

# Annual report 2016



Sightsavers



## Look closer...

Our **case studies** take a closer look at our projects and programmes.



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# The context

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## According to the World Health Organization (WHO), as of August 2014:

- Around one billion people (about 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. In addition, 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.
- More than one billion people are affected by neglected tropical diseases (NTDs). 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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**Front cover image:** Fahad, 6, photographed at his home in Zanzibar days after a successful operation to remove bilateral cataracts.

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people have some  
form of disability



**285 million**  
are blind or visually impaired



**39 million**  
are blind

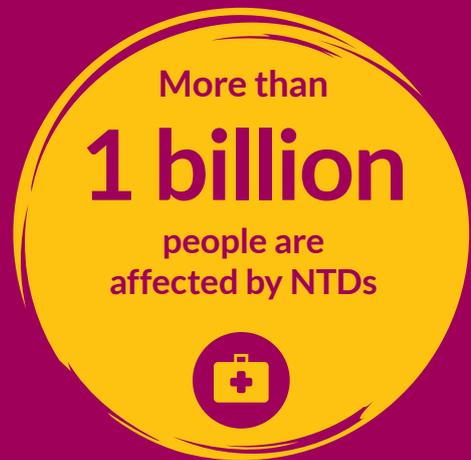


and two thirds  
of these are  
**women**

**80%**



of visual impairment is  
**treatable or preventable**



**90%**

of people who are blind  
and visually impaired live  
in **developing countries**



and

**80%**

of people with  
disabilities live in  
**developing countries**



## 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

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





Students at the Nile Vocational Training Institute in Hoima, Uganda, attend an introductory meeting on the first day of term.

## Message from our Chairman

**2016 was a year of continuing progress for Sightsavers against a dramatic backdrop of change across the world.**

The long-term impact of the vote to leave the European Union will not be known for several years, but the organisation is already starting to feel the effect of the 20 per cent fall in the value of the pound, since most of our income is in sterling while most of our expenditure is not. In 2016, the UK Department for International Development (DFID) discontinued the provision of Programme Partnership Agreement (PPA) grants to civil society organisations, including Sightsavers. The PPA grant was a valuable source of funding and we wait to see how DFID's replacement schemes will operate. At the time of writing, we are also concerned at what the impact will be of the Trump administration's proposals for major reductions in the US development budget.

Despite these trends, Sightsavers saw a strengthening of its financial

position in 2016, with increases in income, expenditure and reserves. This puts the organisation in a good position to weather the uncertainties ahead.

The organisation continued to perform strongly on implementation. We were awarded A+ for our PPA results over the last five years and A+, too, for our DFID-funded Integrated Neglected Tropical Diseases Programme in Nigeria. Almost all our large programmes were on track against targets. Record levels of outputs were achieved in many areas, demonstrating that we are reaching more and more people.

We were particularly pleased to win the charity section of the Top Customer Service Awards. In a year when there has been a good deal of harrying of charities in the media and from regulators, we have put increasing efforts into excellent customer service and we are proud that it has been recognised.

Our reputation for innovation has also been acknowledged. We have collected awards for outstanding work on supply chain



management (with Crown Agents); for working in partnership (with Unilever) and as the 'best NGO in Nigeria'. In the USA, GiveWell, the highly regarded, non-profit body assessing philanthropic organisations, gave us its coveted title of a 'Top' charity (one of only seven globally) for our work on deworming.

Overall, Sightsavers has shown resilience in the face of external turbulence and has delivered even more for our beneficiaries than before. This would not be possible without our generous supporters – individuals (many of whom have donated for years or even decades), trusts, foundations, companies and governments. I would particularly like to thank those who remembered us in their wills – more than £12 million in 2016, a record contribution.

I am grateful, too, to my fellow Trustees on the Sightsavers Board, who continue to give freely of their time and expertise to help take the organisation to even greater heights. Above all, my warm thanks, on behalf of the Board, go to all the wonderful men and women of the organisation, from programme

officers to drivers, from specialists to senior managers, who make a difference every day.

I saw that difference myself on a recent visit to Sightsavers' work in Mozambique. In the poor northeast province of Nampula, the help we have provided through our small team of Mozambican experts, working seamlessly with local officials and health personnel, has literally changed people's lives. There were 60,000 screenings and an amazing 2,700 eye-saving surgeries carried out in 2016 alone, an 18-fold increase over 10 years earlier. I was privileged to be present at one such operation, on an elderly man who had been blind for 22 years. The moment the bandages came off – the laughter, the hugging, the dancing, the life restored – was one I shall never forget.



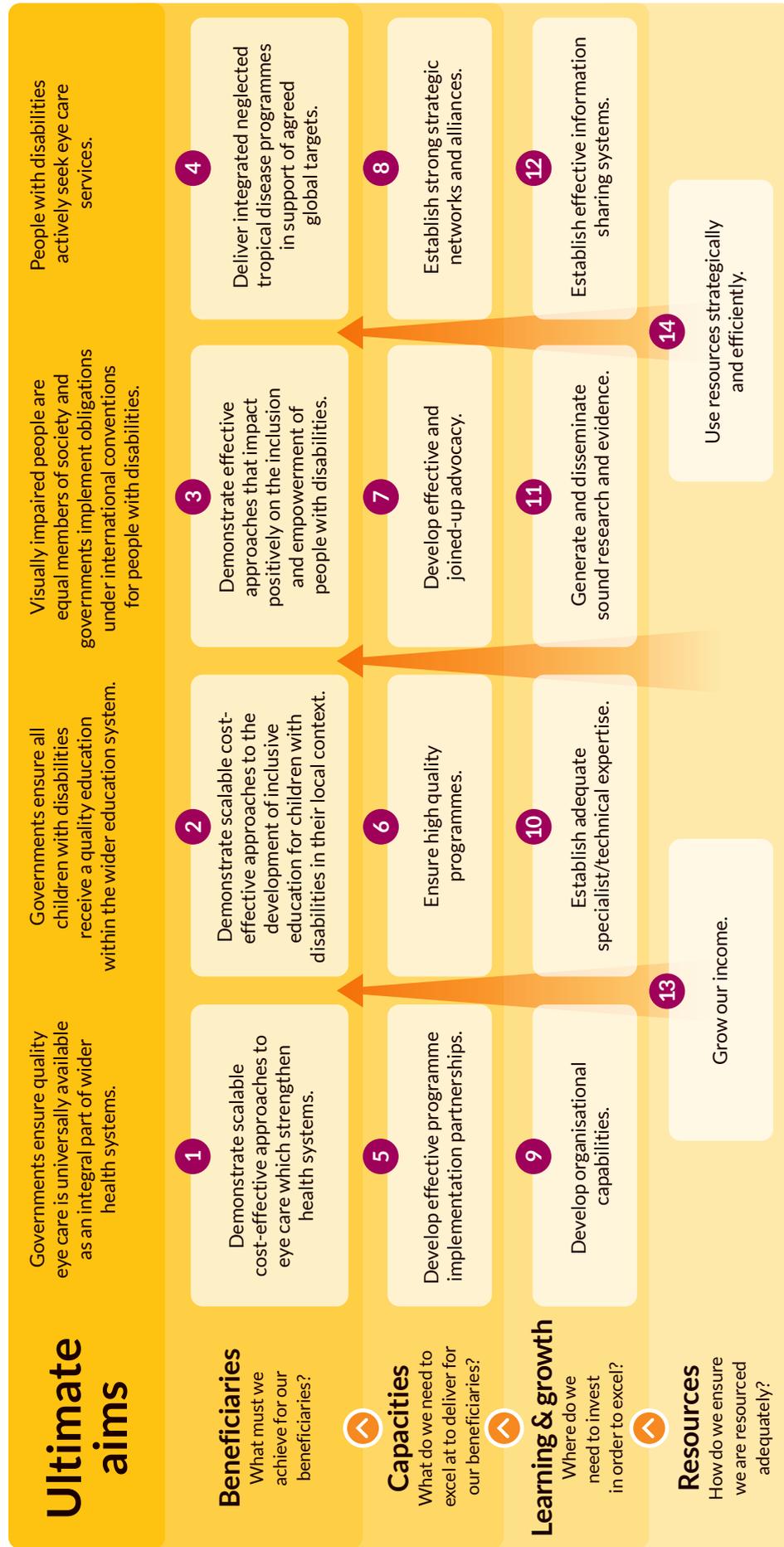
**Martin Dinham, CBE**  
Chairman



Sightsavers

# SIM Card: Strategy map

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



# Strategy, objectives and activities

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Our strategy was first conceived in 2008, then reviewed and refreshed in both 2011 and 2014 – continuing until 2019. The overall strategy is articulated in our balanced scorecard, or Strategy Implementation and Monitoring (SIM) card. Each element of the strategy has detailed sub-strategies that we hone regularly, along with the indicators that measure success. Last year we launched a new uncorrected refractive error (URE) strategy and an overarching NTD strategy called ‘Time to say Goodbye to NTDs’.

There are four ultimate aims shown at the top of the SIM card, linking directly to our objectives (on health, education and inclusion). If the ultimate aims have been achieved in a country, Sightsavers will no longer need to work there. The first two are about governments ensuring eye health and education services (the ‘supply side’). The third is about equality for visually impaired people and governments implementing agreed conventions. The fourth is effectively the ‘demand side’, covering both inclusion and health objectives, and is about people with disabilities displaying health-seeking behaviour.

We then take the ultimate aims and look at what we want to achieve for our beneficiaries over the strategic plan period. We set out to undertake demonstration programmes in eye health, education and social inclusion. We articulate separately an objective to eliminate neglected tropical diseases (NTDs), which is also in furtherance of our objective on advancing health.

Each of the objectives in the SIM card has lead and lag indicators, data for which is collected at least annually (some six-monthly). The results are shown on our website, and discussed later in this report.

## Our objects: as set out in our charter

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

## Our portfolio

### 1 Eye Health

Our programmatic approach is guided by the principle of affordable universal health coverage, strengthening health systems by referencing the WHO building blocks (service delivery, health workers, medicines, health financing, health information systems, governance and leadership). We are working towards the WHO Global Action Plan for Universal Access to Eye Health. In 2016 we undertook a thematic strategy mapping process looking at how our current eye health portfolio is aligned with the strategy. This identified a number of gaps and the resources needed to fill them.

In all countries we work with the Ministries of Health – at all levels. In some of our larger programmes we work in coalition with other international non-governmental organisations (INGOs) such as Helen Keller International, Fred Hollows Foundation and Orbis. We also work with a number of non-governmental organisation (NGO) hospitals, particularly in India and Bangladesh.

We increased our work with school health programmes, working with ministries of education, integrating vision screening and correction of uncorrected refractive error together with referral for childhood cataracts and other vision problems. We successfully delivered a contract with the World Bank to design an innovative approach to this (together with deworming of children with the Partnership for Child Development) in 2016. Our school screening programme in India (in partnership with Orbis) also grew strongly.

### 2 Education

We are totally revamping our education programmes, with a number of new interventions just beginning.

#### Examples of these include:

- 1 Strengthening the capacity of primary teachers' colleges across Uganda to provide good quality training for trainee teachers in inclusive education for children with disabilities
- 2 Developing the capacity of community-based children centres in Malawi as part of an early childhood development and education programme (supported by Comic Relief)
- 3 Supporting the provision of high-quality assessments for children with disabilities in Kenya
- 4 Establishing pilot interventions across West Africa (supported by Irish Aid and the European Union)
- 5 Working across five states in India to build the capacity of teachers and to maximise the accessibility of school environments. We also support the children in gaining literacy, numeracy and ICT skills

In all countries we work with ministries of education (and sometimes other ministries depending on the setup in the relevant country). We also work with several universities.



Monica, who is 24 years old and has a physical disability, is studying plumbing and challenging stereotypes about disability and gender. There aren't many plumbers in her area, so she can earn a good living.

### 3 Social Inclusion

Our new social inclusion strategy was launched in June 2015, aligning our programmes with the UN Convention on the Rights of Persons with Disabilities. Our priorities within this are economic empowerment and political participation with gender and advocacy mainstreamed across all our programmes.

Our youth economic empowerment project in Uganda has gone from strength to strength. Project Officer Edith Kagoya was named one of Guardian Developments' 'heroes of 2016' for her work.

We work extensively with disabled people's organisations (too numerous to mention) and have developed strong partnerships with the International Disability Alliance (IDA) and ADD International.

## 4 Neglected tropical diseases (NTDs)

Our strategy for our NTD work is contained in a new document written in 2016: 'Now is the Time to Say Goodbye to NTDs'. This sets out our goals and targets over next few years as we move towards eliminating most of the diseases we treat.

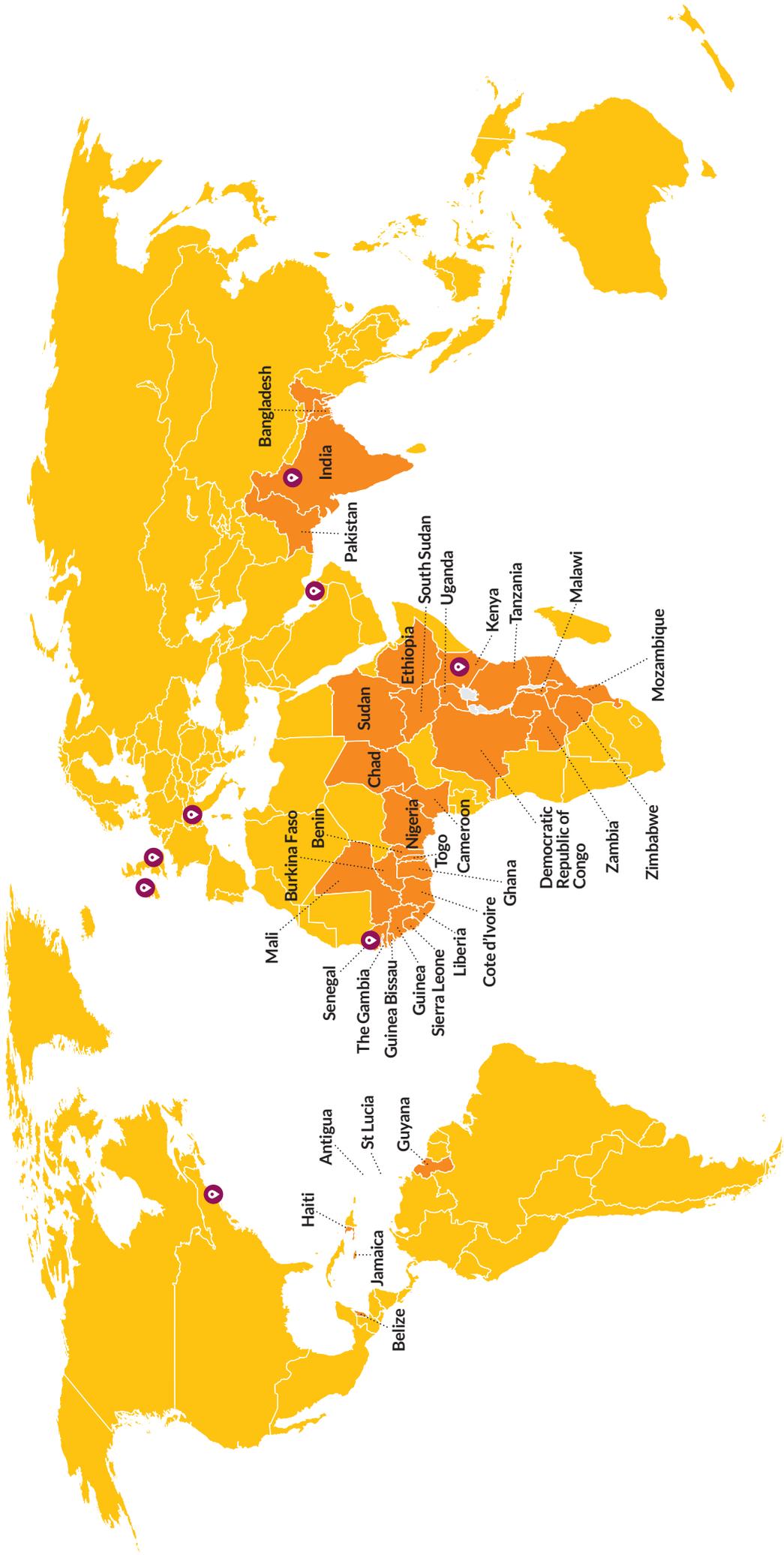
### Key principles within this are:

- We support integration and coordination of NTD programmes in countries in which we are active to reach elimination goals within NTD national master plans.
- We ensure that NTD projects promote gender equity and are inclusive of people with disabilities.
- We support health systems' strengthening (such as ensuring surveillance systems are in place).
- We work to develop new NTD partnerships, including collaboration across development sectors between NTDs and WASH (water, sanitation and hygiene), malaria (especially on lymphatic filariasis programmes and bed nets) and behaviour change.
- We fully engage with the external NTD environment for the benefit of our own programmes and the global NTD elimination agenda.
- We constantly work to improve internal organisational learning across our programmes and promote sharing of internal and external best practices.
- We coordinate between all Sightsavers health programmes when they are co-located, to ensure efficiency and to coordinate demands on and sustainable benefits to the health system.
- We deliver value for money, aiming to maximise the impact of each pound spent to improve people's lives.
- We strive to reach the poorest people who live in places that have little or no access to medical care.

Much of our work is done in coalition, all in furtherance of the goals under the WHO 2020 Roadmap. We have a number of large grants from organisations such as DFID and the Queen Elizabeth Diamond Jubilee Trust, as well as the END Fund, Conrad Hilton Foundation and Izumi Foundation. We also support NTD programmes through unrestricted income. In 2017 we will reach a cumulative 1 billion treatments through all these mechanisms.

We provide support to the NTD community as hosts of the Uniting Support Centre, in partnership with the Taskforce for Global Health, and funded by the Bill and Melinda Gates Foundation (BMGF), helping the Stakeholders Working Group monitor and guide progress towards the WHO Roadmap goals. We are also working with BMGF to undertake advocacy to bring more donors and partners into the fight.

