



Annual Report & Accounts 2015 - 2016



*Sowing seeds of hope
in Nicaragua*

Foreword by SIFT's Patron

Andrew Selous MP



Andrew Selous MP

SIFT's Annual Report again shows a most encouraging picture of both the benefits SIFT has been able to provide to the poor of Nicaragua, and also the continuing generosity of SIFT's individual and trust supporters.

This year has seen the departure of Colin Weaver who has served SIFT so well as Chair of Trustees for eight years. Colin is remaining with the Charity as UK Director. Chris Anderson has taken on the responsibilities as the new Chair of Trustees.

The medical work on the island of Ometepe continues to be a real strength. In addition to the expanding lunch club for the elderly, the team have now started an expectant mothers' club and a support group for those with chronic diseases. The children's feeding programme has seen a steady increase in numbers over the year. The programme to provide healthy cookers for poor families is continuing - these are highly valued by the recipients and it is hoped that we will see a reduction in the incidence of respiratory diseases caused by

wood smoke inhalation. This year we have been able to buy a portable ultrasound scanner providing Dr Sandra with a much enhanced diagnostic capability.

SIFT has continued to provide support to Casa Rahab, helping young women to break free from the sex trade by providing them with life skills and education. Funding from the British Embassy in Costa Rica has now run out and the SIFT team are working hard to source an income stream to fund this important work.

SIFT has strong links with the wonderful Hogar de Fe Orphanage in Managua where projects are supported in agreement with the Pastors who run the orphanage.

The education sponsorship programme based at Bluefields on the Caribbean coast is still well supported both financially and by SIFT's excellent volunteer Field Worker, Margaret Storey, who spends 8 months each year living in Bluefields to sustain this work.

As part of a drive to devolve work to local people, SIFT is now employing a young Nicaraguan lawyer, Jacobo Sanchez, to act as our legal representative in the country and to manage SIFT's work on a day to day basis. Jacobo is a committed Christian and is also working directly with his church (The Body of Christ Church in Managua) to develop and formalise the highly successful vocational training courses that SIFT has funded for some years.

The charity continues to be run safely by a small, dedicated team of Christians whose faith drives them to share the Gospel and the love of Christ with the poor and needy in Nicaragua. Reading this Report continues to make me feel privileged to be part of this team as the Charity's Patron. I commend this Annual Report to you to the glory of God.

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About Nicaragua

Nicaragua is the second poorest country in Latin America after Honduras. The country suffers from widespread underemployment and a highly unequal distribution of income. Recent surveys indicate that the proportion of people living below the poverty line has decreased from 45% in 2009 to 39% in 2015, with 7.6% living in extreme poverty. Whilst this is an encouraging trend, there is still a disparity between urban and rural areas; 59% of people from rural communities live below the poverty line and 14.4% live in extreme poverty.¹ Many factors contribute to the incidence of extreme poverty in Nicaragua including overcrowding, lack of access to basic services, insufficient housing conditions, low levels of education and economic dependence. 39% of rural families are affected by one of these factors and a further 23% are affected by two or more factors.²

According to figures from the Nicaraguan Central Bank, Nicaragua's economy grew by 4.9% in 2015. State expenditure on health comprised 3.1% of GDP, however this only equates to \$63 (£48) per person per year. Spending on education remained constant in 2015, at 2.8% of GDP.³

Nicaragua is affected by many natural disasters, including volcanic eruptions and earthquakes on the Pacific coast and tropical storms on the Caribbean coast. Flooding during the rainy season, however, has the greatest impact on the people of Nicaragua; UNICEF notes that 90% of all recorded disasters and 98% of all disaster-related effects on the population have been caused by floods.⁴

Rural communities in Nicaragua still trail behind urban areas in their access to basic services. In 2015 12% of the population had no access to sustainable sources of drinking water and this increased to 18% in rural areas. In addition 11% of the rural population lived in homes without any form of sanitation, compared to 6% nationally. On average, those living in rural communities have to travel 4.6km to access healthcare facilities, whereas their urban counterparts only have to travel 0.9km.⁵

The latest UN Human Development Report for Nicaragua recognised that improvements in access to education have been made in the last decade. The average Nicaraguan aged 25 years or older spent 6 years in education, whereas a child starting school this year is anticipated to spend 11.5 years in education during their life.⁶ Primary school attendance is 70% for girls and 71% for boys, but only 56% of children reach the final grade of primary school. This is reflected in significantly lower attendance figures for secondary school, namely 47% for girls and 35% for boys.⁷

SIFT is working to bring hope and security to the poor of Nicaragua by providing them with access to healthcare, education, housing and vocational training. Our projects are based on the island of Ometepe, in the town of Bluefields, on the Asese peninsula near Granada, and in the locality of Managua.

¹ **FIDEG Household Poverty Survey 2015**
http://www.fideg.org/images/INFORME_DE_RESULTADOS_DE_LA_ENCUESTA_2015_-_Versin_WEB_270616.pdf, page 10

² *Ibid*, page 15.

³ **BCN - Nicaragua in Figures 2015**
http://www.bcn.gob.ni/publicaciones/periodicidad/anual/nicaragua_cifras/nicaragua_cifras.pdf

⁴ **UNICEF Nicaragua Country Program Document 2013-2017**
http://www.unicef.org/about/execboard/files/2012-PL31_Nicaragua_CPD-final_approved-English.pdf

⁵ **FIDEG Household Poverty Survey 2015**
http://www.fideg.org/images/INFORME_DE_RESULTADOS_DE_LA_ENCUESTA_2015_-_Versin_WEB_270616.pdf, page 36

⁶ **UNDP Human Development Reports - Nicaragua country profile**
<http://hdr.undp.org/en/countries/profiles/NIC>

⁷ **UNICEF At a Glance: Nicaragua**
http://www.unicef.org/infobycountry/nicaragua_statistics.html

Report of the Trustees

Mission, Objectives, Strategy and Activities

Mission

SIFT's mission is to transform the lives of the poor in Nicaragua by focussed activity in specific areas and communities of need.

