



Sightsavers

Annual Report and Financial Statements

31 December 2011

Contents

4	The challenge, vision and mission
4	Our values
5	Our strategy
6	The Sightsavers SIM Card
7	Objectives and activities
8	A snapshot of what we achieved in 2011
13	Progress towards SIM card objectives
26	Plans for 2012
28	Structure, governance and risk management
29	Review of financial outcome 2011
32	Key people and suppliers
34	Independent Auditor's Report to the Trustees of the Royal Commonwealth Society for the Blind
36	Consolidated Statement of Financial Activities
37	Balance Sheets
38	Consolidated Cash Flow Statement
39	Notes to the accounts
62	Income and expenditure at a glance

The challenge

According to the World Health Organisation (WHO):

- 285 million people are blind or visually impaired, and 80% of this is treatable or preventable.
- Of these 285 million people, 39 million are blind.
- 90% of people who are blind or visually impaired live in developing countries.
- Over 1 billion people are affected by neglected tropical diseases (which include the blinding conditions trachoma and onchocerciasis).

We also know that:

- Two thirds of blind people are women.
- There is a shortage of 1.5 million health workers in Sub-Saharan Africa.
- In Africa, less than 10% of disabled children go to school.
- 1 in 5 of the world's poorest people has a disability.

Our vision and mission

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

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

Our values

Blindness is an important cause and effect of poverty.

We work with poor and marginalised communities in developing countries.

We achieve much more when we collaborate.

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

People should not go blind unnecessarily.

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

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

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

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

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

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

We underpin our work with the best available evidence and research.

Our supporters are a key part of the solution.

We work together to accomplish our goals.

Our strategy

Our strategy was launched at the beginning of 2009 and refreshed in 2011. We have extended it to 2018, recognising that the aims are very ambitious and will take time to be achieved in all the countries where we expect to work. At the heart of our strategy are our four change themes, which set out the ultimate and shorter term aims we have which will help us achieve our vision and mission. These are based around health, education, social inclusion and community development. We articulate our objectives and the way we will measure progress by using our SIM card, or Strategy Implementation and Monitoring Card. This is based on the balanced scorecard methodology and includes a strategy map and a scorecard of indicators and targets.

The SIM card has four perspectives

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

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

The strategy map is shown overleaf. Data for the indicators is collected via a web based dashboard, which is available to all staff, and will be on our website from September 2012.

A message from our Chair

2011 has been a very successful year for Sightsavers despite the economic situation, and the difficulties in some of the countries where we work. There were three key factors in this success:



Lord Crisp,
Chairman

The first is that we are collaborating with others more now than ever before. In times like these, collaboration is a prerequisite for success. As ever, our partners and supporters have been amazing, and without them we would have achieved very little. Our longstanding partners (Standard Chartered and the Ministries of Health and Education in the countries where we work) are of course uppermost in our minds, but there are many new relationships to celebrate. Our new Programme Partnership Arrangement with DFID, the collaborations with Comic Relief and the Financial Times, and partnerships with a number of international agencies such as The Fred Hollows Foundation and Helen Keller International helped us make great progress.

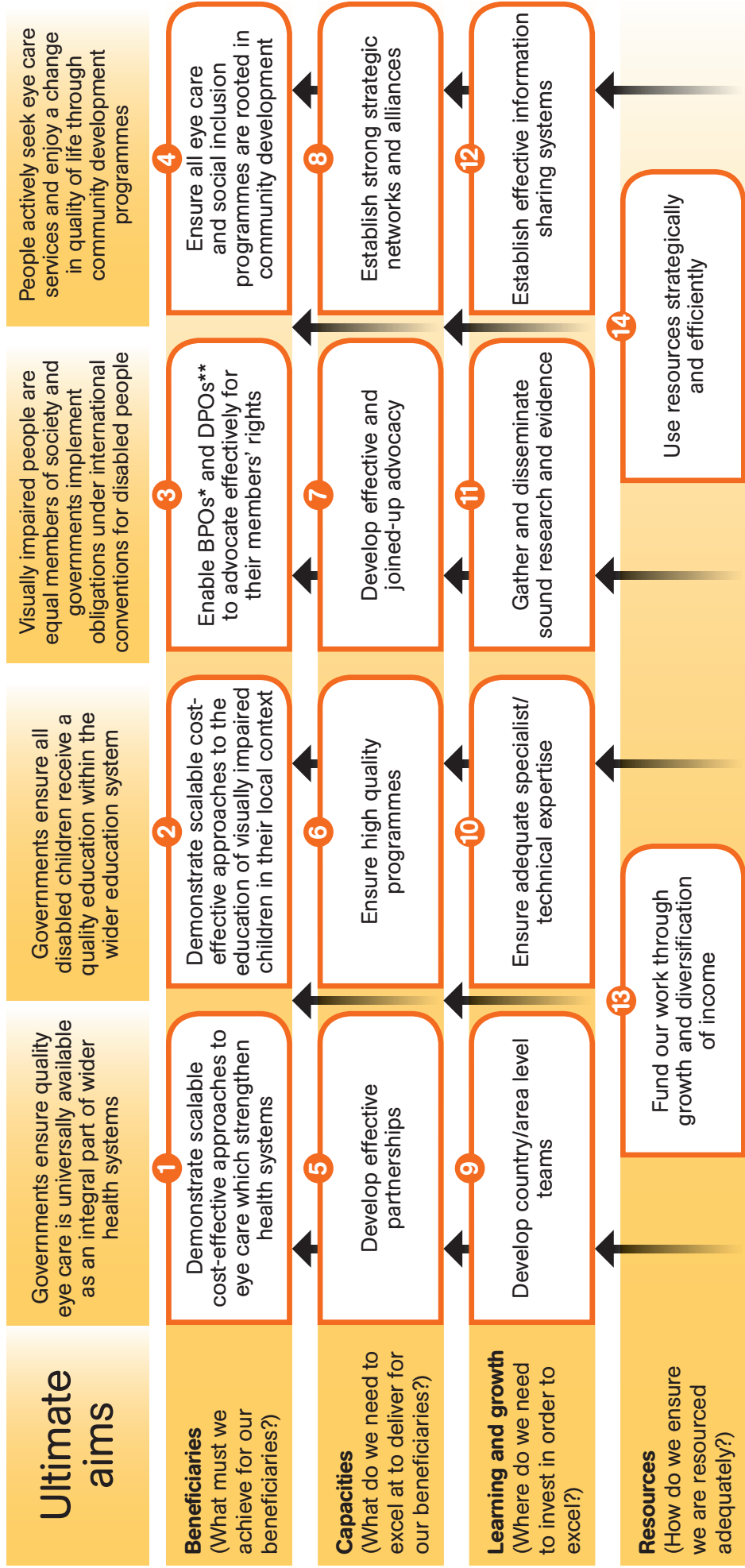
Secondly, we launched ambitious new plans in trachoma and onchocerciasis – moving from control to elimination. The issue of neglected tropical diseases attracted major international interest in 2011, and Sightsavers is playing a leading role in this area. This has helped to raise the profile of the organisation and given us extra leverage in pursuing our mission of eliminating avoidable blindness.

Finally, I wish to pay tribute to our employees, many of whom have worked long hours, some in risky conditions. We made some difficult decisions last year in the interests of efficiency, closing one of our regional offices and reducing administrative costs at our headquarters. Times of economic uncertainty are never easy, and the Council is well aware that we would not have had such an excellent year without their professionalism and dedication.



Sightsavers' strategy map

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



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

Objectives and activities

We work with partners towards the achievement of our goals as a matter of principle, building relationships with the relevant Ministries in country, as well as organisations of blind and/or disabled people. We partner with other local Non Government Organisations (NGOs) (eg community based organisations) and increasingly with international NGOs (INGOs), both in bilateral partnerships and in wider coalitions, as this enables us to avoid duplication and be more effective – especially in our advocacy work. This includes formal coalitions such as the International Agency for the Prevention of Blindness, which works together with the WHO on the VISION 2020 programme and the recently formed UK Coalition against Neglected Tropical Diseases (NTDs).

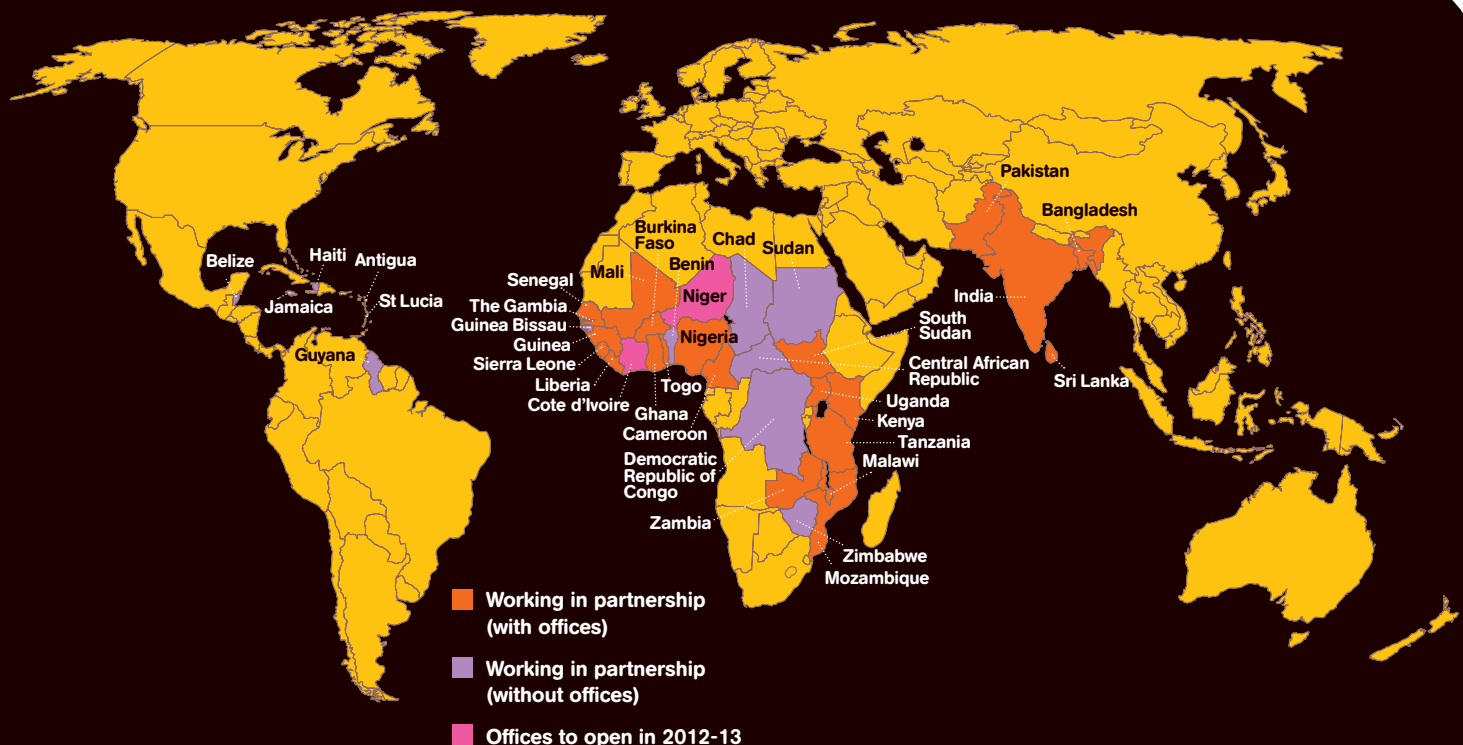
We are determined to ensure that our work strengthens health and education systems – so whilst service delivery will always be an important part of our work, we are looking to achieve systemic change, not just short term outputs. Hence the focus on demonstration approaches – although demonstration does not always mean ‘small pilot’ as some of our approaches are at scale.

We gather evidence to ensure that our programmes make an impact and are cost effective, so the advocacy we undertake has a strong foundation.

We are significantly ramping up our work in NTDs, two of which are blinding (onchocerciasis and trachoma). International focus on NTDs has dramatically increased and moved to elimination – with the emphasis (particularly from Ministries of Health) now on co-implementation rather than vertical, single disease programmes. We aim to be leading players in this sector, and our approach using community directed treatments is being taken up widely.

We now do NTD work in a number of countries via INGO partnerships which enables us to work without the requirement to set up a country office – this is particularly cost effective when looking at an elimination programme.

We now work in 34 countries (and have 26 country offices).



A snapshot of what we achieved in 2011

The economic environment in 2011 was very challenging – both in terms of the conditions in countries where we raise funds and the high inflation rates in some of our programme countries, but Sightsavers has had what can only be described as an exceptional year.

We increased our income (excluding gifts in kind), achieved most of our targets for beneficiary outcome indicators in our SIM card, and saw increases in a number of our output statistics. Our profile was dramatically raised by two media events – Red Nose Day (for Comic Relief) in the UK, and a highly successful Seasonal Appeal with the Financial Times – which had global reach. Both events also raised substantial funds for Sightsavers. We became strategic partners of DFID (Department for International Development) via our first ever Programme Partnership Arrangement (PPA) – we passed the due

diligence stage and received our first payments in 2011.

There have been other challenges besides economic ones – security issues in Nigeria, Kenya and Pakistan have been particularly difficult and have had some impact on our programmes.

The increase in cash income has enabled us to increase expenditure on programmes and key strategic objectives (eg advocacy and research), invest in enhancing our internal capability and still end 2011 with increased reserves.

SIM card – results of beneficiary indicators.

We have approached or hit most of the targets for our beneficiary outcomes in 2011 – see below.

