



Annual Report & Accounts 2016 - 2017



*Sowing seeds of hope
in Nicaragua*

Foreword by SIFT's Patron

Andrew Selous MP



Andrew Selous MP

SIFT's Annual Report continues to show a very encouraging picture of the benefits SIFT has been able to provide to the poor of Nicaragua, and the continuing generosity of SIFT's individual and trust supporters.

The medical work on the island of Ometepe remains the cornerstone of SIFT's work, with a good balance of medical education and support, medical treatment and Christian outreach. The lunch club for the elderly is very popular and continues to thrive, and the expectant mothers' club provides strong support and encouragement especially for their younger members. The children's feeding programme continues to grow and the smiling happy faces are a great testament to the value of this work. The healthy cooker project is already leading to a reduction in the incidence of respiratory diseases caused by wood smoke inhalation and plans are well advanced for the installation of many more cookers over the next year. The ultrasound scanner provided for Dr Sandra last year is being well used - Dr Sandra has completed additional

training at the main hospital in Managua to ensure that the maximum benefit is obtained from this equipment.

SIFT has continued to provide support for the vital work at Casa Rahab to help young women to break free from the sex trade. Funding has been provided for a psychologist and a sewing teacher throughout the past year. This has brought SIFT's work into the frontline of those seeking to combat the devastating consequences of modern slavery that is threatening so many people, particularly young women and girls around the world.

SIFT has continued to support projects at the wonderful Hogar de Fe Orphanage in Managua.

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 has again spent 8 months this year living in Bluefields to sustain this work.

SIFT's new legal representative, Jacobo Sanchez, a young Nicaraguan lawyer, is now managing SIFT's work and finances in Nicaragua on a day to day basis with Skype support from the Operations Director and Trustees in the UK. Jacobo is a committed Christian and is seeking new and interesting areas for SIFT to benefit the local community and provide opportunities for Christian outreach.

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 the Americas after Haiti. 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 line¹ 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 poverty². Extreme poverty is caused by a number of different factors including overcrowded homes, lack of access to basic services, inadequate housing conditions, low levels of education and economic dependence. About 39% of rural families are affected by one of these factors and a further 23% are affected by two or more factors².

According to figures from the Nicaraguan Central Bank, Nicaragua's economy grew by 4.7% in 2016. Tourism continues to be an area of economic growth, and in 2016 there were 1.5 million visitors to Nicaragua, predominantly from Central America and the USA. State expenditure on health comprised 3.3% of GDP, however this only equates to \$69 (£56) per person per year. Spending on education slightly increased in 2016, from 2.8% to 3.1% of GDP, which equates to \$65 (£53) per person per year³.

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% nationally².

Rural communities also face challenges in the area of health: 37% of children living in these communities are undernourished, compared to 29% nationally, and 70% of maternal deaths occur in rural areas. Maternal deaths include women who die whilst pregnant or within 6 weeks of being pregnant. Almost half of all health facilities do not have a water supply, and 35% of health facilities in rural areas do not have a reliable electricity source⁴.

The latest UN Human Development Report for Nicaragua recognised that improvements in access to education have been made in the last decade. A child starting school in Nicaragua this year is anticipated to spend 11.7 years in education, whereas the average Nicaraguan aged 25 years or older only spent 6.5 years in education⁵. Primary school attendance is 70%, but only 56% of children reach the final grade of primary school. The pressure of having to find work to support their families, amongst other factors, results in significantly lower attendance figures for secondary school, namely 47% for girls and 35% for boys⁶.

SIFT is working to bring hope and security to the poor of Nicaragua through Christian outreach and projects in the areas of health, education, housing and freedom from the sex trade. Our projects are based on the island of Ometepe, in the town of Bluefields, and in the localities of Managua and Granada.

- (1) People living below the poverty line live on less than \$2.50 per day and those in extreme poverty live on less than \$1.20 per day.
- (2) FIDEG. 2016. *Encuesta de hogares para medir la pobreza en Nicaragua* [Online]. Managua: FIDEG. Available at: http://fideg.org/wp-content/uploads/2017/02/INFORME_DE_RESULTADOS_DE_LA_ENCUESTA_2015_-_Versin_WEB_270616.pdf [Accessed: 14 August 2017]
- (3) BCN. 2016. *Nicaragua in Figures 2016* [Online]. Managua: BCN. Available at: http://www.bcn.gob.ni/publicaciones/periodicidad/anual/nicaragua_cifras/nicaragua_cifras.pdf [Accessed: 14 August 2017]
- (4) Sequeira M, Espinoza H, Amador JJ, Domingo G, Quintanilla M, and de los Santos T. 2011. *The Nicaraguan Health System* [Online]. Seattle, Washington: PATH. Available at: <https://www.path.org/publications/files/TS-nicaragua-health-system-rpt.pdf> [Accessed: 14 August 2017]
- (5) UNDP. 2016. *Human Development Reports - Nicaragua* [Online]. Available at: <http://hdr.undp.org/en/countries/profiles/NIC> [Accessed: 14 August 2017]
- (6) UNICEF. 2013. *At a glance: Nicaragua* [Online]. Available at: http://www.unicef.org/infobycountry/nicaragua_statistics.html [Accessed: 14 August 2017]

