



Annual Report & Accounts 2020 - 2021



*Sowing seeds of hope
in Nicaragua*

Trustees

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About Nicaragua

Nicaragua has a population of 6.3 million and is the third poorest country in the Americas after Haiti and Honduras. A survey of Nicaraguan households carried out in 2019 found 44% of the population living below the poverty line¹, with 8.9% living in extreme poverty. The survey found that these figures increased significantly in rural communities, where 63% of the population are below the poverty line and 17.4% live in extreme poverty. A number of different factors contribute towards extreme poverty, with the most significant being economic dependence, overcrowded homes and a lack of access to basic services.²

The Nicaraguan government has aimed to keep the country open for business during the pandemic and consequently has not enforced any national lockdowns. Many individual Nicaraguans, however, have taken it upon themselves to wear masks, practice social distancing and stay at home where possible. The Nicaraguan Ministry of Health reports that there have been 11,916 cases of the virus and 200 deaths, but independent observations indicate that more accurate figures are 24,098 cases and 4,360 deaths³, due to many suspected cases of coronavirus being classified as pneumonia.

Although vaccines are starting to be administered in Nicaragua, with 7% of the population receiving their first dose⁴, the pandemic has had an economic impact on the country, which was still recovering from political unrest in 2018. The Nicaraguan economy contracted by 2% in 2020, particularly affecting those that work in the tourism sector and making life more uncertain for those already struggling to make ends meet.

At a national level in Nicaragua there are ten physicians for every 10,000 people, compared to 28 physicians for every 10,000 people in the UK⁵. Almost half of all health centres lack a water supply, and 35% of rural health centres do not have a reliable electricity source.⁶ The rural population face particular challenges in the area of health: 82% of rural families cook on open wood fires² (which can lead to respiratory diseases), 37% of children from these communities are undernourished, and 70% of maternal deaths occur in rural areas⁶. Maternal deaths include women who die whilst pregnant or within 6 weeks of being pregnant.

The latest UNDP statistical update for Nicaragua recognises that Nicaraguan children have far better access to education than their parents did. A child beginning school this year is anticipated to spend 12.3 years in education, whereas the average Nicaraguan aged 25 years or older only spent 6.9 years in education.⁵ Whilst attendance at primary school is compulsory, a survey of Nicaraguan households indicate that primary attendance rates are 87%. Secondary school attendance rates drop to 66% for girls and 64% for boys, and only 15% of teenagers go on to study at university¹. This reflects the fact that young people often need to choose between continuing with their education and finding work in order to financially support their families.

SIFT is working to bring hope and security to the poor of Nicaragua through projects in the areas of health, education, housing and freedom from sexual exploitation. 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 \$2.30 per day and those in extreme poverty live on less than \$1.15 per day.
- (2) FIDEG. 2019. *Encuesta de hogares para medir la pobreza en Nicaragua* [Online]. Managua: FIDEG. Available at <http://fideg.org/wp-content/uploads/2020/12/Informe-Pobreza-FIDEG-2019.pdf>
- (3) Observatorio Ciudadano. 2020. *Estadísticas de COVID-19 en Nicaragua* [Online]. Available at: <https://observatorioni.org/estadisticas-covid-19-nicaragua>
- (4) Global Change Data Lab. 2021. *Coronavirus (COVID-19) Vaccinations – Our World in Data* [Online]. Available at <https://ourworldindata.org/covid-vaccinations?country=NIC>
- (5) UNDP. 2020. *Human Development Report 2020* [Online]. New York: UNDP. Available at: <http://hdr.undp.org/sites/default/files/hdr2020.pdf>
- (6) 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://path.azureedge.net/media/documents/TS-nicaragua-health-system-rpt.pdf>

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 beneficiaries and indigenous organisations, including local government and other NGOs, to assess needs and to ensure solutions are developed and implemented 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.
- Sponsoring the education of children and young people in Bluefields.
- Supporting an orphanage near Managua.
- Progressing options to re-house poor and displaced islander families on the Asele Peninsula.
- Supporting Christians and churches in various areas of the country and providing funding for their ministries.