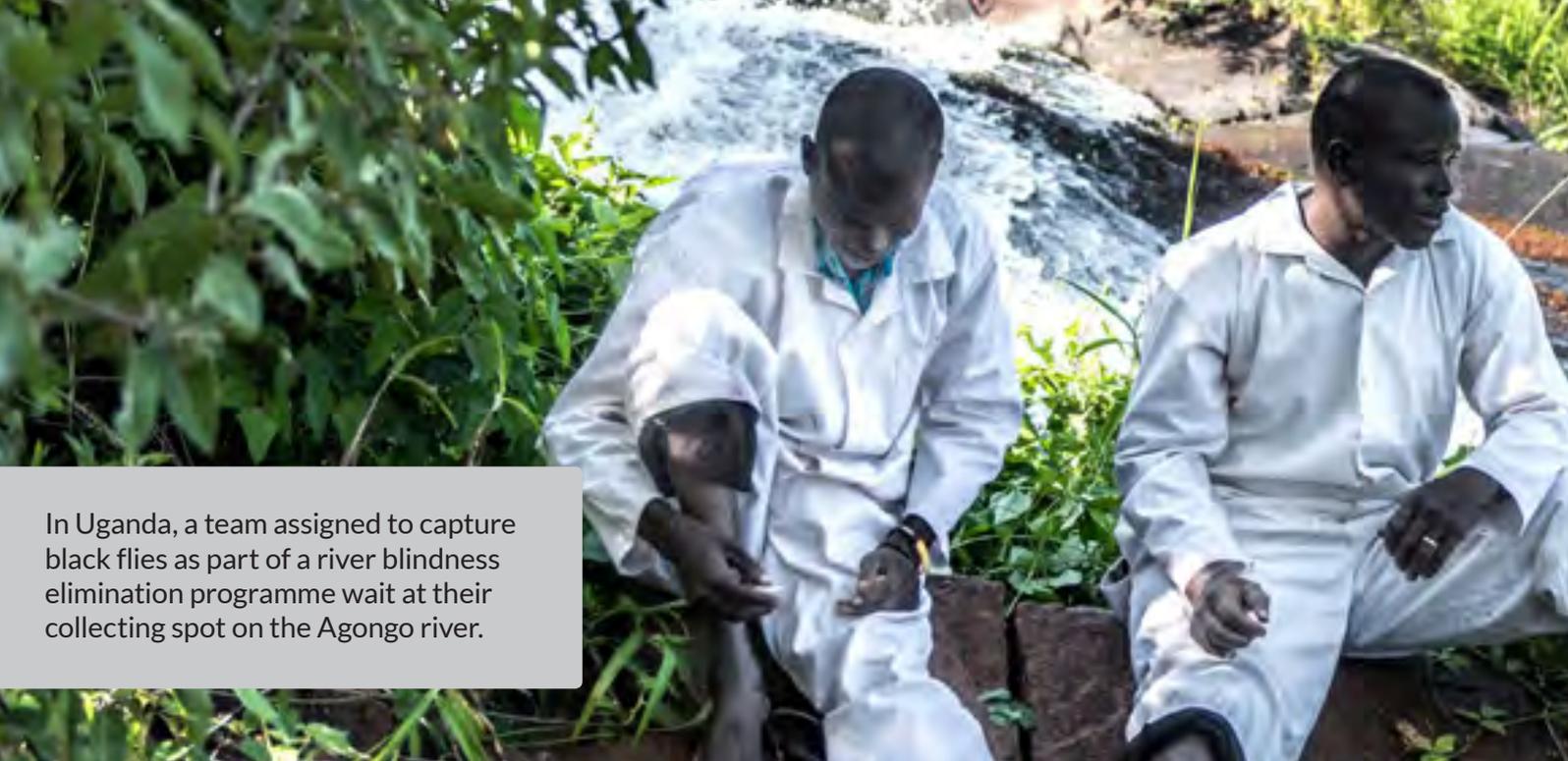
# Where we work



Where we have programmes



Regional and support offices



In Uganda, a team assigned to capture black flies as part of a river blindness elimination programme wait at their collecting spot on the Agongo river.

## A snapshot of what we achieved in 2016

### 1 A great record of delivery and partnership with DFID

2016 was the final year for DFID Programme Partnership Agreements (PPAs), and we were pleased that our work over the five years of the partnership was assessed as A+. The PPA not only supported specific programmes, but also helped Sightsavers build its capability in a number of areas. Our monitoring and evaluation, impact assessment and use and dissemination of evidence all improved dramatically over the period of the grant. Case study 1 provides further details.

We also received an A+ assessment for our DFID-funded Nigerian integrated NTD programme (UNITED).

We have been working with DFID for several years to support their work on disability, including the development of a disability framework. It was therefore particularly gratifying that DFID placed so much emphasis on disability in its Bilateral Development Review and in speeches given by the Secretary of State, Priti Patel.

### 2 Neglected Tropical Diseases: a record year as we approach the milestone of 1 billion treatments

A record number of treatments were supported this year: more than 154 million. This puts us on track to hit a cumulative figure of 1 billion treatments in 2017 – a phenomenal milestone. We formally launched the Unilever Lifebuoy partnership in Ethiopia, extending the current hand washing campaign to include face washing in a number of trachoma-endemic countries. Being awarded ‘top charity’ status by GiveWell in the US for our deworming work was a huge accolade. We also won awards for our supply chain work with Crown Agents in Nigeria and as the best NGO in Nigeria – the country where our NTD programme is largest. More details on our partnerships and innovative programmes can be found in case study 2.



### 3 Award for Supporter Care

In 2016 there has been unprecedented media criticism of charities, focusing on their fundraising and the way they treat supporters. The new Fundraising Regulator and the Information Commissioner's Office have both been critical of the sector. We have been putting particular effort into our supporter care activities (see case study 4) and were proud to come first in the charity sector at the Top 50 Customer Service Awards.

### 4 Organisational capability

Significant improvements in our IT infrastructure were made this year (see case study 5), and we made a great deal of progress in strengthening our cyber-security standards. We also released our first Inclusion Report and set up a new Social Inclusion Working Group, which has galvanized many employees to ensure the values articulated in our social inclusion strategy (produced in 2015) are embedded in the organisation.

### 5 Overall Income

This increased to more than £300 million for the first time ever. It is important to note that a significant part of this increase is because of an increase in gifts in kind. In Sudan we receive Zithromax<sup>®</sup>, a medication used to treat the neglected tropical disease trachoma. We process it through customs, rather than having the Ministry of Health do this directly with the International Trachoma Initiative (which ships the drugs). This is linked to the situation around Sudan and US sanctions. As a result, the Zithromax<sup>®</sup> for Sudan (but not for other countries) appears in our accounts and is recognised in our income. The Sudan trachoma programme in Darfur will run during 2016 and 2017, so elevated income will be seen in these two years. It is likely to reduce to more normal levels in 2018 when this programme finishes.

# SIM card

Results of beneficiary indicators (for results of all indicators and more details please see website)

Objective	Indicator	Previous result	Target	Result	Status	Trend	Performance Notes
Demonstrate scalable cost-effective approaches to eye health	Lag – % of countries, where Sightsavers has an eye health project, that demonstrate improved access to eye care services that are integrated into health systems, where this can be measured (B01D)	76.47	55.00	100	On Target	➔	One interesting point to note here is that of 16 eye health programmes with a service delivery component, only six are able to reliably collect cataract surgical rate (CSR) data. All six of these showed an increase in the CSR compared to the previous year. Too short a time period for trend analysis, but clearly to some extent we can assume those programmes with good-quality CSR data available are more likely to be stronger programmes delivering improved CSR rates. The indicator was deliberately framed as it is to prevent holding programmes to account for not meeting targets when data is insufficiently high quality to draw those conclusions. It is designed to provide two drivers in eye health programmes: a drive for more systematically available good-quality CSR data; and, once that is achieved, a drive for an increase in the CSR.
	Lead – % of countries, where Sightsavers has an eye health project, that have contributed to identification of gaps/needs through an eye health system assessment in the past five years (B02B)	23.53	52.60	43.75	Approaching Target	↘	As the Eye Health Systems Assessments (EHSA) need to be planned in advance, it may seem disappointing that we were unable to target more accurately. However, at least one of the EHSA's not undertaken was due to ongoing political and partnership issues. Also, the data on rationales is variable, with some narratives not mentioning EHSA's at all. However, this is also a significant step up from results last year at 25 per cent, so a good example of Sightsavers' growing commitment to evidence programming.
	Lead – % of countries, where Sightsavers has an eye health project, that have contributed to identification of gaps/needs through a prevalence survey in the past five years (B02C)	55.56	52.60	27.78	Below Target	↘	A significant number of surveys were conducted in 2011 and 2012, hence the significant reduction from previous results. Several processes are planned and it's important to note that trachoma-specific prevalence surveys have been carried out in several countries, which could be seen as eligible for reporting under this indicator. It is appropriate for Sightsavers not to conduct Rapid Assessment of Avoidable Blindness (RAABs) every five years on every project as this would be expensive and not necessarily good value, so we wouldn't ever expect to hit 100 per cent. However, as with the systems assessment indicator, an inability to reach close to target is less understandable for this indicator than for some others, given how far ahead surveys should be planned, and that we know when previous ones have been conducted and thus which will fall into the negative category as we move into a new year.
	Lead – % of health projects with clearly defined strategies to improve access by people with disabilities (B02E)	35.71	35.71	46.34	On Target	↘	It is encouraging to see two trends in reporting against this indicator. First, the increase in the proportion of programmes offering some level of inclusion within programme planning. Second, and perhaps more subjectively, the quality of evidence being provided for reporting positives. That said, there could still be some improvement in the inclusivity of language used, particularly in non-Anglophone countries. A number of programmes are sharing plans to disaggregate data by disability in the near future. There are two points to consider here. First, we need to ensure that this is done using the approved Sightsavers method, using the Washington Group Short Set of questions and our approved approach. Second, once sufficient programmes are collecting this data regularly, the indicator should shift from the existence of strategies to measuring the actual access to services by people with disabilities.
	Lead – % of health projects with clearly defined strategies to improve access by and to reach a higher number of females than males (B02F)	45.24	45.24	56.10	On Target	↘	It is good to see an upward trend in such a crucial aspect of equitable eye health access. It is well known that for a number of reasons, women are more likely to require, and less likely to access, eye health services. This is why the target is for higher levels of access by females and not for parity. There may be limited circumstances where parity or even a focus on access by males is required, but this will not be the norm. It is therefore important that any project seeking to improve access to eye health for under-served populations has a clear understanding of the contextual gender dynamic and sex disaggregated data. Two very clear exemplars in reporting are Sierra Leone and Senegal, and we will be sharing these with other country offices. We need to increase efforts in this area to ensure project results match the EHSA, RAAB or other evidence showing the gender dimensions of prevalence and access.

Objective	Indicator	Previous result	Target	Result	Status	Trend	Performance Notes
Demonstrate scalable approaches which promote inclusive education	Lag – % of countries with education projects where government has an education policy in line with the United Nations Convention on the Rights of Persons with Disabilities (B03A)	11.11	25.00	20.00	Below Target		This is a complex and difficult indicator in which to score positively. The slow but steady trend upwards in scoring reflects an extremely considered and technical approach to planning our inclusive education portfolio. This is probably the area with the highest project turnover in recent years and it is great to see this bearing fruit. It is also probably the indicator with the widest disparity in the narrative evidence provided. Countries scoring negatively are at times providing significantly more evidence to justify this result than countries scoring positively. It is vitally important that we close this evidence gap. In the meantime, it is good to note that although we have not achieved the target, we are significantly improved on previous years. This will continue as new programmes come online this year.
	Lead – % of education projects that are suitable for replication/adoption by government or other service providers (B04)	62.50	63.60	90.91	On Target		We have phased out our old education projects and replaced them with new projects that are in line with our education strategy. As a result, we have seen a significant improvement in this indicator.
	Lead – % of health, education and NTD projects with clearly defined social inclusion strategies to include people with disabilities (B06D)	39.42	55.30	50.93	Approaching Target		Some solid progress has been made against our aim to make our general health programmes more inclusive, acting as an exemplar for other interventions by mainstream development agencies. Again the indicator is multi-faceted and complex, and performance varies widely both within and between countries. We will need to continue to work to ensure comparability in how programmes are measured across countries and in particular across regions, but also between sectors. Overall, this is possibly the weakest indicator in terms of quality and quantity of narrative provided in evidence. We perhaps need to be more clear in what additional information we expect to see in this indicator.
	Lag – % of countries that meet at least four of the eight criteria on our social inclusion index (B05B)	53.57	55.50	57.69	On Target		This is another highly complex multi-dimensional indicator that will take some time to develop appropriately comparable ways of reporting against. It is good to see some increase both against previous year and target, but in all honesty, this should probably be seen as not significant given those circumstances. However, we remain convinced that the index, and this indicator, will prove a powerful tool in assessing both our own programmes and country progress towards inclusion.
Deliver integrated NTD programmes in support of agreed global targets	Lead – % of countries, where we run social inclusion and/or education projects, that can demonstrate effective inclusion and empowerment of people with disabilities (B06C)	57.14	58.30	50.00	Approaching Target		Overall this indicator has a comparatively high level of reporting quality even for negative scoring. It is another of the more complicated multi-faceted index indicators for social inclusion that demonstrate the range of barriers that need to be addressed in order to achieve inclusion. As with the others, this is a newer approach to reporting and it will be good to see how it beds in across the organisation over time.
	Lag – % of countries, where Sightsavers supports specific NTD disease projects, that are meeting national milestones to eliminate or control these specific NTDs (B08A)	75.00	80.00	79.17	Approaching Target		All countries now have a WHO-endorsed 'NTD Master Plan', which is a detailed country situation analysis, based on disease mapping, of need. The scale-up required in some countries to achieve these plans, however, is considerable. Funding does not only come from Sightsavers. While one disease may be covered at scale, there may be coverage issues with other diseases that have just started treatments (or no treatments recorded as yet). Full country NTD mapping is now available following an Africa-wide NTD mapping project, which was completed in 2016.
	Lead – % of projects which meet or exceed their MDA targets for therapeutic and geographical coverage (B07B)	68.52	80.00	85.71	On Target		The upward trend is to be expected as countries meet their 'ultimate intervention goal' and maintain the coverage required to meet WHO targets for elimination and control. Projects that were unable to meet the required coverage were South Sudan (security issues meant that treatment could not be undertaken) and Liberia (where the recovery planned following the impact of Ebola was slower than expected). One project in Nigeria targeted for treatment in 2016 started treatments in March 2017.
	Lag – % of NTD projects with clearly defined strategies to improve access by people with disabilities (B07C)	38.89	60.00	46.43	Below Target		This is the second year we have collected data against this indicator. While there has been modest progress since 2015, we are not meeting our target. We have some excellent examples of programmes that are changing their delivery methods and we need to share their approaches with programmes that are not. A cross-team working group has been set up as part of the new Sightsavers NTD plan, which highlights this issue as a priority area for progress.



## Case study 1

# Sightsavers and DFID: the impact of the Programme Partnership Arrangement

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From 2011 to 2016, Sightsavers' Programme Partnership Arrangement with the UK government's Department for International Development (DFID) made a significant contribution to fighting avoidable blindness and promoting the rights of people with disabilities. PPA funding enabled us to strengthen our technical and delivery capacity, which in turn has helped us to win and deliver on large grants, and strengthen our other eye care programmes.

Sightsavers successfully used the PPA to invest in research, monitoring and systems capacity to ensure our work is more evidence-based, and to share learning, nurture innovation and attract a diverse supporter base. This investment delivered improvements to quality programming and knowledge management internally, and contributed to developmental policy and practice externally. For example, Sightsavers conducted three Evidence Gap Map exercises on different eye conditions. These global research tools improved understanding of research needs in cataract, refractive error and diabetic retinopathy. They make the available evidence accessible in a user-friendly format and highlight gaps for future research.

The growth in Sightsavers' work that PPA funding has made possible is staggering. Prior to the PPA, we treated 1.8 million people with antibiotics to combat trachoma in 2010; in 2016, we treated 24.6 million. Seed funding allowed us to invest in the right expertise and partnerships to leverage more funding and increase our ability to lead the fight against NTDs.

We continued to increase healthcare access. In 2016, we estimate that nearly eight million people received eye health examinations in Pakistan alone, and even more in 2015, thanks to female health workers who had been trained in primary eye care to significantly increase access to eye health services, particularly for women. And through our Vision Bangladesh District Eye Care Project, we provided 41,659 cataract surgeries.

In Sierra Leone, in addition to supporting the Ministry of Health during its response to the Ebola crisis, we discovered that significant numbers of survivors suffered eye-related complications. We provided training and support to the Ministry of Health in responding to this unforeseen aspect of Ebola response and will be in a position to inform future Ebola response programmes should outbreaks happen.



Six-year-old Asha, who lives in Zanzibar, pictured a week before she had surgery to remove her cataracts. The operation helped to relieve the pain she experiences when exposed to bright lights.

Sightsavers also used PPA funding to innovate in programming, including developing our approach to data disaggregation. We used the Washington Group short set of questions in two programmes in India and Tanzania, with these pilots enabling us to develop an evidence-based inclusive eye health project in Bhopal, India, which we plan to replicate in 2017. We have shared the lessons learned from these pilots across a range of national and international conferences; UN and academic meetings; blogs and presentations. We are now working closely with the Washington Group, UNICEF and others in continuing this work. This will continue to be a developing area of expertise for Sightsavers. Other evidence collected as a result of the PPA has allowed us to make evidence-based policy and programme decisions.

#### **This has included:**

- Providing training to Sightsavers staff in rapid assessment of avoidable blindness methodology to improve our capacity to undertake these studies within our eye health programmes, which has already led to programme learning in Uganda.
- Carrying out mHealth work in Cameroon and Mali, where Sightsavers and the Ministry of Public Health in Cameroon have piloted the use of mobile phones to collect and monitor mass drug administration (MDA) data. In the first pilot, this cut down on MDA time by a third, increased treatments by 6.7 per cent, made it possible to have 100 per cent of data available at regional meetings, and saved approximately £54,000 on drug waste and monitoring costs. In 2015 it was scaled to the entire southwest and northwest regions and we are planning to reach all Sightsavers' regions in Cameroon.

## Case study 1 continued

Also in Cameroon, PPA funding has allowed us to work with eye health NGOs (Fred Hollows Foundation and Africa Eye Foundation) and D. Capital to develop a new financing mechanism that will help test an innovative approach to health financing. If successful, the Cameroon Cataract Performance Bond will help scale and replicate effective eye health delivery models in Cameroon and other vulnerable regions of the world.

The PPA has enabled us to expand technical expertise across each area of our thematic strategies, widening the reach of our work, including our social inclusion programmes. In Uganda, we have been supporting the Uganda National Association of the Blind, the National Union of Disabled Persons of Uganda and local government to economically empower young women and men with disabilities. By showing what people with disabilities are capable of, the programme also changes attitudes and breaks down stigma in the community. We are now ready to replicate this programme in other countries. PPA funding has also enabled us to redesign several of our education programmes to take a more sustainable and technical approach.

Finally, PPA funding has enabled us to put in a huge effort and focus on our engagement with the global Sustainable Development Goals. We are effectively contributing to the goals' promise to 'leave no one behind' by improving the accessibility of development programmes to two of the most marginalised groups in society: people with disabilities, and women/girls. Working with DFID's Inclusive Societies Department, we have shared positive and negative learning transparently.

Overall, the PPA has been incredibly important to Sightsavers over the past five years and has been nothing short of transformational for the organisation. It enabled us to invest in areas around monitoring, evaluation and learning, in evidence gathering, impact assessment and in systems – areas that are vital, but which donors rarely want to fund. It also provided the opportunity to share learning with other PPA holders. We are proud that DFID assessed our performance within the partnership as A+, and we believe we are a far stronger organisation now than we were before 2011.

A student imitates a pair of glasses during an eye screening exercise at the Jongowe school in Zanzibar.



# Output statistics

Our data is one of the cornerstones of our performance assessments, and is held in our Programme Portal, which all staff and trustees can consult. The data below is top line – further data by country, gender and age is also available. A key aim for us in future is to disaggregate this further by disability.

