she's been confident and happy since a cataract operation restored her sight.





# Sightsavers

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

**[www.sightsavers.org](http://www.sightsavers.org)**

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