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

Activities, Achievements and Performance

Health

SIFT provides primary healthcare in three rural communities on the island of Ometepe in Lake Nicaragua which is home to around 35,000 people, with around 39% of the population living in extreme poverty. The island has limited state-funded health facilities and, more importantly, patients have to pay for their medicines, putting treatment out of the reach of the most vulnerable in society. In contrast to this, patients who come to a SIFT clinic only pay an affordable consultation fee to see our doctor, Sandra Villagra. This fee is waived if they cannot afford it as we do not want a lack of money to prevent someone from being treated. Any medicines that patients require are prescribed to them 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 Dr Sandra Villagra and our team of seven local nurses. Four of our nurses have graduated from university with a professional nursing qualification, which allows them to hold consultations and dispense medicines when Dr Sandra is not at the clinic. During 2020-21 our nursing team saw a total of 2,836 patients.

In previous years our nursing team have been joined by brigades of students from Carthage College in Wisconsin. During these visits the students experience the provision of healthcare in the developing world as they assist our nurses with consultations. Sadly the pandemic prevented any such visits from Carthage College this year but we hope that these will resume in 2022.



Dr Sandra with a patient at Las Pilas clinic

In order to keep our staff and patients safe during the ongoing coronavirus pandemic our medical team have been provided with items of personal protective equipment, including face masks, plastic aprons and disposable gloves. When taking patient's vital signs, our nurses use infrared thermometers and fingertip pulse oximeters in order to minimise contact between the nurses and patients. Patients have also been encouraged to wear masks when attending the clinics, to maintain social distancing and to wash their hands on arrival.

Whilst patients are waiting for their appointments our nurses are available to provide them with a listening ear, advice and pastoral care, which has been particularly valuable given the uncertainty and stress caused by the pandemic. Patients appreciate being able to share their concerns with our nurses, and often request prayer for the situations that they are facing. Our nurses also give short talks to the patients in order to teach them practical ways to avoid diseases and live healthy lives. These talks are on topics such as hand-washing, good nutrition and ways to reduce the chance of contracting coronavirus and common tropical diseases such as dengue fever.

Before the onset of the pandemic, our nursing team at Las Pilas clinic ran a fortnightly luncheon club for seniors, which was attended by between 15 and 20 elderly people. This club was started after our nurses noticed that the older generation tended to be excluded from village life. The club aimed to combat the loneliness that this could cause by providing a place where the seniors could renew friendships with their contemporaries. The seniors received a hot meal and were also given practical health advice in the form of a short talk by Dr Sandra or one of the nurses.

During the worst periods of the pandemic on Ometepe, Dr Sandra suspended the luncheon club in order to protect the seniors from potential exposure to coronavirus. However the nursing team were keen to continue supporting the members of the group, both physically and pastorally, and so have carried out regular home visits. These visits have allowed the nurses to continue monitoring the health of the seniors, providing them with appropriate medication for any chronic conditions they have, and also to support and encourage them during this difficult time.

Report of the Trustees

The nursing team at our clinic in El Corozal run a fortnightly club for expectant mothers. As the villages in this part of the island are furthest from the main health centres it is especially important that mothers-to-be know what to expect during pregnancy, including how to recognise signs of potential complications. At the sessions the nurses are able to monitor the women during their pregnancies and provide them with antenatal advice and emotional support, including prayer when this is requested. Our nurses teach the ladies about good nutrition, for themselves and their families, and the importance of vaccinating their children. As the women approach their due date Dr Sandra is able to give them an ultrasound scan, using SIFT's portable ultrasound monitor.

Around 42% of the income for our health clinics comes from regular donations from our supporters. Many of the people who give to SIFT in this way do so through one of our medical sponsorship schemes. Sponsors pay a suggested monthly donation of £15 to support either Dr Sandra or one of our nurses. Each year we send them a medical update, which includes personal reflections from their sponsored team member on the work of our health clinics.