Objective	Indicator	Latest result	Result period	2011 Target
Health	% of countries showing significant increase in public spending on eye health	14%	2011 Q4 (annual)	30%
	% of eye health projects that are embedded in national/local govt health plans.	68%	2011 Q4	70%
Education	% of countries where govt implements education plans in line with global best practice	31%	2011 Q4 (annual)	20%
	% of education projects suitable for replication/ adoption by the govt/other service providers.	19%	2011 Q4	20%
Social Inclusion	% of countries where advocacy by Blind People's Organisations (BPOs)/ Disabled People's Organisations (DPOs)/ disability networks results in increased support or inclusion for disabled people	66%	2011 Q4 (annual)	75%
	% of countries where Sightsavers is supporting BPO/DPOs/disability movement to advocate	55%	2011 Q4	60%
Community Development	% of projects that result in visually impaired/ disabled people participating to greater extent in community life	45%	2011 Q4 (annual)	50%
	% of projects resulting in communities demonstrating health seeking behaviours	61%	2011 Q4 (annual)	60%
	% of projects designed, implemented, monitored & evaluated with involvement of local communities, including people with disabilities	55%	2011 Q2	60%

The main indicator giving concern is the one around countries investing in eye health as part of public health. The problem is availability of data – which means we appear to have a very low proportion of countries achieving this, when in fact we simply do not have the data yet so early in the year. We have decided to revise this indicator and will be finalising a new one shortly, in time for data collection at the end of the second quarter in 2012.

We are also below our target on social inclusion – although this advocacy by BPOs/ DPOs is an improvement since last year (where we reached 62.5%). Clearly there is more to be done!

The other indicators all look reasonably good, but we are reviewing them as part of our mid term strategy review process to be absolutely certain that the definitions are being applied consistently across the organisation and there is no ambiguity. We will be introducing new indicators in 2012 to measure our performance in two priority areas – NTDs (notably trachoma and onchocerciasis) and human resources for health.

Output statistics

In 2011 Sightsavers supported 397 projects that were implemented in partnership with 260 partners. See page 10 for more details.

Our intention in 2011 had been to concentrate on attribution issues; for example how to capture outputs where our programmes have been scaled up and replicated by others, or how to capture the work carried out by personnel we have helped train but who are now working beyond our programmes in the wider health or education system. However, since becoming a DFID PPA recipient, we have had to concentrate instead this year on the structure, content and disaggregation (by gender and quarter) of our statistics, and have had to make some changes to our template and the collation process as a result. This work is still in progress but nearing completion, and we therefore hope to be able to tackle the attribution question in 2012.

Overall, the output statistics for 2011 strongly reflect our organisational strategic shift towards system strengthening, Human Resource Development (HRD) and NTDs, and away from service delivery for its own sake. It will become increasingly important in future years, however, that we resolve the attribution question, and also develop our impact reporting (whether through case studies and evaluations or via SIM Card indicator progress) so that we can present these side-by-side to give a true and full picture of Sightsavers' success. We do have the SIM card indicators, which operate more at the outcome level but it is important to stress that our impact and the question of whether we are meeting our strategic goals cannot be represented by output statistics alone.

General trends regarding the 2011 data:

'Number of people examined' has fallen from over 15 million in 2010 to just under 6 million in 2011.

Almost 8 million of this drop is due to the disruption to information flow in the Lady Health Worker (LHWs) training programme in Pakistan in 2011. Due to devolution processes in-country, there was lack of clarity between federal and provincial governments for reporting. The screenings by LHWs who had been trained by Sightsavers were not captured within government systems and subsequently neither by ours, from January to October 2011. In October 2011, Sightsavers signed an agreement with the provincial government (in line with the previous agreement we had with the federal government) and information sharing will resume from January 2012. Based on 2009 and 2010 trends we can assume outputs on screenings from Pakistan will increase again to similar levels.

There was a 1 million drop in examinations in India largely due to the portfolio rationalisation exercise which saw Sightsavers stop funding a number of large Indian eye health programmes, or move towards health systems strengthening rather than providing direct support to service.

'Total number of NTD treatments' has almost doubled, from just over 42 million in 2010 to over 79 million in 2011.

	2008	2009	2010	2011
Output Statistics:				
Number of people screened	5,722,000	13,358,000	15,087,120	5,982,571
Number of operations	344,400	361,400	350,323	326,290
Number of people who received prescriptions for spectacles	801,000	651,000	874,000	573,925
NTD Statistics:				
Number of people treated to prevent Onchocerciasis	22,120,000	21,800,000	23,147,000	24,387,260
Number of people treated with azithromycin (treatment for trachoma)	875,014	990,798	1,859,000	4,644,847
Number of people treated for lymphatic filariasis	data not available	data not available	17,626,000	34,076,763
Number of people treated for soil transmitted helminths	n/a	n/a	n/a	14,261,362
Number of people treated for schistosomiasis	n/a	n/a	n/a	2,148,614
Number of people receiving trichiasis surgeries	11,800	12,900	15,700	18,295
Number of village level volunteers trained	n/a	80,813	103,630	146,534
Health workers trained:				
Ophthalmologist Diploma	n/a	56	33	66
Cataract Surgeon Diploma	n/a	33	10	32
Ophthalmic Nurse (or equivalent) Diploma	n/a	145	151	145
Refractionist and Optometric Diplomas	n/a	102	97	64
Equipment Technician Diploma	n/a	7	6	15
Ophthalmologist short courses	n/a	328	676	49
Allied eye health workers short courses	n/a	798	449	1,441
Primary eye care short courses	n/a	70,121	52,104	58,253
Social inclusion and education:				
Number of blind people given rehabilitation training	8,700	8,667	5,370	6,430
Number of children receiving specialist support in mainstream schools	5,900	5,900	6,300	6,246
Number of professionals supported on education or inclusion short courses	n/a	2,273	3,692	12,552

'Total number of operations' has fallen somewhat from just over 350,000 in 2010 to just over 325,000 in 2011.

In Pakistan alone there was a drop of 65,000 cataract surgeries due to Sightsavers no longer funding three projects, which means that overall cataract totals have actually risen by 45,000 across other countries.

Many of our HRD statistics have increased, which is reflective of our shift towards systems strengthening, and the organisational Strategic Initiative.

We have provided a more detailed breakdown than usual, rather than just lumping all 'people trained' together. A few specific comments:

'Number of professionals supported on education or inclusion short courses' has increased from 3,692 in 2010 to over 12,500 in 2011. The bulk of this increase came from India, although the trend was mirrored in other regions.

'Number of village volunteers trained' has increased from just over 100,000 in 2010 to over 145,000 in 2011, in line with our increased focus on NTDs. This includes training as Community Drug Distributors (CDDs) as well as Primary Eye Care or inclusion-related training.

Highlights of the year

- Once again, our work on NTDs stepped up another gear, extending our integrated approach into other states in Nigeria and into Cameroon. We also formed a number of partnerships with other INGOs to extend our reach beyond the countries where we have offices. This is now a major organisational priority for us, and we have launched plans to eliminate blinding trachoma and the transmission of river blindness (onchocerciasis) in countries where we work. We anticipate an increasing proportion of our work to be via co-implementation of control strategies for a range of NTDs, as this is the most cost effective approach for the community.
- Our partnership with BRAC in Bangladesh is moving ahead dramatically, with over 38,000 cataract operations being conducted as part of our new Vision Bangladesh initiative (with BRAC and the Ministry of Health). This demonstration approach is one which we hope will be rolled out across the country.
- Our advocacy work is beginning to bear fruit in a number of countries as well as at the global and regional levels. There are a number of great examples – but particular success was achieved in Cameroon with the opening of the School of Optometry there by the government after two years of hard work to prove our case.
- We overcame the final hurdles to commence our DFID PPA in April 2011 – a three year grant, worth £3.7 million in the first 12 months.
- Our profile was dramatically increased by significant coverage both on Red Nose Day (which included a grant from Comic Relief of £2 million) and the Financial Times Seasonal Appeal (which raised a record breaking £3.3 million, mostly received in 2012). The latter was significantly enhanced by Standard Chartered (SCB) (who matched all donations) and The UK Government (UK Aid) (who matched donations from UK individuals).

Progress against 2011 plans: general

We undertook a mid term strategy review (MTSR) in 2011, addressing a number of areas where clarification was needed, and performing a 'horizon scan' to see whether there were external factors which might lead to a change in our strategy or emphasis.

Some of the main action areas that emerged from the review include:

- Our initiatives on NTDs and Human Resources for Health (HRH) need firm embedding into strategy, plans and systems at all levels. We need to ensure funding strategies for these are not at the expense of other work.
- We need to create a more ambitious digital business agenda in response to technology opportunities and evolving stakeholder expectations.
- Our approach to alliancing and networking needs to become more focused, with clearer deliverables linked to strategic priorities, and engagement strategies that set out how we will achieve those.

- We have started a piece of work to scope and identify opportunities for innovative engagement with the private sector. Mobile and information technology are emerging as possible pilot areas. Improving our knowledge in these areas will help to counter the MTSR finding that we need to be more cogniscent of relevant technological developments.
- We must embed cost-effectiveness across our work. Cost minimisation will be further integrated across the organisation. Cost-benefit work will go hand-in-hand with improving how we capture the impact of our programmes.
- We will refine guidance and increase capacity of country offices to develop programmes that can deliver systemic change in health, education and social inclusion.
- We will build on the new process by which we review and assess projects prior to committing funds (commitment management process (CMP)) as a corner-stone of quality management which enables us to target investment at good programmes
- We will not move wholesale into emergency work, but work more closely with agencies with a strong track record in this area. At the same time we will focus on a handful of high risk countries and capture learning from their work on disaster risk management.

We are still in the process of honing our SIM card indicators – which whilst more robust than previously will still benefit from some further clarification (and a couple of additions). It is intended to have these completed in time for the first 2012 data collection in mid year.

We reviewed our governance in India, US and Zambia, and are in the process of updating arrangements. This includes appointing new, local Directors/trustees in both India and US, as well as submitting a new scheme in India which will ensure we are properly set up for fundraising.

We published a ‘Sustainability Statement’, as a precursor to our first report under the INGO Accountability Charter, which will be due in 2012. This sets out our commitment to sustainability under the three headings ‘A Responsible Global Citizen’, ‘An Organisation that People Trust’ and ‘A Great Place to Work’.

Progress towards SIM card objectives

Delivering for the beneficiaries

What we planned to do	What we did
Create a plan for onchocerciasis elimination, and ramp up collaboration, funding and implementation both for this and for our trachoma plan, ensuring we are also influential participants in the NTD movement.	<p>The plan has been printed and distributed (in French and English), and our NTD work has ramped up significantly. We were instrumental in forming the new UK Coalition against NTDs, and currently chair the NGO NTD group.</p> <p>New agreements with the United Front Against River Blindness (for Democratic Republic of Congo), OPC (trachoma work in Chad and Central African Republic) and The Carter Center (trachoma work in Sudan) were all entered into as part of our recently launched plans for the elimination of blinding trachoma and the transmission of onchocerciasis (river blindness).</p>
Create a detailed plan for scaling up our HRH work in Africa, building on the high level work already done and existing programmes. Ensure the major HRD multi country collaborations accelerate and deliver.	<p>Work on the overall plan continues – although we now expect this to be published in June 2012. The multi country collaborations have had mixed success – both Health for Peace Initiative (in West Africa) and the East African College of Ophthalmology have moved on significantly. However we have had significant issues with our Malawi/Zimbabwe/Mozambique programme. The latter has been moving more slowly than we had hoped, particularly in Zimbabwe.</p> <p>We have recognised the need for specific country plans responding to the relevant context.</p>
Finalise the Vision Bangladesh partnership with BRAC, and speed up its implementation.	<p>The Sylhet pilot has gone exceptionally well, with over 38,000 cataract operations performed (see case study). We are now looking to move to the next phase of rolling out the programme – the key issue will be funding.</p>
Work with the African Decade for Persons with Disabilities to advocate to the African Union on the ratification and implementation of the UN Convention for the Rights of Persons with Disabilities in Member States.	<p>We supported the efforts of the African Decade towards raising funds for this important work. In particular we led on the submission of a concept note to the EC multi-country call. Results are expected in the second quarter 2012.</p> <p>We have also supported the Decade in getting two experts on disability and social inclusion into the African Union Commission on Human Rights working group on older persons and persons with disabilities, and obtaining observer status.</p>

What we planned to do	What we did
Identify approaches for scaling up eye health within country contexts where the non governmental sector accounts for a significant part of the health system.	There has been limited progress on this objective due to lack of in house technical capability.
Obtain an international treaty to give visually impaired people the right of access to print.	There was progress for the World Blind Union's campaign, led by Sightsavers, to solicit a UN World Intellectual Property Organisation Treaty on Copyright and the Print-Disabled. The WBU Treaty Proposal aims to change the jurisdiction of current copyright from national to international in order to allow the exchange and sharing between countries of books and information in accessible formats such as braille, large print and audio. 2011 saw the end of two years of initial negotiations which resulted in the merging of proposals from WBU, the USA, the EU and the Africa Group into a single draft text and the beginning of line-by-line examination of text.

Other major achievements in this area

We launched our fast track initiative on trachoma at the Sir John Wilson Memorial lecture in London. The keynote speaker, Stephen O'Brien, Parliamentary Under-Secretary of State, confirmed DFID's commitment to the control and elimination of NTDs.

We completed the Bangladesh Children's Cataract campaign, having restored the sight of 9,300 children and established three paediatric units in the country.

Kaduna state in Nigeria have taken full ownership and leadership of the state eye care programme after 20 years of support from Sightsavers, enabling us to exit. We will be following up via a case study to monitor sustainability following our exit.