Global Output Statistics Summary		2013 totals	2014 totals	2015 totals	2016 totals
Eye Health	No. of people examined	13,872,336	12,812,741	12,712,182	<b>12,052,091</b>
	No. of operations performed (cataract, glaucoma surgery, diabetic retinopathy, trichiasis and other general eye operations)	296,319	271,026	334,156	<b>344,023</b>
	No. of operations that were for cataract	210,011	217,907	252,044	<b>260,930</b>
	Spectacles dispensed	–	–	207,832	<b>286,774</b>
Neglected Tropical Diseases	No. of people treated for trachoma	9,044,720	9,283,731	22,623,927	<b>24,690,187</b>
	No. of people treated for river blindness	34,302,111	29,401,080	47,561,810	<b>46,918,726</b>
	No. of people treated for lymphatic filariasis	44,221,205	44,867,923	50,615,561	<b>60,113,118</b>
	No. of people treated for soil-transmitted helminths	12,550,999	14,304,849	14,428,580	<b>16,728,965</b>
	No. of people treated for schistosomiasis	3,441,817	4,402,205	6,768,679	<b>5,773,756</b>
	Total NTD treatments	103,560,852	102,259,788	141,998,557	<b>154,224,822</b>
Education and Inclusion	No. of children who are blind, have low vision or other disabilities being supported in school	9,062	8,159	3,252	<b>5,162</b>
	No. of people who are blind, have low vision or other disabilities who received training (eg daily living skills, mobility and orienteering, vocational training or rights and entitlements training)	26,203	32,247	16,097	<b>13,124</b>

Global Output Statistics Summary		2013 totals	2014 totals	2015 totals	2016 totals
Human Resource Development	<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)	886	300	39	<b>67</b>
	<b>No. of education/inclusion personnel trained to gain initial professional qualification</b> (includes itinerant teachers, rehabilitation specialists and community-based rehabilitation workers)	201	219	45	-
	<b>No. of professionals supported on eye health short courses</b>	49,131	26,781	41,651	<b>54,040</b>
	<b>No. of professionals supported on education or inclusion short courses</b>	11,845	8,665	3,899	<b>6,161</b>
Volunteers	<b>Total number of village level volunteers trained</b> (NB: includes community distribution of treatment, primary eye care, education and inclusion courses)	199,473	166,539	219,516	<b>259,670</b>

## Commentary

### A Eye health

The number of eye health examinations dropped slightly this year. This is because of a reduction in examinations by Lady Health Workers in Pakistan, who were diverted by the ministry to doing more immunisation work, although the total of examinations was still nearly 8 million in 2016.

Examination numbers outside Pakistan have actually increased particularly in India, Bangladesh, Sierra Leone and Tanzania.

The relative strength of health systems means that the majority of our cataract operations are performed within projects in Asia. That said, we increased the number of our cataract operations in Africa by 25 per cent this year, driven by the DFID-supported multi-country CATCH programme (which combines cataract operations with trichiasis outreach) and new projects in Tanzania.

Within other surgeries there was an increase in the number of trichiasis surgeries, up to 61,696 in 2016. This was nonetheless lower than we had targeted as we are finding it harder to find trichiasis cases as more countries approach elimination.

The growth in numbers of spectacles distributed is primarily from an expansion of projects in India, particularly in schools. There is less refractive error in Africa, particularly in rural areas, but the World Bank project (School Health Integrated Programme) distributed several thousand.

We also distributed 1,154,256 vitamin A treatments in 2016, with a major programme in Sudan.

### B NTDs

NTD treatments reported come from two types of source: our large coalition grants and those where Sightsavers is funding directly (whether by restricted or unrestricted funds). We report all outputs, including those where our INGO partners support implementation, so we are able to show the overall impact of the grants we are managing. A proportion of the data on NTDs (between 1 per cent and 9 per cent depending on disease type) is based on estimates – the data has been collected, but it is still being checked prior to formal sign-off.

The total number of treatments has increased by 9 per cent since 2015, with the biggest increase in lymphatic filariasis (LF). This was enabled by the Aid Match programme for onchocerciasis and LF.

Treatments for trachoma would have been higher, but a planned round of MDA in Kenya was postponed until 2017 due to an ongoing negotiation on impact assessment methodology. There were also delays in delivery of drugs in Mali and Sudan.

## C Education and social inclusion

The number of children that Sightsavers is supporting has increased since last year. This figure must be approached with caution due to differences in how educational support is reported on a regional level. Our projects in India account for 80 per cent of children supported (4,154), but the nature of support is indirect, with project activities focusing on broader curriculum development, teacher training and strengthening the policy environment, rather than on supporting individual children to attend school. Reported numbers for India therefore include all disabled children attending school in the project area.

In Africa, the project approach is a mixture of direct and indirect support, with individual children often given significant investment and support as part of these activities. Reported numbers therefore usually include only those children being individually supported. More than 1,000 children received support across Africa in 2016, including 402 children now receiving support through our new education project in Kenya.

The number of adults with disabilities trained by Sightsavers has reduced since 2015. Since the publication of our social inclusion strategy, 'Empowerment and Inclusion', in June 2015, our organisational approach has seen a continued move away from community-based rehabilitation with a primary focus on delivering training, to a rights-based approach that aims to support people with disabilities to claim their rights in relation to economic and political empowerment. This decrease is therefore in line with our organisational model, and was anticipated with a 2016 annual target of 12,925 – 102 per cent of this was achieved.

Sightsavers is currently exploring better ways in which we can represent our inclusion work in line with our change in organisational focus.

## D Human resource development

The number of healthcare professionals trained for either their initial qualification or for further short courses has increased. Of those trained for an initial professional qualification, 30 were ophthalmic technicians in Mozambique. These individuals were originally due to complete their studies in 2015, but this was delayed. Sightsavers is continuing with its oversight of these indicators to ensure that individuals are not being counted who have not yet graduated, and that short trainings are not being reported as professional qualifications. Our greater awareness of the calculation of these indicators maintains our confidence in their accuracy post-2015, but they are not directly comparable to earlier years where we are not confident that such rigour was always applied.

## E Volunteers

The number of village-level volunteers trained has increased since 2015, with the training of community drug distributors (CDDs) constituting the large majority of 2016 outputs (91 per cent). Notable performers include Nigeria, where 63,754 CDDs were trained, plus Democratic Republic of Congo (Aid Match), Sierra Leone and Cameroon.



## Case study 2

# NTDs: a record year in the run-up to 'a billion treatments' in 2017, with continued innovation

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2016 saw us reaching our highest ever annual number of supported NTD treatments in Africa – 152.8 million treatments. We are on target to celebrate our billionth supported treatment in December 2017. We would not have achieved this without working in partnership with a variety of organisations and the generosity of some incredible donors, the two biggest of which are DFID and the Queen Elizabeth Diamond Jubilee Trust.

We are an NTD leader globally in terms of treatments supported and project management of large grants/contracts from donors. We are recognised for our strengths in advocacy, policy, influencing, resource mobilisation, programme delivery and coalition management.

Understanding the external environment on NTDs and playing an active role in the various coalitions and groups has been essential in establishing ourselves as a global player. We have proved agile at maintaining relationships and establishing new ones.

We have entered into formal relationships with organisations such as the Schistosomiasis Control Initiative (SCI, Imperial College, London), Liverpool School of Tropical Medicine, London School of Hygiene and Tropical Medicine and the Kilimanjaro Centre of Community Ophthalmology to assist our technical teams in developing preferred practices. With Liverpool and SCI we also have arrangements where we support their in-country work in a number of African countries.

We have also linked up with the Carter Center, where we work on trachoma in Sudan and river blindness in Uganda, as well as coordinating our activities in Nigeria. Uganda, through this partnership, has achieved the elimination of transmission of river blindness and has resulted in the cessation of treatment to 1.9 million people who are in the post-treatment surveillance for elimination. In Sudan, our work in partnership with the Carter Center and the Federal Ministry of Health is working towards eliminating trachoma as public health problem in the country by 2020. At the time this report was written we are supporting the distribution of Zithromax® in Darfur, a particularly challenging area where refugees are still arriving.

We have positive engagement with the WHO at its headquarters and the African regional office. We are active on various WHO technical committees such as the Expanded Special Project to Eliminate Neglected Tropical Diseases (ESPEN) and the Regional Programme Review Group.



Community drug distributors in Burkino Faso's Banfora district.

Our aim is to deliver integrated NTD programmes that treat a number of endemic diseases within a given district or geographical area. This, however, adds a layer of supply chain management to ensure the required medicines are available for distribution. By working with Crown Agents we have developed an innovative and award-winning drugs supply chain mechanism in Nigeria that will be adopted country-wide. We can also use this approach in other countries where we work.

We need to further develop links with the water, sanitation and hygiene (WASH) sector and identify a clear set of partners beyond our current small grouping. Our leadership role in establishing the priorities around WASH and NTDs will certainly help to increase our network in this area.

We have identified that working in consortia is the only way we can reach the scale required to eliminate NTDs across multiple countries in an integrated way. Once these collaborations are in place to deliver NTD work, we need to work diligently to ensure partnerships in the countries where we work are established. International collaboration and partnership often works, but it is the in-country work where attention needs to be given.

Our contractual management structures and systems have enabled us to deliver at scale, on time and at consistently high quality. We can share with the NTD community what we've done and why, and what we've learned on the way. These structures and systems could also be used in other major consortia programmes outside NTDs.

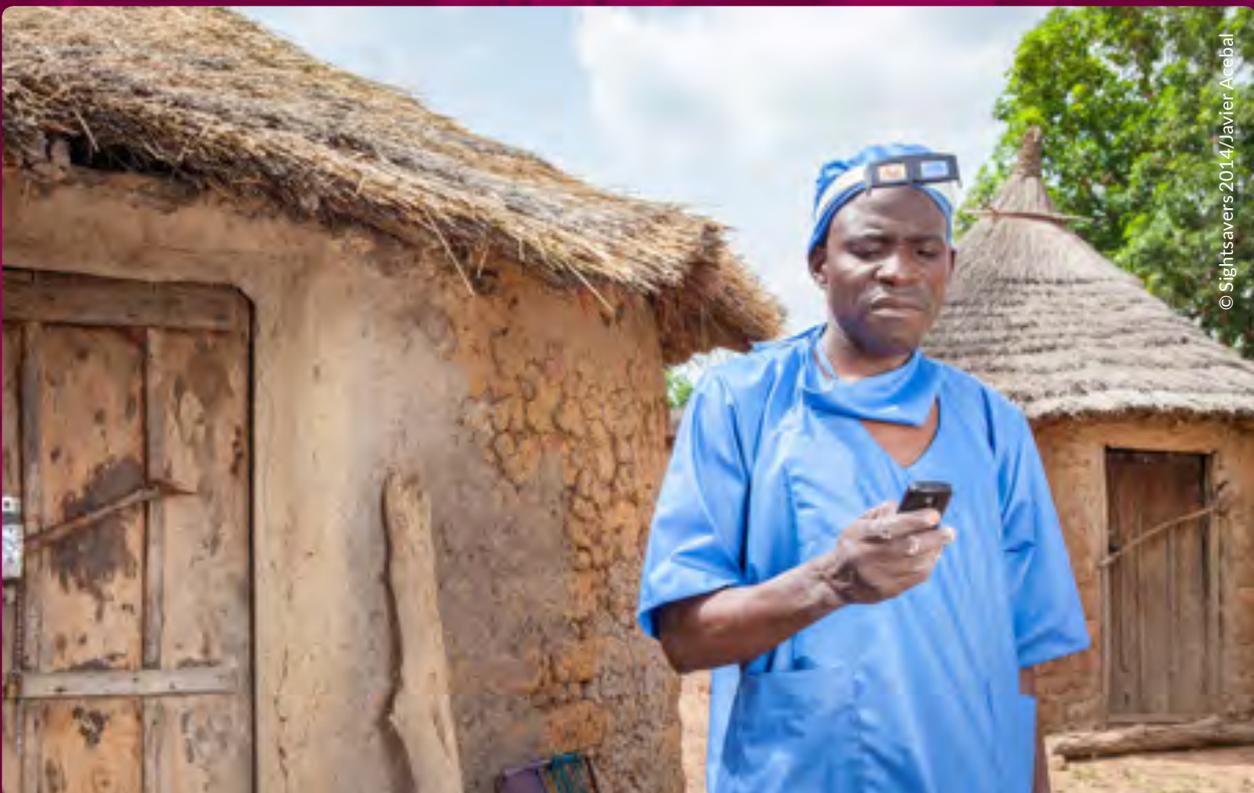
### mHealth innovation

Sightsavers is poised to lead the way in using mobile phone-based tools for data collection and the surveillance of NTDs. To quote the Economist's coverage of our work: "Out went pens and paper. In came smartphones" (February 2016). The success of the Global Trachoma Mapping Project (GTMP) sets the precedent in both our country and grant-funded programmes to collect data electronically on impact assessments, prevalence/coverage/compliance surveys, TT surgery tracking and MDA tracking. Implemented smartly, these tools will transform our field activities, increasing efficiencies, cost savings and impact.

Sightsavers' programmes will share mHealth experiences; the lessons learned during the 2014 pilots in three countries are already influencing programme design in other countries. And as leaders in the

field, we will be able to share lessons with and guide other organisations on how to best transition to mobile – a switch viewed as inevitable despite its complexities. All of this work will take the support and commitment of country offices and funders, as despite the cost savings over time, the transition to mobile systems requires both monetary and human resources.

By 2017, pilot programmes will have scaled, grant-funded countries set up for standardised data collection, and all other country programmes should have a plan in place to incorporate electronic data collection into their work. As these mHealth programmes grow, the mobile data collection systems used in the field will be integrated directly into Sightsavers' databases, also transforming how annual output statistics are reported and shared.



Surgeon, Karim Samake, sends data he has collected using his smartphone, Mali.



A woman in Ethiopia washes her hands using a water-saving device.

## Behavioural change innovations

While NTDs continue to gain international attention and recognition, approaches to behavioural change and shifting of the social norms that will ultimately eliminate these diseases have been left out of many of the conversations dominated by drug coverage and clinical interventions. Currently, many of Sightsavers' NTD programmes are dominated by a traditional 'Information, Education and Communication' approach to behavioural change. But Sightsavers has begun to lead the way in innovative approaches to behavioural change in the prevention and elimination of NTDs through WASH-related interventions (specifically promotion of healthy hygiene practices).

In 2014, Sightsavers partnered with Unilever in Kenya on a school programme called School of Five. An already established hand washing programme for children, School of Five was adapted with trachoma elimination in mind by adding face washing lessons and activities. The intervention resulted in a significant increase of face washing events: in school, observed events went from 22 per cent before the intervention to more than 75 per cent, and in the household, observed events went from 17 per cent to 40 per cent. The successful partnership is now expanding in Kenya and to other countries.

# Progress towards planned objectives

## Delivering for the beneficiaries

What we planned to do	What we did
<p><b>Deliver on targets for all significant programmes (those under contract with specific donors) including the major NTD grants and the Uniting support centre.</b></p>	<p>We continued to strengthen both our target setting and performance monitoring processes in 2016. We analyse both annual and phased targets across key indicators and compare these against historical trends to improve the accuracy of the output targets that we set and against which we assess our performance. We have strengthened our Programme Oversight Reporting so that we underpin quarterly multi-stakeholder discussions on programme performance with project dashboards filled with up-to-date information from our Programme Portal. This enables us to understand and explore performance more fully and take action within projects to ensure we meet targets wherever possible. At the end of the year almost all our programmes were on track.</p> <p>The various NTD coalition contracts have delivered on almost all targets, and exceeded most.</p> <p>DFID Nigeria (UNITED) has now supported 25 million people to receive 77 million treatments for seven NTDs across five states.</p> <p>DFID SAFE programme has recently been expanded (through to mid-2019) to support national ministries in Chad, Ethiopia, Nigeria, Tanzania and Zambia. Along with surgeries and drug distributions, the programme is supporting the F&amp;E behavioural change work in 90 districts.</p> <p>The Queen Elizabeth Diamond Jubilee Trust received an A for its overall avoidable blindness work from DFID (which fund 50 per cent of the grant). Trachoma represents half this grant. We have been able to make cost savings of £7 million so far on this grant and have submitted proposals to use these to expand work in Nigeria and Zambia.</p> <p>The Aid Match onchocerciasis and LF programme has undertaken significant training activities of ministry of health staff. Work in Democratic Republic of Congo, Guinea Bissau, Nigeria and Uganda has lifted treatment numbers and has established some post-treatment surveillance in areas where treatment has stopped. Cross-border initiatives between Uganda and DRC have been critical.</p> <p>A significant initiative in Darfur, Sudan, supported by the END Fund, is under way. This is the first trachoma MDA to be attempted in this difficult environment.</p> <p>The Uniting grant has gone well, with new money secured for advocacy purposes</p>

## What we planned to do

**Develop our strategy for uncorrected refractive error and action plans for Human Resources for Eye Health and Francophone Africa work.**

## What we did



We finalised our strategy for uncorrected refractive error (URE) in 2016. Our work with children emphasises an integration of vision screening within school health using standardised guidelines. Our work with adults focuses on understanding demand generation to increase spectacle uptake, as well as providing refractive services to adults who have received cataract services. We are a founding member of the international EYElliance, and have collaborated with Partnership for Child Development and Global Partnership for Education, as well as with IAPB, Brien Holden Vision Institute and London School of Hygiene and Tropical Medicine to help shape and start to operationalise our work aligned with the URE Strategy.

We have consulted widely and drafted our approach to Human Resources for Eye Health (HReH) in Africa and the Francophone Africa approach. Given that human resources constraints in Francophone countries are a significant barrier to providing eye health, we decided to integrate the two. The HReH approach is focused on supporting both the training of eye health workers and strengthening the capacity of regional institutions. The approach is expected to be published in the first half of 2017, but has already led to decisions on programme investment and will further shape our partnerships moving forward.

## What we planned to do

**Cement our leadership position on SDGs by developing strong, inclusive programmes, creating a solid alliance with the International Disability Alliance, increasing the number of people with disabilities in the organisation and building on our data-disaggregation expertise.**

## What we did

A continuation and scale-up of our successful EC-funded Connecting the Dots initiative started in 2016, entitled 'The Economic Empowerment of Youth with Disabilities in Uganda'. The project continues to focus on supporting young people with disabilities in rural Western Uganda to become economically independent. This new phase has a more pronounced focus on financial inclusion, gender mainstreaming and addressing stigma and discrimination. It has also expanded to a fifth district. Case study 6 provides more information.

Also in Uganda, Sightsavers, working with the Commission on Disability, embarked on a study to explore the participation of people with disabilities in the last presidential elections. The study is expected to contribute to the knowledge base on electoral inclusion, which at present is poor, and support future advocacy work within Uganda. We also intend to utilise relevant findings from the research to inform the implementation of our Irish Aid-funded political participation projects starting in 2017 in Senegal and Cameroon.

We continue to play several key roles within the SDGs process, supporting the global Together 2030 network, focused on ensuring that civil society has a key role in the implementation and review of the framework.

We work very closely with the International Disability Alliance (IDA) on the inclusion of people with disabilities within decision-making and review processes, and to ensure disability as an issue remains central. This has included supporting disabled people's organisations in several countries to take part in their countries' inputs into the first review meeting of the High Level Political Forum in 2016.