We also seek funding for the medical work from grant-making trusts in the UK. This year we received grants totalling £13,950, which represents 33% of our total medical income. We are extremely grateful to the George Muller Charitable Trust, the Farthing Trust, the Hugh Symons Charitable Trust, the RG Hills Charitable Trust, the Sembrador Charitable Trust and the Souter Charitable Trust for partnering with us to provide healthcare to the people of Ometepe.

Finca El Rayo - Asese Peninsula

The city of Granada, on the north-western shore of Lake Nicaragua, is one of the main cities in Nicaragua. Just outside the city lies the three-mile long Asese Peninsula which is surrounded by 360 small islands, known as Las Isletas de Granada (the Little Islands of Granada). Many of these islands are inhabited, but the poor families who live on them do not have legal ownership of the land that they have lived on for generations.



A holiday home on an island around the Asese peninsula

As Granada is a popular tourist destination, and the Asese peninsula is a particularly beautiful area, some of the islands have been bought and developed into eco-tourist resorts, restaurants or holiday homes. This has left many islander families facing the prospect of being evicted from their homes at short notice, with only minimal compensation being awarded to them. Due to their limited financial resources, a family evicted from their island home might end up having to live in the slums of Granada. Some of the new owners of the islands have allowed resident families to remain on their islands as caretakers, but this is only a temporary arrangement and offers the families little long-term security.

SIFT owns a plot of land on the Asese peninsula, called Finca El Rayo, which we are planning to use to provide up to 50 of the affected islander families with new homes that will be legally theirs. Since many of the families rely on fishing for food and to bring in a small income, having a plot of land with lake access is essential to enable them to continue with their traditional way of life. A full environmental impact assessment has been carried out for the project and flood defences have been constructed to prevent flooding of the housing area even when water levels in Lake Nicaragua are exceptionally high.

A committee of the beneficiaries has been established to deal with the practical and social issues that may occur during both the construction phase and the formation of the new community. During this year our Nicaraguan representative, Jacobo Sanchez, has met with the committee on a number of occasions to update them on the status of the project and seek their continued input.

The next stage of the project involves transferring the legal ownership of the individual plots of land to the beneficiary families. Unfortunately the legal steps involved in this process have taken much longer than we expected, but we hope that all the necessary paperwork will be in place during the coming year. Following this step, and as funding allows, the construction of the houses will commence.

Hogar de Fe Orphanage

The Hogar de Fe (Home of Faith) Orphanage was founded in 1992 by Pastor Ramiro Blandon and his wife Conchita after a baby was abandoned on their doorstep. The Orphanage is situated in the town of Los Brasiles, near to Managua, and is home to up to 50 children and young people. In recent years the running of the Orphanage has been handed over to Ramiro's son, Isaac, and a team of local Christians.

We were saddened to learn that Conchita Blandon passed away in March 2021 after suffering a heart attack. She was a wonderful Christian lady who was a mother to the many children who have lived at the Hogar de Fe Orphanage over the past three decades.

The children who live at Hogar de Fe come from troubled backgrounds; some of them are full orphans and others are not able to be supported by their families. Regardless of their past, they are welcomed into a loving Christian family at Hogar de Fe and are given every opportunity to develop to their full potential. The older students live in two "transition houses", close to the main Orphanage buildings, to give them some experience of independent living whilst they attend university in Managua.

The team of Christian workers at Hogar de Fe are keen to ensure that the children learn a variety of life skills during their time at the Orphanage and organise educational talks through the year on topics such as communication, self-esteem, crafts and cooking. The children assist with the laundry at the Orphanage, supervised by members of the team, and some of the teenagers help to prepare the food in the kitchen. The children also receive four hours of English lessons each week and music classes at the weekends.

In addition to their studies at school, the children receive regular computing classes through the week in the Orphanage's computer room. The teenagers learn how to use common applications, such as Word and PowerPoint, and some of them also have taken a course in computer repair and maintenance. The computer suite is also a blessing to children from the neighbouring Josue 1:8 school. In 2020 a total of 417 children and young people took computing classes, with those at the highest level receiving a nationally recognised computing qualification.