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, 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.
- Improving the water supply system for a rural community on the island of Ometepe.
- Progressing options to re-house poor and displaced islander families on the Asese Peninsula.
- Supporting an orphanage near Managua.
- Educational sponsorship for children in Bluefields and on the island of Ometepe.
- Supporting Christians and churches in various areas of the country and providing funding for their ministries; in particular a child feeding programme on Ometepe, an evangelistic mission to Ometepe 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's health work is based on the island of Ometepe in Lake Nicaragua, which is home to around 35,000 people. There are limited government health facilities on the island and patients who use these need to pay for any medicines that they require. As around 39% of the population of Ometepe live in extreme poverty this means that many people cannot afford the treatment that they need. People who come to SIFT's clinics only pay an affordable consultation fee to see our doctor, Sandra Villagra, and this fee is waived if they cannot afford it. Any medicines that they require as a result of their consultation are provided free of charge.

SIFT's health clinics are located in the communities of Las Pilas, San José del Sur and El Corozal. They are staffed by Doctor Sandra Villagra and our team of seven local nurses. Four of our nurses have graduated from university with a professional nursing qualification, and this allows them to hold consultations and dispense medicines when Doctor Sandra is not at the clinic. Each clinic is run by Doctor Sandra one day a week, and by a professional nurse for a further two days each week. During 2016-17, our medical team attended 3,814 patients and 39% of these were children.

On two occasions during the year our team were joined by a student medical brigade from Carthage College, Wisconsin, USA. We are grateful to Carthage College for the supply of adult medicines that they leave with us following their biannual visits. This allows more of our pharmaceutical budget to be used to purchase medicines for children, which tend to be more expensive than medicines for adults and are in greater demand.

Last year we were able to buy a portable ultrasound machine to enable a wider variety of conditions to be diagnosed at SIFT's clinics. This year Dr Sandra has continued to receive training in the use of the ultrasound machine at the Bertha Calderón hospital in Managua, which specialises in women's health. She has also been able to perform a number of renal, abdominal and obstetric ultrasound procedures in our clinics.

In order to improve the general level of health in the communities where they work, our nurses give health education talks to patients as they wait for their appointments. These talks focus on practical steps that they can take to avoid the causes of disease, such as hand-washing and eliminating locations where mosquitoes can breed. The talks vary during the year to reflect current health concerns and seasonal diseases.

In addition to providing direct medical care, our nursing team also seek to meet the wider needs that they observe in their communities through targeted support groups. In Las Pilas it was noted that the elderly tended to be excluded from village life and so our nurses set up a fortnightly luncheon club for them at the clinic. The elderly people greatly appreciate this time that is dedicated to them, since it allows them to develop new and existing friendships. During the club, our nurses are also able to monitor the health of the elderly people and Dr Sandra gives a talk on a relevant health issue. Some of the topics that have been covered this year have been the management of high blood pressure, methods of coping with chronic pain, and the importance of good hydration. We are very grateful to the George Muller Charitable Trust who provided funds to enable us to provide this valuable service to the elderly.



Dr Sandra talking to the luncheon club at Las Pilas clinic

At our clinics in El Corozal and San José del Sur, our nurses continue to run fortnightly clubs for expectant mothers. In this way, our team are able to monitor the women during their pregnancies

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and provide them with good antenatal advice. They also teach the ladies how to cook healthy meals for their families and provide emotional support and prayer where needed.

We are very grateful to Christian Aid Ministries from the USA who provide us with valuable supplies of medicines for our pharmacies. In addition this year they supplied us with around 40 new baby packs for women attending our expectant mothers' club. These packs contained baby clothes and other supplies to help the women care for their newborn babies.

This year the Trustees gave Dr Sandra a discretionary budget to use on community health projects. After speaking with local community leaders, Dr Sandra recommended that this budget should be used to address the problem of insufficient potable water in El Corozal. The village gets its water from streams that are high up on Maderas volcano, but the existing tank only stored enough water to service half of the community. With the help of a team of local builders and helpers from the community, a new water storage tank was built to double the storage capacity and allow the other half of the village to receive potable water.