Objectives

The Trustees hold the trust fund and its income upon trust to apply them for the following objectives:

1. To relieve poverty.
2. To advance the Christian religion.
3. To facilitate the protection and preservation of good health.
4. To facilitate education.



Strategy

SIFT's overall strategy to satisfy these charitable objectives is:

To use SIFT funds and resources to help to draw Nicaraguans out of material and spiritual poverty, where possible by supporting indigenous individuals, groups or Churches in projects to benefit the poor.

Activities

Throughout the year SIFT has worked with potential beneficiaries and indigenous organisations, including local government and other NGOs, to determine needs and to ensure solutions are developed which will be of sustainable public benefit. Our main activities for this year to fulfil the objectives were:

- Providing primary healthcare facilities on the island of Ometepe.
- Investigating new suppliers of healthier cookers, to be distributed to families on Ometepe.
- Progressing housing options to re-house poor islander families on the Asese Peninsula.
- Supporting an orphanage near Managua.
- Sponsoring children for education in various areas of the country.
- Supporting Christians and churches in various areas of the country and providing funding for their ministries; in particular a child feeding programme on Ometepe, vocational training courses in Managua, and a project supporting victims of sexual exploitation in Granada.

Details of these activities and achievements this year appear in the following pages.

Activities, Achievements and Performance

Health

SIFT runs health clinics in rural communities on the island of Ometepe, providing affordable primary healthcare to the people of the island. At government clinics in Nicaragua patients can see the doctor for free but must pay for any medicines that they require which, for the poor, can put treatment out of their reach. In contrast, at SIFT's clinics, we only charge a small and affordable consultation fee and provide all medicines free of charge. If one of our patients cannot even afford the consultation fee then it is waived, as we do not want to hinder people from getting the treatment that they need.

SIFT employs Doctor Sandra Villagra and seven local nurses to run our three health clinics in the communities of Las Pilas, El Corozal and San José del Sur. Four of our nurses have achieved their professional nursing qualification, which allows them to hold consultations and dispense medicines without needing a doctor to be present. Each clinic is manned by a professional nurse and is open three days a week, with Doctor Sandra attending each clinic once a week. In addition, our team at El Corozal also visit the more remote village of San Pedro once a fortnight, holding consultations in a community building.

In 2015-16, 4,244 consultations were carried out in the SIFT clinics, with the majority of these being for children. Of these, 1,700 were carried out free of charge by medical brigades from Carthage College in the USA. SIFT is very grateful to Carthage College who leave behind a valuable supply of adult medicines after their biannual trips. This enables more of our pharmaceutical budget to be used to purchase paediatric medicines, which are both more expensive and in greater demand than medicines for adults.

Thanks to a generous gift in memory given last year we have now been able to purchase a portable ultrasound scanner. This will aid Dr Sandra in her work, enabling her to diagnose a wider variety of conditions. In addition, laptops have been bought for the clinics and the nurses are in the process of converting the patient records into a digital format.

Our nurses give health education talks to patients as they wait for their appointments with the doctor. In these talks, patients are given practical advice for improving the health of their families and strategies for avoiding common tropical diseases, such as dengue fever and the Zika virus. Children from local primary schools also visit the clinics regularly and are taught about hand-washing and good dental hygiene. We regard community education as a simple but important method to improve the overall health of the people of Ometepe.

Our medical team also seeks to meet the wider health and social needs that they see amongst their patients and in their communities. In the village of Las Pilas our medical team run a luncheon club for elderly people, who often find themselves excluded from village life due to their age. At the club they receive a hot meal and also have the chance to develop new friendships. The club is proving to be very popular amongst the elderly people in Las Pilas and also allows the medical team to monitor their health, providing medicines where appropriate. Benjamin Alvarado, one of the gentlemen who attends the club, said that he felt very welcomed by the medical team, noting that there had been very little provision for the elderly before the formation of this group. Next year the team is planning to hold the luncheon club in the village hall instead of on the clinic veranda. This will provide more space for the club and allow a greater variety of activities to be carried out, such as showing Christian films to share the Gospel with those who attend. We are grateful to the George Muller Charitable Trust who provided funds for this important work amongst the elderly.



Dr Sandra holding a consultation in El Corozal clinic

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The El Corozal nursing team also run a group for patients suffering from chronic diseases, such as type two diabetes, high blood pressure and arthritis. Ten patients attend the group every month where they receive a check-up and have their medication monitored. They also are given advice about how to manage their conditions.



Women attending the Club for Expectant Mothers

At the clinic in El Corozal our club for expectant mothers continues to be a successful and valuable venture. The nurses provide women from the surrounding area with medical assistance, antenatal advice and emotional support. They are also able to teach the ladies how to cook healthy meals for their families and provide them with baby clothes. This year a similar club has also been started at our clinic in San Jose del Sur.

Much of the financial support for this work comes from individual donors, many of whom participate in our nurse sponsorship scheme. These sponsors give £15 a month to support one of our seven nurses and receive an annual update about their nurse and the progress of the medical work on Ometepe.

Our fundraising efforts this year have continued to be directed towards increasing regular giving to the medical work so that it is on a more secure financial footing. As a direct result of this we have launched a new sponsorship scheme to enable people to support Dr Sandra. As with the nurse sponsorship scheme each sponsor gives monthly and receives an annual update about Dr Sandra and her work. Both these schemes enable our donors to connect with our team and the people they are helping.