As the children have come from broken homes and challenging family situations, it is especially important that they receive tailored psychological and emotional care. One of the team members at Hogar de Fe is a trained child psychologist and she has regular sessions with the children to help them deal with any issues that they are facing.

The team also care for the children spiritually by leading them in daily devotions, reading Bible stories to them at bedtime, and encouraging them to be fully involved in the life of Pastor Ramiro's church.

The neighbouring school is also administered by members of Ramiro Blandon's family and is open to both the children at the Orphanage and those from the local community. It is a very popular and well-resourced school, and has a dedicated class for children with special educational needs. When the children return to the Orphanage after school, they spend time doing their homework. Some of



Children learning computer skills in the computer room

Report of the Trustees

the team members at Hogar de Fe are educational assistants, who help the children to understand their studies.

Isaac and the team at Hogar de Fe have continued to monitor the national and local coronavirus situation, quarantining the Orphanage when appropriate in order to protect the children from any outbreaks of coronavirus in the local area.

SIFT is one of a number of international organisations that support the Hogar de Fe Orphanage. Through SIFT's orphanage sponsorship scheme, 27 individuals and one church support Hogar de Fe on a regular basis, with all funds raised from this scheme going towards the general running costs of the Orphanage. Each year the sponsors receive an update about the work of Hogar de Fe and a new photograph of their sponsored child. We are also grateful to the George Muller Charitable Trust who provide us with regular funds to support this very deserving cause.

Education Sponsorship

SIFT's work in Nicaragua started when our founder, Dick Bell, was asked for help with the costs of schooling by a child living in the town of Bluefields, on the Caribbean coast of Nicaragua. Bluefields is home to around 40,000 people but suffers from high levels of unemployment and underemployment. In the last national census it was discovered that only 29% of the working population of Bluefields had full-time employment, with a further 14% only finding occasional employment. The economic effects of the coronavirus pandemic will have only made life harder for families that rely on finding temporary labour to meet their financial needs.



One of SIFT's sponsored students at school

Nicaraguan state schools have been free to attend since 2007, which has made it easier for children from all backgrounds to receive a basic education. However these schools tend not to be fully resourced and can also have large class sizes, affecting the quality of education that the children receive. For those families that can afford it, attending a fee-paying school provides their children with a better standard of education, but this opportunity is out of the reach of the poorest in society.

SIFT's education sponsorship scheme enables children from disadvantaged families in Bluefields to attend fee-paying schools. It is our hope that having a foundation of good education will enable them to find employment and thus be able to support their families. All of the schools that our sponsored students attend are affiliated with churches in Bluefields and so the children receive a Christian education in addition to the state curriculum. Of the 121 children that we sponsor in Bluefields, 40 attend primary school, 59 attend secondary school and 22 are university students.

The coronavirus pandemic has continued to affect the provision of education for our sponsored students this year. During much of the 2020 academic year the schools ran online classes for their students if they had access to the internet; otherwise weekly worksheets could be obtained from the schools. At the start of 2021 the schools decided to open again but, as cases of coronavirus in Bluefields rose, they changed to a two day week in class with three days of online studies. Children had to wear masks while in class and they were encouraged to wash their hands regularly. We hope that the provision of some in-person teaching through the year will have helped those children who struggle to study at home. In addition we were pleased to learn that all of the children in Bluefields have been offered a coronavirus vaccine.

The progress of our sponsored students' education is monitored by our voluntary field worker, Margaret Storey, who normally lives in Bluefields from March to November each year. Due to the travel restrictions brought about by the pandemic, Margaret was not able to return to the UK in

November 2020 and so continued to live in Bluefields. Margaret contacts all of the schools on a monthly basis, informing the UK office if a child has left school or is experiencing difficulties in their education. She also stays in contact with our university students, providing them with funds when they incur expenses on their courses. We are extremely grateful for Margaret's service in Bluefields, especially during this challenging period, and for all of the pastoral support that she gives to the children of Bluefields and their families.