Case Study

NTDs in Nigeria

Salisu Saidu is a 50-year-old man and a Community Directed Distributor (CDD) in Runji community of Bungudu Local Government Area, Zamfara State. He has a wife, ten children and seven grandchildren. Apart from working as a teacher in adult and Arabic Education in his community, he has been distributing Mectizan® for 14 years. In 2010, he integrated Albendazole distribution along with Mectizan® for Lymphatic Filariasis (LF) treatment in his community. As a teacher in adult education, he sensitized parents on school-based treatment with Praziquantel for schistosomiasis control, encouraged the treatment of non-enrolled children, and participated in their treatment in his community.

He is distributing Mectizan® because he likes helping his community. He said he hopes to support in the total eradication of river blindness in the community and the society. He said that in the past river blindness was a problem in his community and many people

had to relocate because of it. He knows that the black fly transmits the disease, the symptoms of which according to him are itching, leopard skin, blurred image and resultant loss of vision. None of the community members has such symptoms now.



Salisu Saidu

Salisu treats all eligible persons in his community by going from house to house. Initially when people were not very familiar with the drug they refused it, but they now accept it as it has great effect, it also expels intestinal worms and kills head lice.

Case Study

HRD in West Africa

The Sheikh Zayed Regional Eye Care Centre in Banjul, The Gambia, was conceived out of a need to provide training and eye health services to the estimated 25 million people residing in the six member countries of the Health for Peace Initiative (HFPI): The Gambia, Guinea Bissau, Guinea Conakry, Senegal, Sierra Leone and Liberia.



It was built with support from Sheikh Zayed Foundation, the EC and Sightsavers and inaugurated in February 2007. The centre provides eye health services, training tertiary and allied health workers, operational research, technical expertise and assistance for establishment of district level eye health services to the HFPI countries. The courses offered are: Community Ophthalmic Nursing, Diploma in Ophthalmic Nursing, Advanced Diploma in Surgical Ophthalmic Nursing (Cataract Surgery), Advanced Diploma in Refraction (Optometry Technician) and Certificate in Local Production of Eye Drops.

Since its inception to date, 228 students have been trained in various courses from ten West African countries, Cameroon, Zambia and Tanzania.

Case Study

Vision Bangladesh



Vision Bangladesh is a programme that aims to deliver the goals of VISION 2020 in Bangladesh, partnering with BRAC and the government. Included in this is a major endeavour to clear the backlog of cataracts in the country and to

develop human resources needed to provide eye health services longer term. It is currently in the pilot phase covering the Sylet division.

After one year of operation results are encouraging in terms of social mobilization, reducing cataract backlog, training of community health workers and partnership development with BRAC and government. Some 330,000 patients received treatment

against the yearly target of 300,000, a total of 38,549 cataract surgeries were performed against the yearly target of 30,000 and more than 3000 community health workers and volunteers from BRAC and government were trained in primary eye care. A strong monitoring system for clinical quality assurance has been established. The social mobilization component is running in full swing covering school teachers, religious and community leaders.



Case Study

Social inclusion through livelihood security in India

Until a few years ago, a life with basic necessities and a dignified existence was a distant dream for most people with disabilities in Bikaner district in the Thar desert of Rajasthan. This was until Sightsavers stepped up its work in this remote area in the largest inhabited desert in the world, in partnership with URMUL, a leading group of developmental organisations engaged in empowering desert communities.

600 people with disabilities were helped to organize themselves into groups, and supported for leadership development. These groups then took on the responsibility of linking 1500 disabled members of the area with the government employment programme, the National Rural Employment Guarantee Scheme, which guarantees a minimum of 100 days wage employment for poor people. This enabled an inflow of Indian Rupees 40 million (around £500,000) for people with disabilities from the government last year alone, for the first ever time in this remote part of India.

In addition the project supported the education of 152 visually impaired children, around 5,500 cataract surgeries and screened 47,200 children for eye conditions in 2011.

As a result, people with disabilities in Bikaner are viewed with increasing respect by family and community members. This experience in the Thar has provided a good base for replicating and scaling similar approaches in other parts of the country.



Moomraj Vishnoi now enjoys increased respect from the community after starting his business of manufacturing metallic fencing nets for agricultural land.

Challenges and risks we faced and what we learned

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

We found in particular that whilst some programmes had had excellent impact (in terms of reducing blindness prevalence), we had created dependencies amongst some partners which meant the programmes were not sustainable. An example was our programme in the Gambia – highly successful in terms of dramatic reductions in blindness but after many years of support the programme was seen as owned by Sightsavers, and we needed to find a way to exit without damaging the good work done so far. A joint plan for this has now been formulated with the government. This was in contrast to a more positive experience in Kaduna, Nigeria (see page 14 Other major achievements).

Our HRD programmes and overall plan has taken longer than we had hoped. There are many players in this complex arena, and some dispute over the best approaches to take. Of particular note is the debate over whether cataract surgeons (normally ophthalmic nurses who have been trained to do cataract operations) are a good solution to the problem of providing enough ophthalmologists (and enough working away from urban settings). We have been reaching out to the Human Resources for Health community of practice, as we believe it is very important to ensure our work is set in the overall context of the healthworker shortage in Africa.

We have had difficulties this year in a number of countries where there have been security issues which have disrupted programme work.

The critical organisational risks facing us relating to the beneficiary objectives are an inability to demonstrate impact, and poor governance leading to strategic misalignment (or financial loss).

Demonstrating impact in a systematic way is difficult and a source of continuing debate across the development sector. Our SIM card allows us to monitor outcomes rather than just outputs, but it still does not get us all the way to impact assessment. For this we need more research and longitudinal case studies. These take time to develop. As part of the DFID PPA we are investing in more resource to allow us to improve our impact assessment and reporting. We have also formed a partnership with 3ie which is focused on improving the impact assessment of our interventions.

Poor governance processes and structures can mean that the different parts of our organisation are not aligned, and can lead to management not ensuring that focus on the strategy is maintained and progress measured. This could result in us failing to meet our goals for beneficiaries. We have reviewed our governance arrangements in India, Zambia and the US, and are in the process of making a number of changes to improve them. These should be complete in 2012, and our Governance manager will be undertaking a systematic review of all countries over the next 18 months.

Increasing our capacities (areas where we need to excel)

What we planned to do	What we did
Conclude the strategic partnership agreement with DFID, and ensure that its first year meets agreed targets.	<p>The PPA was successfully concluded and runs until March 2014. The funding is being invested in programmes across all our change themes and in an Innovation Fund that will enable us to support programmes that are more creative, with potential for high impact but carrying higher risk. Five programmes were approved for implementation from 2012.</p> <p>The PPA funds are being used to invest in organisational management and information systems that will see us increase our efficiency and effectiveness. Major strides were made in 2011 in building systems and processes that will enable us to deliver our programme targets.</p> <p>We are co-chairing the DFID PPA holders group on Institutional Effectiveness.</p>
Work closely with Comic Relief to deliver a spectacular awareness raising event on Red Nose Day and raise significant funding for eye health work in Africa, and develop a strong partnership with them in delivering against their grant.	<p>This was a great success. Our work was extensively showcased on the Red Nose Day programme, as well as trailed on several programmes and in magazines beforehand. On the night we turned our office into a call centre for Comic Relief. We received a grant of £2 million, much of which will be spent in Kenya on trachoma work.</p> <p>A highlight was the celebrity Kenyan Desert Trek (see case study on page 20). This features currently on British Airways in flight entertainment.</p>
Make significant progress on our plans for prioritised strategic alliance partners.	<p>We made particular progress with WHO AFRO – signing an MOU and contributing to their work on eye health indicators (via the African Health Observatory), primary eye health and research. The relationship has gone so well that we have extended our support to include a major contribution to a new Eyecare Coordinator for the region. We have also signed an MOU with WHO in Cameroon to implement a joint plan to integrate eye health into the national health plan.</p> <p>We were very pleased to sign MOUs with Fred Hollows Foundation (which included joint work on the Nampula eye unit in Mozambique, trachoma in a number of countries, and advocacy work in Geneva), Helen Keller International (mainly around NTD work) and the Organisation pour la Prévention de la Cécité, (for trachoma work in Chad and Central African Republic).</p>
Complete a Gender Policy with operational guidelines and implementation plan.	<p>The policy (led by our Irish Office) was approved by the Council and is now in place. Initial implementation is focused on ensuring gender is considered in designing programme concepts.</p>

What we planned to do	What we did
<p>Develop and implement a plan for improving the quality of our programmes, including improved programme planning, a roll out of the new Quality Standards and a robust process for assessing and improving new and renewing projects.</p>	<p>We introduced new project planning documents (logical frameworks, concept notes and proposals) and a robust review process for all proposed projects.</p> <p>This included review by a Commitments Management Panel (CMP) with representation of key teams and technical experts. We noted a significant improvement in programme planning and design over the two cycles of CMP in 2011.</p> <p>We reviewed our new quality standards to ensure they were in line with international best practice.</p>
<p>Complete the guidelines to accompany the education policy and review existing programmes against them.</p>	<p>We have recruited a new education Programme Development Advisor who is in the process of doing this.</p>
<p>Continue our advocacy work to ensure the rights of disabled people and the fight against neglected tropical diseases are represented within the Millennium Development Goal (MDG) framework.</p>	<p>We have been proactive in our efforts, along with others, to promote the voice of disabled people in the 'Beyond 2015' framework debate. Sightsavers is a member of the steering committee of the 'Beyond 2015' international campaign.</p> <p>We also helped ensure that disability was included as an indicator in a report from the UN Economic Commission in Africa and the New Partnership for Africa Development (NEPAD).</p> <p>Our advocacy, along with other key players, seems to be paying dividends in ramping up the attention of significant donors around NTDs.</p>

Challenges and risks we faced and what we learned

We have found that some of our more complex (particularly multi country) programmes were over ambitious, and we had not done an adequate risk assessment at the outset. This had led to us promising more than we could deliver to some donors. The new Commitments Management Process (see above) will address this, as well as to introduce some rigorous quality checks for new and renewing commitments.

The critical organisational risk facing us relating to the capacities objectives is poor quality of programmes. As stated above we have introduced a range of processes to provide better quality assurance and drive improvements. We intend to prioritise this area in 2012, and will be commencing an assessment of a selection of programmes to get a better understanding of clinical outcomes and the drivers for quality in this area in particular.

Comic Relief

Before they set off on the Comic Relief trek in Kenya, the participants (Lorraine Kelly, Scott Mills, Kara Tointon, Olly Murs, Ronni Ancona, Dermot O'Leary, Peter White, Nadia Sawalha and Craig David) met with people from Marsabit County who had severe and potentially blinding eye problems, to understand the enormous need in this part of the country. One of these was a child, Mbaruga, who was born with cataract in both eyes. Several people the celebrities met were operated on during the trek, but Mbaruga had to be referred to Nairobi for treatment as there is no health centre equipped to carry out childhood cataract surgery throughout the county (child cataract requires general anaesthetic, and specially trained surgeons).

Mbaruga, a twin in a family of six children, was barely able to see. Left at home to sit and listen to his family and other villagers, he was



known as 'the boy who puts his hand on his eyes to see'. His teacher, Mr David Dagati, told us Mbaruga's eye sight was so bad that he could not read or write in class, or even play with the other children.

Following a successful cataract operation, Mbaruga is back in school. His teacher told us: "Mbaruga has greatly improved and is eager to learn and play. He is the best student in the class and the most confident."



Sightsavers' health worker in Marsabit told us Mbaruga's mother was overjoyed by the transformation of her son, saying: "Ashe Oleng, Ashe Oleng (thank you, thank you). My son would just stay in the house when others are playing or working, look at him now."

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

What we planned to do	What we did
Implement the new two year bespoke global programme for developing country level teams, in partnership with the Roffey Park Institute.	This has been a major investment for us – with 2011 being the first of the two years. Indications so far are very positive, with feedback from country level teams being strong. The programme has been adapted as we have learned what works well and what individual requirements are. Formal evaluation will take place after 2012, and a key issue is to ensure that we have a mechanism to maintain capability and to deal with new starters.
Finalise our Adaptive Monitoring & Evaluation (SAME) system, using results of the pilots undertaken in 2010, and roll this out.	We undertook an additional year of pilots of the Monitoring element of SAME to gather further evidence on how to simplify this component so that it aligns with and supports the SIM card monitoring processes. The planned internal and external review of SAME is therefore ongoing and the outcomes from that will be used to inform plans to strengthen M&E in programmes.
Review our approach to specialist and technical expertise, developing a strong, joined up programme development team and a strategy for building appropriate partnerships to supplement our in house expertise.	We have created a new 'Programme Development Team' and are expanding our network of local technical associates. Further strengthening will still be needed. We have developed relationships with specialist organisations (notably the International College of Eyecare Education) to enable us to broaden the base of expertise we can call on, rather than relying solely on a small number of individuals.
Ensure the new integrated fund management framework is fully implemented.	The system replaces several key planning and financial management processes that were previously undertaken on a large number of spreadsheets. These include the five year financial planning process, the forecasting process, resource allocation and management and monitoring of restricted funding. The system was implemented across the organisation during the October planning exercise. Benefits were immediately apparent and a final financial plan for 2012 was achieved much earlier than hitherto.
Identify our top research priorities and commence planning for delivery.	A new Head of Research took up her post, and we have now begun recruitment of other team members. Key research activities included the completion of data collection for our ocular morbidity studies in Kenya and Nigeria (now doing analysis). Four Rapid Assessment of Avoidable Blindness surveys were carried out and a study of the role of community health workers in Community Directed Treatment with Ivermectin was performed in Tanzania and submitted to the WHO Health system research symposium for 2012.

Challenges and risks we faced and what we learned

As we ramp up (notably within NTDs and HRD) we know we need to scale up our capacity (both centrally and in country) for managing large programmes. Getting programme implementation right from the start of a programme is critical, and we need to build capacity on generic programme processes not just on thematic knowledge.