Dr Sandra has also been in communication with community leaders to make arrangements for the distribution of healthier cookers in Las Cruces, near to SIFT's clinic in San José del Sur. These cookers burn firewood more efficiently than traditional open wood fires and funnel all of the harmful smoke out of the house through a chimney. As a result they can significantly reduce the incidence of respiratory disease caused by smoke inhalation. The community leaders have identified 22 beneficiary families who will receive a cooker in the coming financial year.



Nurse Adelita dispensing medicines at El Corozal clinic

Much of the financial support for our medical work comes from individual donors, many of whom participate in one of our medical sponsorship schemes. These sponsors give a suggested donation of £15 a month to support either Dr Sandra or one of our seven nurses. Each year they receive an annual update about Sandra or their nurse and a report on the achievements of the medical work in general. In the coming year we will continue to promote these sponsorship schemes in order to increase the level of regular donations to the medical work.

Near the end of the year a budgetary deficit was identified in the medical work resulting from the low value of the pound, rising costs and the uncertainty of trust funding. In response to this we launched an appeal in the summer SIFT Insight, which raised over £13,000 to meet the deficit. We are extremely grateful to all those who gave so generously towards this appeal.

This year we have continued to seek funding for the medical work from new grant-making trusts, as well as trusts that have made grants to us in the past. We submitted 47 applications to grant-making trusts which resulted in grants totalling £6,100. We are extremely grateful to the Amalur Foundation, the George Muller Charitable Trust, the Sembrador Charitable Trust, the Souter Charitable Trust and the Crossroads Shop, Meltham, for partnering with us to provide healthcare to the people of Ometepe.

Finca El Rayo - Asese Peninsula

Near to the historic city of Granada lies the Asese Peninsula, a three-mile-long strip of land jutting out into Lake Nicaragua. The peninsula and the 360 little islands that surround it were the result of an ancient landslide from the Mombacho volcano. Today many of these islands are home to poor families who, although they have lived there for generations, do not have legal ownership of their land.

Due to the outstanding natural beauty of the area, many islands have been bought and are being developed into eco-tourist resorts or holiday homes. As a result the islander families are facing the prospect of being evicted from their homes at short notice, with only minimal compensation being awarded to them. As they have limited financial resources, evicted families might end up having to live in the slums of Granada.

SIFT owns a 37 acre plot of land on the Asese peninsula, called Finca El Rayo, which we are planning to use to provide the affected islander families with new homes that are legally theirs. In previous years, work has been carried out to prepare the site for development, including surveys and the construction of flood defences. A planning committee, which consists of representatives from the beneficiary families has also been established. Over the past year Jacobo Sanchez, SIFT's new legal representative, has had a number of meetings with the committee and beneficiary families in order to become better acquainted with their situation and to discuss issues relating to the project.



A holiday home on an island around the Asese peninsula

The next stage of the project involves transferring the legal ownership of the individual plots of land to the beneficiary families. Following this important step, and as funding allows, the construction of the houses can commence.

Through Jacobo we have also continued to seek the support of the Granada City Council to get their backing for the project. This local government support would open up potential sources of funding for the houses from other organisations in Nicaragua. We have recently heard that SIFT has been included in the council's beneficiary list for 2018 but, as the council budget will be determined later in 2017, we are not yet aware of their level of involvement.

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 after someone abandoned a baby on the doorstep of Pastor Ramiro Blandón and his wife Conchita. Today Hogar de Fe is home to 49 children and young people and is run by Ramiro's son, Isaac Blandón, along with a team of local Christians. The children who live at Hogar de Fe come from a variety of troubled backgrounds: some of them are orphans and others come from families who are unable to support them. The work of Hogar de Fe is officially recognised by the Nicaraguan Ministry of the Family, and many of the children have been referred to Hogar de Fe by this body.

The team at Hogar de Fe care for the children in a loving manner and are concerned for their physical, emotional and spiritual development. The children receive regular medical check-ups, including being given vaccinations and anti-parasite medication when appropriate. A psychologist is employed by the Orphanage and the children have regular sessions with her, proportionate to the amount of support that they require.

Members of Pastor Ramiro's family also run the neighbouring school, which is attended by the children who live at Hogar de Fe and those from the local community. After school, time is set aside at Hogar de Fe for the children to do their homework. The older students help the younger children to understand their studies, and there are members of staff available to provide extra support where this is needed.

At the weekends a music teacher from Managua comes to the Orphanage to give music lessons to the children. Some of the children are learning to play the violin and others are learning the piano, trumpet, guitar or drums. There are also a large number of the children who enjoy singing. The

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children attend the Sunday school and youth events at the local church and, thanks to the music lessons, many of them are also a part of the church music group.

All of the children and young people have the opportunity to learn English, with age-appropriate lessons and activities. The older teenagers have a “conversation club” where they can practice their spoken English. In addition, some of the members of staff at the Orphanage also have English lessons to improve their confidence.