We have put a significant focus on data disaggregation in the past few years and this continued to ramp up in 2016 with the collection of disaggregated data in India, Malawi, Tanzania and Cameroon. Combined with data on wealth, gender and with national census data, this has enabled assessment of programme quality and input into the global debate on SDG monitoring – in particular, how disaggregated data by disability can be collected and can be a powerful tool in monitoring the SDG commitment to "leave no one behind".

Finally, we published our first annual inclusion report in 2016, detailing the progress we have made in our programmes and in our internal practice, in including people with disabilities within the organisation.

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

What we planned to do	What we did
<p>Take our campaigning to the next level by delivering the Put Us in the Picture campaign in Ireland and elsewhere.</p>	<p>This has not happened as planned in 2016. We have continued to build our campaigning supporter base in the UK and to develop our campaigning website and materials. Political changes in the UK have also had an impact and required a sensible pause</p> <p>In Ireland, planning continues for the development of a campaign to raise awareness among the Irish public on issues of disability and development. This will continue in 2017.</p>
<p>Widen and deepen our relationships with bilateral and multilateral organisations to increase our influence.</p>	<p>We are proud of the reputation we have developed for sharing what we know, recognising knowledge and expertise in others and delivering a credible and honest view of sectors in which we have experience. This has helped build relationships with a wide range of multilateral and bilateral agencies.</p> <p>With the World Bank, we continued to deliver as planned on an integrated school eye health and deworming programme, were contracted to review inclusive education policy alongside the government of Sierra Leone, and are having constructive conversations on disability policy.</p> <p>We continue to work closely with the World Health Organization in the AFRO region, have excellent working relationships on NTD policy and implementation (in both Africa and Geneva) and are involved in key discussions in the eye health sector. We do have some concerns about the progress of ESPEN (a new group within WHO AFRO), which has had a slow start. Within the UN, we continue to work well with all key UN institutions with responsibilities in disability and development, working closely with IDA and the International Disability and Development Consortium.</p> <p>We continue to develop our relationship with the UK government's Department for International Development in all of our areas of interest, with a particular focus on collaboration in the disability and NTD policy areas. We also have a good and strengthening relationship with Irish Aid.</p>
<p>Building on our achievements to date and taking forward new opportunities arising on Tropical Data (post GTMP), Uniting, and with DFID (such as Ross Fund).</p>	<p>Tropical Data, formally launched in July 2016, is a service helping countries to collect high-quality data. We provide epidemiological training and data management support to countries carrying out all types of trachoma surgeries based on approaches pioneered by GTMP. The service is run by a coalition including WHO, RTI International, Sightsavers and ITI, and funding is guaranteed for two years. It has supported 171 surveys in 13 countries.</p> <p>We have signed an agreement with Imperial College (Schistosomiasis Control Initiative) and Liverpool School of Hygiene and Tropical Medicine so we are ready to coordinate any new funding from DFID.</p> <p>A second contract was secured with BMGF for the Uniting to Combat NTDs support centre to support advocacy initiatives.</p>



## Case study 3

### 50 years in India: golden jubilee celebrations

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Sightsavers celebrated its 50th year in India, with events in a number of states culminating in New Delhi.

The golden jubilee gala celebration in Delhi was graced by internationally acclaimed actor and director Kabir Bedi, who has now become an official ambassador of Sightsavers India. Also in attendance were secretaries from government departments, representatives from the postal department and board members, along with other dignitaries, partners, corporates, volunteers, staff and beneficiaries of Sightsavers.

To mark 50 years of Sightsavers in India, special publications and a First Day Postal Cover were released.

#### Looking back, the key achievements of the past five decades were:

**Global first:** Sir John Wilson, Dr Mehre (Sitapur Eye Hospital) and Dr Venkataswamy (Aravind Eye Care System) joined hands to advocate issues of avoidable blindness and met former Prime Minister Indira Gandhi. Their efforts paid off when, in 1976, blindness became a part of the 20-point programme launched by Mrs Gandhi, with India becoming the first country to launch the National Programme for Control of Blindness (NPCB).

**Innovation for everyone:** New eye-care products evolved during this era. Sightsavers supported Aravind Eye Care System to manufacture intra-ocular lenses (IOL) and sutures through Aurolab, making high-quality cataract surgery affordable for all.

**Hi-tech, low cost:** Sightsavers supported LV Prasad Eye Institute in the development of cornea preservation medium, enhancing the shelf life of cornea for implants and revolutionising eye banking.

**Pioneer of change:** Sightsavers pioneered integrated education for children with visual impairments, which in 2009 became part of the Sarva Shiksha Abhiyaan (Education for All campaign) as Inclusive Education. The organisation supported the formation of disabled people's organisations (DPO) and blind people's organisations (BPO) for self-advocacy by people with disabilities for sustainable empowerment.

**Improved accessibility:** Sightsavers, in partnership with Xavier's Resource Center for the Visually Challenged (XRCVC), advocated with Reserve Bank of India and the Indian Banking Association for accessible banking and financial services, resulting in the installation of the first accessible (talking) ATM with braille signage. At present there are more than 7,000 ATMs across India. This initiative was nominated for the Times of India Social Impact Awards in 2015.



Caroline Harper with Sightsavers India Chairman Dr SY Quraishi, Special Ambassador Kabir Bedi, the Postmaster General and Sightsavers India chief executive RN Mohanty at the golden jubilee gala in Delhi.

**Winning advocacy:** Sightsavers worked tirelessly along with other partners and successfully brought about the amendment to the Indian Copyright Act 1957, which was passed by Indian parliament in 2012. This resulted later in the Global Treaty for the Blind in 2013 (Marrakesh Treaty). India was the first nation in the world to ratify the treaty in 2014.

**Resource sustainability:** Sightsavers started in-country fundraising in late 2012, and in 2016 reached a milestone of £1 million raised from individual donors. In corporate fundraising we have made great progress by forming partnerships with RPG Foundation, Ray-Ban, Oracle, Fullerton, Urvi Ashok Piramal Foundation, Cholamandalam and many more.

### Going forward

Sightsavers India has a robust strategic plan for 2015-2019 that concentrates its programmatic interventions in more than 100 of the poorest districts, spread across eight priority states (Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Rajasthan, Uttar Pradesh and West Bengal). Memorandums of understanding (MOUs) have been established with all state governments.

By 2020, we hope to have performed a total of a million cataract surgeries. We also hope to cover 20,000 schools under a school eye health programme (reaching 2 million children), and help to educate 150,000 students with disabilities.

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

### What we planned to do

Strengthen our communications capability within the new embedded structure, bringing in a new Director of News to lead the media team and make a step-change in global activities in this area. Improve our ability to disseminate all aspects of our work to the appropriate audiences.

### What we did

We have recruited a highly experienced Director of News. He has strengthened the media and communications teams and we have seen a significant increase in media coverage over the past year. Particular highlights have included improved coverage of our economic inclusion work in Uganda; sharing the story of Malawi's first Paralympian whose training camp we supported; being featured in the BBC's Forces of Nature series; and coverage in the Economist of our work helping to eliminate NTDs.

We have also invested in resources to support our social media activity, and this has seen growth on all our channels. Instagram became our most engaged channel, with average post likes increasing from 15 per post to more than 100. Total followers increased by 234 per cent to 1,426, with engagement rate generally above 5 per cent. Twitter followers went up 13.5 per cent to 12,447 and total impressions numbered 3.4 million, with average engagement of 3.2 per cent per follower. On Facebook, the number of fans topped 60,000, with the annual reach for our posts being 1.5 million.

To facilitate delivery of images and stories by programme teams, we have developed a 'Case studies and news' section on each programme portal project page. The system collects all the required context around images and allows large files to be sent even in areas with poor connectivity. Content collection training for programme staff is ongoing, but we are already seeing improvements in our ability to share a more 'live' view of our programme work on social media and our website.

Case study collection trips by UK teams for communications and fundraising increased in 2016, representing a cross-section of our work and generating strong stories for all channels, notably TV fundraising. We have developed relationships with locally based photographers, enabling high-quality stories to be collected at shorter notice and lower cost.

## What we planned to do

**Strengthen programmatic links between our NTD and eye health programmes and reinforce mutual learning and innovation.**

## What we did



The overlap between NTD work and other programmatic/advocacy work is increasing, and the same donors often fund them. We are already managing a common programme called CATCH (Coordinated Approach to Community Health), which brings together trichiasis outreach and referral systems for cataracts and other eye conditions. The World Bank's School Health Integrated Programming (SHIP) project combines vision screening and deworming in school health settings and looks for synergies through integration.

As NTDs move towards elimination, the importance of stronger health systems becomes critical as there will no longer be vertical programmes running – the surveillance work and any recrudescence will need to be handled by the system. We have some concerns that the NTD community as a whole needs to invest more in surveillance, especially with the shift from control to elimination.

We looked at data disaggregation for disability in our NTD programme in Tanzania – a key aim for us in the future is to ensure that our NTD programmes are inclusive of people with disabilities. We can only reach elimination if people with disabilities are not left behind.

The annual review of the NTD strategic alignment process will combine with the Reflect, Oversight, Approval and Review (ROAR) process to ensure a holistic approach. Our bespoke tools developed for programme management of the large grants (such as CLAIMS, and project management tool for the UNITED programme in Nigeria) and tools developed for the consortia programmes could be applied to support other programmes, particularly when matched to tools such as the Quality Standards Assessment Tool (QSAT).



## Case study 4

### Supporter Care recognition

We are very proud that in October 2016, Sightsavers won the Top 50 Companies for Customer Service Award for being the 'Best in Charity Sector 2016'. We also came 15th in the awards overall, which is fantastic as we were ranked against commercial organisations, many of whom have much larger supporter care operations than us.

Good supporter care is a critical and often less-celebrated part of charity fundraising. As charities face increasing scrutiny over their fundraising practices, customer service is an important way to recognise the vital role that supporters play.

We are very lucky to have a loyal base of more than 160,000 UK supporters who believe very strongly in what we do. We try to use every contact we have with them to show them how much they're valued. We have two fantastic members of staff in head office who deal with all our supporter

emails and letters, alongside phone calls on a daily basis. We are also very lucky to work with a great extended team at Angel, who are based in Cornwall. We have worked with the team for a long time and they know Sightsavers' work well.

We couldn't do the work we do, and help the people we do, without the generosity and loyalty of our supporters. We will continue to strive to offer excellent supporter care and make sure every interaction we have with our supporters is a positive one.



The supporter care team celebrate after winning their award for 'Best in Charity Sector 2016'.

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

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

What we planned to do	What we did
<p><b>Increase unrestricted income against a framework of new, tighter regulation in the UK. Contribute to this by improving our digital fundraising, improving our approach to supporter communications and continuing to scale up internationally.</b></p>	<p>Fundraising regulation in the UK is continuing to evolve with the foundation of the new Fundraising Regulator, the increasing scrutiny of the Information Commissioner’s Office (ICO) and the impending changes that general data protection regulation will bring. The UK is becoming a tougher environment in which to work, as we saw some channels of communication being closed by regulation, making others more crowded. Our ability to be flexible with expenditure is paramount to us maximising our income and return on investment. It enables us to move spend to those channels or countries that are providing the best return. We have also focused on efficiencies across our global markets by using the same creative campaigns with localised content – this is particularly the case with our TV advertising, which has allowed us to scale up our Italian fundraising. Overall unrestricted income increased slightly in 2016.</p> <p>We have invested more in our digital fundraising teams and are constantly looking for fresh and new ways to fundraise, including the introduction of Apple Pay. The internet is becoming an increasingly important tool in enabling our supporters to donate in a quick and secure manner.</p>
<p><b>Increase momentum and income levels within the corporate/trust/major donors arena.</b></p>	<p>We exceeded our income plans for UK major donors and trusts, enjoying particular success with a proposition whereby several donors matched gifts to our eye health programme in India’s urban slums. We also reached a challenging income target for corporate supporters, securing a high-value donation from a long-term donor, and piloting an innovative new fundraising model called Specs Appeal, which will be further developed in 2017.</p> <p>In the US we focused staff resources on securing “top charity” status from charity evaluator GiveWell, a relationship that yielded more than \$100,000 within the year. It is hoped this will yield income in the multiple millions of dollars in 2017 and beyond.</p>

## What we planned to do

## What we did

**Put ourselves in the best possible position for renewal/replacement (ideally at higher financial levels) of our PPA and IA grants. This means delivering really well on all our programmes as well as making first-class applications.**

We continue to focus on programme delivery across all areas of our strategic portfolio. This delivery, combined with the emphasis on building a reputation for transparency and honesty in our own reporting and recognising the strengths of our partners, and others in our sectors, has helped to put us in a good position for growing our institutional funding base.

We will be working with our partners to access new funding streams as they become available in 2017.

We were advised that we had been successful in securing a new five-year grant from Irish Aid, at an increased annual level and with an increased share of the budget. Given that our previous programme grant was largely focused on areas heavily affected by the Ebola crisis in its final two years, which affected our ability to deliver planned activities, this is testament to the high regard in which we are held, and in particular our flexibility and adaptation to that crisis situation. The final discussions on signature of the contract have been taking place during the first half of 2017.

**Expand the scope of programme oversight activities across a number of new programmes without increasing costs or resources by building on systems investment such as the programme portal and integrated management information work.**

We continued to expand and improve our programme oversight activities in 2016 without growth in costs by using our cross-organisational suite of systems. These tools enable us to consolidate and analyse information quickly and effectively and provide the foundation for decision-making.

In 2016 we delivered our first major upgrade to our programme portal. The upgrade introduced improvements to data dashboards, the ability to group projects into programmatic units, and improvements in administrative oversight of quarterly data-reporting processes. This has enabled us to monitor more effectively and report on how data is entered and approved through the system. We have also taken steps to automate our Programme Oversight Reporting process more fully with the portal by populating specific project performance dashboards directly from the system. Key project management stakeholders now spend more time discussing the implications of performance data, actions and solutions to issues rather than spending too long wading through raw data.

Lessons learned from our monitoring and evaluation work also fed into an update of our Programme Cycle Management Quality Standards (QSAT) which underwent a comprehensive redesign in late 2016. The standards now reflect our new organisational processes and tools, including the start-up inception process, updated partner due diligence and management, the portal, Programme Oversight Reporting, and best practice in data storage and sharing.

## Fundraising

As an organisation, we are committed to delivering transparent, effective and ethical fundraising. Our supporters are at the heart of our fundraising and we take our responsibilities to them, and our relationships with them, very seriously.

Our different fundraising markets are benchmarked against each other, and decisions around where to get the best return for our investment are made at a global level. This enables us to be flexible with where we spend our money, and to get the best return possible. As a result, we are able to generate the maximum amount for our beneficiaries and the vital work that supporters make possible around the world.

Occasionally we work with professional fundraisers, where it is more cost effective than providing the service in house, or have partnerships with commercial organisations. All of these partnerships are subject to due diligence. Our fundraising partnerships are closely managed by a member of the fundraising team, who delivers training to the agencies on a regular basis. We have a regular programme of shadowing any external fundraisers and visiting call centres.

Sightsavers fully supports, and is a member of, the Fundraising Regulator. We are also members of the Direct Marketing Association and abide by both the Direct Marketing Code of Practice, and the Fundraising Code of Practice. Internationally we are registered with the fundraising regulator in each country, where there is one.

During 2016 Sightsavers received a total of 131 complaints from members of the public. This represents less than 0.1 per cent of our supporter base. We take all complaints very seriously and most were resolved with a positive outcome.

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

Israel Shek drives a rickshaw fitted with a loudspeaker advertising eye health services through Kushtia district in Bangladesh.



## Securing the network: improving collaboration while maintaining system and data integrity

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Sightsavers embarked on a two-year global infrastructure upgrade project in 2015, which was completed on time at the end of 2016. The main goal of the project was to improve internet connectivity to our country offices, in terms of speed and reliability. Also, with the ever-growing threat of cyber attacks, we needed to ensure our systems and data are kept secure and actively monitored against threat. We are mindful that it would be a potentially very serious event if a hacker was ever able to access the details of our supporters.

All Sightsavers staff and offices are supported by a central UK-based IT team, and the ability to manage the IT equipment remotely is key to the successful risk mitigation. Sightsavers' IT team monitors 500 computers and 170 servers across the organisation in real time.

Before these upgrades we were reliant on our staff to discover any security issues themselves, but many security threats are designed to be invisible and this presented a risk to our organisation. Working with key technology partners we now have central monitoring of any security incidents, with 24-hour reporting of our internet connections and core IT infrastructure.

Running alongside the infrastructure upgrade project were several cyber-security projects aimed at neutralising attacks before they could take place. Since our new security and monitoring measures have been launched we can now immediately assist an individual in difficulty. Our systems and network defend us against a handful of ransomware attacks and 180 spear-phishing attempts every month, and every day they block hundreds of virus/malware attacks on our systems environment. These statistics are displayed in real time

on our dashboards. Ransomware protection prevents cyber-criminals from intercepting and encrypting our data for their gain, while spear-phishing protection identifies any emails that are sent to our staff pretending to come from other members of staff (for example, an email claiming to be from the CEO demanding urgent money transfers).

The infrastructure upgrade project has laid a solid foundation for projects in 2017 and 2018 that will further improve security and our ability to deploy new products. This includes the automated roll-out of Windows 10 to our computers globally, an upgrade from Windows 7, and the ability for our staff to securely access all our systems when not in the office, resulting in a much more efficient workforce.



# Risks and key challenges

## Risks

Risk identification and management is a key process within the organisation at all levels. All major programmes have their own risk mitigation logs, and the largest ones have their own governance processes. At the organisational level, we have a risk log of the top 12 risks. This is reviewed by the management team regularly. The Audit Committee reviews the risk log at every meeting, and the Council discusses risk at least once a year. The Council is satisfied that adequate systems are in place to monitor, manage and, where appropriate, mitigate Sightsavers' exposure to the major risks.

We do not have a specific 'reputational risk' item, as our view is that almost all of the risks carry a reputational element, and this is not a 'standalone' risk.

In our view, the risks remain similar to those we reported last year, although the probability of some have increased with changing external circumstances (such as currency risk). The risks (and commentaries around mitigating strategies) are laid out below.