This year has seen an encouraging increase in the level of trust funding that we have received for this area of our work. We submitted 67 applications to grant-making trusts which resulted in five grants totalling £8,250. We are extremely grateful to the Souter Charitable Trust, the Oakdale Trust, the James Tudor Foundation, the Sembrador Charitable Trust and the Crossroads Shop, Meltham, for partnering with us to provide healthcare to the people of Ometepe.

Healthy Cookers

The majority of families who live on the island of Ometepe use open wood fires to cook their food. As a result their houses are filled with smoke, which in turn can lead to a higher incidence of respiratory diseases. In addition this form of cooking does not burn firewood in an efficient manner, meaning that families either have to spend more time gathering wood, or use more of their limited finances to buy firewood.

SIFT has been working to improve the health of families on Ometepe by providing them with healthier cookers. These use a compact firebox to efficiently burn lengths of firewood, reducing the amount of wood needed by up to 70%. They also have a chimney which funnels the majority of the harmful smoke out of the house.

This year we have been able to deliver a further 23 cookers to families in the villages of San Jose del Sur, San Lazaro and Las Pilas. These were part-funded by FOCAEP, a fund for sustainable energy access for the poor in Central America, and were installed by a local builder. This brings the total number of cookers distributed to 40 since this project started in 2013-14.



One of the new smoke-free cookers in San Lazaro

Next year we are planning to deliver 40 cookers to the remote community of El Corozal. We are liaising with the community leader in El Corozal who is identifying suitable beneficiary families for this project. We have also established links with a company in Guatemala which makes this style of cooker, as the non-profit organisation who distributed these cookers has closed its operations in Nicaragua.

Finca El Rayo - Asese Peninsula

The picturesque Asese Peninsula is located in the north-west corner of Lake Nicaragua, close to the city of Granada. The peninsula is surrounded by 360 small islands, many of which are home to poor families. Even though they have lived on these islands for many generations, most families do not have legal ownership of their land. In recent years many of the islands have been bought for development into holiday homes or eco-tourist resorts. As a result these families are facing the prospect of being evicted from their homes at short notice and with minimal compensation.

In response to this situation, and to prevent families being forced to move into the slums of Granada, SIFT has bought a 37 acre plot of land on the Asese peninsula, called Finca El Rayo. We plan to use Finca El Rayo to provide new homes and community facilities for families who have lost, or are at risk of losing, their ancestral homes. Work has been carried out in recent years to prepare the site for development, including the construction of flood defences.

Tony Langmead, SIFT's project manager for Finca El Rayo, stays in regular contact with the beneficiary families and their planning committee. The committee is formed of representatives from the families and is led by Francisco Potoy.

This year we have continued to seek the support of the mayor of Granada City Council to get the council's backing for the project. This local government support would open up potential sources of funding for the houses from organisations in Nicaragua. We have also started the process of interviewing each of the beneficiary families to ascertain their current circumstances and to determine the level of need that exists amongst them.

Hogar de Fe Orphanage

SIFT supports the Hogar de Fe (Home of Faith) Orphanage, in the town of Los Brasiles, near to Managua. It was founded in 1992 by Pastor Ramiro Blandón and his wife Conchita, after someone abandoned a baby on their doorstep. Today Hogar de Fe is home to 47 children and young people, and has been recognised as a well-run orphanage by Nicaraguan officials. Many of the children who live at Hogar de Fe have been referred there by the Nicaraguan Ministry of the Family. The Orphanage is run by Isaac Blandón, one of Ramiro's sons, and Ramiro has oversight of the entire ministry, which includes the neighbouring school and Pentecostal church.

The team at Hogar de Fe care for the children in a loving manner and are concerned for their physical, emotional and spiritual development. As many of the children come from troubled backgrounds the Orphanage employs a child psychologist who is available to talk to them. Time is set aside each school day for the children to do their homework and receive extra educational support where this is needed. The Orphanage also has a well-equipped computer room where the children learn basic computer skills and use online courses to improve their grasp of English. At the weekend the children have the opportunity to learn a musical instrument and they also attend the Sunday school and youth events at the local church.



Children learning computer skills in the computer room

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As the young people at Hogar de Fe reach adulthood, the team are keen to prepare them for independent living. To facilitate this aim they have recently established a transition house near to the Orphanage, which is currently home to two young men. The staff of Hogar de Fe continue to supervise them, but more responsibility is given to the young men to look after themselves.

SIFT administers a sponsorship scheme to support the work of the Hogar de Fe Orphanage. Our UK sponsors typically give £15 a month, which goes towards the running costs of the Orphanage, and are matched with one of the children. Each year they receive an annual progress report about Hogar de Fe and a new photograph of their sponsored child. SIFT is one of four international NGOs that financially support the Hogar de Fe Orphanage. We are also grateful to the George Muller Charitable Trust which continues to provide regular funds to support this ministry.

In January 2016 the Hogar de Fe team organised a one-day Health Fair for children and families in the local community. A total of 1,360 people from 470 families attended this event and all of the children received bags of school supplies to prepare them for the start of the new school year, as well as anti-parasite tablets. Nicaraguan medical professionals volunteered their time for the day and gave consultations and dental check-ups as required. Members of Ramiro's church were also on hand to talk with people and offer them counsel and prayer.

Education Sponsorship

SIFT's education sponsorship scheme is focussed mainly on the town of Bluefields, on the Caribbean coast of Nicaragua, but we also support 29 children on the island of Ometepe. Receiving a good education is a key part of child's development and can open up the path to well-paid employment. This is particularly important in Bluefields, where just 29% of the working population have a full-time job, with a further 14% only finding occasional employment.