It has taken longer than we hoped to roll out the Quality standards, as we found that there were some more basic improvements we wanted to make to our programme planning and approvals system first. We also wanted to run more pilots to ensure that our SAME system dovetailed properly with our SIM card.

Our research was also delayed by difficulties firstly getting our Head of Research in post. That said, we made good progress on a number of fronts and are expecting this area to accelerate in 2012.

We have had some real challenges in maintaining technical and specialist expertise in a competitive market for talent, and this has had an impact on our work. We are broadening our base of specialist organisations on whom we can call, but we still need enough in house capability to manage this, which remains a challenge.

The critical organisational risks relating to the learning and growth objectives are health, safety and security of staff and the ability to retain key people.

We decided in 2011 that we wanted to boost our security, safety and travel procedures significantly. We have hired consultants to help us with this and will introduce a far more rigorous security policy in 2012. Meanwhile we have tightened our procedures for travel to higher risk countries, and are in the process of replacing our vehicle fleet, much of which had become very old. It is of course easy to defer replacing a vehicle to save money, and many donors do not like paying for them. However, the single biggest risk facing our personnel is road accidents, and the risk of this is increased if we are running with vehicles that are very old. They are also very inefficient in the use of fuel – an increasingly costly and sometimes scarce resource. We negotiated an extremely favourable contract with Ford (see case study on page 24) to reduce the costs of replacement vehicles.

Retention of key people is becoming an increasing concern, as the organisation's profile in 2011 rose dramatically. On the one hand this has advantages as we are able to attract a higher calibre of personnel, on the other hand some of our staff also have higher profile, and those with specialist, scarce knowledge are attractive to other organisations. A number of such individuals left us last year.

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

What we planned to do	What we did
Step up our approach to international foundations and USAID, focussing on our major programmes around NTDs and HRD.	Funding from USAID sources increased through a new Childhood Blindness Project in Bangladesh and a scale up of NTD funding in Cameroon. We were part of a successful consortium bid with RTI International to deliver technical support across USAID's NTD programmes.
Make a successful bid for a new Irish Aid block grant.	We have recently heard that we will receive a block grant at twice the level we were receiving in 2010 – a far better result than we expected.
Undertake a review of our approach to corporates, whilst continuing to develop our existing significant relationships (notably Standard Chartered, Vitol, Luxottica and Martin Currie).	We undertook a full review of our fundraising activities which included our approach to corporates. We have refocused our fundraising resources to include a dedicated team to develop existing partnerships and have initiated a 'New Business' team to focus on new corporate relationships.
Place much more emphasis on fundraising activities in new markets particularly in India, but also including the Middle East and further investigations of the potential within France, US and Ghana.	<p>In India we recruited a fundraising and marketing team. This staffing objective was largely achieved in 2011 and a number of fundraising tests were developed and launched into the market.</p> <p>In the Middle East new administrative and staffing arrangements were put in place which will allow approaches to be made to more potential donors in UAE. A test campaign was carried out to recruit lower level cash donors which produced positive results</p> <p>In the United States we ran an online donor recruitment campaign. However, the targets were not met and the campaign will not be rolled out. Following the launch of the FT Appeal the first steps were taken to developing an appeal to major donors and corporates with the establishment of an Appeal Committee.</p> <p>The results for Italy exceeded targets with an emphasis on the recruitment of committed donors. In Ireland there was further consolidation of resources in response to the economic conditions but overall contribution to programmes was higher than forecast.</p>
Implement a new legacy marketing initiative to boost our position and capitalise on recent developments in the UK tax regime.	2011 was a record year for legacies at over £8 million. This is due to work done historically, as the marketing initiative will bear fruit a number of years into the future.
Develop external reporting to ensure we are compliant with the INGO Accountability Charter.	<p>We have put a process in place to meet the reporting requirements of the INGO Accountability Charter to which we signed up in 2010. Our first report will be published in 2012. A dummy run of the report was produced in October 2011 so that areas of concern and weakness could be identified and addressed.</p> <p>Our CEO was co-opted onto the board of the INGO Accountability Charter company in June.</p>

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

What we planned to do	What we did
Review Treasury Policy and ensure alignment with the risk framework.	The new Treasury Policy was formally reviewed by the Investment committee. It includes a number of changes around credit benchmarks of our lead banks and the foreign exchange hedging mechanism. It was formally approved by the Council in November.
Continue to improve key organisational processes, in particular self administered travel procurement and eExpenses.	eExpenses have been rolled out in the UK and piloted internationally. We are now using the e-Procurement system to centralise funds transfers to country offices and indeed to some partners and suppliers in programme countries as we seek to reduce the amount of local transaction processing.

Case Studies on e-Procurement

The Sightsavers Standard List website continues to be in widespread use throughout the organisation putting accurate and up-to-date equipment cost information into the hands of our programme staff and our partners. Such has been its success that we approached IAPB with a view to giving the concept a wider audience. To that end the IAPB's own "next generation" Standard List website, a cut-down version of the Sightsavers one was launched. With this project proving a successful example of multi-agency collaboration we began working with IAPB on building cross-sector consortium procurement and we are seeing hopeful signs of co-operation from several sister agencies.

A master services agreement with Kjaer & Kjaer, distributors of Ford motor vehicles across sub-Saharan Africa, was signed in



Lower cost vehicles still tough enough for off-road conditions.

Brussels in October 2011 and the first tranche of vehicles ordered under this shortly afterwards. This groundbreaking agreement sees a significant reduction in cost per vehicle, compared like-for-like with alternative marques, with Ford offering unrivalled warranty service, safety rating and fuel economy with attendant reduction in CO2 emissions over the competition.

Other major achievements in this area

Securing the FT Seasonal Appeal at our third attempt, with matched funding from both Standard Chartered (for all donations) and from DFID (for UK individuals) was a tremendous boost.

Challenges and risks we faced and what we learned

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

- Financial loss due to currency volatility
- Catastrophic incident at our headquarters, leading to major disruption
- Poor grant management
- Inability to replace institutional income
- Inability to raise voluntary income
- Inappropriate controls
- Credit events leading to financial loss.

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

We have introduced a new risk to monitor this year – a catastrophic incident at our headquarters. We have raised the importance of this as there is significant building work going on around us which increases the chances of something like this happening. We have invested in disaster recovery capability having embraced cloud computing for our systems, and have undertaken a major clear out of our paper archives. We had anticipated moving offices in 2012 but the offer on our headquarters fell through. We are concerned that if there were to be a devastating fire or similar at the offices this could cause significant disruption, and we intend to strengthen our business continuity capability and test this in 2012.

Grant management is of increasing importance as the proportion of our income via restricted sources continues to grow. We have invested significantly in training and systems for aspects of this (notably our financial management), but we still believe there is room for improvement. The area of particular focus is now on ensuring we do not over promise, and that management of programmes on the ground in line with agreed contracts, not just the relationship with donors is prioritised. We are concerned that as the austerity era continues to deepen, pressures will be placed on government donors to divert spending from development budgets, so competition for these grants is likely to intensify. A number of our major grants come to an end in the next couple of years, so we are well aware of the challenges of replacing these.

Raising voluntary income is likely to become more and more challenging, and we have already seen that individual giving in our core markets is under pressure. We have developed a number of strategies to tackle this, but are aware that there is a lot riding on our efforts to develop new markets – both internationally and via digital marketing.

We have replaced and improved a number of our financial systems this year, and this has enabled us to pick up on a small number of low value frauds quickly – before they become material. We remain vigilant and are looking at whether we can centralise more financial transactions processing to reduce the need for cash in country offices and allow our financial staff there to be more focused on strategic matters and less on operational processes.

Plans for 2012

Our objectives for 2012 are as follows:

Delivering for the beneficiaries

Ramp up our NTD work significantly, ensuring we are a leading player in the global NTD movement – both in terms of delivery on the ground and influence at the policy level.

Publish and commence implementation of a plan for our HRH in Africa initiative and ensure countries supported to develop their own country specific HRH plans.

Increase emphasis on our work in social inclusion and education (setting out clear plans), now we have the resources to do this.

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

Increasing our capacities (areas where we need to excel)

Provide good first year report to DFID (including second round of Innovation Fund), and implement phase 2 of the DFID engagement plan focusing on in country engagement.

Develop (and commence implementation of) engagement plans for USAID, World Bank and Gates Foundation.

Commence an assessment of the clinical outcomes of a sample of our eye health programmes.

Develop a Programme Implementation Guide as part of the drive to improve quality and programme management.

Enhance the quality and consistency of programme monitoring as part of the overall M&E system.

Play a leading role in NTD advocacy at the global level, in particular with the UK Coalition and the NGDO (Non-Governmental Development Organisation) NTD group, to ensure momentum is maintained.

Advocate for disability to be included adequately in the Beyond 2015 framework.

Devise a systematic plan for engagement with and management of priority strategic alliance partners and the private sector (beyond fundraising).

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

Ensure we have the capacity to deliver at scale, particularly for NTDs, (bringing in technical and programme management expertise, addressing management structures and capacity gaps at country level).

Complete the second year of developing country level teams (DCLT), commence evaluation and create a plan for sustainability (eg managing new starters).

Finalise a new research strategy (including governance procedures, data management, IPR and web approach), commence implementation and publish results of ocular morbidity studies.

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

Secure income from our UK individual supporter base and capitalise on the raised profile from 2011 media campaigns to bring in new high net worth supporters, thereby increasing our UK contribution levels.

Create a plan for digital which includes both external engagement and use of digital for internal services.

Refocus all our fundraising and marketing teams to place more emphasis on 'front line' supporter engagement, international diversification and more rigorous analysis and decision making processes.

Increase both contribution and the number of committed givers in Italy and Ireland.

Operationalise the new fundraising plan in India.

Increase income in Middle East and US, implementing plans for raising money from corporate and major donors (and mass market in Middle East, investing in additional local, Arabic speaking staff).

Test out a number of new markets following research into potential candidates.

Secure further funding from DFID outside the PPA process.

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

Improve key organisational processes further – in particular outsource donations processing to reduce cost.

In addition to plans around these four perspectives, we will be working on our governance in a number of ways. Firstly we will assess the performance of the International Council (which has several new members) and devise a development plan for improvement. Secondly we will complete the necessary changes to our governance arrangements in India to optimise our fundraising opportunities. Finally we will commence a systematic review of governance arrangements in all our countries to ensure they are appropriate.

We will also be looking again at some of our organisational structures to ensure they are fit for purpose as the external environment changes. A high priority already mentioned is the need to ensure we have the capability to manage large, complex programmes – both in terms of NTDs and otherwise as grants make up an ever increasing proportion of our work. We need to ensure that we 'right size' our country offices to ensure that we have the right staff to take us forward – and that our focus is on programmes, advocacy and networking and strong controls. We must be mindful of administration costs, centralising as much of the non added value transactional processing as possible.

Finally, we believe it is very important to continue to raise our profile and credibility – not just by increasing brand awareness but by publishing relevant policy and research papers to back up our advocacy work and disseminate the evidence that underpins our work. For our voice to be heard it must be convincing, and we must speak not just from the heart but with the head – and not just with conviction but using hard evidence.

Structure, governance and risk management

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

Sightsavers has a governing Council of Trustees. The Council is committed to maintaining a high standard of corporate governance. Council members, all of whom are non executive, are drawn from diverse, international backgrounds and bring a broad range of relevant experience and skills to Council discussions. Trustees are elected to Council by other Trustees for a maximum total term of eight years. All Trustees attend an induction programme to familiarise themselves with their statutory responsibilities, their role within the Council, the governance framework and Sightsavers' objectives. Performance of the Council both collectively and as individual Trustees is periodically assessed.

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

There are four committees of Council; Audit, which monitors audit activities, risk and control framework, process effectiveness and statutory accounts/annual report, Investment, which monitors investment performance and treasury activities, Remuneration, which monitors remuneration policy, succession plans and key salary decisions and Governance, which monitors legal and registration issues in the countries where we operate and advises on the appointment of Trustees and Honorary Officers. Committees may include specialists who are not members of the Council but who volunteer to use their expertise to assist the committees on an ongoing basis. There are also a number of advisory panels that focus on

sharing learning and experience in key areas of programmatic and fundraising investment. These panels support and advise the Strategic Management Team and sometimes Council, but have no formal delegated responsibilities.

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

Sightsavers Scotland

Sightsavers is a Charity registered in Scotland with the Office of the Scottish Charity Regulator, registration number SC038110. In 2011 Sightsavers raised £2.1 million from donors based in Scotland (2010 £1.6 million), the increase reflects two large legacies received in the year. We have a Scotland office and undertake fundraising and awareness building activities with individuals, corporate partners, trusts, the Scottish Government and community.

Risk management

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

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

Council is satisfied that procedures and controls are in place to monitor, manage and, where appropriate, mitigate Sightsavers' exposure to the major risks and that these have performed as expected.

Review of financial outcome 2011

The financial outcome for 2011 is set out in the Consolidated Statement of Financial Activities.

Income

In 2011 total income was £161.3 million a decrease of £12.1 million compared to 2010. 2011 income excluding gift in kind donations was £39.1 million, up £6.3 million from 2010.

Legacy income increased by £0.9 million year on year to £8.2 million, our largest year ever.

Donations were £21.9 million, up £0.6 million from 2010. Committed giving levels held up year on year despite continued testing economic conditions in our core fundraising markets in the UK, Ireland and Italy.

Gifts in kind from Merck & Co Inc. of Mectizan® tablets for river blindness protection were £121.8 million, down from £140.4 million in 2010. This substantial contribution reflects our continued focus on treatment of neglected tropical diseases and the move from prevention to elimination of onchocerciasis in the regions where we work. The numbers are lower this year as there was a large shipment of Mectizan® tablets to Ghana in December 2010, not repeated in 2011, and specific timings of individual shipments will cause some volatility in the reported value of gift in kind receipts.