Risk	Risk management comments
<b>Recruitment and retention of key employees and contractors</b>	<p>Sightsavers relies on specialist staff, both in terms of technical/specialist knowledge and in managing complex projects. There is downward pressure on salaries in the UK in the charity sector, but many of our staff operate in an international market, where US-based organisations in particular offer far higher salaries. In mitigation of this risk, we have regular discussions at the management and governance levels on succession for key people, and have strengthened, where possible, the depth of talent within critical departments to become less reliant on individuals. We remain focused on high performance to ensure that individuals do not have to 'carry' those who are not able to deliver.</p> <p>Our reputation as an organisation that delivers on its promises to donors and to beneficiaries is highly prized. Our attrition of key employees and contractors was low last year, although there is no room for complacency going forward. We lost a few good mid-level staff as a result of the Southern Rail industrial dispute – the stress led them to find jobs nearer their homes.</p>

Risk	Risk management comments
<p><b>Health, safety and security events leading to consequential issues or losses</b></p>	<p>All our countries have agreed security plans, and UK staff all receive training before travelling to programme countries. This has now been extended to a number of in-country staff – this will be expanded in 2017. We are mindful that the biggest risk to staff remains road traffic accidents, and we have now completed a comprehensive programme of driver training and assessment, including eyesight tests. More work is needed to ensure that all companies from which we hire vehicles have seat belts, given this is not a legal requirement in some areas.</p> <p>As we extend our NTD work into more difficult countries, we are establishing relationships with specialist organisations such as the Mentor Initiative, which has the requisite experience of working in such environments.</p>
<p><b>Poor quality or strategic alignment of programmes</b></p>	<p>We have completed all our sector strategies and have thoroughly assessed all programmes against them to ensure strategic alignment. Our Quality Standards Assessment Tool (QSAT) has been upgraded and is now fully rolled out. We have a structure whereby the Policy and Programme Strategy directorate leads on decision-making with a co-design and sign-off process involving countries. The ‘ROAR’ group (Reflect, Oversight, Appraisal and Review) has been instrumental in supporting a coherent approach to development of programmes as part of a global portfolio. The portfolio for 2017 was managed through ROAR, and a process has been developed to assess and develop opportunistic projects as appropriate in response to donor requests. There is also a Programme Expert Group, which includes a number of trustees, who review specific programme ‘knotty issues’ and look at strategic evaluations.</p>
<p><b>NTD grants: inability to manage consortia so as to deliver on these contracts</b></p>	<p>These grants are substantial (some in excess of £40 million) and involve many organisations (there can be more than 20, including academia and NGOs). All require the ability to liaise with ministries of health as well as partners. The central team that manages these grants has been strengthened, with each grant having its own project manager. We have dedicated technical experts (including those who understand factors such as behavioural change and water and sanitation) to support the programmes. Each programme has its own governance arrangements to ensure oversight.</p> <p>There were specific risks in 2016 around the timely production of Zithromax® for trachoma programmes – not least because of the dramatic increase in drug distributions. We have had difficulties with customs waivers in Nigeria, as part of overall drug importation issues from the UK, although we have managed to overcome these with help from the Nigerian Ministry of Finance.</p>

Risk	Risk management comments
<b>Inability to raise adequate voluntary income in mature and new markets</b>	<p>We undertook assessments of the markets in Italy, Sweden and Norway to help support our international diversification strategy. Significant progress was made in India this year and we have appointed new Heads of Partnerships (effectively fundraising) in both the US and Middle East. A Head of Fundraising and Marketing Nordics is under recruitment.</p> <p>We continue to invest in the UK but are mindful that the increasing regulation and hostile media have affected return on investment. We will be producing a new global fundraising strategy for 2017 based on better evidence and reporting of returns, and including improved website and online donation processing.</p>
<b>Inability to implement sensitive programmes</b>	<p>Our reputation for delivering under complex contracts has been hard won and is precious. We have seen significant improvements in project inception and development of common budgeting and planning templates, as well as integrated procurement planning. These were identified as areas of most risk in terms of delivery of targets. Our restructuring in recent years to create a directorate that focuses on design, evidence gathering and technical excellence, with another devoted to implementation, has paid dividends. We have reviewed our capabilities across the board, and are now confident that we have strong teams both centrally and in our country and regional offices.</p>
<b>Media crisis in core markets</b>	<p>The media environment remains negative, notably in UK (both about charities and aid) and recently in Ireland (where the focus is on charity governance rather than aid). These have been exacerbated by recent interventions by the ICO where a number of charities have been fined for alleged data abuses.</p> <p>Our Child Safeguarding Policy has undergone a major revision following the Cameroon incident (see page 51), and we have revamped our crisis management process. Having a highly experienced Director of News, used to managing live broadcasts, should help protect the media angle of any crisis.</p>
<b>Inability to replace or grow institutional income</b>	<p>It is now clear that the DFID PPA, which ended in 2016, will not be replaced with unrestricted grants. At the time of writing we know the Aid Match programme will be extended and our concept note has been accepted. However, we still do not know how the new UK Aid Connect scheme will work or what the themes will be. We know that DFID has said it wishes to increase investment in NTDs, but we do not know by what mechanism.</p> <p>The current political issues in the US will certainly place stress on USAID, which makes it less likely that we will attract new funding there.</p> <p>We are building relationships with DFID country offices, and exploring the possibility of using Italy as a route into EC funding as well as Ireland. We have also been building our links with other large foundations (Bill and Melinda Gates Foundation, Comic Relief, END Fund) and were particularly pleased that the Big Lottery Fund has announced that disability will be a major theme of its new strategy.</p>

Risk	Risk management comments
<b>Inappropriate controls</b>	<p>The Financial Framework is the key document that sets out our controls framework. We have a model for internal audit that enables our Head of Audit and Assurance to contract to bring in external specialist expertise on certain assignments.</p> <p>One additional area of focus is to pay more attention to ongoing partner due diligence, given the external environment may mean that some get into financial difficulties.</p>
<b>Governance level challenges, such as forced federation and strategic misalignment of boards</b>	<p>All legal and registration arrangements are now well established, and our Foreign Contribution (Regulation) Act (FCRA) licence in India was renewed without incident. In 2017 there will be a number of changes at board levels, with a number of UK trustees leaving and a new Chair in Ireland. New trustees are also required in India.</p> <p>The UK board undertook a board effectiveness review in January 2017, which included a refresh of the skills and attributes matrix that will help guide the appointments process.</p>
<b>Financial loss, disruption or damage to our reputation as a result of data loss, a failure of ICT, or in information security process controls</b>	<p>Significant investment has been made in protecting core systems (see case study 5, page 44). This included new encrypted USBs and extensive training for staff on cyber issues, as well as centralised application deployment and new cloud-based anti malware.</p> <p>While we do not hold any data on beneficiaries, we are keenly aware of the sensitivity of donor data, and are also mindful that if any charity in the UK (not just Sightsavers) experiences a data loss, this could affect the willingness of donors to enter into direct debit arrangements, which could be catastrophic.</p>
<b>Financial loss or operational constraints as a result of treasury activities, including credit loss, foreign exchange movement, liquidity or inability to transfer funds internationally</b>	<p>One of our biggest concerns at present is the challenge in moving funds internationally into sensitive countries where we often operate (such as Sudan), but where banks are becoming less willing to operate freely.</p> <p>Treasury activities are working well, and credit checks on partners are being stepped up (see above comment). The question of where exchange rates will end up during 2017 is a matter for intense speculation, but our US dollar hedging has resumed at the planning rate to protect the expenditure programme.</p>

A bridge over an irrigation canal is urgently in need of repair in the Cascades region of Burkina Faso.



## Particular challenges in 2016

Overall, 2016 saw great achievements despite the turbulent external environment, but there were, as always, some areas of challenge.

- 1** The biggest challenge for fundraising has been the increased media scrutiny over charity fundraising and the ongoing changes in regulation. In some areas it has changed the public's perception of how we should be fundraising, which has meant us adapting our approach to our supporter communications. It has also prompted a narrowing of the market with regards to supplier availability, and an increase in those charities using broadcast media. As a result, we have needed to be agile and flexible with our approach. Analysis is at the heart of everything we do, and we need to keep hold of this ability to make quick decisions and adapt to the ever-changing environment.
- 2** As mentioned elsewhere, the vote to leave the EU meant that exchange rates moved sharply to our detriment (although short-term currency revaluations of dollar holdings provided a short-term boost). This will have more of an impact in 2017 with US dollar hedges at pre-Brexit-vote levels all expired. The impact of ongoing uncertainty on the economy and hence on levels of giving is a matter of great speculation in the media and is therefore unclear to us. We are likely to be unable to access EC funding from the UK into the future, but should still be able to access this via our other European offices in Ireland, Italy and Sweden, if appropriate. It should be noted that EC funding may well be in much shorter supply once the UK withdraws its funding from EC development, given it is a major contributor.
- 3** We had a child safeguarding incident in Cameroon, where children at a government-run school providing specialist support for visually impaired children prior to their inclusion in mainstream schools were abused by a teacher. Extensive support was provided to the children and families concerned, and the government instigated a full investigation involving the police. All staff at the institution have been replaced. We undertook a review of our Child Safeguarding Policy to incorporate the learning from this incident, which has recently been approved by trustees.
- 4** The ending of the DFID PPA was well foreshadowed and expected. However, uncertainty has been created by delays in the publication of strategy and financial instruments (caused to some extent by changes in government following the referendum). We are pleased that DFID is clearly interested in key aspects of our strategy, but it remains unclear as to what funding levels are likely to be available in future.
- 5** Security and conflict affected our ability to work in a number of countries, with South Sudan particularly affected. We had to evacuate the country office there following extended gunfire around Juba, including near the office.



## Case study 6

### Connecting the Dots

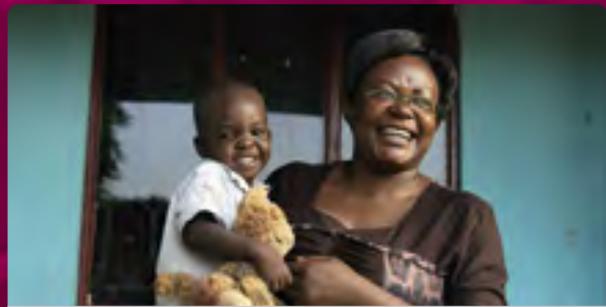
Edith Kagoya is Project Coordinator of Connecting the Dots, an economic empowerment programme in Uganda funded by Sightsavers and the European Commission that provides vocational training to young people with disabilities. The first intake saw 324 students graduate, with the majority now working and financially supporting themselves. This success has led to the project being renewed for a further four years.

Edith explains, “The goal of this project is to economically empower young people with disabilities, and has three specific objectives:

- to increase the number of young people with marketable skills;
- to ensure that the environment in which they are living, training and working is conducive for them to work;
- and to strengthen the capacity of disabled people’s organisations that we partner with.

Participants in the project have noticed changes in their lives, their attitudes and their self esteem. Before they joined, some would not speak their minds because of the past trauma and stigmatisation they had faced. After taking part in the project they gained information about their rights and their responsibilities, and were empowered to claim these rights.

These young people can now speak and advocate for themselves. They are working and supporting themselves, and they can market their products without asking somebody else to do it for them. They are earning money: some of them are saving, and their businesses are growing. Most of them have changed economically, socially and politically.



Edith and her son.

People now realise that these youngsters have an equal part to play in development, and see that we should not leave them behind. The moment we leave them behind, we are not promoting development.

In our communities we have people living with disabilities, women, young people, whose views are always overlooked. They are not considered, yet in development they are very important. We need to listen to these voices – whatever they are saying to us should be considered, because it is very important to them as people and to us as a whole.”

Connecting the Dots is supported by local and national partners including the Uganda National Association for the Blind, the National Union of Disabled Persons of Uganda, local vocational institutions, local government Community Development Officers, and a network of volunteers.



Simon Peter Otoyó lost his sight aged 11 after he was forced to become a child soldier. During fighting, a bullet lodged behind his left eye, leaving him blind. A decade later, he has taken part in Sightsavers' Connecting the Dots programme and is fighting to overturn negative attitudes towards blind people in Uganda.

# Plans for 2017

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The future direction of the charity will remain in line with the strategy as set out earlier – we do not anticipate any significant diversions from this. Indeed, we think the most important thing is that we are as adaptable as possible, as we believe there is a higher likelihood than ever of us needing to react to unexpected events.

## Our top priority objectives for 2017

### Delivering for the beneficiaries

- Deliver on targets for all significant programmes, including the major NTD grants and the Uniting support centre, for which we need to ensure delivery of successful events and report for the fifth anniversary of the London Declaration.
- Ensure all new programmes (such as Irish Aid) have a successful inception and start-up period.
- Launch our Human Resources for Eye Health strategy.

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

- Build our relationship with DFID at all levels (including in programme countries) to support policy initiatives and maximise the chances of receiving funding.
- Strengthen our key strategic alliances (such as with World Bank, WHO, Fred Hollows Foundation, BMGF and Global Partnership for Education) to increase our influence.
- Build our understanding of our evidence base and strengthen our use of data in programme design.

### Learning and growth

#### (areas where we need to invest to achieve excellence)

- Build our media profile and messaging capability. Run a rehearsal of a potential crisis situation to test our ability to manage media.
- Improve inter-departmental collaboration: in particular, maximise opportunities from existing NTD grants and tools to benefit wider programming.
- Refresh the UK board: recruit up to four new trustees based on skills and attributes identified at the board effectiveness session. Appoint a new Chair in Ireland.



Abdi Mbaronic, a teacher at the Jongowe school in Zanzibar, tests his pupils for signs of visual impairment.

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

- Deliver a new global fundraising strategy based on optimising return on investment across different markets.
- Ensure we are resilient to any media or regulatory investigation (in particular, ensure our processes and policies are properly documented and up to date).
- Increase income levels within the corporate/trust/major donors arena, in particular leveraging new appointments in the Middle East and US.
- Continue to diversify our institutional donor base.
- Deliver a revamped website.
- Develop a new treasury policy recognising the foreign exchange implications of Brexit and the use of currency brokers to support more cost-effective international currency transfers.
- Review the operating model for procurement and logistics, exploring the option to deliver this through the International Humanitarian City in Dubai.
- Build value-for-money elements directly into project design, related procurement plans and inception processes.

# Structure, governance and accountability

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Sightsavers is the working name of the Royal Commonwealth Society for the Blind. Originally founded in 1950, it is now 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 no more than two terms of four years. Recruitment of new trustees is based upon consideration of skills, mindful always of the need to reflect diversity (in terms of gender and disability in particular) and maintain a balance of individuals from different countries. Depending on the gap to be filled, this may be done via existing networks or by advertisement. All trustees have a tailored induction programme to familiarise themselves with their statutory responsibilities, their role within the Council, the governance framework and Sightsavers' objectives. They also have full access to the e-learning induction programme for staff and key programme database and performance measurement systems. Performance of the Council both collectively and as individual trustees is periodically assessed.

There are four committees of the Council: audit, which monitors and reviews audit activities, the risk and control

framework, the effectiveness of our processes and the statutory accounts/annual report; investment, which monitors investment performance and treasury activities; remuneration, which monitors remuneration policy, 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. In addition to the formal governance committees, a Programme Expert Group meets twice a year and provides advice to the executive and insight on more detailed programme matters to the Council.

There are clear distinctions between the roles of the Council and of senior management, to whom day-to-day management is delegated. Matters such as policy and strategic plans are prepared by senior management for consideration and approval by the Council. There are three leadership teams set up to facilitate decision making at management level. There is a management team that focuses on operational matters, consisting of 14 people drawn from across the organisation. This includes the Regional Directors, the CEOs of India and Ireland, and senior-level staff across the different directorates. There is a strategy team, which is smaller and includes senior Directors with a particular focus on strategic matters. This team looks further ahead and is also responsible for resource allocation recommendations. There is a People Team, which handles all HR matters, and which has focused on updating all key HR policies in 2016.

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

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

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

This structure has been essentially stable throughout 2016, with only minor adjustments at mid levels.

There are eight subsidiary undertakings consolidated within the group. These are Sightsavers (Trading) Limited, Sightsavers (Ireland), Sightsavers International (Italia) Sightsavers International Inc. (USA), Sightsavers Inc. (USA), Insamlingsstiftelsen Sightsavers International, Sverige (based in Sweden), Sightsavers Middle East Consultancy FZE and Stiftelsen Sightsavers International Norge (based in Norway). Further details are included in notes 14 and 16 to the financial statements.

Sightsavers is a charity registered in Scotland with the Office of the Scottish Charity Regulator, registration number SC038110. In 2016 Sightsavers raised £2.4 million (compared with £2.2 million in 2015) from donors based in Scotland.

## Remuneration

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

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

As of December 2016 the salary of the CEO was £125,000. There is no bonus scheme or car allowance and she has the same pension rights as other UK staff.

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

## Accountability

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

Areas pulled out as particularly good practice were:

“Sightsavers' very thorough Monitoring, Evaluation and Learning system closely aligned with its strategic objectives and including the commendable SIM card, publication of all policy positions on its website, and the visualised partnership framework including individual toolkits for the three phases.”

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

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



The full report can be accessed via the website [www.sightsavers.org](http://www.sightsavers.org)

# Review of financial outcome 2016

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Detailed financial information is reviewed by the Council in each of its meetings during the year. The financial outcome for 2016 is set out in the consolidated statement of financial activities.

## Income

In 2016, total income was £302.0 million, an increase of £103.7 million compared with 2015. The principal contributor was growth in gift-in-kind income. 2016 income excluding gift-in-kind donations was £72.1 million, up £8.3 million (13 per cent) from 2015. Overall income in 2016 exceeded our original financial plan for the year.

Legacy income increased year on year by £2.8 million to £12.7 million in 2016. This is the second successive year of highest ever income for legacies and well ahead of expectations, due in part to receipt of one particularly large legacy.

Total income from donations, excluding legacies, was £35.5 million, an increase of 11.7 per cent from 2015. Although income from individual donations increased by £0.7 million, this was below our plan for the year, and reflected a reduction in individual giving in the UK and was more than offset by increases in our international fundraising countries. Income from institutional donors and from companies increased by £1.9 million and £1.2 million respectively, reflecting additional support from certain existing donors.

Income growth was achieved from all our international territories, consistent with the investment levels. We saw good performance particularly in Italy and Ireland, where we grew in euro-dominated

income, which has helped cushion some of the financial effect of the devaluation of sterling following the vote by the UK to leave the European Union. Italy and Ireland achieved £0.3 million and £0.4 million increases in income, consistent with the financial plan. Elsewhere, income in India was £1.0 million, an increase of more than 100 per cent from 2015, and Scandinavia total income increased to £1.0 million. Fundraising in the Middle East remained challenging, where we met a reduced plan target. Our longer-term expectations remain positive for all the above territories.

Significant donations were received again in 2016 from the UK government's DFID Programme Partnership Agreement (PPA) and Irish Aid. 2016 was the final year of PPA funding, and the loss of this funding will affect our financial outcome for 2017. DFID is in the process of introducing new funding mechanisms in 2017.

Gifts-in-kind income was £229.9 million, compared with £134.5 million in 2015. Income from gifts of Mectizan® tablets from Merck & Co Inc to treat river blindness increased by £56 million. In addition, in 2016 we began a new arrangement to receive donated Zithromax® treatments in Sudan from the International Trachoma Initiative, for which we recognised £39 million of gift-in-kind income.

We continued to see growth in our large NTD grant income in 2016, but at a more modest rate than the previous year. Incoming resources from charitable activities increased by £1.7 million to £23.6 million in 2016. The majority of this increase in incoming resources was £1.1 million, in aggregate, of additional funding from the UK government (DFID), covering a variety of programmes including the large NTD projects. Income from The Queen Elizabeth Diamond Jubilee Trust for the Trust Trachoma initiative was constant at £6.6 million. Significant incoming resources were received again in 2016 from the European Commission, the Gates Foundation and via USAID, together with income of £0.8 million from the World Bank.

Investment income was broadly constant between 2016 and 2015, at £0.2 million.

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## Expenditure

Total expenditure was £298.2 million in 2016, an increase of £101.3 million compared with 2015. These higher expenditures mainly reflect expenditures incurred related to the distribution and use in our programmes utilising the larger quantities of donated gifts in kind.

Expenditures increased on charitable eye care health activities by 19 per cent and on NTD grant programmes by 13 per cent. Expenditure levels on other categories of charitable activity were comparable in 2016 and 2015.