Although state-run schools in Nicaragua are free to attend, they suffer from large class sizes and are under-resourced. A better standard of education is offered by fee-paying schools, but the monthly fees put them beyond the reach of many poorer families. SIFT's education sponsorship



Two of SIFT's sponsored children in Bluefields

scheme enables children from some of the poorest neighbourhoods in Bluefields to attend fee-paying schools, improving their chances of finding employment and thus supporting their families. All of the fee-paying schools in Bluefields are church schools and so the children also receive a Christian education. Of the 135 children that we sponsor in Bluefields, 70 attend primary school, 55 attend secondary school and 10 are university students.

SIFT's field worker, Margaret Storey, lives in Bluefields from March to November each year and is invaluable to the smooth running of the sponsorship scheme. She visits each of the schools once a month to check on the progress of our sponsored children and contacts the UK office if any changes have occurred so that the appropriate sponsors can be informed. Margaret is also able to provide practical and pastoral support to the children and their families through the year. She is well loved by the people of Bluefields and we appreciate her faithful service, both in Nicaragua and the UK.

We have 118 sponsors who donate to the education sponsorship fund on a monthly basis. Each sponsor receives an annual update which contains news of their sponsored child's progress, together with a photograph. The news for these updates is provided by Margaret Storey and we are grateful for the efforts of Ruth Ward who assists with their production. Ruth also liaises with sponsors during the year when there are changes to their child's situation.

This year we have continued to use some of the surplus money in the education sponsorship fund to support other projects in Nicaragua that have an educational focus. Prior agreement has been sought from the education sponsors for this use of funds. The wages of one of the SIFT nurses were funded from the surplus, in recognition of the health education that they provide in the community, as was the wage of the sewing teacher at Casa Rahab in Granada.

Supporting Nicaraguan Christians

As SIFT is a Christian organisation we want to care for people both physically and spiritually. We seek, where possible, to work through Nicaraguan Christians and churches, supporting the ministries that they have to serve their local communities. We hope that this will not only alleviate the physical poverty that people face but will also provide them with opportunities to encounter the good news of Jesus for themselves. This year we supported four such ministries:

1. Casa Rahab, Granada

Casa Rahab (Rahab's House) is a Christian centre that provides support and a fresh start to girls who have been, or are at risk of being, involved in the sex trade in the city of Granada. Casa Rahab is run by a team of local Christians who seek to break the cycle of sexual exploitation and rebuild trust and self-esteem in the lives of the girls. The project is led by Valeria Lopez, who SIFT has known for many years. The team have strong links with the police and local authorities, who refer girls to them for help.

This year Casa Rahab has helped around 15 girls at a time, aged between 11 and 17 years old. Each girl receives an individual programme of therapy, designed by the team's psychologist, to enable them to recover from the trauma that they have experienced. The girls are taught life skills, such as how to take care of a home and how to cook healthy meals, and are helped with their schooling. They are also given vocational training to enable them to find an alternative source of income to support themselves. SIFT continues to provide funds to enable a sewing teacher to work with the girls.



One of the girls receiving therapy at Casa Rahab

This year Casa Rahab faced a funding shortfall as they came to the end of a grant provided by the British Embassy in Costa Rica. We are grateful to Thornbury Baptist Church who provided the additional funds needed to run Casa Rahab for five months. During this time an application was made to the British Embassy to renew their grant for a further year. Sadly this grant was not renewed and so Valeria will be seeking additional sources of funding and reviewing the operational budget of Casa Rahab.

2. Body of Christ Church, Managua

Since 2010 SIFT has been supporting the Body of Christ Church in Managua as they run vocational training courses for young people from disadvantaged backgrounds. These courses are taught on Saturdays by professional instructors and are designed to provide young people with skills so that they can find a trade.

In 2015 there were 17 students enrolled on the car mechanics course and 10 on the car electrics course. In addition 10 women took a course in handicrafts, where they learnt how to make jewellery and decorations, and a further 9 women took a course in piñata making.

At the end of 2015 the course co-ordinator stood down for personal reasons. As a result the church leadership took the opportunity to review the vision and structure of the courses and appointed a committee to take on the oversight of this project. The committee have decided

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that future courses should be registered with INATEC, the Nicaraguan government institution responsible for the provision of technical training. This will mean that students completing the courses will receive a recognised qualification, which will help them as they seek work. As a result of this restructuring the vocational courses did not run in 2016. We look forward to supporting the Body of Christ Church in 2017 as they restart the courses.

3. Transformed Life conference, Ometepe

In addition to her work in the SIFT clinics, Dr Sandra Villagra is involved with Christian ministry to the people of Ometepe. In March 2016 she organised a women's conference called "Transformed Life" which was held in the town of Altagracia. Around 40 local women attended the day-long conference, where they received Bible teaching, encouragement and prayer ministry from Dr Sandra and a female Pastor from Managua. SIFT provided funds to support the costs of running this conference.

4. Feeding Programme, Urbaité

SIFT is pleased to be able to continue supporting a feeding programme for children in the villages of Urbaité and Las Pilas, on the island of Ometepe. Run by a team of local Christians, the sessions on Mondays and Fridays provide the children with high-vitamin milk to supply some of the vitamins that are missing from their diets. On Fridays the children receive a hot meal along with their milk, typically consisting of rice with some chicken and vegetables.

The team also want the children and their parents to hear the good news about Jesus and so there are Christian choruses and Bible stories as part of the afternoon's programme. The children are keen to be a part of these activities and enjoy singing the songs.



Children drinking high-vitamin milk at the Feeding Programme

This past year has seen the number of children attending the feeding programme increase to between 40 and 45 at each session, with around 70 children attending the parties that are run at the start and end of the year.

Financial Review

SIFT's work in Nicaragua is only possible thanks to the generosity of individuals, groups and trusts in the UK. We are grateful to everyone who has donated to SIFT over this past year, particularly considering the current economic climate. In particular we want to thank those SIFT supporters who have carried out sponsored walks and other fundraising activities through the year to raise funds for our health clinics on Ometepe and for the work of the Hogar de Fe Orphanage.