Grant income increased from £3.7 million in 2010 to £8.7 million. This increase reflected first year of receipts from DFID under their Programme Partnership Arrangement (PPA) £2.8 million, income from Comic Relief funding £1.1 million and increased income from other NGO funders, notably Fred Hollows Foundation who donated £0.7 million in 2011 (£0.1 million in 2010).

Expenditure

In 2011 total expenditure was £158.7 million a decrease of £14.3 million compared to 2010.

Costs of generating funds increased £0.7 million year on year to £8.8 million. This was in large part due to increased investment in new international markets including India and Middle East (£0.5 million).

Spending on charitable activities was £149.2 million in 2011 against £164.3 million in 2010, a decrease of £15.1 million. There was an £18.1 million reduction relating to distribution of Mectizan® tablets as a result of differences in timing of shipments in 2011 when compared to 2010. Overseas programmatic expenditure increased from 2010 levels across all regions with the exception of India.

In 2011 we continued to review our portfolio of programme work and exited a number of programmes which were not considered strategic. We also undertook a review of our operating model which resulted in early 2011 in the closure of one of our regional support offices in West Africa and a number of administrative job losses at our headquarters at Haywards Heath.

Governance costs were £0.6 million in 2011, up £0.1 million compared to 2010.

Grant making policy

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

Financial position and reserves

2011 produced an overall surplus of net incoming resources of £2.6 million. Losses on exchange translation, investments and pension scheme actuarial adjustments reduced this surplus to £1.7 million (2010 £1.2 million).

Total fund balances were £12.4 million at the end of the year. Unrestricted reserves were £12.3 million offset by the defined benefit pension scheme liability of £1.7 million. Restricted fund balances were £1.3 million.

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

For the purpose of this calculation we include both reported unrestricted reserves and the market value of our UK Grosvenor Hall property in the reserves calculation. At the end of 2011 our level of reserves were £13.5 million, representing 39% of projected unrestricted expenditure (2010 £11.8 million and 39%). This is above policy guidelines. The Trustees believe this level of reserves is acceptable given we expect to run a deficit in 2012.

Investments

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

Our investment approach is to target a mix of equity, hedge fund and bond instruments. Investment activities are supported by UBS Wealth Management and our Investment Committee which meets quarterly with UBS to assess investment strategy and performance.

Pensions

Sightsavers operates a defined benefit pension scheme for UK contracted employees. This scheme was closed to new entrants in 2002 and closed to future accruals for existing employees in August 2010. As set out in note 15 to the accounts under Financial Reporting Standard 17 there was a deficit of £1.7 million at the end of the year. In 2010 there was a triennial actuarial valuation performed and a ten year recovery plan was agreed with the Trustees of the pension plan in 2011. This sets the annual repayment at £400,000 per annum with a mechanism to increase repayments at future triennial valuations if required to address the deficit within the ten year period.

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

Financial outlook

The strategic direction of the organisation is defined in the strategic framework published in January 2009 and is scheduled to run up to the end of 2018. Financial planning and forecasting activity takes place within the context of the overall strategic plan and objectives.

For 2012 our expectation is that the economic situation will remain challenging in core fundraising geographies. That said, Sightsavers income in 2012 (excluding gifts in kind) is planned at £40.9 million almost £2.0 million higher than in 2011. We expect income from legacies to reduce but offsetting this will be increased grant income notably a full year of DFID PPA and income from Irish Aid.

Sightsavers expects to increase expenditure in 2012 compared to 2011. Most of that increase will be in extending our charitable activities; some will be in developing new fundraising opportunities and markets.

Our expectation is that we will run a deficit in 2012 to be funded from existing reserves, which are currently higher than our benchmark.

Public benefit

Sightsavers develops its strategic plans to ensure that we provide public benefit and achieve our objectives as set out in our SIM card.

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

Statement of Council of Trustees' responsibilities

Charity law and the terms of the Royal Charter require the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the Group at the end of the financial year, and of its incoming resources and application of resources for the period.

In preparing those financial statements the Trustees are required to:

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

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

Key people and suppliers

Patron

Her Majesty The Queen

President

Her Royal Highness Princess Alexandra

The Hon. Lady Ogilvy GCVO

Vice Presidents

Lady Wilson OBE

Sir David Thompson KCMG

Sir Nicholas Fenn GCMG

Sir John Coles GCMG

Edward Heimsath

Dr Dennis Williams (deceased 24th October 2011)

Honorary Officers

Chairman Lord Crisp KCB

Vice Chairman David Jordan CBE

Treasurer Michael Chilton

Members of Council (the Trustees)

Dr Uche Amazigo (appointed November 2011)

Professor Ekanem Ikpi Braide

Caroline Casey

Dr Robert Chappell OBE MPhil DSc(hon) FCOptom

Michael Chilton

Alexandra Cole (appointed December 2011)

Lord Crisp KCB

Martin Dinham

William Gardner (appointed December 2011)

Professor Harminder Dua FRCOphth

Pat Farrell

Jeremy Hughes

David Jordan CBE

Stephen King

John Lafferty

Paresh Mashru (appointed July 2011)

Dr Ramachandra Pararasegaram FRCSOphth

Debbie Ramsay (retired July 2011)

David Sands Smith CBE (retired July 2011)

Strategic Management Team

Chief Executive Dr Caroline Harper OBE

Director of Programmes

Adelaide Addo-Fening OBE

Director of Policy and Strategic Programme
Support Dominic Haslam

Director of UK Funding and Marketing
Susan Adams

Director of International Fundraising
Development John Fleming

Director of Finance, Planning and Operations
Kenneth Moon

Director of HR & Organisational Development
Mark Barrett

Key people and suppliers continued

Principal address

Grosvenor Hall
Bolnore Road
Haywards Heath
West Sussex RH16 4BX

Principal bankers

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

Standard Chartered
1 Aldermanbury Square
London EC2V 7SB

Allied Irish Bank
7/12 Dame Street
Dublin 2

Solicitors

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

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

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

Investment managers

UBS Wealth Management
1 Curzon St
London
W1J 5UB

Surveyors

Gould & Co
Museum House
Museum St
London WC1A 1JT

Independent auditors

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

A resolution that Crowe Clark Whitehill LLP 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  2012.


Lord Crisp, Chairman

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

We have audited the financial statements of the Royal Commonwealth Society for the Blind for the year ended 31 December 2011 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 25.

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

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011 and section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

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

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

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

Scope of the audit of the financial statements

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

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

Opinion on financial statements

In our opinion the financial statements:

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

Matters on which we are required to report by exception

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

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

Crowe Clark Whitehill LLP

Crowe Clark Whitehill LLP
Statutory Auditor
London

Date: *8 June 2012*

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 2011

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2011 £'000	Total 2010 £'000
Income and expenditure					
Incoming resources					
Incoming resources from generated funds:					
Voluntary income					
Donations and gifts	2	13,350	8,570	21,920	21,360
Legacies	3	8,245	-	8,245	7,318
Gifts in kind	4	375	121,791	122,166	140,679
Investment income	5	171	-	171	188
Incoming resources from charitable activities	6	3,798	4,860	8,658	3,663
Other incoming resources	7	151	-	151	263
Total incoming resources		26,090	135,221	161,311	173,471
Resources expended					
Costs of generating funds					
Voluntary income					
Costs of raising current year's income	9	5,964	-	5,964	5,392
Investment to raise income in future years	9	1,984	-	1,984	1,880
Grant income	9	864	-	864	884
Fundraising trading costs	9	4	-	4	8
Investment management fees	9	48	-	48	32
		8,864	-	8,864	8,196
Charitable activities					
Health – Eye care	8,9	9,576	10,691	20,267	18,226
Health – Mectizan distribution	8,9	1,120	121,794	122,914	141,006
Education	8,9	1,238	1,133	2,371	1,948
Social inclusion	8,9	1,400	826	2,226	1,574
Community development	8,9	391	1,010	1,401	1,542
Total charitable activities	8	13,725	135,454	149,179	164,296
Governance costs	9,10	638	-	638	510
Total resources expended		23,227	135,454	158,681	173,002
Net incoming / (outgoing) resources before transfer		2,863	(233)	2,630	469
Transfer between funds	22	148	(148)	-	-
Net incoming / (outgoing) resources before other recognised gains and losses	11	3,011	(381)	2,630	469
Exchange translation difference arising on consolidation		(272)	-	(272)	296
(Losses) / gains on investment assets	17	(95)	20	(75)	466
Actuarial losses on defined benefit pension scheme	15	(541)	-	(541)	(44)
Net movement in Funds for the year		2,103	(361)	1,742	1,187
Fund balances at 1 January 2011		8,528	2,089	10,617	9,430
Fund balances at 31 December 2011	22	10,631	1,728	12,359	10,617

Restricted funds include endowment funds, which had a balance at 31 December 2011 of £390,000 (2010: £370,000). 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. The notes on pages 39 to 61 form part of these financial statements.

Balance Sheets

31 December 2011

	Note	Group		Charity	
		2011 £'000	2010 £'000	2011 £'000	2010 £'000
Fixed assets					
Tangible assets	16	747	773	736	750
Investments	17	5,318	5,400	5,318	5,400
		6,065	6,173	6,054	6,150
Current assets					
Debtors	19	2,813	2,411	3,023	2,493
Short term cash deposits	18	2,284	1,229	2,284	1,229
Cash at bank and in hand	20	5,624	5,136	4,709	3,520
		10,721	8,776	10,016	7,242
Creditors: amounts falling due within one year	21	2,753	2,784	3,359	3,449
Net current assets		7,968	5,992	6,657	3,793
Net assets before pension liability		14,033	12,165	12,711	9,943
Defined benefit pension scheme liability	15	(1,674)	(1,548)	(1,674)	(1,548)
Net assets after pension liability		12,359	10,617	11,037	8,395
Funds					
Unrestricted funds					
Free reserve	22	10,697	8,905	9,450	7,806
Pension reserve		(1,674)	(1,548)	(1,674)	(1,548)
General		9,023	7,357	7,776	6,258
Designated	22	1,608	1,171	1,597	1,148
Total unrestricted funds		10,631	8,528	9,373	7,406
Restricted funds	22	1,338	1,719	1,274	619
Endowment funds	22	390	370	390	370
Total funds		12,359	10,617	11,037	8,395

The notes on pages 39 to 61 form part of these financial statements.

These financial statements were approved by the Council on

30th Dec 2011

and signed on their behalf by:



Chairman



Hon. Treasurer

Consolidated Cash Flow Statement

Year ended 31 December 2011

	Notes	2011 £'000	2010 £'000
Net cash inflow from operating activities	A	1,808	366
Capital expenditure and financial investment			
Payments to acquire fixed assets		(275)	(82)
Payments to acquire investments		(1,019)	(1,130)
Receipts from sale of fixed assets		24	45
Receipts from sale of investments		802	1,452
Decrease / (increase) in cash held for investment		203	(383)
		(265)	(98)
		1,543	268
Management of liquid resources			
Decrease in short term investments		-	-
(Increase) / decrease in short term cash deposits	B	(1,055)	297
Increase in cash in the year	B	488	565

Notes to the Cash flow Statement

	2011 £'000	2010 £'000
A		
Reconciliation of net incoming resources for the year to net cash flow from operations		
Net incoming resources	2,630	469
Profit on sale of fixed assets	(24)	(44)
Depreciation	301	194
Increase in provisions	(395)	(360)
Exchange translation differences arising on consolidation	(272)	296
(Increase) / decrease in debtors	(402)	293
Decrease in creditors	(30)	(482)
Net cash inflow from operating activities	1,808	366

	1 January 2011 £'000	Cash flow £'000	31 December 2011 £'000
B			
Analysis of changes in net cash			
Short term cash deposits	1,229	1,055	2,284
Cash at bank and in hand	5,136	488	5,624
	6,365	1,543	7,908

Notes to the accounts

Year ended 31 December 2011

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified by the inclusion of investments at market value, and in accordance with applicable United Kingdom accounting standards. The financial statements are drawn up to reflect the format of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities", published in March 2005. The accounting policies have been applied consistently throughout the current and previous year.

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

Basis of consolidation

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of Sightsavers and its subsidiary undertakings on a line by line basis. No separate SOFA has been presented for the Charity alone, as permitted by paragraph 397 of the SORP. The net result for the Charity (which includes all its branches) is a surplus of £2,461,000 (2010 surplus of £705,000). Sightsavers has the following subsidiary undertakings for which group accounts have been prepared:

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

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

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

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

Incoming resources

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

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

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

Gifts in kind in the form of Mectizan[®] tablets: are included in the SOFA at the donor's wholesale price at the date the tablets are recorded as being received overseas for use. These amounts will vary each year based on the donor's distribution plans.

Other gifts in kind: are included at valuation and are recognized as income when utilised.

Resources expended

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

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

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

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

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

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

Fund accounting

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

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

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

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

Tangible fixed assets and depreciation

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

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

Fixed asset investments

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

Stocks

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

Foreign exchange

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

Pension

Sightsavers operates a defined benefit pension scheme for its eligible UK contracted employees. This scheme was closed to future accruals in August 2010. The pension costs and the pension provision for the defined benefit scheme are calculated on the basis of actuarial advice and are charged to the SOFA on a basis to spread the costs over the employees' working lives, in accordance with the requirements of FRS17.