We are very grateful to the 107 sponsors who regularly donate to the education sponsorship fund. Each sponsor receives an annual update about their sponsored child, which includes a recent photograph and news about their child's progress. The annual updates are written by Margaret Storey and we are grateful to Ruth Ward who assists in sending the updates out to sponsors. During the year Ruth also liaises with sponsors if there are changes to their child's situation.

Supporting Nicaraguan Christians and churches

SIFT seeks to support Nicaraguan Christians and churches as they practically demonstrate the love of Jesus to their fellow Nicaraguans. We recognise the value of working through local Nicaraguans, as they are aware of the needs that exist in their communities and are able to respond to those needs in culturally appropriate ways.

This year we supported two such ministries:

1. Casa Rahab, Granada

The city of Granada, with its mix of colonial architecture and historical sights, is one of the most popular tourist destinations in Nicaragua. Unfortunately some of the tourists who visit Granada do so looking for sex and this places young women and girls at risk of becoming caught up in the sex trade. These women may even be forced into this way of life by their own families, who are desperate for a source of income.

SIFT supports Casa Rahab (Rahab's House), a Christian day centre that works with girls whose lives have been affected by involvement in the sex trade. The team, led by Valeria Lopez, seek to support these girls in a safe Christian environment and help them to rebuild their lives. Between 10 and 15 girls are helped at Casa Rahab at any one time.

The centre's psychologist plans a programme of individual therapy for each girl, designed to help them recover from the trauma that they have experienced. In group sessions the team help the girls to re-imagine their lives, thinking about what they would like to achieve and what sort of people they want to be. As well as these individual and group counselling sessions the girls are given support to deal with any problems they are having with their families. Sometimes the team are able to work with the families and offer them parenting classes.

The team recognise the importance of education in providing these girls with a brighter future. Therefore they encourage them to attend school and to take their studies seriously. The daily sessions at Casa Rahab include time to do school work and the team also help the girls to catch up with any schooling which they have missed. The craft teacher does craft activities with the girls both as a form of therapy and as a way to teach them new skills. The girls are also taught life skills, such as how to cook healthy meals and how to take care of a home.

Casa Rahab has been closed at points during the past year, when cases of coronavirus in Nicaragua have been at their greatest, in order to protect the health of the team and the girls.



One of the workers at Casa Rahab

Report of the Trustees

SIFT is pleased to be able to continue supporting the ministry of Casa Rahab by funding the salary of the sewing teacher and psychologist, and we are particularly grateful to the individuals who give specifically to support this valuable project.

2. Feeding Programme, Urbaite

For many years a feeding programme has been run on the island of Ometepe at the house of Julita Alemán, providing primary school children from the villages of Urbaite and Las Pilas with some of the vitamins that are missing from their diets. Families on Ometepe typically eat rice, beans and maize, but only eat limited amounts of meat and vegetables.

Following the sad death of Julita Alemán in 2020, the ministry of the feeding programme has been taken on by AIBECA, a Central American Association of Evangelical churches, who run a number of churches on the island of Ometepe. The team of local Christian workers at the feeding programme is led by Ezequias Castillo, Julita's nephew. On Tuesday and Thursday afternoons they serve a glass of high-vitamin milk to around 80 primary aged children. In addition they aim to work with the mothers in the community to provide a plate of food to the children on Mondays and Fridays.

Before the onset of the pandemic, the feeding programme sessions would include activities for the children, such as singing Christian choruses and listening to a Bible story. However the team felt that gathering all of the children together was not wise whilst cases of coronavirus were high on the island, and so have chosen to just serve the food and milk to the children. It is hoped that the Christian activities will be able to resume as cases of coronavirus decrease and more people on the island receive their vaccinations.

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.

Our overall income for the year was 2% lower than last year. This was mainly due to a reduction in the number of one-off gifts received during the year for restricted funds.

Regular giving to SIFT formed 54% of our income this year. Most people who support SIFT on a regular basis do so by giving towards a particular project, such as sponsoring a child's education or supporting our medical work, but we do also have some regular unrestricted income. We are conscious of the need to increase the overall proportion of our income that comes from regular donations in order to give our ongoing work greater financial security.