SIFT has two main types of income. The first is regular giving in the form of Standing Orders. These tend to be for specific purposes, such as sponsoring children for education or supporting the medical work, but we do also have some regular unrestricted income. The second type of income is freewill gifts from individuals, churches and other organisations. In addition, we encourage individuals to Gift Aid their donations wherever possible. This financial year money received from Gift Aid claims formed 9% of our total income. Money from Gift Aid claims is used for general purposes including SIFT staff salaries.

Our overall income for the year was 25% lower than last year, although in 2014-15 SIFT received a number of significant one-off donations, such as a legacy and a generous gift in memory. When these are taken into account, our baseline income has increased over last year, mainly thanks to the increased level of funding received from grant-making trusts towards our medical work.

Support costs increased by 13% this year compared to last year. This increase was primarily caused by the costs of exhibiting at New Wine and repairs to the SIFT vehicle in Nicaragua. We continue to make every effort to keep our UK operation as efficient and cost effective as possible, maximising the income that is available for projects in Nicaragua.

We have seen a drop in the value of sterling following the UK referendum on its membership of the EU. As all of our operational expenditure is in dollars this has increased the level of funding required to maintain our work in Nicaragua. Our current level of resources provides us with short-term stability as we work over the coming year to increase our income accordingly.

We operate a number of restricted funds such as Education Sponsorship and Medical, and all of the money that is given into these accounts is wholly used in Nicaragua for the stated purpose. Nothing is taken out for administration in the UK. We hold enough short term reserves in the General Account to last for at least two months. We also have a deposit account for longer term reserves.

We travel around the UK to promote the work of SIFT and also have a number of key supporters who promote SIFT in their areas, using resources produced by the UK office. We send out a high quality newsletter, the SIFT Insight, three times a year and a monthly news and prayer update. Where possible these publications are sent electronically to reduce postage costs.

During the year we issued the SIFT Gifts 2015/16 Catalogue. The catalogue featured specific gifts that could be bought for the poor in Nicaragua; it was sent out to all of our supporters and details of the gifts were also placed on the SIFT website. All of the money raised was used in Nicaragua, with no money being taken out for administration costs. The catalogue raised a total of £2,875, of which £2,765 was for medical gifts. The money for medical gifts went directly into the Medical Fund.

This year SIFT had an exhibition stand at Keswick in Devon and at New Wine, with the aim of raising the profile of SIFT in new parts of the Christian community. We are conscious that our existing supporters give very faithfully to the work in Nicaragua, but are also aware that they can only give so much and so there is a need to broaden our supporter base. A number of positive contacts were made during these events, enabling us to connect with new churches, and we will continue to develop these contacts over the coming year.



SIFT's stand in the New Wine exhibition area

Structure, Governance and Management

Structure

SIFT is a Christian charity which is non-governmental and non-political. It is constituted under a trust deed dated 5th August 2002 and is registered as a charity with the Charity Commission (registration number 1094193). The Trust Deed requires that there are a minimum of three Trustees but there is no maximum.

In February 2016 Colin Weaver stepped down from SIFT's Board of Trustees, having served as a Trustee since SIFT started and as Chair of Trustees for the last eight years. The Trustees are very

Report of the Trustees

grateful to Colin for all of his hard work and wise counsel whilst in this role. Colin will continue to be a part of the SIFT team as the UK Director and is succeeded as Chair of Trustees by Chris Anderson.

New Trustees are chosen by the existing Board on the basis of the qualifications and experience that they can bring to the charity. The Chair of Trustees is responsible for the induction of new Trustees, giving them a firm grounding in the responsibilities of the role and an introduction to the history and ethos of SIFT. The names of the Trustees appear on the last page of this report.

Directors

The day-to-day responsibility for the work of the charity is shared between SIFT's two directors. Dave Staley, SIFT's Operations Director, is responsible for all of SIFT's projects in Nicaragua, with the exception of the Finca El Rayo project. This project is managed by Tony Langmead, who is directly responsible to the Trustees, and the project is overseen on behalf of the Trustees by Mark Catley. Colin Weaver, SIFT's UK Director, oversees the work of the UK office, in particular fundraising and ministry to supporters in the UK.

Staff and Volunteers

SIFT employs two members of staff in the UK. Graham Knight is SIFT's Office Manager and has been working for SIFT since 2004. Graham's responsibilities include SIFT's day to day accounting and administration, maintenance of the SIFT website and production of promotional videos. He also travels to Nicaragua each October to help administer SIFT's sponsorship schemes. SIFT's sponsored children in Bluefields are booked into school for the following academic year, and news and photos are gathered to be sent out to their sponsors. Graham also conducts interviews with SIFT's medical team on Ometepe, which form the basis of reports sent out to sponsors of the medical work.

Ali Wilson is SIFT's Fundraising Manager. She has responsibility for seeking funding from individuals, churches and trusts, producing publicity materials, and giving feedback to donors on the use of donated funds. She also provides SIFT's Medical Champions with resources so that they can publicise SIFT's work in their churches and communities.

Dr Sandra Villagra is SIFT's full-time, salaried, doctor on the island of Ometepe. She has responsibility for the management of SIFT's health work and oversees a team of seven local nurses who serve alongside her in our clinics.

Tony Langmead has been our representative in Nicaragua since 2004, supported more recently by his wife Rina. We are extremely grateful to Tony for his years of service to SIFT, providing valuable management and administration for our projects. It was agreed earlier in the year, however, that Tony and Rina would progressively step down from their current roles, so that they can spend more time with their family. Tony Langmead will continue to work for SIFT on a voluntary basis, retaining some responsibility for the Finca El Rayo housing project until the individual plots of land have been passed to the beneficiary families.