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

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

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

Operating leases

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

Forward exchange contracts

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

Related party disclosures

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

2 Donations

	2011 £'000	2010 £'000
Individuals		
UK		
Committed giving	6,754	6,766
Other public donations and appeals income	4,073	3,932
Tax recoverable from UK donors	1,995	2,298
	12,822	12,996
Ireland		
Committed giving	2,321	2,496
Other public donations and appeals income	661	758
Tax recoverable from Irish donors	150	149
	3,132	3,403
Italy		
Committed giving	53	34
Other public donations and appeals income	1,249	1,121
	1,302	1,155
Other		
Committed giving	68	72
Other public donations and appeals income	158	87
	226	159
Total from individuals	17,482	17,713
Trusts	1,440	1,084
Companies	2,619	2,178
Community service and other organisations	379	385
	21,920	21,360

At 31 December 2011, in addition to income that has been included in the accounts for the Sightsavers Financial Times Appeal (£705,000), Sightsavers is expected to benefit from a further estimated £2,600,000 (2010: £nil) over

the coming months, primarily from Standard Chartered and the Department for International Development in respect of their "matched giving" support for the Financial Times Appeal.

3 Legacies

	2011 £'000	2010 £'000
UK	8,129	7,145
Ireland	24	78
Other	92	95
	8,245	7,318

At 31 December 2011, in addition to legacy income that has been included in the accounts, Sightsavers is expected to benefit from a number of legacies from estates for which

the administration had yet to be finalized. Sightsavers future income from these legacies is estimated at £5,644,000 (2010: estimated at £5,278,000).

4 Gifts in kind

Sightsavers International Inc is registered in the USA to raise funds. In 2011, Sightsavers International Inc. secured gift in kind donations valued at £121,791,000 (2010: £140,371,000) from Merck Inc. in the form of Mectizan® tablets, which have been shipped to Guinea Bissau, Liberia, Nigeria, Cameroon, Uganda, Guinea, Malawi, Sierra Leone, Ghana, Benin, and Togo.

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

During the year, Sightsavers utilised 34,852,302 airmiles (2010: 30,725,000) for the purpose of 452 related flights (2010: 331), which were donated by Emirates. These have been valued at £229,000 (2010: £224,000) 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 £146,267 (2010: £84,000).

5 Investment income

	2011 £'000	2010 £'000
Dividends from listed investments	142	162
Bank deposit interest	29	26
	171	188

6 Incoming resources from charitable activities

	2011 £'000	2010 £'000
Department for International Development (DFID)	99	120
DFID Programme Partnership Arrangement	2,804	-
European Commission	2,672	2,164
States of Jersey	169	60
Isle of Man Overseas Aid Committee	100	100
USAID	341	78
Scottish Government	123	63
Irish Aid	-	658
Fred Hollows Foundation	685	98
BRAC	207	38
Comic Relief	1,123	-
OPEC Foundation	-	32
Helen Keller International	47	30
African Medical and Research Foundation (AMREF)	5	(13)
Christoffel-Blindenmission (CBM)	4	42
Association for Social Advancement (ASA)	-	14
Global Fund	-	114
OES	98	9
Light for the World	170	19
World Vision	-	22
Other	11	15
	8,658	3,663

7 Other incoming resources

	2011 £'000	2010 £'000
Profit on disposal of fixed assets	24	44
Rental income	92	88
Additional expected recovery of cash from Kaupthing Singer & Friedlander	35	131
	151	263

8 Charitable activities

	Health Eye Care £'000	Mectizan® distribution £'000	Education £'000	Social Inclusion £'000	Community Development £'000	2011 £'000	2010 £'000
Kenya	549	-	176	93	82	900	1,179
Malawi	570	-	79	82	-	731	598
Mozambique	670	-	-	-	4	674	193
Northern Sudan	-	-	-	-	-	-	20
Southern Sudan	117	-	-	-	-	117	103
Tanzania	450	-	7	121	5	583	619
Uganda	577	32	38	37	1	685	567
Zambia	918	-	117	19	4	1,058	603
Zimbabwe	66	-	39	9	-	114	75
East Central Southern Africa Regional Office	1,322	-	8	12	-	1,342	980
Sub total ECSA	5,239	32	464	373	96	6,204	4,937
Benin	-	37	-	-	-	37	49
Burkina Faso	15	86	-	5	-	106	40
Cameroon	346	392	-	87	-	825	577
Ghana	539	2	31	7	(2)	577	350
Nigeria	1,100	331	47	-	17	1,495	1,093
Togo	141	-	-	-	-	141	135
West Africa Regional Office East	433	13	10	-	-	456	745
Sub total WARO East	2,574	861	88	99	15	3,637	2,989
Gambia	210	-	49	46	-	305	181
Guinea	105	-	-	-	-	105	79
Guinea Bissau	207	-	-	-	-	207	184
Liberia	238	70	37	-	-	345	252
Mali	810	17	24	3	44	898	871
Senegal	267	-	141	7	-	415	141
Sierra Leone	255	16	17	-	53	341	497
Post Health for Peace	1,224	-	-	-	-	1,224	1,054
West Africa Regional Office West	705	10	5	3	3	726	570
Sub total WARO West	4,021	113	273	59	100	4,566	3,829
India	1,201	-	406	40	354	2,001	2,576
India Regional Office	350	-	15	40	38	443	355
Sub total India	1,551	-	421	80	392	2,444	2,931

8 Charitable activities continued

	Health Eye Care £'000	Mectizan® distribution £'000	Education £'000	Social Inclusion £'000	Community Development £'000	2011 £'000	2010 £'000
Bangladesh	1,269	-	81	316	24	1,690	1,368
Bangladesh BRAC	1	-	-	-	-	1	39
Bangladesh Childhood Cataract Campaign	-	-	-	-	-	-	164
Pakistan	691	-	261	42	188	1,182	1,279
Sri Lanka	182	-	15	29	259	485	409
South Asia Regional Office	23	-	2	46	2	73	61
Sub total South Asia	2,166	-	359	433	473	3,431	3,320
Caribbean	989	-	1	8	3	1,001	886
Sub total Caribbean	989	-	1	8	3	1,001	886
Gifts in Kind	211	121,791	-	-	-	122,002	140,575
Head Office	3,516	117	765	1,174	322	5,894	4,829
Direct Charitable Expenditure	20,267	122,914	2,371	2,226	1,401	149,179	164,296

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

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

9 Total resources expended

	Grants Payable £'000	Direct Costs £'000	Gifts in Kind £'000	Allocation of Support Costs £'000	Total 2011 £'000	Total 2010 £'000
Costs of generating funds						
Voluntary income						
Costs of raising current years income	-	4,943	164	857	5,964	5,392
Investment to raise income in future years	-	1,423	-	561	1,984	1,880
Grant income	-	627	-	237	864	884
Fundraising trading: cost of goods sold and other costs	-	4	-	-	4	8
Investment management fees	-	48	-	-	48	32
Charitable activities						
Health - Eye Care	7,527	8,797	211	3,732	20,267	18,226
Health – Mectizan® distribution	344	545	121,791	234	122,914	141,006
Education	995	906	-	470	2,371	1,948
Social inclusion	558	1,028	-	640	2,226	1,574
Community Development	851	242	-	308	1,401	1,542
Governance costs	-	337	-	301	638	510
Total resources expended 2011	10,275	18,900	122,166	7,340	158,681	-
Total resources expended 2010	9,278	16,354	140,679	6,691	-	173,002

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

Grants payable to partner organisations are considered to be part of the costs of activities in furtherance of the objects of Sightsavers because much of the Charity's programme activity is carried out through grants to local organisations that support long term, sustainable benefits for people affected by blindness. This includes capacity building and partnership development. The work of these local organisations is closely monitored by Sightsavers.

Direct Costs include all the costs which are directly attributable to generating funds £4,016,000 (2010: £4,152,000), the direct operation of the overseas programmes, including the procurement of equipment for use in the programmes £1,540,000 (2010: £2,371,000), informing and creating awareness amongst the public and governance of Sightsavers. Staff costs included in direct costs is £6,005,000 (2010: £5,608,000).

9 Total resources expended continued

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

	2011 £'000	2010 £'000
Directorate	659	636
Financial management	427	316
Information communication technology	1,069	968
Human resources	889	674
Global procurement	243	212
Planning, performance & analysis	387	269
Programme support	3,666	3,616
	7,340	6,691

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

10 Governance costs

	2011 £'000	2010 £'000
Internal audit	49	46
External audit (including overseas offices)	144	134
Company secretarial	13	24
Apportionment of Directors' costs	357	227
Trustees' expenses	5	10
Finance	70	69
	638	510

11 Net incoming resources

This is stated after charging:

	2011 £'000	2010 £'000
Depreciation	301	194
Auditors' remuneration:		
UK Charity audit	59	49
Taxation services	5	-
International offices *	85	85
Investment managers' fees	48	32
Solicitors' fees	132	144
Surveyors' fees	12	1
Operating lease charges	44	55

* Paid to firms other than Crowe Clark Whitehill LLP

12 Staff costs

	2011 £'000	2010 £'000
Wages and salaries	9,290	8,434
Social security costs	557	515
Pension costs	768	1,141
	10,615	10,090
Provision for overseas taxes for the period since 2005	151	538
	10,766	10,628
European based employees (UK, Ireland and Italy)	5,697	5,312
Overseas based employees on UK contracts	648	615
Overseas based employees on overseas contracts	4,270	4,163
	10,615	10,090

	2011 £'000	2010 £'000
Within wages and salaries for overseas based employees on overseas contracts, the following amounts were charged to the provision of an End of Service Benefit for some overseas staff.	192	231

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

	2011 No.	2010 No.
European based employees:		
Chief Executive's office	8	8
Finance, planning and operations	41	31
Fundraising and communications	59	65
Overseas programmes	20	13
Overseas based employees on UK contracts and consultancy fees	9	9
Overseas based employees on overseas contracts	230	226
	367	352

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

There were 3 employees (2010: 3) whose emoluments were in the range £60,000 - £69,999.

There were 3 employees (2010: 4) whose

emoluments were in the range £70,000 - £79,999.

There were 4 employees (2010: 1) whose emoluments were in the range £80,000 - £89,999.

There were 2 employees (2010: 1) whose emoluments were in the range £90,000 - £99,999.

13 Trustees' expenses

	2011 No. of trustees	2011 £'000	2010 No. of trustees	2010 £'000
Reimbursed to trustees:				
UK related	11	4	14	9
Overseas visits	1	1	1	1

No emoluments have been paid to the trustees (2010: 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 1 overseas programme in every 4 year term served.

14 Related party transactions

The International Agency for the Prevention of Blindness is identified as a related party and was paid £140,365 in 2011 (2010: £102,223) for membership fees and funding a workshop. A balance of £nil was outstanding at the end of the year (2010: £nil).

The following are Trustees of The International Agency for the Prevention of Blindness:

Dr Robert Chappell – Trustee of Sightsavers

Stephen King – Trustee of Sightsavers

Dr Caroline Harper – Chief Executive Officer of Sightsavers

Additionally, Dr Ramachandra Pararasegaram is an Honorary Affiliate of The International Agency for the Prevention of Blindness.

Dr Caroline Harper was also co-opted onto the Board of the INGO Accountability Charter in the middle of 2011. They were paid £2,620 in 2011 for membership fees. A balance of £nil was outstanding at the end of the year.

Stephen King is also Director Prevention and International Affairs at the RNIB with whom Sightsavers traded and were paid £9,300 in 2011 (2010: £5,027). Stephen King is also a Board Member of the Daisy Consortium, to whom Sightsavers paid £1,919 in 2011 (2010: £1,808), representing an annual membership fee. A balance of £nil was outstanding at the end of the year to both the RNIB and the Daisy Consortium (2010: £nil).

Dr Uche Amazigo carried out some consulting work during 2011 prior to her appointment as a trustee to Sightsavers in November 2011 and was paid £5,121 by Sightsavers. A balance of £nil was outstanding at the end of the year.

15 Pension costs

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

Contributions to the scheme by Sightsavers are charged to the SOFA so as to spread the cost of the pensions over the employees' working lives with the Charity and are determined by a qualified actuary on the basis of triennial valuations. The most recent valuation was at 1 January 2010. The principal assumptions were an increase in salary costs of 4.35% per annum and rate of interest of 6.4% per annum reflecting an assumed out performance of equities over gilts of approximately 2.0%. The market value of the scheme assets at 31 December 2009 was £7,947,000. The actuarial valuation of the assets of the scheme

represented 74% of the actuarial valuation of the accrued liabilities. The Charity has agreed to fund the past service deficit at a rate of £400,000 per annum over ten years.

During the year Sightsavers contributed £400,000 (2010: £613,000) to the scheme, of which £nil was outstanding at the balance sheet date (2010: £nil).

The best estimate of contributions expected to be paid to the scheme by Sightsavers for the period to 31 December 2012 is £400,000.

As required for the preparation of statutory accounts and in accordance with the requirements of Financial Reporting Standard 17 the actuarial valuation at 1 January 2011 was updated by HSBC Actuaries and Consultants Limited at 31 December 2011.

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

	2011	2010	2009
Discount rate	4.80%	5.40%	5.50%
Inflation assumption	3.00%	3.40%	3.25%
Rate of increase in salaries	4.00%	4.40%	4.25%
Rate of increase in payment*	2.95%	3.40%	3.25%

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

The mortality assumptions adopted at 31 December 2011 imply the following life expectancies at age 65:

	2011 Years	2010 Years
Member aged 65 (current life expectancy) – male	22.1	21.9
Member aged 45 (life expectancy at 65) – male	23.9	23.8
Member aged 65 (current life expectancy) – female	24.2	24.0
Member aged 45 (life expectancy at 65) – female	26.1	26.0

15 Pension costs continued

The assets of the scheme are held with Legal & General. The managed funds are invested in a diversified portfolio of investments comprising 56% equities, 22% bonds, 21% corporate bonds and 1% cash.