The majority of our remaining income comes from one-off gifts from individuals and churches, grants from UK trusts, and sponsored events carried out by our team and supporters. We encourage donations to be Gift Aided wherever this is possible, and use money received from Gift Aid claims for administrative costs and staff salaries. This year money received from Gift Aid claims formed 10% of our total income.

All of our operational expenditure in Nicaragua is in dollars, and so continues to be negatively affected by the low value of sterling with respect to the dollar. We have focused our fundraising activities this year on the medical work, to ensure that we are able to continue supporting this vital project.

We operate restricted funds for projects such as our medical work and our education and orphanage sponsorship schemes. All of the money in these funds is used for project expenditure in Nicaragua; none of it is spent on administration or other support costs. Our general fund holds enough short

term reserves to last for three months, and we also hold reserves in the medical fund to enable us to pay severance payments to our nurses.

Our in-person fundraising activities this year, including giving presentations at churches around the UK, have continued to be restricted by the pandemic. Graham Knight, SIFT's Executive Officer, did two virtual sponsored walks on a treadmill at his house to raise funds for the medical work. These sponsored events were very well supported, particularly by members of Crossroad Church in Seaton, and financially made up for us not being able to run other fundraising activities.

One of our main fundraising tools is the SIFT Gifts catalogue, which we send out to our supporters prior to Christmas. The catalogue contains specific gifts that can be bought for the poor in Nicaragua, such as medicines for children who attend our health clinics. There is also an online version of the catalogue on the SIFT website, enabling these gifts to be bought throughout the year. The catalogue raised a total of £2,090, of which £1,370 was for medical gifts.

Structure, Governance and Management

Structure

SIFT is a Christian development charity which is non-governmental and apolitical. It is constituted under a trust deed dated 10th October 2002 and is registered 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.

Staff and Volunteers

Graham Knight is employed for four days a week as SIFT's Executive Officer, working at the charity's office in Seaton, Devon. He has responsibility for the day-to-day administration of the charity, which includes accounting, general administration, production of promotional materials, maintenance of SIFT's website and administration of SIFT's sponsorship schemes. He also submits applications to UK grant-making trusts, seeking funds for SIFT's medical work on the island of Ometepe and the ministry of Casa Rahab in Granada.

Dr Sandra Villagra is SIFT's doctor, who is responsible for the management of SIFT's health work on Ometepe. She leads a team of seven nurses who serve alongside her in our three clinics. Dr Sandra commutes from her home in Managua to the island of Ometepe every other week. On the weeks when Dr Sandra is in Managua the nurses can still contact her by phone with any questions that they may have. When she is in Managua she purchases medicines for our clinic pharmacies. Her work also involves liaising with the Nicaraguan Ministry of Health at a local and regional level.

Jacobo Sanchez is SIFT's official representative in Nicaragua and is employed by the charity for two days each week. His role includes administering SIFT's finances in Nicaragua, fulfilling our regulatory requirements as an NGO with the Nicaraguan government and overseeing the majority of SIFT's projects.

SIFT continues to be grateful for the involvement of Margaret Storey and Ruth Ward in SIFT's education sponsorship scheme. Due to travel restrictions caused by the coronavirus pandemic, Margaret lived in Bluefields as our field worker for all of this financial year. Margaret liaises with

Report of the Trustees

schools and university students to administer the education sponsorship scheme, and provides pastoral support to the children and their wider families. Ruth assists the office in the production of the annual reports for our education sponsors and communicates with them through the year if there are changes to their child's situation.

Management

SIFT's 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 the mission, strategy and values of the charity 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 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's current activities, both in Nicaragua and in the UK. These risks and their mitigating actions are recorded in a Risk Assessment document which is kept under review by the Trustees. The main risks are considered to be the potential for fraud, especially in Nicaragua, and the risk of accident or injury to staff and volunteers involved with SIFT's projects in Nicaragua.

SIFT has a Data Protection policy, Reserves policy and Fundraising Complaints policy, as well as a comprehensive Safeguarding policy for our work with children and vulnerable adults. All of these documents are regularly reviewed by the Trustees. In addition, all contact with SIFT's supporters, including the storage of their personal data, is carried out in accordance with GDPR legislation.