The Orphanage has a modern computer room which provides the children and young people with the opportunity to learn computer skills. Eleven young people received their “Computer Operator” diploma during 2016 and a further eight children are anticipated to receive this nationally recognised qualification in 2017.



A student helping the younger children with their studies

Five of the young people living at Hogar de Fe started university in Managua in 2017 and the orphanage staff worked with them to help them prepare for their entrance exams. The students will continue to live at Hogar de Fe in one of two apartments, known as “transition houses”. These have been set up near to the Orphanage to encourage the young people to live independently, taking responsibility for their own washing, cleaning and cooking, whilst still under the supervision of the team. Thanks to fundraising efforts carried out by one of our supporters, SIFT was able to provide funds to enable the transition house for the girls to be completed. Jacobo Sanchez, SIFT’s Nicaraguan representative, also visited Hogar de Fe on two occasions to lead seminars about life skills with the teenagers.

SIFT is one of a number of international NGOs that support the ministry of the Orphanage. We have 34 individuals and one church who support Hogar de Fe on a regular basis through our orphanage sponsorship scheme. Our sponsors typically give £15 a month, which goes towards the running costs of the orphanage. They are matched with one of the children and each year receive an update on the work of Hogar de Fe and a new photograph of their sponsored child. We are also grateful to the George Muller Charitable Trust, which provides regular funds to support this ministry.

At the end of January 2017 the team from Hogar de Fe organised a one-day Health Fair, following the success of a similar event in 2016. This event was for children and families from the local community, in preparation for the start of the new school year. The children were given health check-ups and dental examinations, which were provided for free by medical professionals. They also received bags of school supplies, hair cuts and anti-parasite tablets. Members of the local church were available if people wanted to talk or receive prayer.

Education Sponsorship

The town of Bluefields, on Nicaragua’s Caribbean coast, is the focus of SIFT’s education sponsorship scheme, but we also support some families on the island of Ometepe. Bluefields is home to around 40,000 people, but suffers from high levels of unemployment and underemployment. The last census revealed that just 29% of the working population in Bluefields have a full-time job, with a further 14% only finding occasional employment.

Education in state schools has been free in Nicaragua since 2007, which has improved overall access to education, but these schools tend to have large class sizes and a lack of resources. Towns such as Bluefields also have a number of fee-paying schools that children can attend, which provide a far better standard of education. However, the fees that are charged generally put these schools out of the reach of poorer families.

SIFT's education sponsorship scheme enables children from poor and disadvantaged backgrounds to attend fee-paying schools, improving their chances of finding employment and thus being able to support their families. All of the fee-paying schools in Bluefields are church schools and so the children also receive a Christian education. Of the 138 children that we sponsor in Bluefields, 65 attend primary school, 62 attend secondary school and 11 are university students.

Margaret Storey is SIFT's voluntary field worker and she lives in Bluefields from March to November each year. Each month Margaret visits all of the schools where we have students enrolled to check on their progress. If a child has left school or is experiencing difficulties, Margaret contacts the UK office so that their sponsor can be notified. However Margaret's role in Bluefields is more than simply administrative; she is also able to provide valuable pastoral and practical support to the children and their families. She is also a fantastic advocate for SIFT in the UK and we appreciate her faithful service over the past eight years.



Margaret Storey with one of SIFT's sponsored students

We have 115 sponsors who regularly donate to the education sponsorship fund. Most of these come from the UK but we do have a few sponsors from a church in Missouri, USA. We send out annual updates to each of our sponsors, providing them with a recent photograph of their sponsored child and news about their child's progress at school. Margaret Storey writes the annual updates during her time back in the UK and we are grateful to Ruth Ward who assists in sending the updates out to sponsors. 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 that have an educational focus. Prior agreement had been sought from the education sponsors for this use of funds. The wages of one SIFT nurse was funded from this 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 and churches

SIFT is a Christian organisation and so we want to care for people's spiritual welfare in addition to their physical needs. We seek to support Nicaraguan Christians and churches as they share the good news of Jesus with their local communities and serve them through practical projects. This year we supported three such ministries:

1. Casa Rahab, Granada

Granada is the oldest colonial city in Nicaragua and is a popular destination for tourists visiting the country. Sadly the city also attracts people looking for sex and as a result many children and young people get caught up in the sex trade. In some cases they can be forced into this by members of their own family who are seeking alternative means of surviving financially.

Casa Rahab (Rahab's House) is a Christian centre that is seeking to break this cycle of sexual exploitation, providing girls who have been affected by the sex trade with support and a fresh start in life. A team of local Christians, led by Valeria Lopez, work with girls aged between 11 and 17 years old who have been referred to them by the police or local authorities. Their aim is that Casa Rahab would be a refuge for these girls for as long as they need, allowing them to feel part of a loving family. Since it was founded in 2014, Casa Rahab has provided help to 70 girls.