Costs of generating funds increased by £1.0 million year on year to £18.5 million. This represents a continuation of the strategy to invest in voluntary fundraising income and donor recruitment, with the aim of balancing and complementing the significant growth in grant income seen in recent years. Expenditures and investments were either increased or constant across all markets, segments and activities.

Total expenditure on charitable activities was £280.9 million in 2016 against £179.3 million in 2015, an increase of £101.5 million (57 per cent). Costs ascribed to Mectizan® tablets were higher in 2016 and, together with new Zithromax® treatments, represent £229.5 million of expenditures of donated drugs, an increase of nearly £100 million. Consistent with the increase in incoming resources, increased expenditures of approximately £3 million each were incurred on eye health and NTD programme activities. Greater programme activity led to an increase in each type of costs, of grants payable, direct costs and allocated support costs. In aggregate, total expenditures on policy and research, education and social inclusion activities were broadly comparable in 2016 and 2015.

In 2016 the allocation of costs resulted in a higher amount of costs classified as support, and underlying direct costs were also higher. Part of these increases is attributable to the fall in the value of sterling in the second half of 2016, as well as increased activity.

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## Grant-making policy

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



A list of principal grants is available on our website at [www.sightsavers.org/about-us/governance/annual-accounts](http://www.sightsavers.org/about-us/governance/annual-accounts)

## Financial position and reserves

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

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

The target unrestricted reserve level was increased to £7.0 million +/- £1.5 million in 2016, which is assessed as striking a balance between the need to spend down income and maintaining operational integrity. This level of reserves is consistent with Sightsavers' business model and the assessed financial impact of key risks.

The outturn for the year saw income exceed plan by more than expenditures, resulting in an underlying operating surplus, of £2.7 million, measured before foreign exchange translation gains (note 9) and investment gains (note 16). We also benefited from a foreign exchange gain of £1.1 million arising on foreign currency denominated net assets and a gain on the investment portfolio of £0.4 million, leading to total income of £4.2 million. Offsetting was a £1.8 million

actuarial loss related to the defined benefit pension scheme, reflecting the low level of gilt yields and the adverse impact on scheme liabilities. Overall a financial surplus of £2.4 million was earned for 2016.

Total fund balances were £15.8 million at the end of 2016, comprising £12.9 million of unrestricted funds, £0.2 million of endowment funds and £2.7 million of restricted funds. Unrestricted funds comprised general reserves of £10.9 million and £2.0 million of designated funds. Of the designated funds, cash held overseas of £1.7 million is available for use, and £0.3 million represents tangible fixed assets.

This level of reserves is above policy guidelines. The trustees believe this level is acceptable and prudent given the requirement for investment in fundraising and a desire for programmatic expansion in future. Reserves are also being held to fund a planned deficit for financial year 2017, which reflects the end of PPA funding from DFID and the adverse effect of the devaluation of sterling with the resultant cost of maintaining international programmatic expenditures. The reserves policy is periodically reviewed to ensure it remains appropriate as circumstances change.

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## Investments

Our investment activities are supported by UBS Wealth Management and the investment committee, who meet regularly to assess investment strategy and performance.

The value of assets held with our fund manager at 31 December 2016 was £5.8 million. We hold a mix of investment assets including cash, fixed income, equity, hedge funds and real estate. We are maintaining a tactical asset allocation preference for equities over bonds. The portfolio net

of fees returned 10.2 per cent in 2016, ahead of benchmark indices for the period. Sightsavers' level of fixed asset investments is calibrated with the targeted quantum of reserves and ongoing liquidity needs. The investment objectives are to maximise returns from a long-term discretionary portfolio, through income and capital growth, at acceptable levels of risk, while maintaining good liquidity and in line with ethical standards.

## Pensions

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

Sightsavers also operates a defined benefit pension scheme for UK-contracted employees. This scheme was closed to new entrants in 2002 and closed to future accruals for existing employees in August 2010. As set out in note 12 to the financial statements, under FRS 102 there was a deficit in the scheme of £1.1 million at the end of 2016.

As agreed with the trustees of the pension plan, Sightsavers contributed ongoing regular annual funding to the scheme of £660,000 throughout 2016. The most recent full triennial actuarial valuation of the scheme has recently been received, as of 31 December 2015. In the first quarter of 2017 Sightsavers agreed a new forward plan for ongoing contributions to the scheme, at a reduced level of funding, effective 1 January 2017.

## Financial outlook

The strategic direction of the organisation is defined in the strategic framework originally published in 2008, and most recently refreshed in 2014. Financial planning and forecasting activity takes place within the context of the overall strategic plan and objectives.

Sightsavers' 2017 financial plan is for a deficit of approximately £3.5 million. This reflects the significant factors referred to earlier in this report, namely the ending of PPA funding and the expected continuing increased sterling cost of international expenditures, as a result of the reduction in the value of sterling following the UK EU membership referendum. Overall expenditures are planned to increase modestly in sterling terms, but income is planned to be reduced by approximately £4 million compared with 2016, excluding gifts in kind, representing an expected reduction in institutional funding. As described, Sightsavers is holding reserves above target level, which will be partially applied to fund this planned deficit.

Fundraising investment levels are planned to be maintained in 2016 as a part of the continuing strategy to grow the base of committed givers across all fundraising markets. Overall charitable expenditures, including programme expenditures, are planned to be around £56 million, excluding the value of gift-in-kind distributions, and prior to the allocation of certain shared costs for statutory reporting purposes. Spend is expected to be broadly maintained across the portfolio of projects, and for the first time in recent years the plan does not include increases in both large grant-funded NTD activity and other programmatic expenditures. Programme effectiveness is continually assessed and the portfolio mix of projects is expected to continue to see changes and improvements.

The overall outlook is that the fundraising climate in the UK remains challenging, and we are continuing our strategy of income diversification in international markets. Our medium-term planning work factors in the reduced purchasing power of sterling, and we hold a level of reserves in order to mitigate these risks.

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## Going concern

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

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## Public benefit

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

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

# Key people and suppliers

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## Patron

Her Majesty The Queen

## President

Her Royal Highness Princess Alexandra  
The Hon. Lady Ogilvy GCVO

## Vice presidents

Lady Wilson OBE

Sir David Thompson KCMG

Sir Nicholas Fenn GCMG  
(deceased Sept 2016)

Sir John Coles GCMG

Sir Graham Burton KCMG

Lord Nigel Crisp KCB

## Honorary officers

Martin Dinham, CBE, Chairman

Michael Chilton, Vice Chairman

Bill Kendall, Treasurer  
(appointed December 2016)

## The committees

### Audit Committee

Christopher Kinder (Chair)

Dr Robert Chappell, OBE

Michael Chilton

Bill Kendall

Martin Kyndt (non-trustee member)

### Governance Committee

Martin Dinham, CBE (Chair)

Michael Chilton

Barry Hoffman

Bill Kendall

Christopher Kinder

Stephen King

## Members of the Council (the trustees)

Dr Uche Amazigo

Prof Ekanem Ikpi Braide

Dr Robert Chappell OBE

Michael Chilton

Alexandra Cole (term ended July 2016)

Lord Nigel Crisp, KCB (term ended July 2016)

Howard Dalzell

Maryanne Diamond

Martin Dinham, CBE

William Gardner

Barry Hoffman

Bill Kendall (appointed December 2016)

Christopher Kinder

Stephen King

Elaine Lee (appointed July 2016)

Dr Ramachandra Pararasegaram

Dr Manoj Parulekar

### Investment Committee

Bill Kendall (Chair)

Michael Chilton

Genny Kiff (non trustee member)

Christopher Kinder

### Remuneration Committee

Martin Dinham, CBE (Chair)

Michael Chilton

Bill Kendall

Barry Hoffman

Stephen King

## Strategy Team

**Dr Caroline Harper, CBE (Chair)**  
Chief Executive

**Simon Bush**  
Director of Neglected Tropical Diseases

**Dominic Haslam**  
Director of Policy and Programme Strategy

**Rebecca Jupp**  
Director of Individual Giving

**Anna Massey**  
Director of Operations,  
Institutional Funding

**Kenneth Moon**  
Director of Finance and Performance

**Thoko Pooley**  
Strategic Director, Institutional Funding

**Gareth Roberts**  
Planning, Monitoring and  
Reporting Director

**Elena Schmidt**  
Director of Strategic Programme  
Development, Evidence and Research

## Management Team

**Kenneth Moon (Chair)**  
Director of Finance and Performance

**Dr Caroline Harper, CBE**  
Chief Executive

**Dominic Haslam**  
Director of Policy and Programme Strategy

**Rebecca Jupp**  
Director of Individual Giving

**Anna Massey**  
Director of Operations,  
Institutional Funding

**Bakary Marong**  
Regional Director, West Africa

**Catrina Sheridan**  
Chief Executive, Ireland

**Thomas Millar**  
Neglected Tropical Diseases  
Operations Director

**RN Mohanty**  
Chief Executive, India

**John Muriuki**  
Regional Director, East Central  
and Southern Africa

**Sara Musa**  
Regional Director, Middle East

**Gareth Roberts**  
Planning, Monitoring and  
Reporting Director

**Phillip Selley**  
Director of Information Systems

**Michael Straney**  
Director of Major Giving

## Principal addresses

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

Correspondence address  
Bumpers Way  
Bumpers Farm  
Chippenham SN14 6NG

## Principal bankers

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

Standard Chartered Bank  
1 Basinghall Avenue  
London EC2V 5DD

Allied Irish Bank  
7/12 Dame Street  
Dublin 2

## Investment managers

UBS AG  
5 Broadgate  
London EC2M 2AN

## Solicitors

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

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

## Independent auditors

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

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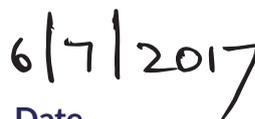
## Independent auditors

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:**



**Martin Dinham, CBE**  
Chairman



**Date**

Seven-year-old Chhoeum Chandra is given a pair of glasses at the Wat Run primary school in the Banteay Srei district of Siem Reap, Cambodia.



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

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We have audited the financial statements of the Royal Commonwealth Society for the Blind for the year ended 31 December 2016, 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).

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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.

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## 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.

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## 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.

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## 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 2016 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

## 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.

Signature: *Crowe Clark Whitehill LLP*

Crowe Clark Whitehill LLP  
Statutory Auditor  
London

Date: *19 July 2017*

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 2016

Note	Unrestricted funds 2016 £'000	Restricted funds 2016 £'000	Total 2016 £'000	Unrestricted funds 2015 £'000	Restricted funds 2015 £'000	Total 2015 £'000	
<b>Income and endowments from:</b>							
Donations and legacies	3	37,235	11,001	48,236	35,369	6,375	41,744
Gifts in kind	4	407	229,486	229,893	493	133,974	134,467
Charitable activities	5	-	23,591	23,591	-	21,889	21,889
Investments	6	224	-	224	172	-	172
Other	7	73	-	73	31	-	31
<b>Total income and endowments</b>		<b>37,939</b>	<b>264,078</b>	<b>302,017</b>	<b>36,065</b>	<b>162,238</b>	<b>198,303</b>
<b>Expenditure on:</b>							
Raising funds	9	18,473	-	18,473	17,475	-	17,475
<b>Charitable activities</b>							
Health – eye care	8,9	11,518	8,051	19,569	11,054	5,533	16,588
Neglected tropical diseases	8,9	2,041	22,356	24,397	2,324	19,304	21,628
Gift-in-kind drug donation	8,9	-	229,486	229,486	-	133,974	133,974
Education	8,9	1,105	1,389	2,494	1,095	1,134	2,229
Social inclusion	8,9	2,122	512	2,634	2,092	640	2,732
Policy and research	8,9	2,290	-	2,290	2,197	-	2,197
<b>Total charitable activities</b>	<b>8,9</b>	<b>19,076</b>	<b>261,794</b>	<b>280,870</b>	<b>18,762</b>	<b>160,586</b>	<b>179,348</b>
Other	9	(1,133)	-	(1,133)	41	-	41
<b>Total expenditure</b>		<b>36,416</b>	<b>261,794</b>	<b>298,210</b>	<b>36,278</b>	<b>160,586</b>	<b>196,864</b>
Gains on investments	16	425	-	425	107	-	107
<b>Net income / (expenditure)</b>		<b>1,948</b>	<b>2,284</b>	<b>4,232</b>	<b>(106)</b>	<b>1,652</b>	<b>1,546</b>
Transfer between funds	22	1,585	(1,585)	-	771	(771)	-
<b>Net income / (expenditure) before other recognised gains / (losses)</b>		<b>3,533</b>	<b>699</b>	<b>4,232</b>	<b>665</b>	<b>881</b>	<b>1,546</b>
Actuarial gains / (losses) on defined benefit pension scheme	12	(1,813)	-	(1,813)	482	-	482
<b>Net movement in funds</b>		<b>1,720</b>	<b>699</b>	<b>2,419</b>	<b>1,147</b>	<b>881</b>	<b>2,028</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		11,168	2,166	13,334	10,021	1,285	11,306
<b>Total funds carried forward</b>	<b>22</b>	<b>12,888</b>	<b>2,865</b>	<b>15,753</b>	<b>11,168</b>	<b>2,166</b>	<b>13,334</b>

Restricted funds include endowment funds, which had a balance at 31 December 2016 of £214,000 (2015: £214,000). 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.

# Consolidated and Charity balance sheet

## 31 December 2016

	Note	2016 £'000	Group 2015 £'000	2016 £'000	Charity 2015 £'000
<b>Fixed assets</b>					
Tangible assets	15	287	455	287	452
Investments	16	5,942	5,545	5,964	5,562
<b>Total fixed assets</b>		<b>6,229</b>	<b>6,000</b>	<b>6,251</b>	<b>6,014</b>
<b>Current assets</b>					
Debtors	17	5,879	5,148	5,341	5,259
Cash at bank and in hand	18	18,473	11,689	16,027	9,528
<b>Total current assets</b>		<b>24,352</b>	<b>16,837</b>	<b>21,368</b>	<b>14,787</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	19	13,076	8,843	12,221	8,211
<b>Net current assets</b>		<b>11,276</b>	<b>7,994</b>	<b>9,147</b>	<b>6,576</b>
<b>Total assets less current liabilities</b>		<b>17,505</b>	<b>13,994</b>	<b>15,398</b>	<b>12,590</b>
Creditors: amounts falling due after more than one year	19	179	329	179	329
Provision for other liabilities	19,20	481	377	469	369
<b>Net assets excluding pension asset/(liability)</b>		<b>16,845</b>	<b>13,288</b>	<b>14,750</b>	<b>11,892</b>
Defined benefit pension scheme asset/(liability)	12	(1,092)	46	(1,092)	46
<b>Total net assets</b>		<b>15,753</b>	<b>13,334</b>	<b>13,658</b>	<b>11,938</b>
<b>The funds of the Charity:</b>					
<b>Unrestricted funds</b>					
Free reserve	22,23	11,952	9,094	9,883	7,762
Pension reserve	12,22,23	(1,092)	46	(1,092)	46
General	22,23	10,860	9,140	8,791	7,808
Designated	22,23	2,028	2,028	2,028	2,028
<b>Total unrestricted funds</b>		<b>12,888</b>	<b>11,168</b>	<b>10,819</b>	<b>9,836</b>
Restricted funds	22,23	2,651	1,952	2,625	1,888
Endowment funds	22,23	214	214	214	214
<b>Total funds</b>		<b>15,753</b>	<b>13,334</b>	<b>13,658</b>	<b>11,938</b>

The trustees have prepared group accounts in accordance with section 138 of the Charities Act 2011. The notes on pages 74 to 108 form part of these financial statements.

These financial statements were approved by the Council on 6 July 2017 and signed on their behalf by:

Chairman 

Hon. Treasurer



# Consolidated statement of cash flows

## Year ended 31 December 2016

	Note	2016 £'000	2015 £'000
<b>Net income / (expenditure) for the reporting period (as per the statement of financial activities)</b>		<b>2,419</b>	<b>2,028</b>
Adjustments for:			
Depreciation charges		162	104
Gains on investments	16	(325)	(107)
Investment income	6	(224)	(172)
Exchange rate (gain) / loss		(1,151)	28
(Profit) on sale of fixed assets	7	(65)	(31)
Increase / (decrease) in provisions		104	(641)
(Increase) / decrease in debtors		(731)	703
Increase / (decrease) in creditors		4,188	(2,556)
Increase in defined benefit pension liabilities	12	1,138	-
<b>Net cash provided by (used in) operating activities</b>		<b>5,515</b>	<b>(644)</b>
<b>Cash flows from investing activities:</b>			
Payments to acquire tangible fixed assets	15	(96)	(73)
Payments to acquire investments	16	(2,406)	(1,061)
Receipts from sale of fixed assets		65	31
Receipts from sale of investments		2,319	1,069
Decrease in cash held for investment	16	12	42
Investment income	6	224	172
<b>Net cash provided by investing activities</b>		<b>118</b>	<b>180</b>
<b>Cash flows from financing activities:</b>			
Repayment of borrowing		-	(300)
<b>Net cash provided by (used in) financing activities</b>		<b>-</b>	<b>(300)</b>
<b>Change in cash and cash equivalents</b>		<b>5,633</b>	<b>(764)</b>
Cash and cash equivalents at the beginning of the year		11,689	12,481
Exchange gains / (losses) on cash equivalents		1,151	(28)
<b>Cash and cash equivalents at the end of the year</b>		<b>18,473</b>	<b>11,689</b>
<b>Cash and cash equivalents consist of:</b>			
Cash in hand		13,805	9,044
Notice deposits (less than 3 months)		4,668	2,645
<b>Total cash and cash equivalents</b>		<b>18,473</b>	<b>11,689</b>



A student has her eyesight checked during a screening programme at Methodist Basic School in Ghana.

# Notes to the financial statements

## Year ended 31 December 2016

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### 1 Charity information

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

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### 2 Accounting policies

#### Basis of accounting

The financial statements have been prepared under the historical cost convention, modified by the inclusion of investments at market value, and in accordance with applicable United Kingdom accounting standards. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Practice as it applies from 1 January 2015. The accounting policies have been applied consistently throughout the current and previous year.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by

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

The trustees report includes a review of financial performance and the Charity's reserves position (page 61). Sightsavers has adequate financial resources and is well placed to manage the business risks. The planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. There is a reasonable expectation that Sightsavers has adequate resources to continue in operational existence for the foreseeable future. The trustees believe that there are no material uncertainties that call into doubt the Charity's ability to continue. The financial statements have therefore been prepared on the basis that the Charity is a going concern.

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

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## Basis of consolidation

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

A separate Statement of Financial Activities (SOFA) has not been presented for the Charity alone, which is consistent with previous years. The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity-only Cash Flow Statement and certain disclosures about the charity's financial instruments. The net result for the Charity (which includes all its branches) is a surplus of £2,861,000, which comprises income of £60,050,000, expenditure of £57,614,000 and a gain on investment of £425,000 (2015 surplus of £1,074,000). Sightsavers has the following subsidiary undertakings for which group accounts have been prepared. These all undertake fundraising activity in their local jurisdictions..

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

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

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

Sightsavers (Ireland) is registered in Ireland (company number: 377692, charity number:

CHY15437). The Charity appoints two directors to the Board of the organisation and there is a management contract in place between the organisations.