Jacobo Sanchez has recently been appointed as SIFT's new representative in Nicaragua. He is a qualified lawyer and public notary, and a committed Christian, with whom we have been developing a relationship for the past five years. Jacobo's role within SIFT will see him take on the management of our Nicaraguan finances. He will also oversee most of our projects in Nicaragua, liaising with Dave Staley on operational matters. This appointment also enables

us to move towards our aim of involving more Nicaraguan people in running the charity in Nicaragua.

SIFT is very grateful for the involvement of Ruth Ward and Margaret Storey in the education sponsorship scheme. Ruth supports the office staff by contacting sponsors as necessary throughout the year and producing the annual education updates. Margaret continues to be our field worker in Bluefields, liaising with the schools to administer the sponsorship scheme on the ground and providing valuable pastoral support to our sponsored children and their families.

Management

The Trustees are responsible for setting the strategy and direction for the charity, in the form of a regularly reviewed Strategic Plan. The Strategic Plan documents SIFT's mission, strategy, values, and for each major project details the objectives and resources. This document underpins an annual budgetary process. In setting the Strategic Plan and in planning all of the charity's activities, the Trustees and SIFT staff have paid due regard to the Charity Commission's guidance on public benefit.

The Trustees are also responsible for assessing the risks associated with SIFT. A Risk Assessment document is kept under review by the Trustees, recording the risks and associated mitigating actions for SIFT's current activities in Nicaragua and in the UK. The main risks are considered to be the potential for fraud, both within the UK and in Nicaragua, and the risk of accident or injury to staff and volunteers, especially when working in Nicaragua. SIFT also has a regularly reviewed Data Protection policy and comprehensive Safeguarding policy for our work with children and vulnerable adults in Nicaragua.

Finally the Trustees are responsible for the financial well-being of the charity, for the appropriate use of its funds to fulfil the charity's objects, and for protecting its assets and safeguarding the credibility of SIFT such that it can continue working effectively in Nicaragua for many years to come. We continue to do all this to the honour and glory of God.

Approved by the Trustees and signed on their behalf by:



Chris Anderson
Chair of SIFT Board of Trustees

19th November 2016

Trustees

Christopher Bruce Anderson BSc CEng MIMarEST FCMl
Dr. Jane Weaver RGN RM BSc
Dr. Keith Donald Davis ACA
Mark Catley FRICS FAAV
David Joseph Langmead
Matthew James Farrer DipArch

Registered Office

1 Harepath Road
SEATON
Devon
EX12 2RP

Charity Number

1094193

Independent Examiners

Hammett Associates
8-10 Queen Street
SEATON
Devon
EX12 2NY

Bank

Lloyds Bank
The Square
SEATON
Devon
EX12 2QH

Independent Accountant's Report

Seed International Fund Trust

For the Year Ended 31 August 2016

Respective Responsibilities of Trustees and Examiner

The Charity's trustees consider that an audit is not required for this year (under section 43(2) of the Charities Act 1993 (the Act)) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts (under section 43 of the Act),
- to follow the procedures laid down in the General Directions given by the Charity Commission (under section 43(7)(b) of the Act), **and**
- to state whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanation from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the accounts.

Independent Examiner's Statement

In the course of my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the trustees have not met the requirements to ensure that:
 - proper accounting records are kept (in accordance with section 41 of the Act); **and**
 - accounts are prepared which agree with the accounting records and comply with the accounting requirements of the Act; **or**
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Ann Horton FCA
HAMMETT ASSOCIATES
8-10 Queen Street
Seaton
Devon
EX12 2NY

Date: 20/02/17.

Statement of Financial Affairs

For the Year Ended 31 August 2016

	Note	Unrestricted Funds £	Restricted Funds £	2016 Total £	2015 Total £
Income and endowments from:					
Donations and legacies	2	50,018	71,216	121,234	167,379
Charitable activities	3	-	6,910	6,910	4,225
Other trading activities		-	-	-	-
Investments	4	100	-	100	173
Other		-	-	-	-
Total		50,118	78,126	128,244	171,777
Expenditure on:					
Raising funds	5	14,895	6,000	20,895	17,970
Charitable activities	6	43,845	72,094	115,939	108,151
Other		-	-	-	-
Total		58,740	78,094	136,834	126,121
Other recognised gains / (losses):					
Gains / (losses) on revaluation of fixed assets		-	-	-	35,612
Net income / (expenditure)		(8,622)	32	(8,590)	81,268
Transfers between funds		-	-	-	-
Net movement in funds		(8,622)	32	(8,590)	81,268
Reconciliation of funds:					
Total funds brought forward		152,761	101,775	254,536	173,268
Total funds carried forward		144,139	101,807	245,946	254,536

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

Balance Sheet

At 31 August 2016

		31-Aug-16		31-Aug-15	
	Notes	£	£	£	£
Fixed Assets:					
Tangible Assets	7		141,167		142,956
Current Assets:					
Debtors	8	7,994		10,840	
Cash at Bank and in hand		97,526		105,062	
		<u>105,520</u>		<u>115,902</u>	
Creditors:					
Amounts falling due within one year	9	(741)		(4,322)	
Net Current Assets			104,779		111,580
Creditors:					
Amounts falling due after more than one year			-		-
Net Assets			<u><u>245,946</u></u>		<u><u>254,536</u></u>
Funds					
Restricted Funds	10		101,807		101,775
Unrestricted Funds: General Reserves			56,082		64,704
			<u>157,889</u>		<u>166,479</u>
Revaluation Reserve	11		88,057		88,057
			<u><u>245,946</u></u>		<u><u>254,536</u></u>

Approved by the Board of Trustees:



Chris Anderson

Date: 19th November 2016

Statement of Cash Flows

For the Year Ended 31 August 2016

	2016 Total funds £	2015 Total funds £
Net income/(expenditure) for the period (as per the statement of financial activities)	(8,590)	45,656
Adjustments for:		
Depreciation charges	1,789	1,817
Loss/(profit) on the sale of fixed assets	-	-
Interest income	(8)	(2)
(Increase)/decrease in debtors	2,854	(4,127)
Increase/(decrease) in creditors	(3,581)	1,080
Net cash provided by (used in) operating activities	(7,536)	44,424
Cash flows from investing activities:		
Proceeds from the sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	-	-
Net cash provided by (used in) investing activities	-	-
Cash flows from financing activities:		
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Receipt of endowment	-	-
Net cash provided by (used in) financing activities	-	-
Change in cash and cash equivalents in the period	(7,536)	44,424
Cash and cash equivalents at the beginning of the period	105,062	60,638
Cash and cash equivalents at the end of the period	97,526	105,062
Analysis of cash and cash equivalents:		
Cash in hand	97,526	105,062
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	97,526	105,062

The notes at pages 5 to 10 form part of these accounts.

Notes to the Financial Statements

For the Year Ended 31 August 2016

1. Principal Accounting Policies

(a) Accounting Convention

The financial statements are prepared under the historical cost convention. In preparing the financial statements the charity follows best practice as set out in the Statement of Recommended Practice “Accounting and Reporting by Charities” SORP (FRS102) issued in September 2015.

(b) Incoming Resources

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty.

(c) Resources Expended and Basis of Allocation of Costs

Expenditure is recognised when a liability is incurred. The majority of costs are directly attributable to specific activities.

Costs of generating funds are those costs incurred in attracting voluntary income.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating travel costs and repairs, renewals and maintenance by location in the UK or in Nicaragua, payroll and administration costs by the time spent on different activities and publicity costs solely by income generation activities.

A significant proportion of the charity’s support costs, as disclosed in note 15, relate to and directly affect charitable activities undertaken in Nicaragua.

(d) Publicity Costs

Publicity costs consist of expenditure relating to printing and reproduction and related photography expenditure.

(e) Administration and Office Expenditure

Administration expenditure consists of all office costs and related small equipment expenditure.

(f) Repairs, renewals and maintenance

Use of a suitable office for the charity has been obtained at a peppercorn monthly rental of £1. Repairs and renewals expenditure relates to the costs involved in refurbishing the office to enable administrative use for the charity. In addition this category includes maintenance costs for a motor vehicle in Nicaragua.

(g) Capitalisation and Depreciation of Tangible Fixed Assets

All assets costing more than £1,000 are capitalised. Motor vehicles are recorded at cost and are depreciated at a rate of 50% per annum on the reducing balance. No depreciation is provided on land costs and buildings are depreciated over 50 years when completely built; no depreciation is charged in the year of acquisition / addition, and a full year’s depreciation in the year of disposal.

(h) Funds Accounting

Funds held by the charity are:

- Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

(i) Foreign Currencies

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end.

Notes to the Financial Statements

For the Year Ended 31 August 2016

2. Donations, legacies and similar incoming resources

	Unrestricted Funds £	Restricted Funds £	2016 £	Unrestricted Funds £	Restricted Funds £	2015 £
Committed giving	8,173	51,876	60,049	7,697	50,583	58,280
One-off gifts	29,630	10,762	40,392	38,316	34,213	72,529
Grants from organisations	400	8,578	8,978	500	7,750	8,250
Legacies	78	-	78	17,133	-	17,133
Gift Aid recoverable tax income	11,737	-	11,737	11,187	-	11,187
	50,018	71,216	121,234	74,833	92,546	167,379

3. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	2016 £	Unrestricted Funds £	Restricted Funds £	2015 £
Fundraising events	-	6,910	6,910	-	4,225	4,225
	-	6,910	6,910	-	4,225	4,225

4. Investment income and interest

	Unrestricted Funds £	Restricted Funds £	2016 £	Unrestricted Funds £	Restricted Funds £	2015 £
Bank interest received	100	-	100	173	-	173

5. Expenditure on raising funds

	Unrestricted Funds £	Restricted Funds £	2016 £	Unrestricted Funds £	Restricted Funds £	2015 £
Donations, legacies and similar incoming resources:						
Support costs allocated	14,895	6,000	20,895	11,970	6,000	17,970

6. Details of charitable activities

The amount spent on charitable activities, including support costs, is analysed by project area as follows:

	Unrestricted funds					Restricted funds					2015		
	Operational projects		Support costs		Total	Operational projects		Support costs		Total	Unrestricted	Restricted	Total
	£		£		£	£		£		£	£	£	£
Orphanage	-		-		-	12,200		-		12,200	-	14,618	14,618
Sponsored children's education	-		-		-	17,695		-		17,695	-	15,736	15,736
Other education projects	-		-		-	3,363		-		3,363	-	4,622	4,622
Christian Vocational Centre	42		41		83	-		-		-	-	-	-
Islands community development	-		-		-	721		-		721	-	156	156
Children's feeding programme	657		648		1,305	-		-		-	995	-	995
SIFT Gifts expenditure	-		-		-	1,067		-		1,067	-	162	162
Supporting churches	637		628		1,265	-		-		-	1,069	-	1,069
Medical and clinic expenditure	3,584		3,536		7,120	37,048		-		37,048	7,304	30,122	37,426
Sanitation projects	-		-		-	-		-		-	-	-	-
Cookers project	1,052		1,038		2,090	-		-		-	-	-	-
Other building projects	-		-		-	-		-		-	-	-	-
Ometepe landslide relief	-		-		-	-		-		-	6,872	-	6,872
Supporter's Trip	-		-		-	-		-		-	16,929	-	16,929
Casa Rahab	7,583		7,481		15,064	-		-		-	-	-	-
Project administration in Nicaragua	8,355		8,242		16,597	-		-		-	9,325	-	9,325
	21,910		21,614		43,524	72,094		-		72,094	42,494	65,416	107,910
Discretionary gifts in Nicaragua	261		60		321	-		-		-	241	-	241