Finally the Trustees are responsible for the financial well-being of the charity, ensuring that its funds are appropriately used to fulfil the charity's objects, protecting its assets and safeguarding the credibility of SIFT so that it can continue serving the poor of 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:



Mark Catley
Chair of SIFT Board of Trustees

Date: 29th June 2022

Independent Accountant's Report

Seed International Fund Trust

For the Year Ended 31 August 2021

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.



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Date: 29/06/22

Statement of Financial Affairs

For the Year Ended 31 August 2021

	Note	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Income and endowments from:					
Donations and legacies	2	35,331	74,014	109,345	109,822
Charitable activities	3	-	6,401	6,401	7,994
Other trading activities		-	-	-	-
Investments	4	-	-	-	-
Other		-	-	-	-
Total		35,331	80,415	115,746	117,816
Expenditure on:					
Raising funds	5	8,215	5,700	13,915	13,553
Charitable activities	6	30,013	65,748	95,761	126,480
Other		-	-	-	-
Total		38,228	71,448	109,676	140,033
Other recognised gains / (losses):					
Gains / (losses) on revaluation of fixed assets		-	-	-	-
Net income / (expenditure)		(2,897)	8,967	6,070	(22,217)
Transfers between funds		-	-	-	-
Net movement in funds		(2,897)	8,967	6,070	(22,217)
Reconciliation of funds:					
Total funds brought forward		122,185	78,137	200,322	222,539
Total funds carried forward		119,288	87,104	206,392	200,322

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 2021

		31-Aug-21		31-Aug-20	
	Notes	£	£	£	£
Fixed Assets:					
Tangible Assets	7		132,334		134,095
Current Assets:					
Debtors	8	6,772		8,208	
Cash at Bank and in hand		68,193		58,626	
		<u>74,965</u>		<u>66,834</u>	
Creditors:					
Amounts falling due within one year	9	(907)		(607)	
Net Current Assets			<u>74,058</u>		<u>66,227</u>
Creditors:					
Amounts falling due after more than one year			-		-
Net Assets			<u><u>206,392</u></u>		<u><u>200,322</u></u>
Funds					
Restricted Funds	10		87,104		78,137
Unrestricted Funds: General Reserves			31,231		34,128
			<u>118,335</u>		<u>112,265</u>
Revaluation Reserve	11		88,057		88,057
			<u><u>206,392</u></u>		<u><u>200,322</u></u>

Approved by the Board of Trustees:



Mark Catley

Date: 29th June 2022

Statement of Cash Flows

For the Year Ended 31 August 2021

	2021	2020
	Total funds	Total funds
	£	£
Net income/(expenditure) for the period (as per the statement of financial activities)	6,070	(22,217)
Adjustments for:		
Depreciation charges	1,761	1,764
Loss/(profit) on the sale of fixed assets	-	-
Interest income	-	-
(Increase)/decrease in debtors	1,436	(243)
Increase/(decrease) in creditors	300	-
Net cash provided by (used in) operating activities	<u>9,567</u>	<u>(20,696)</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	9,567	(20,696)
Cash and cash equivalents at the beginning of the period	58,626	79,322
Cash and cash equivalents at the end of the period	<u>68,193</u>	<u>58,626</u>
Analysis of cash and cash equivalents:		
Cash in hand	68,193	58,626
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	<u>68,193</u>	<u>58,626</u>

Notes to the Financial Statements

For the Year Ended 31 August 2021

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 2019.