The psychologist and sewing teacher at Casa Rahab

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When they first arrive at Casa Rahab the girls are interviewed by the team's psychologist, who designs a personalised programme of therapy to help them recover from the experiences and trauma that they have been through. The team's social worker helps them with any problems they are having with their schools and families, even offering parenting classes and therapy to their families when appropriate. The girls are supported in their education and are taught life skills, for example how to take care of a home and how to cook healthy meals. They are also given vocational training by a sewing teacher to help them find alternative sources of income to support themselves.

SIFT is pleased to be able to support the ministry of Casa Rahab by funding the salary of the sewing teacher and, since January 2017, the salary of the psychologist. We also made a contribution towards the general running costs of Casa Rahab at the end of 2016. We are grateful to Thornbury Baptist Church and other individuals people who have provided us with funds to support this valuable project.

2. Evangelistic mission to Ometepe

In March 2017, an evangelistic mission was held on the island of Ometepe. This was organised by Palm Tree Associates and was supported by the churches on the island. The speakers for the mission were Rev Alf Cooper, former Chaplain to the President of Chile, and José Henriquez, one of the miners rescued from the Chilean mining accident of 2010.

Five rallies were held in the main towns on the island, and these saw Alf sharing the Gospel message with over 5,000 people, supported by local musicians and the church pastors. Many of those who attended the rallies responded to Alf's messages, coming forward for prayer for salvation, healing or deliverance. The churches on the island were provided with Bibles and follow-up materials to enable them to disciple those who became Christians during the mission.

The mission team also visited most of the primary schools on the island and all nine secondary schools. At the primary schools they were joined by local Christians who dressed up as clowns and led the children in some games and songs. These sessions were greeted with enthusiasm and genuine interest from the children, and the teenagers particularly enjoyed hearing José's story of his rescue from the Chilean mine.

SIFT provided some of the funds that were needed for this outreach and promoted the mission amongst our supporters via the SIFT Insight mailing. In addition we encouraged our prayer partners to pray for the mission in our monthly prayer and news sheet.

3. Feeding Programme, Urbaite

SIFT continues to support a feeding programme for children in the villages of Urbaite and Las Pilas, on the island of Ometepe. The sessions are held on Monday and Friday afternoons at the house of Julita Alemán, who started the feeding programme over 15 years ago. However, due to Julita's old age, the sessions are now being run by Gabi Barrios and a team of Christians from the local church.

Families on Ometepe typically eat rice, beans and maize, but only eat limited amounts of meat and vegetables. At the feeding programme, the children receive a drink of high-vitamin milk, providing them with some of the vitamins that are missing from their diets. On Fridays the children also are given a hot meal along with their milk, typically consisting of rice that has been fortified with soya, along with chicken and vegetables.

Each session includes a story from the Bible and Christian songs, as the team want the children and their parents to have the opportunity to



A child eating a meal at the Feeding Programme

hear about God's love for them. The children enjoy singing the songs and enthusiastically join in with the actions.

Over this past year the number of children attending the feeding programme has been between 40 and 45, with around 70 children attending the special parties that are run at the start and end of the Christmas holidays.

Financial Review

SIFT relies upon the generosity of our supporters in the UK to be able to continue serving the poor of Nicaragua. We would like to express our gratitude to the many individuals, churches and trusts in the UK who have donated to SIFT over the past year. We would also like to recognise those individuals who have carried out sponsored challenges to raise funds for our health clinics on Ometepe and the work of the Hogar de Fe Orphanage.

Our overall income for the year was 14% higher than last year. This encouraging increase in income was mainly due to our supporters responding to an appeal for the medical work, which was facing a budgetary shortfall.

Regular giving to SIFT formed 45% of our income this year. Most people who give to SIFT in this way do so to support a particular area of our work, such as sponsoring a child in Bluefields or supporting our medical work on Ometepe, but we do have some regular unrestricted income. Regular giving is an income area that we are continually seeking to increase, as this allows us to plan ahead with greater financial certainty.

The majority of our remaining income comes from freewill gifts from individuals and churches, and grants from UK trusts. In addition, we encourage individuals to Gift Aid their donations wherever possible. This financial year money received from Gift Aid claims formed 8% of our total income. Money from Gift Aid claims is used for general purposes including SIFT staff salaries.

Support costs increased by 9% this year compared to last year. This increase was primarily caused by additional staff costs, resulting from the employment of Jacobo Sanchez in Nicaragua and employing Ali Wilson as Fundraising Manager for an extra day each week. We aim to keep our UK and Nicaragua support operations as efficient and cost effective as possible, in order to maximise the funds that are available for projects in Nicaragua.