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

Sightsavers Middle East Consultancy FZE is registered at the Dubai Silicon Oasis (No: DSO-FZE-310). The Charity owns 100 per cent of the issued share capital of the organisation.

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

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

## Fund accounting

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

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

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

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

## Income

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

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

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

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

## Expenditure

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

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

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

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

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

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

**Allocation of support costs**

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

**Operating leases**

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

**Finance leases**

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

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

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

**Tangible fixed assets**

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

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

**Investments**

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

**Debtors**

Debtors are measured in the accounts at their recoverable amount.

**Creditors**

Creditors are measured in the accounts at their settlement amount.

## Forward exchange contracts

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

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

## Financial instruments

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

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

## Provisions

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

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

## Pension

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

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

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

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

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

## Foreign exchange

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

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

## Functional / presentation currency

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

## Critical accounting judgements and key sources of estimation uncertainty

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

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

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

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

### 3 Donations and legacies

	2016 £'000	2015 £'000
<b>Individuals</b>		
UK	15,370	16,343
Ireland	2,983	2,526
Italy	2,135	1,803
India	1,042	466
Other	954	653
<b>Total from individuals</b>	<b>22,484</b>	<b>21,791</b>
<b>Legacies</b>		
Government, NGO and institutional donors	7,660	5,793
Companies	2,873	1,703
Trusts	1,912	2,244
Community service and other organisations	581	261
<b>Total</b>	<b>48,236</b>	<b>41,744</b>

#### Donations, excluding legacies, above £100,000 included within the above for 2016:

##### Government, NGO and institutional donors:

DFID Programme Partnership Arrangement	3,739	3,739
Irish Aid	1,189	1,085
States of Jersey	-	250
The END Fund	1,295	185
Conrad N. Hilton Foundation	423	154
DFID FT matched giving	-	110
Fred Hollows Foundation	584	-
Charity Projects Comic Relief	240	-

##### Companies:

Standard Chartered Seeing is Believing	1,217	334
Kumba International	202	393
Dubai Duty Free	132	102

##### Trusts:

MB Trust	-	820
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As of 31 December 2016, 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 nor Sightsavers notified that a payment will be made. Sightsavers' future income from these legacies is estimated at £10 million (2015: estimated at £8.3 million). In addition, Sightsavers is the future beneficiary of legacy assets transferred to and held in trust, with an estimated value of £1.9 million.

## 4 Gifts in kind

In 2016, Sightsavers International Inc. secured gift-in-kind donations valued at £190,535,000 (2015: £133,974,000) from Merck & Co Inc. in the form of Mectizan® tablets, which have been shipped to Benin, Cameroon, Cote D'Ivoire, Ghana, Guinea, Guinea Bissau, Liberia, Malawi Nigeria, Togo and Uganda.

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

In 2016 Sightsavers began a new arrangement for the receipt of Zithromax® in Sudan, a drug used in the treatment and elimination of trachoma. This is received from the International Trachoma Initiative (ITI), an organisation founded by Pfizer Inc. This donation has been valued at £38,951,000.

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

During the year, Sightsavers used 20,118,000 air miles (2015: 23,563,000) for the purpose of 335 related flights (2015: 367) that were donated by Emirates. These have been valued at £125,000 (2015: £151,000) based on the lowest economy fare available at the time of travel.

Google grants is a unique gift-in-kind donation programme that awards free Adwords advertising to selected charitable organisations. It supports organisations that share Google's philosophy of community service to help the world in areas such as science and technology, education, global public health, the environment, youth advocacy and the arts. During the year Sightsavers secured donations valued at £255,000 (2015: £228,000).

During the year Sightsavers secured donations valued at £27,000 (2015: £114,000) for 21,709 pairs of ready-made reading glasses and sunglasses from Vision Spring, which have been shipped to Sierra Leone and Zambia.

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

## 5 Income from charitable activities

	2016 £'000	2015 £'000
Children's Investment Fund Foundation (CIFF)	-	49
DFID Aid Match	1,370	831
DFID Oncho/LF	1,232	-
DFID Global Trachoma Mapping Project	525	2,256
DFID Nigeria NTD	3,258	3,680
DFID SAFE	7,836	6,328
European Commission	236	718
The Gates Foundation	978	603
The Queen Elizabeth Diamond Jubilee Trust	6,635	6,649
The World Bank	830	-
USAID (through HKI, JSI and RTI)	691	775
<b>Total</b>	<b>23,591</b>	<b>21,889</b>

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

## 6 Investment income

	2016 £'000	2015 £'000
Dividends from investments	153	123
Bank deposit interest	71	49
<b>Total</b>	<b>224</b>	<b>172</b>

## 7 Other income

	2016 £'000	2015 £'000
Profit on disposal of fixed assets	65	31
Rental income	8	-
<b>Total</b>	<b>73</b>	<b>31</b>



Women at the Khulna eye hospital in Bangladesh recuperate after undergoing cataract surgery.

## 8 Charitable activities

	Health eye care £'000	Neglected tropical diseases £'000	Gift- in-kind drugs £'000	Education £'000	Social inclusion £'000	Policy and research £'000	2016 £'000	2015 £'000
Kenya	1,030	535	-	153	-	-	1,718	1,127
Malawi	478	754	-	151	14	-	1,397	950
Mozambique	470	64	-	-	-	-	534	675
Sudan	264	635	-	-	-	-	899	744
South Sudan	248	86	-	-	-	-	334	361
Tanzania	984	267	-	9	27	-	1,287	935
Uganda	992	680	-	124	122	-	1,918	1,104
Zambia	525	1,031	-	69	-	-	1,625	1,198
Zimbabwe	198	-	-	-	-	-	198	357
East Central Southern Africa (ECSA) Regional Office	362	-	-	-	-	-	362	229
<b>Sub-total ECSA</b>	<b>5,551</b>	<b>4,052</b>	<b>-</b>	<b>506</b>	<b>163</b>	<b>-</b>	<b>10,272</b>	<b>7,680</b>
Benin	28	49	-	-	-	-	77	82
Burkina Faso	42	88	-	-	-	-	130	130
Cameroon	487	897	-	91	110	-	1,585	1,555
Cote D'Ivoire	40	319	-	-	-	-	359	413
Ghana	131	148	-	-	27	-	306	313
Guinea	160	321	-	-	-	11	492	196
Guinea Bissau	21	521	-	-	-	-	542	212
Liberia	463	155	-	43	-	-	661	416
Mali	477	255	-	119	73	-	924	875
Nigeria	510	3,710	-	-	-	-	4,220	4,377
Senegal	483	254	-	193	148	-	1,078	703
Sierra Leone	535	46	-	88	121	-	790	555
The Gambia	77	27	-	-	-	-	104	87
Togo	37	51	-	-	-	-	88	94
Post Health for Peace Initiative	-	-	-	-	-	-	-	9
West Africa Regional Office	106	-	-	41	41	-	188	205
<b>Sub-total WARO</b>	<b>3,597</b>	<b>6,841</b>	<b>-</b>	<b>575</b>	<b>520</b>	<b>11</b>	<b>11,544</b>	<b>10,222</b>
India	1,350	-	-	245	601	-	2,196	2,444
India Regional Office	1,305	-	-	-	-	-	1,305	453
<b>Sub-total India</b>	<b>2,655</b>	<b>-</b>	<b>-</b>	<b>245</b>	<b>601</b>	<b>-</b>	<b>3,501</b>	<b>2,897</b>

	Health eye care £'000	Neglected tropical diseases £'000	Gift- in-kind drugs £'000	Education £'000	Social inclusion £'000	Policy and research £'000	2016 £'000	2015 £'000
Bangladesh	1,198	-	-	11	99	-	1,308	1,294
Pakistan	1,140	-	-	213	43	-	1,396	1,371
Sri Lanka	77	-	-	-	30	-	107	269
<b>Sub-total South Asia</b>	<b>2,415</b>	<b>-</b>	<b>-</b>	<b>224</b>	<b>172</b>	<b>-</b>	<b>2,811</b>	<b>2,934</b>
Caribbean	404	-	-	-	-	-	404	426
<b>Sub-total Caribbean</b>	<b>404</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>404</b>	<b>426</b>
Global programmes	-	10,932	-	-	-	-	10,932	11,199
Gifts in kind	145	-	229,486	-	-	-	229,631	134,209
Central support functions	1,170	-	-	465	571	282	2,488	2,553
Programme technical support	2,067	1,704	-	434	429	905	5,539	4,540
Advocacy and policy support	1,565	868	-	45	178	1,092	3,748	2,688
<b>Direct charitable expenditure</b>	<b>19,569</b>	<b>24,397</b>	<b>229,486</b>	<b>2,494</b>	<b>2,634</b>	<b>2,290</b>	<b>280,870</b>	<b>179,348</b>

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

- 1 Eye health:** our programmes cover various service interventions, with cataracts being a particular focus, and we focus on various aspects of eye health system strengthening programmes.
- 2 Neglected tropical diseases (NTDs):** the Global Trachoma Mapping Project was completed at the end of 2015, and we have continued with three large grants: the Department for International Development (DFID) SAFE (trachoma in Ethiopia, Zambia, Tanzania, Chad and Nigeria); 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). Expenditures on NTDs are reported separately from Health – Eye Care in 2016, together with comparatives for this category of activity for 2015.
- 3 Education:** examples of our education programmes include developing teaching and college systems and access to them, and developing community-based education centres.
- 4 Social inclusion:** our programmes look to improve economic empowerment and political participation, with a particular focus on gender and advocacy.
- 5 Policy and research:** these activities provide a consistent underpinning in support of our programme activities.

## 9 Total expenditure

	Grants payable £'000	Direct costs £'000	Gifts in kind £'000	Allocation of support costs £'000	Total 2016 £'000	Total 2015 £'000
Raising funds	-	15,122	262	3,089	18,473	17,475
<b>Charitable activities</b>						
Health – eye care	6,684	10,549	145	2,191	19,569	16,588
Neglected tropical disease	16,830	7,567	-	-	24,397	21,628
Gift-in-kind drugs	-	-	229,486	-	229,486	133,974
Education	433	1,653	-	408	2,494	2,229
Social inclusion	756	1,188	-	690	2,634	2,732
Policy and research	65	1,894	-	331	2,290	2,197
Other	-	(1,133)	-	-	(1,133)	41
<b>Total resources expended 2016</b>	<b>24,768</b>	<b>36,840</b>	<b>229,893</b>	<b>6,709</b>	<b>298,210</b>	<b>n/a</b>
<b>Total resources expended 2015</b>	<b>23,564</b>	<b>33,190</b>	<b>134,468</b>	<b>5,642</b>	<b>n/a</b>	<b>196,864</b>

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

Direct costs include costs of £10,162,000 that are directly attributable to generating funds (2015: £10,671,000), costs associated with the direct operation of the overseas programmes, including the procurement of equipment for use in the programmes of £2,276,000 (2015: £1,744,000), informing and creating awareness among the public, and governance of Sightsavers. Staff costs included in direct costs are £11,839,000 (2015: £10,233,000).



A list of principal grants is available on our website

[www.sightsavers.org/about-us/working-with-partners](http://www.sightsavers.org/about-us/working-with-partners)

## The support costs and the basis of their allocation

	2016 £'000	2015 £'000
Directorate	269	359
Governance	1,352	918
Financial management	10	358
Information communication technology	2,047	807
Human resources	556	721
Global procurement	-	6
Planning, performance and reporting	121	236
Programme support	2,354	2,237
<b>Total</b>	<b>6,709</b>	<b>5,642</b>

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

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

Financial management costs are stated inclusive of overall VAT recover. In 2016, certain IT cost centres were reclassified as support functions.

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

## 10 Net income / expenditure

	2016 £'000	2016 £'000	2015 £'000	2015 £'000
<b>Stated after charging:</b>				
Depreciation		264		244
<b>Fees paid to Crowe Clark Whitehill:</b>				
UK charity audit	72		72	
Pension scheme audit	6		5	
USAID audit	9		9	
		87		86
<b>Fees paid to other audit firms:</b>				
International audits	147		111	
EC project verification	19		10	
		166		121
Investment managers' fees		24		37
Operating lease charges		678		602

## 11 Staff costs

	2016 £'000	2015 £'000
Wages and salaries	11,256	10,393
Social security costs	1,107	981
Employer's contribution to defined contribution pension scheme	916	701
Operating costs of defined benefit pension scheme	7	37
End-of-service benefit	352	314
Other employee benefits	455	335
<b>Total</b>	<b>14,093</b>	<b>12,761</b>

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

	2016 No.	2015 No.
Directorate	8	7
Finance and performance	71	63
Global fundraising	54	47
NTDs	16	13
Policy and programme strategies	65	61
International programmes	262	231
<b>Total</b>	<b>476</b>	<b>422</b>

The total employee remuneration of the Chief Executive and direct reports was £746,840 (2015: £781,012).

For staff paid £60,000 or greater per annum, the number of employees with emoluments in the following ranges were:

Range:	No. employees	
	2016	2015
£60,000 – £69,999	10	10
£70,000 – £79,999	5	8
£80,000 – £89,999	2	2
£90,000 – £99,999	Nil	Nil
£100,000 – £109,999	2	3
£110,000 – £119,999	2	2
£120,000 – £129,999	2	0

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

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

Redundancy and termination payments made and provided for during the year to employees for compensation for loss of employment totalled £37,823 (2015: £259,267).

## 12 Pension costs

Sightsavers operates a defined contribution pension scheme for UK staff. The assets of the scheme are held separately from those of the Charity in an independently administered fund. Sightsavers contributes twice the level of an employee's contribution up to a maximum of 10 per cent of pensionable pay. Contributions payable by Sightsavers were £714,458 in 2016 (2015: £635,731), of which £69,331 was outstanding at the balance sheet date (2015: £54,120). The disclosure in note 11 also includes the costs of contributions to overseas pension schemes.

Sightsavers operates a defined benefit pension scheme in the UK. This is a separate trustee-administered fund holding the pension scheme assets to meet long-term pension liabilities. The scheme was closed to new members on 30 September 2002 and closed to future accrual on 31 August 2010, although active members at that date continue to have their benefits linked to future salary increases. A full actuarial valuation was carried out on 31 December 2012 and updated to 31 December 2015 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown on page 93.

The valuation as at 31 December 2012 showed a deficit of £3,295,000. Sightsavers agreed with the trustees that it will aim to eliminate the deficit over a period of six years from 1 January 2013 by the payment of contributions of £624,000 per annum until 31 December 2018. However, following the sale of a freehold property in Haywards Heath, Sightsavers made a single lump sum payment in May 2014 in respect of all remaining monthly deficit contributions due for the period up to 30 June 2016. The regular contributions of £624,000 p.a. were due to resume in July 2016. However, Sightsavers agreed to resume contributions at the rate of £55,000 per month effective from 1 July 2015, payable until 31 December 2018. The most recent full triennial actuarial valuation of the scheme has recently been received, as at 31 December 2015, showing a scheme deficit of £1,300,000. In the first quarter of 2017, Sightsavers agreed a new forward plan for ongoing contributions to the scheme, at a reduced annual level of funding, effective 1 January 2017 and extending beyond 2018.

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

	2016 £'000	2015 £'000	2014 £'000
Fair value of plan assets	13,901	12,794	12,742
Present value of defined benefit obligation	(14,993)	(12,748)	(13,476)
Surplus (deficit) in plan	(1,092)	46	(734)
Unrecognised surplus	-	-	-
<b>Defined benefit asset (liability) to be recognised</b>	<b>(1,092)</b>	<b>46</b>	<b>(734)</b>

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

	2016 £'000	2015 £'000
Defined benefit obligation at start of period	12,748	13,476
Expenses	-	12
Interest expense	477	464
Actuarial losses (gains)	2,142	(736)
Benefits paid and expenses	(374)	(468)
<b>Defined benefit obligation at end of period</b>	<b>14,993</b>	<b>12,748</b>

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

	2016 £'000	2015 £'000
Fair value of plan assets at start of period	12,794	12,742
Interest income	492	444
Actuarial gains (losses)	329	(254)
Contributions by the employer	660	330
Benefits paid and expenses	(374)	(468)
<b>Fair value of plan assets at end of period</b>	<b>13,901</b>	<b>12,794</b>

The actuarial return on the plan assets over the period ending 31 December 2016 was £821,000 (2015: £190,000).

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

	2016 £'000	2015 £'000
Expenses	–	12
Net interest cost	(15)	20
<b>Defined benefit cost recognised in resources expended</b>	<b>(15)</b>	<b>32</b>

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

	2016 £'000	2015 £'000
Return on plan assets (excluding amounts included in net interest cost) – gain/(loss)	329	(254)
Gains and losses arising on the plan liabilities – gain/(loss)	299	–
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities – (loss)/gain	(2,441)	736
<b>Total</b>	<b>(1,813)</b>	<b>482</b>

The assets of the scheme are held with Legal & General, M&G and Standard Life. The managed funds are invested in a diversified portfolio of investments comprising 57 per cent growth assets, 22.5 per cent gilts, 20 per cent corporate bonds and 0.5 per cent cash.

The fair value of assets and present value of liabilities of the scheme at 31 December 2016, along with the expected percentage rates of return (Asset RoR) on the scheme assets, are as follows:

	Asset RoR	2016 £'000	Asset RoR	2015 £'000	Asset RoR	2014 £'000
Growth assets		7,373		7,265		6,918
Gilts		3,405		2,878		2,922
Corporate bonds		3,076		2,605		2,624
Cash		47		46		278
<b>Total assets</b>	<b>2.70%</b>	<b>13,901</b>	<b>3.80%</b>	<b>12,794</b>	<b>3.50%</b>	<b>12,742</b>

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

As required for the preparation of statutory accounts and in accordance with the requirements of FRS 102, the actuarial valuation was updated by JLT Benefit Solutions Limited at 31 December 2016. The major assumptions they used for the purpose of calculating the deficiency were:

	2016	2015	2014
Discount rate	2.70%	3.80%	3.50%
Inflation (RPI)	3.35%	3.20%	3.10%
Inflation (CPI)	2.35%	2.20%	2.10%
Salary increases	2.65%	2.50%	2.40%
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.35%	2.20%	2.10%
Allowance for pension in payment increases of RPI or 8.5% p.a. if less	3.25%	3.10%	3.00%
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.25%	3.10%	3.00%
Allowance for pension in payment increases of CPI or 3% p.a. if less	2.35%	2.20%	2.10%

The mortality assumptions adopted at 31 December 2016 imply the following life expectancies at age 65:

	2016 Years	2015 Years
Member aged 65 (current life expectancy) – male	22.2	22.1
Member aged 45 (life expectancy at 65) – male	23.9	23.8
Member aged 65 (current life expectancy) – female	24.1	24.1
Member aged 45 (life expectancy at 65) – female	26.1	26.0

## 13 Trustees' expenses

	2016		2015	
	No. of trustees	£'000	No. of trustees	£'000
Trustees incurred expenses:				
UK-related	15	19	15	10
Programme visits	5	7	8	6

No emoluments or any other benefits have been received by the trustees (2015: £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.

Trustees' incurred expenses exclude expenses related to non-trustee attendees at certain events and meetings.



Five-year-old Saidi Khamis reads a book donated by Sightsavers staff, days after his vision was restored thanks to a successful bilateral cataract operation.