The fair value of assets and present value of liabilities of the scheme at 31 December 2011, along with the expected rates of return on the scheme assets are as follows:

	%	2011 £'000	%	2010 £'000	%	2009 £'000
Equities	8.25	5,287	8.25	5,470	8.25	5,112
Government Bonds	4.20	2,088	4.40	1,716	4.40	2,759
Corporate Bonds	5.40	1,935	-	1,702	-	-
Cash	4.75	89	4.75	170	4.75	32
Total market value of scheme assets		9,399		9,058		7,903
Present value of scheme liabilities		(11,073)		(10,606)		(9,841)
Net pension scheme liabilities		(1,674)		(1,548)		(1,938)

Analysis of the amount charged to resources expended

	2011 £'000	2010 £'000
Current service cost	(44)	(195)
Expected return on pension scheme assets	619	551
Interest on pension scheme liabilities	(560)	(535)
Net charge	15	(179)

Analysis of movement in deficit in the Scheme during the year

	2011 £'000	2010 £'000
Deficit in the Scheme at beginning of period	(1,548)	(1,938)
Contributions paid	400	613
Current service cost	(44)	(195)
Other finance income	59	16
Actuarial losses	(541)	(44)
Deficit in the scheme at end of period	(1,674)	(1,548)

15 Pension costs continued

History of experienced gains and losses

	2011 £'000	2010 £'000	2009 £'000	2008 £'000	2007 £'000
Defined benefit obligation	(11,073)	(10,606)	(9,841)	(8,398)	(8,727)
Fair value of scheme assets	9,399	9,058	7,903	6,764	7,949
(Deficit) / surplus	(1,674)	(1,548)	(1,938)	(1,634)	(778)
Actual return less expected return on scheme assets:					
Amount	(161)	412	614	(1,906)	(192)
As % of scheme assets	(2%)	5%	8%	(28%)	(2%)
Experience (losses) / gains on scheme liabilities:					
Amount	-	(132)	(1,042)	(72)	1
As % of the present value of the scheme liabilities	0%	(1%)	(11%)	(1%)	0%
Total (loss) / gain recognised in statement of total recognised gains and losses:					
Amount	(541)	(44)	(451)	(1,198)	32
As % of the present value of the scheme liabilities	(5%)	(0%)	(5%)	(14%)	0%

Sightsavers also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. Sightsavers contributes double the employee contributions up to a maximum of

10% of pensionable pay. The pension cost charge represents contributions payable by Sightsavers to the fund and amounted to £560,791 (2010: £407,000) of which £46,733 was outstanding at the balance sheet date (2010: £42,000).

16 Tangible fixed assets

	Freehold property £'000	Computer equipment £'000	Office fixtures and fittings £'000	Motor vehicles £'000	2011 Total £'000
Cost or valuation					
At 1 January 2011	1,859	302	309	698	3,168
Additions	-	53	-	222	275
Disposals	-	-	-	(12)	(12)
At 31 December 2011	1,859	355	309	908	3,431
Depreciation					
At 1 January 2011	1,133	285	279	698	2,395
Charge for the year	36	28	15	222	301
Disposals	-	-	-	(12)	(12)
At 31 December 2011	1,169	313	294	908	2,684
Net book value					
At 31 December 2011	690	42	15	-	747
At 31 December 2010	726	17	30	-	773

Freehold property includes £1,800,000 relating to the Grosvenor Hall estate, valued at open market value as at 31 December 1998 by Gould & Company, Chartered Surveyors. In accordance with the provisions of FRS 15 and the SORP this value has been treated as the initial carrying amount and Sightsavers is not

required to, and has not, adopted a policy of revaluation of such properties.

All assets are held for charitable purposes. Group figures include £12,000 (2010: £23,000) of office fixtures and fittings held with the related party in Ireland (Sightsavers Ireland).

17 Fixed asset investments

	Group 2011 £'000	Group 2010 £'000	Charity 2011 £'000	Charity 2010 £'000
Market value at 1 January	4,713	4,644	4,713	4,644
Disposals at opening market value	(825)	(1,369)	(825)	(1,369)
Acquisitions at cost	1,019	1,130	1,019	1,130
Net gains / (losses) on revaluation at 31 December *	(72)	308	(72)	308
	4,835	4,713	4,835	4,713
Cash held in portfolio at 31 December	107	354	107	354
Cash held on deposit for endowment funds	376	333	376	333
Market value at 31 December	5,318	5,400	5,318	5,400
Historical cost at 31 December	4,887	4,380	4,887	4,380
Subsidiary undertaking	-	-	-	-
Listed securities at market value	4,816	4,694	4,816	4,694
Unlisted securities at Trustees valuation	19	19	19	19
	4,835	4,713	4,835	4,713

* In addition to the 2011 unrealised losses shown above, there were realised losses of £23,000 in the year (2010: realised gains of £84,000) which combine to provide the total net gains as shown in the consolidated statement of financial activities on page 36.

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

	%	2011 £'000	2010 £'000
UK fixed interest:			
M & G Investment Fund Corporate Bond	12.10	599	467
Invesco Corporate Bond Fund	5.75	285	302

Subsidiary undertakings

Sightsavers owns the whole of the issued share capital of Sightsavers (Trading) Limited, a company which retails and distributes

Christmas cards and novelties and undertakes various sponsorship events. The taxable profit is gift aided to Sightsavers.

	2011 £'000	2010 £'000
Turnover	19	15
Cost of sales	-	-
Administration expenses	2	6
	2	6
Inter company expenses	2	2
Total expenses	4	8
Profit for the year	15	7
Amount gift aided to Sightsavers	15	7

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

17 Fixed asset investments continued

Sightsavers has the following overseas subsidiaries:

Sightsavers (Ireland), a registered Charity which raises funds in the Irish Republic towards the objectives of the Charity. The income and expenditure has been consolidated into these group accounts and in 2011 showed income of £3,335,000 (2009: £4,287,000) and a deficit of £653,000 (2010 surplus: £186,000). The net assets of Sightsavers (Ireland) at the year end were £986,000 (2010: £1,650,000).

Sightsavers (Italia) is a registered Charity raising funds in Italy. The income and expenditure is consolidated into these group accounts and in 2011 showed income of £1,339,000 (2010: £1,472,000) and a deficit of

£189,000 (2010 surplus: £232,000). The net assets of Sightsavers (Italia) at the end of the year were £145,000 (2010: £530,000).

Sightsavers International Inc. is registered in Delaware, USA with the primary purpose to secure gift in kind donations of Mectizan tablets from Merck Inc. These have been shown as gifts in kind and are disclosed in Note 4. The income and expenditure is consolidated into these group accounts and in 2011 showed income of £303,000 (2010: £173,000) and a surplus of £163,000 (2010: surplus of £56,000). The net assets of Sightsavers International Inc. at the year end were £38,000 (2010: £28,000).

18 Short term cash deposits

The balance on current asset short term cash is cash held on short term deposit with one day notice.

19 Debtors

	Group 2011 £'000	Group 2010 £'000	Charity 2011 £'000	Charity 2010 £'000
Prepayments	385	458	368	455
Tax claims and other accrued income	2,318	1,819	2,204	1,796
Other debtors	110	134	451	242
	2,813	2,411	3,023	2,493

20 Cash at bank and in hand

	Group 2011 £'000	Group 2010 £'000	Charity 2011 £'000	Charity 2010 £'000
Restricted funds	1,858	1,719	1,787	1,051
Unrestricted funds – General	2,904	3,019	2,060	2,071
– Designated	862	398	862	398
	5,624	5,136	4,709	3,520

21 Creditors: amounts falling due within one year

	Group 2011 £'000	Group 2010 £'000	Charity 2011 £'000	Charity 2010 £'000
Taxes and social security costs	182	692	156	672
Other creditors	1,172	526	1,898	1,269
Deferred income	93	645	93	645
Overseas accruals	1,306	921	1,212	863
	2,753	2,784	3,359	3,449

Within other creditors for the Charity figures, there was an amount owing to Sightsavers (Ireland) of £871,000 (2010: £923,000) and to Sightsavers International Inc. of £10,000 (2010: £nil) at 31 December.

Movement on deferred income during the year:

	Group 2011 £'000	Charity 2011 £'000
Balance brought forward	645	645
Released to income	(645)	(645)
Received in year	93	93
Balance carried forward	93	93

22 Statement of funds

	Balance at 1 January 2011 £'000	Income £'000	Expenditure £'000	Investment gains £'000	Transfers £'000	Other Gains / Losses & Revaluations £'000	Balance at 31 December 2011 £'000
General Reserve:							
Free Reserve	8,905	26,090	(23,642)	(95)	(289)	(272)	10,697
Pension Reserve	(1,548)	-	415	-	-	(541)	(1,674)
Designated funds:							
Future overseas expenditure	398	-	-	-	463	-	861
Fixed assets fund	773	-	-	-	(26)	-	747
Total Unrestricted Funds	8,528	26,090	(23,227)	(95)	148	(813)	10,631
Restricted funds:							
Incoming resources from charitable activities	711	4,859	(5,172)	-	(33)	-	365
Rotary African Vision	-	38	(38)	-	-	-	-
Trachoma	-	28	(28)	-	-	-	-
Distributed Gifts in Kind	-	121,791	(121,791)	-	-	-	-
East, Central and Southern Africa:							
Kenya	83	636	(666)	-	-	-	53
Tanzania	81	116	(166)	-	-	-	31
Uganda	22	210	(232)	-	-	-	-
Zambia	166	498	(529)	-	(100)	-	35
Malawi	-	292	(258)	-	-	-	34
Mozambique	83	275	(323)	-	-	-	35
South Sudan	-	58	(58)	-	-	-	-
Zimbabwe	-	27	(27)	-	-	-	-
West Africa – East:							
Cameroon	70	177	(216)	-	-	-	31
Benin	-	24	(24)	-	-	-	-
Ghana	-	537	(537)	-	-	-	-
Nigeria	81	474	(469)	-	-	-	86
Togo	-	35	(35)	-	-	-	-
West Africa – West:							
Guinea	-	41	(41)	-	-	-	-
Guinea Bissau	49	38	(57)	-	-	-	30
Liberia	-	17	(17)	-	-	-	-
Mali	1	263	(264)	-	-	-	-
Senegal	68	429	(334)	-	-	-	163
Sierra Leone	-	68	(67)	-	-	-	1
The Gambia	-	400	(400)	-	-	-	-
South Asia:							
Bangladesh	13	738	(744)	-	-	-	7
Pakistan	5	505	(502)	-	-	-	8
Sri Lanka	64	187	(174)	-	-	-	77
Caribbean:							
	-	159	(159)	-	-	-	-
India:							
	34	1,159	(1,086)	-	-	-	107
Head Office	-	21	(21)	-	-	-	-
SCB Seeing is Believing	188	1,121	(1,019)	-	(15)	-	275
Total restricted funds	1,719	135,221	(135,454)	-	(148)	-	1,338

22 Statement of funds continued

	Balance at 1 January 2011 £'000	Income £'000	Expenditure £'000	Investment gains £'000	Transfers £'000	Other Gains / Losses & Revaluations £'000	Balance at 31 December 2011 £'000
Endowment funds:							
Josef Sowa	38	-	-	2	-	-	40
Dr Sinha	24	-	-	1	-	-	25
Daruvala Bequest	60	-	-	3	-	-	63
The Gibson Orr Bequest	37	-	-	2	-	-	39
Joseph & Betty Davis Memorial Fund	7	-	-	1	-	-	8
Mountjoy Trust	204	-	-	11	-	-	215
Total endowment funds	370	-	-	20	-	-	390
Total Funds	10,617	161,311	(158,681)	(75)	-	(813)	12,359

Designated funds

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

Restricted funds

The transfer to unrestricted funds of £149,000 represents elements of unrestricted expenditure that were charged to restricted funds in 2011.

Significant restricted funds comprise:

- The fund balance for incoming resources from charitable activities represents funding from OPEC for a project in India (£32,000), funding from BRAC for a project in Bangladesh (£8,000), funding from Fred Hollows Foundation for a project in Bangladesh (£23,000), funding from Operation Eye Sight for a project in Kenya (£45,000), funding from Light for the World for projects in Kenya (£97,000), funding from the States of Jersey for a project in India (£17,000) and a project in Zambia (£41,000) and funding from Comic Relief for a project in Kenya (£100,000), plus other small balances (£2,000).
- Distributed Gifts in Kind represent Mectizan® tablets which have been shipped to our programme work overseas to support the Charity's river blindness work (see note 4).

- The fund balance for Kenya represents funding from key supporters for the Kenya Ophthalmic Programme, the Kericho/Bomet Programme, the Prevention of Blindness Unit and the Dagoetti VI Self Help Group.
- The fund balance for Tanzania represents funding from key supporters for the Iringa CES Eye Care project.
- The fund balance for Zambia represents funding from a corporate partner for Chainama Optometry Technologist Training programme.
- The fund balance for Mozambique represents funding from key supporters for the Nampula Eye Department (Construction) Programme.
- The fund balance for Malawi represents funding from international foundation partnerships for the Education and Development Disabled Children in Malawi Programme and from key supporters for Lilongwe and Districts CEC Programme.
- The fund balance for Cameroon represents funding from key supporters for the Eye Care Programme – South West Province.
- The fund balance for Nigeria represents funding from corporate partners for Sokoto State NTD Programme, funding from key supporters for Zamfara State Eye Care Programme and funding from international foundation partnerships for the Kwara State NTD Programme.