All of our operational expenditure in Nicaragua is in dollars, and so this continues to be affected by the lower value of sterling with respect to the dollar. Our fundraising activities this year have been focussed in particular on our medical work to ensure that it remains fully funded in the current economic climate.

We operate a number of restricted funds, for projects such as our education sponsorship scheme and our medical work, and all of the money that is given into these funds is wholly used in Nicaragua for the stated purpose. We do not use any of this money for administration costs. Our general account holds enough short term reserves to last for at least two months, and a deposit account holds 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 leaflets, presentations and videos 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.

People who visit the SIFT website are able to make one-off and regular donations to our work via PayPal. This year we refreshed our website, in particular the homepage, to make it easier for people to find out about our various projects and how they can get involved.

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In the run-up to Christmas we sent out our SIFT Gifts catalogue to all of our supporters. This included specific gifts, ranging in value from £5 to £90, that could be bought for the poor in Nicaragua, such as a course of multi-vitamins at our health clinics. People could also purchase SIFT Gifts through our website, giving them the opportunity to buy alternative gifts for special occasions during the year. The catalogue raised a total of £2,754, of which £2,127 was for medical gifts.

This year SIFT returned to exhibit at New Wine, in order to promote our work to people that are outside of our existing supporter base. We spoke with 181 people and received one-off and new regular donations to the medical work as a result.

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.

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 SIFT's projects in Nicaragua, with the exception of the Finca El Rayo project, which 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 our UK supporter base.

Staff and Volunteers

SIFT employs two members of staff in the UK. Graham Knight is SIFT's Office Manager and he has responsibility for SIFT's day-to-day accounting and administration. He also maintains SIFT's website and produces promotional videos for the charity. Each October he travels to Nicaragua to help administer SIFT's sponsorship schemes and collect information and media for promotional materials.

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. Her role has been expanded in 2017 to include seeking corporate funding for SIFT's work. She also provides key SIFT supporters, known as Medical Champions, with promotional materials so that they can publicise SIFT's work in their churches and communities.

Dr Sandra Villagra works for SIFT as our 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. Her work also includes purchasing medicines in Managua for the clinic pharmacies, organising the visits of foreign medical brigades, and liaising with the Nicaraguan Ministry of Health.

Jacobo Sanchez works for SIFT two days a week as our representative in Nicaragua. He is a qualified lawyer and public notary and is a committed member of a church in Managua. His role includes the administration of SIFT's finances in Nicaragua and overseeing most of our projects, liaising with Dave Staley on operational matters.

Tony Langmead served as SIFT's representative and project manager in Nicaragua for more than a decade. For the last year Tony has been gradually reducing his responsibilities and in June he decided that the time was right for him to step down completely. We would like to extend our thanks to Tony for all of his hard work and in particular for his dedication in overseeing the Finca El Rayo housing project.

SIFT is very grateful for the continued involvement of Ruth Ward and Margaret Storey in the education sponsorship scheme. Margaret is our field worker in Bluefields for eight months each year, administering the sponsorship scheme on the ground and providing pastoral support to the children and their families. Ruth liaises with sponsors during the year and assists the office in the production of the annual education updates.

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 the 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 Data Protection policy and a comprehensive Safeguarding policy for our work with children and vulnerable adults. Both of these documents are kept under regular review by the Trustees.

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

7th October 2017

Trustees

Christopher Bruce Anderson BSc CEng MIMarEST FCMI
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 2017

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: 24/10/17.

Statement of Financial Affairs

For the Year Ended 31 August 2017

	Note	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
Income and endowments from:					
Donations and legacies	2	48,381	91,615	139,996	121,234
Charitable activities	3	-	6,952	6,952	6,910
Other trading activities		-	-	-	-
Investments	4	23	-	23	100
Other		-	-	-	-
Total		48,404	98,567	146,971	128,244
Expenditure on:					
Raising funds	5	16,870	5,900	22,770	20,895
Charitable activities	6	40,670	84,190	124,860	115,939
Other		-	-	-	-
Total		57,540	90,090	147,630	136,834
Other recognised gains / (losses):					
Gains / (losses) on revaluation of fixed assets		-	-	-	-
Net income / (expenditure)		(9,136)	8,477	(659)	(8,590)
Transfers between funds		-	-	-	-
Net movement in funds		(9,136)	8,477	(659)	(8,590)
Reconciliation of funds:					
Total funds brought forward		144,139	101,807	245,946	254,536
Total funds carried forward		135,003	110,284	245,287	245,946