## 14 Related party transactions

The International Agency for the Prevention of Blindness (IAPB) is identified as a related party and was paid £272,472 in 2016 (2015: £217,307). In 2016 this payment was made primarily in support of its human resources for eye health programme in Africa and also includes Sightsavers' membership fee to IAPB. £98,936 was outstanding at the end of the year (2015: £52,412). Additionally during 2016, gifts in kind totalling £81,189 (2015: £108,497) were provided by Sightsavers to the IAPB. Sightsavers received grant funding of £979,892 in 2016 (2015: £296,780) from Standard Chartered Bank's 'Seeing Is Believing' programme, which is co-managed by the IAPB.

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

Dr 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 £5,291 in 2016 (2015: £5,479) for membership fees. No balance was outstanding at the end of the year (2015: £nil). Dr Harper is also on the board of trustees of the International Civil Society Centre; the Centre was paid £17,512 in 2016 (2015: £15,287) for workshop and support payments.

Stephen King, trustee of Sightsavers, is President of the Daisy Consortium, to whom Sightsavers paid £2,649 in 2016 for annual membership fees (2015: £2,297).

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

	2016	2015
	Grants from Sightsavers UK £'000	Grants from Sightsavers UK £'000
	Intercompany balances at 31 December £'000	Intercompany balances at 31 December £'000
Sightsavers Ireland	-	(8)
Sightsavers Italia	-	-
Sightsavers International Inc.	12	43
Sightsavers Inc.	40	-
Insamlingsstiftelsen Sightsavers International (Sverige)	712	879
Stiftelsen Sightsavers International Norge	116	57
Sightsavers Middle East Consultancy FZE	189	386
Sightsavers International Danmark (Fond)	-	-
Sightsavers (Trading)	-	-
	(173)	(3)
	(17)	5
	(574)	42
	(136)	26
	(159)	13
	(12)	
	(1)	
	26	
	25	

## 15 Tangible fixed assets

	Freehold property £'000	Leasehold property £'000	Computer equipment £'000	Office fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<b>Cost or valuation</b>						
At 1 January 2016	59	747	117	266	818	2,007
Additions	-	-	-	-	96	96
Disposals	-	-	-	-	(69)	(69)
<b>At 31 December 2016</b>	<b>59</b>	<b>747</b>	<b>117</b>	<b>266</b>	<b>845</b>	<b>2,034</b>
<b>Depreciation</b>						
At 1 January 2016	59	306	103	266	818	1,552
Charge for the year	-	159	9	-	96	264
Disposals	-	-	-	-	(69)	(69)
<b>At 31 December 2016</b>	<b>59</b>	<b>465</b>	<b>112</b>	<b>266</b>	<b>845</b>	<b>1,747</b>
<b>Net book value</b>						
<b>At 31 December 2016</b>	<b>-</b>	<b>282</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>287</b>
<b>At 1 January 2016</b>	<b>-</b>	<b>441</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>455</b>

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

All assets are held for charitable purposes. Group figures include computer equipment of £1,000 (2015: £3,000) held with a related party in Ireland (Sightsavers Ireland).

## 16 Investments

	Group		Charity	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Market value at 1 January	5,391	5,293	5,408	5,310
Disposals at opening market value	(2,321)	(1,041)	(2,321)	(1,041)
Acquisitions at cost	2,406	1,061	2,406	1,061
Net unrealised gains on revaluation at 31 December*	325	79	330	79
	<b>5,801</b>	<b>5,392</b>	<b>5,823</b>	<b>5,409</b>
Cash held in portfolio at 31 December	141	153	141	153
<b>Market value at 31 December</b>	<b>5,942</b>	<b>5,545</b>	<b>5,964</b>	<b>5,562</b>
<b>Historical cost at 31 December</b>	<b>5,475</b>	<b>5,315</b>	<b>5,475</b>	<b>5,315</b>
Fund managed investments at market value	5,801	5,392	5,801	5,392
Non-fund managed investments at trustees valuation	-	-	22	17
	<b>5,801</b>	<b>5,392</b>	<b>5,823</b>	<b>5,409</b>

\* In addition to the 2016 unrealised gains shown above, there were realised gains of £100,000 in the year (2015: realised gains of £27,695) which combine to provide the total net gains as shown in the statement of financial activities on page 70-71.

Of the UK amounts the holdings with a market value greater than 5% of the total portfolio value in 2016 were:

	%	2016 £'000	2015 £'000
Key Multi Manager Hedge Fund Diversified	10.40%	622	860
Charity Property Fund	7.50%	450	446
UBS ETF PLC MSCI UK	12.57%	755	407
UBS INV Funds ICVC S&P	6.28%	375	228

## Subsidiary undertakings

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

	Assets £'000s	Liabilities £'000s	Net assets £'000s	Capital £'000s	Income £'000s	Expenditure £'000s	Surplus/ (deficit) £'000s
<b>2016</b> Sightsavers Ireland	1,580	429	1,151	-	4,662	4,477	185
Sightsavers Italia	1,071	340	731	-	2,210	1,819	391
Sightsavers International Inc.	617	496	121	-	64	53	11
Sightsavers Inc.	476	434	42	-	664	622	42
Insamlingsstiftelsen Sightsavers International (Sverige)	248	255	(7)	-	1,655	1,660	(5)
Stiftelsen Sightsavers International Norge	114	46	68	11	223	160	63
Sightsavers Middle East Consultancy FZE	28	18	10	18	189	183	6
Sightsavers Trading	29	29	-	-	13	13	-
<b>2015</b> Sightsavers Ireland	1,092	126	966	-	4,058	4,129	(71)
Sightsavers Italia	691	351	340	-	1,803	1,599	204
Sightsavers International Inc.	432	322	110	-	1,039	984	55
Sightsavers Inc.	-	-	-	-	-	-	-
Insamlingsstiftelsen Sightsavers International (Sverige)	119	121	(2)	-	1,473	1,475	(2)
Stiftelsen Sightsavers International Norge	42	37	5	11	69	79	(10)
Sightsavers Middle East Consultancy FZE	53	10	43	18	291	286	5
Sightsavers Trading	17	17	-	-	6	6	-

## 17 Debtors

	2016 £'000	Group 2015 £'000	2016 £'000	Charity 2015 £'000
Amounts owed by group and associated undertakings	-	-	51	399
Prepayments and accrued income	5,457	4,565	4,973	3,924
Other debtors	422	583	317	936
	<b>5,879</b>	<b>5,148</b>	<b>5,341</b>	<b>5,259</b>

Amounts owed by group and associated undertakings to the Charity were: Sightsavers (Trading) of £25,000 (2015: £13,000), Sightsavers Middle East £nil (2015: £42,000), Sightsavers Inc. of £nil (2015: £313,000), Sightsavers Denmark of £26,000 (2015: £26,000) and Sightsavers Norway of £nil (2015: £5,000).

The Charity is committed to purchasing a total of USD \$2.72 million (2015 \$4.99 million) under forward contract at 31 December 2016, and to sell a commensurate amount of GBP at USD/GBP rates between 1.21250 and 1.25825, as part of its operational foreign exchange risk management strategy. The fair value of these forward purchases is held within Other Debtors. See notes 21 and 25 for further details.

## 18 Cash at bank and in hand

Cash at bank includes money received at the year end which is to be expended in the first quarter of 2017. As at 31 December 2016, restricted cash stands at £11,928,000 (2015: £6,110,000).

Dr Ashraf is a cataract surgeon and assistant medical officer in ophthalmology working across the Morogoro region in eastern Tanzania.



## 19 Creditors

### Amounts falling due within one year

	Group		Charity	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Bank loans and overdrafts	1	1	1	1
Amounts owed to group and associated undertakings	-	-	593	11
Payments received on account for contracts or performance-related grants	6,864	1,870	6,711	1,827
Accruals and deferred income	3,944	5,078	2,566	4,815
Taxation and social security	365	315	341	295
Other creditors	1,902	1,579	2,009	1,262
	<b>13,076</b>	<b>8,843</b>	<b>12,221</b>	<b>8,211</b>

Amounts owed to group and associated undertakings were: Sightsavers (Ireland) of £293,000 (2015: £8,000), Sightsavers Sweden of £159,000 (2015: £3,000), Sightsavers Norway of £12,000 (2015: £nil), Sightsavers Inc. £95,000 (2015: £nil), Sightsavers Italia £17,000 (2015: £nil), Sightsavers Middle East £1,000 (2015: £nil) and Sightsavers International Inc. £16,000 (2015: £nil).

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

### Amounts falling due after more than one year

	Group		Charity	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Other creditors	179	329	179	329
Provisions for other liabilities	481	377	469	369
	<b>660</b>	<b>706</b>	<b>648</b>	<b>698</b>

### Movement on deferred income during the year

	Group		Charity	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Balance brought forward	3,953	7,372	3,910	6,860
Released to income	(18,434)	(15,113)	(18,348)	(14,644)
Received in year	23,042	11,694	21,947	11,694
<b>Balance carried forward</b>	<b>8,561</b>	<b>3,953</b>	<b>7,509</b>	<b>3,910</b>

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

## 20 Provision for other liabilities

The Charity had the following provisions during the year:

		Dilapidations provisions £'000	End of contract / service benefit £'000	Employee benefit accrual £'000	Total 2016 £'000	Total 2015 £'000
<b>Group</b>	At 1 January 2016	50	274	53	377	412
	Additions	-	247	85	332	286
	Utilised	-	(191)	-	(191)	(266)
	Reversals	-	-	(53)	(53)	(51)
	Foreign exchange translation adjustment	-	16	-	16	(4)
	<b>At 31 December 2016</b>	<b>50</b>	<b>346</b>	<b>85</b>	<b>481</b>	<b>n/a</b>
	<b>At 31 December 2015</b>	<b>50</b>	<b>274</b>	<b>53</b>	<b>n/a</b>	<b>377</b>
<b>Charity</b>	At 1 January 2016	50	268	51	369	400
	Additions	-	244	85	329	287
	Utilised	-	(191)	-	(191)	(265)
	Reversals	-	-	(51)	(51)	(48)
	Foreign exchange translation adjustment	-	13	-	13	(5)
	<b>At 31 December 2016</b>	<b>50</b>	<b>334</b>	<b>85</b>	<b>469</b>	<b>n/a</b>
	<b>At 31 December 2015</b>	<b>50</b>	<b>268</b>	<b>51</b>	<b>n/a</b>	<b>369</b>

### Dilapidations provision

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

### End-of-contract/service benefit

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

### Employee benefit accrual

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

## 21 Financial instruments

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

The Charity has the following financial instruments:

	2016 £'000	Group 2015 £'000	2016 £'000	Charity 2015 £'000		
<b>Financial assets measured at amortised cost</b>						
Cash at bank and in hand	17,726	11,689	15,280	9,528		
Amounts owed by group undertakings	-	-	51	712		
Other receivables	1,040	691	991	649		
	<b>18,766</b>	<b>12,380</b>	<b>16,322</b>	<b>10,889</b>		
<b>Financial liabilities measured at amortised cost</b>						
Bank loans and overdrafts	1	1	1	1		
Finance leases	359	329	359	329		
Accruals	2,302	2,682	1,749	2,403		
Amounts owed to group undertakings	-	-	594	-		
Other creditors	2,023	1,373	1,573	1,196		
	<b>4,685</b>	<b>4,385</b>	<b>4,276</b>	<b>3,929</b>		
<b>Financial assets measured at fair value, through profit and loss</b>						
Investments	5,942	5,545	5,964	5,563		
Forward foreign exchange contracts	25	70	25	70		
	<b>5,967</b>	<b>5,615</b>	<b>5,989</b>	<b>5,633</b>		
		Group 2016		Group 2015		
	Income £'000	Expense £'000	Gain / (loss) £'000	Income £'000	Expense £'000	Gain / (loss) £'000
<b>Financial assets measured at amortised cost</b>						
Interest income	71	-	71	49	-	49
<b>Financial assets measured at fair value, through profit and loss</b>						
Investments	820	-	820	402	-	402
Forward foreign exchange contracts	-	(45)	(45)	-	(88)	(88)
	<b>891</b>	<b>(45)</b>	<b>846</b>	<b>451</b>	<b>(88)</b>	<b>363</b>

## 22 Statement of funds

	Balance at 1 January 2016 £'000	Income £'000	Expenditure £'000	Investment gains/ (losses) £'000	Transfers £'000	Balance at 31 December 2016 £'000
<b>General reserve:</b>						
Free reserve	9,094	37,939	(37,091)	425	1,585	11,952
Pension reserve	46	-	675	(1,813)	-	(1,092)
<b>Designated funds:</b>						
Future overseas expenditure	1,472	-	-	-	269	1,741
Fixed assets fund	455	-	-	-	(168)	287
Financial Times appeal	101	-	-	-	(101)	-
<b>Total unrestricted funds</b>	<b>11,168</b>	<b>37,939</b>	<b>(36,416)</b>	<b>(1,387)</b>	<b>1,585</b>	<b>12,888</b>
<b>Restricted funds:</b>						
<b>Donations and legacies:</b>						
Kumba International	192	202	(344)	-	20	70
Standard Chartered Bank Seeing is Believing	51	1,286	(1,241)	-	100	196
Irish Aid	-	1,189	(1,118)	-	(71)	-
States of Jersey	6	337	(297)	-	(6)	40
Fred Hollows Foundation	-	584	(584)	-	-	-
Charity Projects Comic Relief	-	240	(113)	-	(13)	114
Conrad N. Hilton Foundation	-	423	(219)	-	(39)	165
Dubai Duty Free	-	132	(119)	-	(13)	-
The END Fund	1	1,295	(731)	-	(62)	503
Izumi Foundation	-	30	(16)	-	(14)	-
The World Bank	-	831	(678)	-	(153)	-
Other	482	5,283	(5,069)	-	(180)	516
<b>Sub-total</b>	<b>732</b>	<b>11,832</b>	<b>(10,529)</b>	<b>-</b>	<b>(431)</b>	<b>1,604</b>
Gifts in kind	-	229,486	(229,486)	-	-	-
<b>Income from charitable activities:</b>						
DFID Nigeria NTD	631	3,258	(2,819)	-	(455)	615
DFID Global Trachoma Mapping Project	-	525	(525)	-	-	-
DFID Oncho/LF	-	1,332	(1,232)	-	-	100
DFID SAFE	581	7,736	(7,858)	-	(127)	332
DFID Aid Match	-	1,370	(1,370)	-	-	-
USAID	8	691	(630)	-	(69)	-
The Queen Elizabeth Diamond Jubilee Trust	-	6,634	(6,242)	-	(392)	-
The Gates Foundation	-	978	(895)	-	(83)	-
EC CCB	-	2	9	-	(11)	-
EC Bangladesh	-	30	(28)	-	(2)	-
EC Uganda	-	100	(92)	-	(8)	-
EC Sierra Leone	-	104	(97)	-	(7)	-
<b>Sub-total</b>	<b>1,220</b>	<b>22,760</b>	<b>(21,779)</b>	<b>-</b>	<b>(1,154)</b>	<b>1,047</b>
<b>Total restricted funds</b>	<b>1,952</b>	<b>264,078</b>	<b>(261,794)</b>	<b>-</b>	<b>(1,585)</b>	<b>2,651</b>
<b>Endowment funds:</b>						
Mountjoy Trust	214	-	-	-	-	214
<b>Total endowment funds</b>	<b>214</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>214</b>
<b>Total funds</b>	<b>13,334</b>	<b>302,017</b>	<b>(298,210)</b>	<b>(1,388)</b>	<b>-</b>	<b>15,753</b>

## Designated funds

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

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

The Financial Times Appeal-designated funds represents funding raised through the FT appeal in 2011 and 2012. These were fully utilised during 2016 on a number of Seeing is Believing projects.

## Restricted funds

The transfer to unrestricted funds of £1,585,000 relates mainly to funds received as part of restricted funding agreements that are provided for Sightsavers' indirect costs, principally under our grant contracts with DFID and the Trust Trachoma grant.

## Endowment funds

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

**The principal grant contracts that Sightsavers has classified as restricted fund projects in 2016, the majority of which are recognised under charitable activities, are set out here:**

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

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

## 23 Analysis of net assets between funds

	Tangible fixed assets £'000	Investments £'000	Cash £'000	Other net assets £'000	Pension liability £'000	Net assets £'000
<b>2016</b> Unrestricted funds:						
General	-	5,728	4,804	1,420	(1,092)	10,860
Designated	287	-	1,741	-	-	2,028
Restricted funds	-	-	11,928	(9,277)	-	2,651
Endowment funds	-	214	-	-	-	214
	<b>287</b>	<b>5,942</b>	<b>18,473</b>	<b>(7,857)</b>	<b>(1,092)</b>	<b>15,753</b>
<b>2015</b> Unrestricted funds:						
General	-	5,331	4,006	(243)	46	9,140
Designated	455	-	1,573	-	-	2,028
Restricted funds	-	-	6,110	(4,158)	-	1,952
Endowment funds	-	214	-	-	-	214
	<b>455</b>	<b>5,545</b>	<b>11,689</b>	<b>(4,401)</b>	<b>46</b>	<b>13,334</b>

## 24 Leasing commitments

### Finance lease obligations

Sightsavers is committed to making future minimum lease payments under finance leases of £359,000 (2015: £532,000). The obligation to make these payments falls due as follows:

	2016 £'000	2015 £'000
<b>Land and buildings</b>		
Within 1 year	129	129
Within 2-5 years	140	270
<b>Sub total</b>	<b>269</b>	<b>399</b>
<b>Fixtures and fittings</b>		
Within 1 year	43	43
Within 2-5 years	47	90
<b>Sub total</b>	<b>90</b>	<b>133</b>
<b>Total</b>	<b>359</b>	<b>532</b>

## Operating lease obligations

Sightsavers is committed to making future minimum lease payments under non-cancellable operating leases of £2,119,000 (2015: £1,926,000). The obligation to make these payments falls due as follows:

	2016 £'000	2015 £'000
<b>Land and buildings</b>		
Within 1 year	645	504
Within 2-5 years	1,115	952
After 5 years	295	463
<b>Sub total</b>	<b>2,055</b>	<b>1,919</b>
<b>Other</b>		
Within 1 year	27	3
Within 2-5 years	37	4
<b>Sub total</b>	<b>64</b>	<b>7</b>
<b>Total</b>	<b>2,119</b>	<b>1,926</b>

## 25 Forward exchange contracts

Sightsavers entered into two forward exchange contracts during the year to hedge forward currency exposure on future programme expenditure. These contracts, to purchase US dollars (USD) using sterling (GBP), are each for up to six months in duration, at USD/GBP rates between 1.21250 and 1.25825. At 31 December 2016 a combined purchase value of USD \$2.72 million remained on these contracts, representing around 60 per cent of forecast USD-correlated overseas charitable expenditure for 2017. At 31 December 2016, the USD/GBP exchange rate was 1.2469.

At 31 December 2016 the carrying amount in the balance sheet of these contracts was a loss of £25,349 (2015: gain of £69,802). This movement on the fair value forms part of the free reserves in note 22.



There are no paediatric ophthalmologists in Zanzibar, so every three months a specialist doctor such as Dr Paul Nyaluke travels from the mainland to carry out essential screening and operations on children.

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

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