Notes to the Financial Statements

For the Year Ended 31 August 2016

7. Tangible fixed assets

	Land	Buildings	Motor vehicles	Total
Cost	£	£	£	£
At 1 September 2015	57,653	88,057	9,571	155,281
Additions - Revaluation	-	-	-	-
Disposals	-	-	-	-
At 31 August 2016	57,653	88,057	9,571	155,281
Accumulated depreciation				
At 1 September 2015	-	2,810	9,515	12,325
Charge for year	-	1,761	28	1,789
Disposals	-	-	-	-
At 31 August 2016	-	4,571	9,543	14,114
Net book value				
At 31 August 2016	57,653	83,486	28	141,167
At 31 August 2015	57,653	85,247	56	142,956

£28,508 of the tangible fixed assets relate to restricted funds (Islands) and £112,659 relate to unrestricted funds.

8. Debtors

	Unrestricted	Restricted	2016	2015
	£	£	£	£
Gift Aid debtor - HMRC	7,883	-	7,883	10,746
Bank interest receivable	11	-	11	3
Prepayments	100	-	100	91
	7,994	-	7,994	10,840

9. Creditors falling due within one year

	Unrestricted	Restricted	2016	2015
	£	£	£	£
Medical accrual	-	-	-	2,612
Education accrual	-	-	-	870
Accruals	741	-	741	840
	741	-	741	4,322

10. Restricted funds

	Balance at 1 Sept 2015	Incoming resources	Transfer from unrestricted funds	Programme expenditure	Balance at 31 Aug 2016
	£	£	£	£	£
Islands	43,359	2,130	-	(721)	44,768
Orphanage	3,431	10,829	-	(12,200)	2,060
Child Sponsorship	24,161	19,872	-	(21,058)	22,975
Team Support	9	6,100	-	(6,000)	109
SIFT Gifts	1,038	198	-	(1,067)	169
Medical	29,777	38,997	-	(37,048)	31,726
	<u>101,775</u>	<u>78,126</u>	<u>-</u>	<u>(78,094)</u>	<u>101,807</u>

Most restricted funds are for specific humanitarian, education or health projects in Nicaragua. These projects include development programmes to provide long-term sustainable benefits for a community, including health and nutrition, education projects and miscellaneous SIFT Gifts for smaller specific purposes.

11. Revaluation reserve

	Unrestricted £	Restricted £	2016 £	2015 £
Buildings	<u>88,057</u>	<u>-</u>	<u>88,057</u>	<u>88,057</u>

Legal ownership of the Ometepe clinic buildings by SIFT was established during 2012-13 and updated valuations were obtained during 2014-15.

12. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	Unrestricted £	Restricted £	2016 £	2015 £
Salaries and wages	21,136	6,000	27,136	26,369
Social security costs	-	-	-	-
Pension costs	65	-	65	-
	<u>21,201</u>	<u>6,000</u>	<u>27,201</u>	<u>26,369</u>

No employees had employee benefits in excess of £60,000 (2014-15: £ nil). Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The charity trustees were not paid or received any other benefits from employment with the Trust in the period (2014-15: £ nil). During the period two Trustees were reimbursed £322.81 for travel and postage expenses (2014-15: one Trustee was reimbursed £211 for UK travel expenses). No charity trustee received payment for professional or other services supplied to the charity (2014-15: £ nil).

The key management personnel of the Trust comprise the trustees, the UK Director and the Operations Director. There are no further staff benefits than those included in the table above, and these relate to the office staff only.

Notes to the Financial Statements

For the Year Ended 31 August 2016

13. Trustees' donations

Aggregate donations from the Trustees to the charity for the year were £4,169.90, including Gift Aid of £784.13 (2014-15: £5,941.11, including Gift Aid of £1,140.47).

14. UK staff numbers

The average monthly head count was 2 staff (2014-15: 2 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	2015-16	2014-15
Fundraising	1	1
Office administration and charitable activities	1	1
	<u>2</u>	<u>2</u>

15. Support costs

The support costs of the charity consisted of five main elements: travel, payroll, administration and office, publicity, and repairs, renewals and maintenance. The costs have been apportioned across the work of the charity on the basis disclosed in note 1(c) and allocated to each of the charity's activities as set out in the table below.

	Travel	Payroll	Administration and office expenditure	Publicity	Repairs, renewals and maintenance	2016 Total	2015 Total
	£	£	£	£	£	£	£
Basis of apportionment	(Activity type)	(Activity type)	(Activity type)	(All income generation)	(Location)		
Charitable activities							
Operational projects in Nicaragua	3,798	13,862	2,185	-	1,769	21,614	19,554
Discretionary gifts in Nicaragua	11	38	6	-	5	60	44
	<u>3,809</u>	<u>13,900</u>	<u>2,191</u>	<u>-</u>	<u>1,774</u>	<u>21,674</u>	<u>19,598</u>
Income generation							
Donations and legacies	590	12,636	4,165	2,460	-	19,851	17,072
Gift Aid recoverable tax income	31	665	219	129	-	1,044	898
	<u>621</u>	<u>13,301</u>	<u>4,384</u>	<u>2,589</u>	<u>-</u>	<u>20,895</u>	<u>17,970</u>
Total costs allocated	<u>4,430</u>	<u>27,201</u>	<u>6,575</u>	<u>2,589</u>	<u>1,774</u>	<u>42,569</u>	<u>37,568</u>



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