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 2017

		31-Aug-17		31-Aug-16	
	Notes	£	£	£	£
Fixed Assets:					
Tangible Assets	7		139,392		141,167
Current Assets:					
Debtors	8	7,676		7,994	
Cash at Bank and in hand		100,326		97,526	
		<u>108,002</u>		<u>105,520</u>	
Creditors:					
Amounts falling due within one year	9	(2,107)		(741)	
Net Current Assets			105,895		104,779
Creditors:					
Amounts falling due after more than one year			-		-
Net Assets			<u><u>245,287</u></u>		<u><u>245,946</u></u>
Funds					
Restricted Funds	10		110,284		101,807
Unrestricted Funds: General Reserves			46,946		56,082
			<u>157,230</u>		<u>157,889</u>
Revaluation Reserve	11		88,057		88,057
			<u><u>245,287</u></u>		<u><u>245,946</u></u>

Approved by the Board of Trustees:



Chris Anderson

Date: 7th October 2017

Statement of Cash Flows

For the Year Ended 31 August 2017

	2017	2016
	Total funds	Total funds
	£	£
Net income/(expenditure) for the period (as per the statement of financial activities)	(659)	(8,590)
Adjustments for:		
Depreciation charges	1,775	1,789
Loss/(profit) on the sale of fixed assets	-	-
Interest income	8	(8)
(Increase)/decrease in debtors	310	2,854
Increase/(decrease) in creditors	1,366	(3,581)
Net cash provided by (used in) operating activities	<u>2,800</u>	<u>(7,536)</u>
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	<u>-</u>	<u>-</u>
Cash flows from financing activities:		
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Receipt of endowment	-	-
Net cash provided by (used in) financing activities	<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the period	2,800	(7,536)
Cash and cash equivalents at the beginning of the period	97,526	105,062
Cash and cash equivalents at the end of the period	<u><u>100,326</u></u>	<u><u>97,526</u></u>
Analysis of cash and cash equivalents:		
Cash in hand	100,326	97,526
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	<u><u>100,326</u></u>	<u><u>97,526</u></u>

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

Notes to the Financial Statements

For the Year Ended 31 August 2017

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 2017

2. Donations, legacies and similar incoming resources

	Unrestricted Funds	Restricted Funds	2017	Unrestricted Funds	Restricted Funds	2016
	£	£	£	£	£	£
Committed giving	12,340	53,756	66,096	8,173	51,876	60,049
One-off gifts	22,373	31,254	53,627	29,630	10,762	40,392
Grants from organisations	1,000	6,605	7,605	400	8,578	8,978
Legacies	-	-	-	78	-	78
Gift Aid recoverable tax income	12,668	-	12,668	11,737	-	11,737
	48,381	91,615	139,996	50,018	71,216	121,234

3. Income from charitable activities

	Unrestricted Funds	Restricted Funds	2017	Unrestricted Funds	Restricted Funds	2016
	£	£	£	£	£	£
Fundraising events	-	6,952	6,952	-	6,910	6,910
	-	6,952	6,952	-	6,910	6,910

4. Investment income and interest

	Unrestricted Funds	Restricted Funds	2017	Unrestricted Funds	Restricted Funds	2016
	£	£	£	£	£	£
Bank interest received	23	-	23	100	-	100

5. Expenditure on raising funds

	Unrestricted Funds	Restricted Funds	2017	Unrestricted Funds	Restricted Funds	2016
	£	£	£	£	£	£
Donations, legacies and similar incoming resources:						
Support costs allocated	16,870	5,900	22,770	14,895	6,000	20,895

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				2016		
	Operational projects		Total		Operational projects		Support costs		Unrestricted	Restricted	
	£	£	£	£	£	£	£	£	£	£	
Orphanage	-	-	-	10,000	-	-	-	-	-	12,200	12,200
Sponsored children's education	-	-	-	21,478	-	-	-	10,000	-	17,695	17,695
Other education projects	-	-	-	4,312	-	-	-	21,478	-	3,363	3,363
Christian Vocational Centre	-	-	-	-	-	-	-	4,312	83	-	83
Islands community development	-	-	-	784	-	-	-	784	-	721	721
Children's feeding programme	1,087	1,525	2,612	-	-	-	-	-	1,305	-	1,305
SIFT Gifts expenditure	-	-	-	480	-	-	-	480	-	1,067	1,067
Supporting churches	1,576	2,211	3,787	-	-	-	-	-	1,265	-	1,265
Medical and clinic expenditure	2,383	3,343	5,726	47,136	-	-	-	47,136	7,120	37,048	44,168
Sanitation projects	-	-	-	-	-	-	-	-	-	-	-
Cookers project	-	-	-	-	-	-	-	-	2,090	-	2,090
Other building projects	-	-	-	-	-	-	-	-	-	-	-
Ometepe landslide relief	-	-	-	-	-	-	-	-	-	-	-
Supporter's Trip	-	-	-	-	-	-	-	-	-	-	-
Casa Rahab	4,827	6,770	11,597	-	-	-	-	-	15,064	-	15,064
Project administration in Nicaragua	7,039	9,873	16,912	-	-	-	-	-	16,597	-	16,597
	16,912	23,722	40,634	84,190	-	-	-	84,190	43,524	72,094	115,618
Discretionary gifts in Nicaragua	29	7	36	-	-	-	-	-	321	-	321