22 Statement of funds continued

- The fund balance for Guinea Bissau represents funding from key supporters for the South West Guinea Bissau Eye Care.
- The fund balance for Senegal represents funding from key supporters for the Louga Regional Eye Care project and from corporates for the Djourbel Trachoma Programme and the Inclusive Education Programme.
- The fund balance for Sierra Leone represents funding from a trust for Mectizan[®].
- The fund balance for Bangladesh represents funding from key supporters for the Sylhet CEC Programme and from a corporate partner for Comprehensive Eye Care Services.
- The fund balance for Pakistan represents funding corporate partners for the Social Inclusion for IDP's Programme.
- The fund balance for Sri Lanka represents funding from a key supporter for the Colombo Urban Programme and a corporate for the Ampara District Programme.
- The fund balance for India represents funding from a community group for various eye care projects, funding from corporate partners for the various eye care projects and the Sankar Foundation – Ray of hope for Children and funding from key supporters for the Paediatric eye care Bangalore Programme and Coimbatore Programme.
- The fund balance for Standard Chartered Seeing is Believing represents funding for completion of Phase IV and V of the project.

Endowment funds

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

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

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

Under the terms of the Gibson Orr Bequest, interest received after the first five years is to be accumulated for the next five years and added to the original sum. Interest earned in the third period of five years is available for the general purposes of Sightsavers. 2011 is the nineeenth year of the fund and therefore the interest from the investment amounting to £nil (2010: £nil) has been expended in accordance with the terms of the bequest

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

Included within the incoming resources from charitable activities figure of £4,859,000 are the following grants:

		£'000
Department for International Development:		
In the year ended 31st December 2011 grants totalling £99,000 (2010: £120,000) were received by Sightsavers from the Department for International Development, as follows:		
Pakistan – CSCF grant	Including disabled people in social development projects in Punjab province	99
We confirm that the CSCF funds have been spent in accordance with the terms in the Grant Funding Arrangements against the project CSCF 441 for the accounting period 1st January 2011 to 31st December 2011.		
European Commission:		
Mali	Strengthening the programme for the control of blindness in Koulikoro Region.	309
Post HFPI – The Gambia, Guinea Bissau, Senegal	Reducing poverty through improved eye health in the 'Health for Peace Initiative' sub-region.	799
EACO – Kenya, Uganda, Tanzania	Promoting quality ophthalmology in East Africa	471
CCB – Caribbean	Promoting Vision 2020 the Right to Sight to eliminate avoidable blindness through capacity building in the region.	594
ECSA HRD – Mozambique, Malawi, Zimbabwe	Piloting intergrated comprehensive eye services and poverty alleviation for the blind and visually impaired persons and their families.	236
Zambia	Provision of inclusive education for visually impaired children.	108
States of Jersey:		
Guinea Bissau	To support the reduction in river blindness using the Community-Directed Treatment with Ivermectin (CDTI) strategy.	63
Zambia	Trachoma control	61
India	Provision of refractive error services	45
Isle of Man Overseas Aid Committee:		
Post HFPI – The Gambia and Guinea Bissau	Reducing poverty through improved eye health in the 'Health for Peace Initiative' sub-region.	100
USAID:		
Uganda	Strengthening refraction and low vision services for children in four regions, funding received through FHI 360.	154
Cameroon	To support the reduction in river blindness using the Community-Directed Treatment with Ivermectin (CDTI) strategy, funding received through Helen Keller International.	186
BRAC:		
Bangladesh	Joint project aimed at providing eye care services for the ultra poor	6
Bangladesh	Vision Bangladesh	201
Comic Relief:		
UK	Comic Relief Desert Trek	85
Kenya	Trachoma control in the Marsabit District	225
This funding is part of a total of £1,038,000 received from Comic Relief under a project grant in 2011. The remainder of the funding is managed as unrestricted funds.		
Scottish Government:		
Pakistan	Flood relief	2
Sri Lanka	Livelihoods for persons with disabilities	121
Light for the world:		
EACO – Kenya, Uganda, Tanzania	Promoting Quality Ophthalmology in East	84
ECSA HRD – Mozambique, Malawi, Zimbabwe	Piloting intergrated comprehensive eye services and poverty alleviation for the blind and visually impaired persons and their families.	76

22 Statement of funds continued

		£'000
Helen Keller:		
Nigeria	Support for vitamin A distribution programmes in Kwara and Kogi state.	22
Mali	Strengthening the programme for the control of blindness in Koulikoro Region.	25
Fred Hollows Foundation:		
Funding provided for trachoma control and elimination.		
Cameroon	As above	65
The Gambia	As above	28
Ghana	As above	35
Mali	As above	10
Nigeria	As above	85
Senegal	As above	144
Malawi	As above	58
Zambia	As above	69
Mozambique	Construction of the Nampula Eye Hospital	190
International Trachoma Initiative:		
Ghana	Trachoma control	9
Operation Eye Sight:		
EACO – Kenya, Uganda, Tanzania	Promoting Quality Ophthalmology in East Africa.	92
International Centre for Eyecare Education:		
Tanzania	Eyecare services in Zanzibar	2

23 Analysis of net assets between funds

	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Pension liability £'000	Net assets £'000
Unrestricted funds – General	-	4,941	5,756	(1,674)	9,023
– Designated	747	-	861	0	1,608
Restricted funds	-	-	1,338	0	1,338
Endowment funds	-	377	13	0	390
	747	5,318	7,968	(1,674)	12,359

24 Leasing commitments

Within the next year the Charity is committed to making lease payments of £44,000 (2010: £55,000). The obligation to make these annual payments expires as follows:

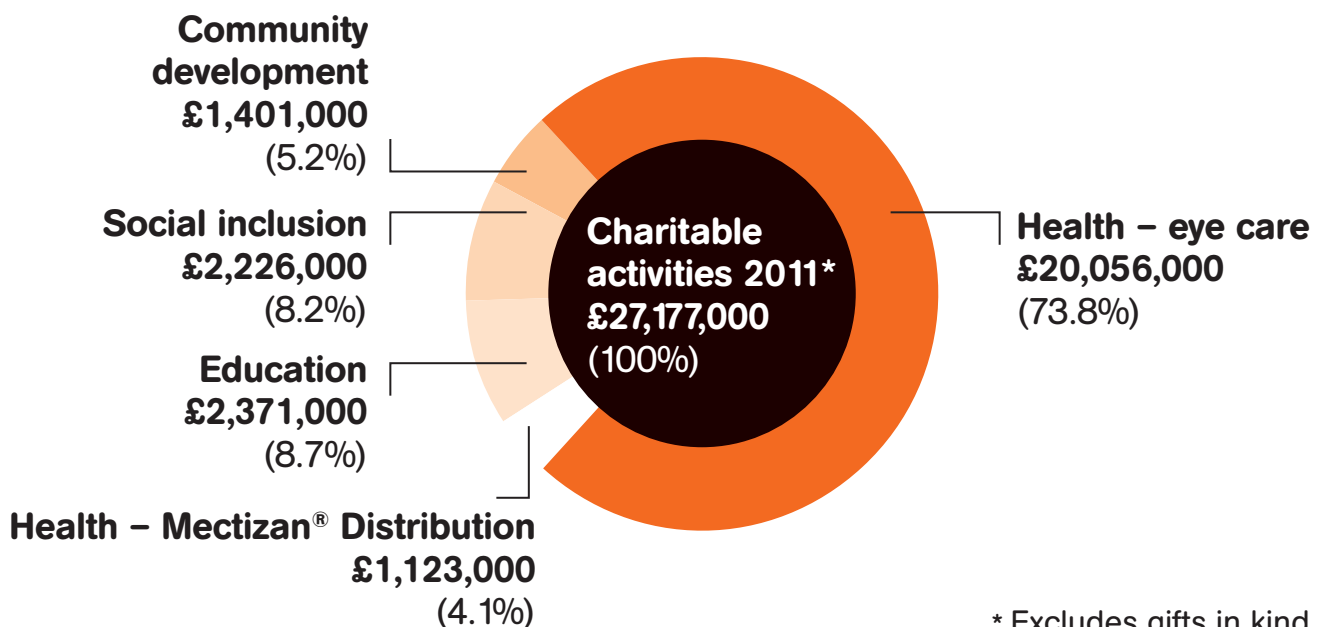
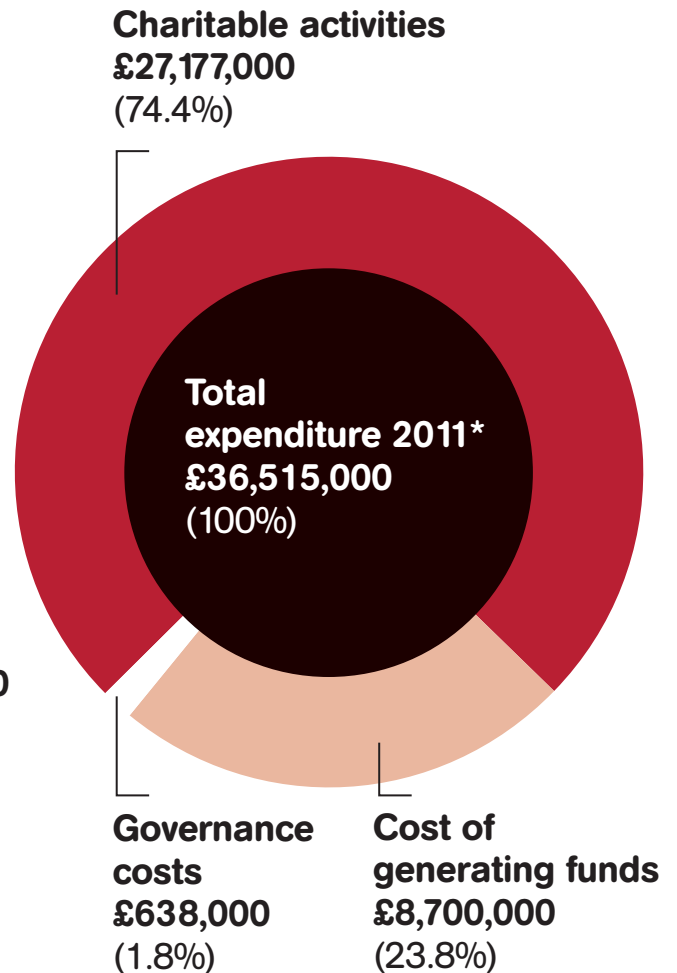
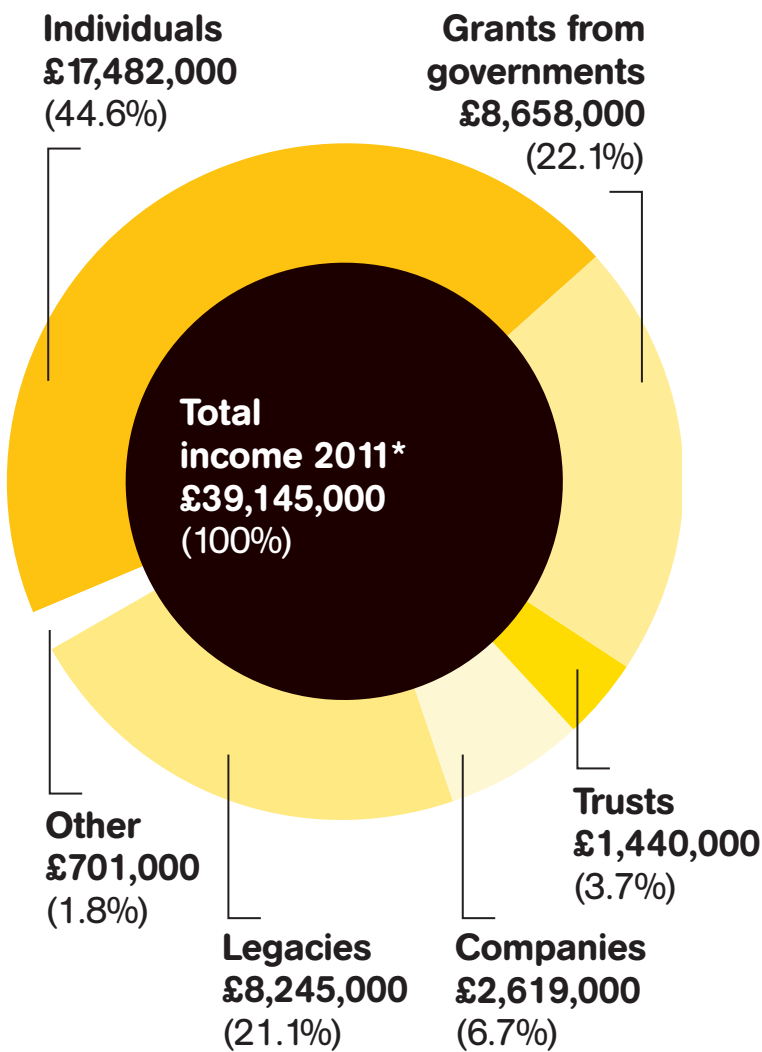
	2011 £'000	2010 £'000
Land and buildings		
Expiring within 1 year	10	8
Expiring within 2-5 years	-	-
Expiring over 5 years (related party – Sightsavers International Ireland)	24	24
	34	32
Other		
Expiring within 1 year	7	11
Expiring within 2-5 years	3	12
	10	23
Total	44	55

25 Forward exchange contracts

Sightsavers has entered into four forward exchange contracts during the year to hedge forward currency exposure on future programme expenditure. These contracts to purchase US Dollars (USD) using Sterling (GBP) are each for up to twelve months in duration, at USD/GBP rates between 1.6170 and 1.6300. At the balance sheet date a combined purchase value of USD 4.4 million remained on these four contracts representing around 30% of forecast USD correlated overseas charitable expenditure for 2012.

Security was previously required by the UK clearing bank counterparty for these contracts. A charge of £1.25 million was written over our Grosvenor Hall property in favour of our counterparty during 2009. This charge over the property was removed in 2011.

Income and expenditure at a glance



* Excludes gifts in kind of £122,166,000

Annual Report and Financial Statements

31 December 2011

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

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



Front cover:

Cecilia Jackson, 67, from Malawi, pictured at a health centre supported by Sightsavers. She was diagnosed with cataract and referred for surgery.

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

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