Notes to the Financial Statements

For the Year Ended 31 August 2017

7. Tangible fixed assets

	Land	Buildings	Motor vehicles	Total
Cost	£	£	£	£
At 1 September 2016	57,653	88,057	9,571	155,281
Additions - Revaluation	-	-	-	-
Disposals	-	-	-	-
At 31 August 2017	57,653	88,057	9,571	155,281
Accumulated depreciation				
At 1 September 2016	-	4,571	9,543	14,114
Charge for year	-	1,761	14	1,775
Disposals	-	-	-	-
At 31 August 2017	-	6,332	9,557	15,889
Net book value				
At 31 August 2017	57,653	81,725	14	139,392
At 31 August 2016	57,653	83,486	28	141,167

£28,508 of the tangible fixed assets relate to restricted funds (Islands) and £110,884 relate to unrestricted funds.

8. Debtors

	Unrestricted	Restricted	2017	2016
	£	£	£	£
Gift Aid debtor - HMRC	7,571	-	7,571	7,883
Bank interest receivable	3	-	3	11
Prepayments	102	-	102	100
	7,676	-	7,676	7,994

9. Creditors falling due within one year

	Unrestricted	Restricted	2017	2016
	£	£	£	£
Education accrual	-	500	500	-
Accruals	1,607	-	1,607	741
	1,607	500	2,107	741

10. Restricted funds

	Balance at 1 Sept 2016	Incoming resources	Transfer from unrestricted funds	Programme expenditure	Balance at 31 Aug 2017
	£	£	£	£	£
Islands	44,768	3,133	-	(784)	47,117
Orphanage	2,060	10,962	-	(10,000)	3,022
Child Sponsorship	22,975	22,050	-	(25,790)	19,235
Team Support	109	5,980	-	(5,900)	189
SIFT Gifts	169	662	-	(480)	351
Medical	31,726	55,780	-	(47,136)	40,370
	<u>101,807</u>	<u>98,567</u>	<u>-</u>	<u>(90,090)</u>	<u>110,284</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	2017	2016
	£	£	£	£
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	2017	2016
	£	£	£	£
Salaries and wages	34,587	-	34,587	27,136
Social security costs	-	-	-	-
Pension costs	183	-	183	65
	<u>34,770</u>	<u>-</u>	<u>34,770</u>	<u>27,201</u>

No employees had employee benefits in excess of £60,000 (2015-16: £ 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 (2016: £ nil). During the period one Trustee was reimbursed £775.52 for travel and admin expenses (2016: two Trustees were reimbursed £322.81 for travel and postage expenses). No charity trustee received payment for professional or other services supplied to the charity (2016: £ 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 2017

13. Trustees' donations

Aggregate donations from the Trustees to the charity for the period were £2,746.00, including Gift Aid of £444.75 (2016: £4,169.90, including Gift Aid of £784.13).

14. Staff numbers

The average monthly head count was 3 staff (2016: 2 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	2017	2016
Fundraising	1	1
Office administration and charitable activities (UK)	1	1
Office administration and charitable activities (Nicaragua)	1	-
	<u>3</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	2017 Total	2016 Total
	£	£	£	£	£	£	£
Basis of apportionment	(Activity type)	(Activity type)	(Activity type)	(All income generation)	(Location)		
Charitable activities							
Operational projects in Nicaragua	2,694	18,953	1,934	-	141	23,722	21,614
Discretionary gifts in Nicaragua	1	5	1	-	-	7	60
	<u>2,695</u>	<u>18,958</u>	<u>1,935</u>	<u>-</u>	<u>141</u>	<u>23,729</u>	<u>21,674</u>
Income generation							
Donations and legacies	733	15,021	3,676	2,201	-	21,631	19,851
Gift Aid recoverable tax income	39	791	193	116	-	1,139	1,044
	<u>772</u>	<u>15,812</u>	<u>3,869</u>	<u>2,317</u>	<u>-</u>	<u>22,770</u>	<u>20,895</u>
Total costs allocated	<u>3,467</u>	<u>34,770</u>	<u>5,804</u>	<u>2,317</u>	<u>141</u>	<u>46,499</u>	<u>42,569</u>



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