(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 2021

2. Donations, legacies and similar incoming resources

	Unrestricted Funds	Restricted Funds	2021	Unrestricted Funds	Restricted Funds	2020
	£	£	£	£	£	£
Committed giving	8,530	54,465	62,995	8,231	54,673	62,904
One-off gifts	14,387	5,599	19,986	14,024	9,793	23,817
Grants from organisations	940	13,950	14,890	914	9,900	10,814
Legacies	-	-	-	-	-	-
Gift Aid recoverable tax income	11,474	-	11,474	12,287	-	12,287
	<u>35,331</u>	<u>74,014</u>	<u>109,345</u>	<u>35,456</u>	<u>74,366</u>	<u>109,822</u>

3. Income from charitable activities

	Unrestricted Funds	Restricted Funds	2021	Unrestricted Funds	Restricted Funds	2020
	£	£	£	£	£	£
Fundraising events	-	6,401	6,401	-	7,994	7,994
	<u>-</u>	<u>6,401</u>	<u>6,401</u>	<u>-</u>	<u>7,994</u>	<u>7,994</u>

4. Investment income and interest

	Unrestricted Funds	Restricted Funds	2021	Unrestricted Funds	Restricted Funds	2020
	£	£	£	£	£	£
Bank interest received	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

5. Expenditure on raising funds

	Unrestricted Funds	Restricted Funds	2021	Unrestricted Funds	Restricted Funds	2020
	£	£	£	£	£	£
Donations, legacies and similar incoming resources:						
Support costs allocated	8,215	5,700	13,915	7,803	5,750	13,553
	<u>8,215</u>	<u>5,700</u>	<u>13,915</u>	<u>7,803</u>	<u>5,750</u>	<u>13,553</u>

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				2020	
	Operational projects		Total		Operational projects		Total restricted		Unrestricted	Restricted
	£	costs	£	£	£	costs	£	£	£	£
Orphanage	-	-	-	-	8,687	-	8,687	-	8,600	8,600
Sponsored children's education	-	-	-	-	22,009	-	22,009	-	23,388	23,388
Other education projects	-	-	-	-	-	-	-	-	-	-
Christian Vocational Centre	-	-	-	-	-	-	-	-	-	-
Islands community development	-	-	-	-	908	-	908	-	241	241
Children's feeding programme	300	220	520	-	-	-	-	1,259	-	1,259
SIFT Gifts expenditure	-	-	-	-	480	-	480	-	658	658
Supporting churches	-	-	-	-	-	-	-	21	-	21
Medical and clinic expenditure	2,551	1,874	4,425	-	33,664	-	33,664	3,242	62,491	65,733
Cookers project	-	-	-	-	-	-	-	-	-	-
Other building projects	-	-	-	-	-	-	-	-	-	-
Casa Rahab	6,071	4,460	10,531	-	-	-	-	10,775	-	10,775
Project administration in Nicaragua	3,838	10,699	14,537	-	-	-	-	15,570	-	15,570
	12,760	17,253	30,013	65,748	65,748	-	65,748	30,867	95,378	126,245
Discretionary gifts in Nicaragua	-	-	-	-	-	-	-	235	-	235

Notes to the Financial Statements

For the Year Ended 31 August 2021

7. Tangible fixed assets

	Land	Buildings	Motor vehicles	Total
Cost	£	£	£	£
At 1 September 2020	57,653	88,057	9,571	155,281
Additions - Revaluation	-	-	-	-
Disposals	-	-	-	-
At 31 August 2021	<u>57,653</u>	<u>88,057</u>	<u>9,571</u>	<u>155,281</u>
Accumulated depreciation				
At 1 September 2020	-	11,615	9,571	21,186
Charge for year	-	1,761	-	1,761
Disposals	-	-	-	-
At 31 August 2021	<u>-</u>	<u>13,376</u>	<u>9,571</u>	<u>22,947</u>
Net book value				
At 31 August 2021	<u>57,653</u>	<u>74,681</u>	<u>-</u>	<u>132,334</u>
At 31 August 2020	<u>57,653</u>	<u>76,442</u>	<u>-</u>	<u>134,095</u>

£28,508 of the tangible fixed assets relate to restricted funds (Islands) and £103,826 relate to unrestricted funds.

8. Debtors

	Unrestricted	Restricted	2021	2020
	£	£	£	£
Gift Aid debtor - HMRC	6,632	-	6,632	8,080
Bank interest receivable	-	-	-	-
Prepayments	140	-	140	128
	<u>6,772</u>	<u>-</u>	<u>6,772</u>	<u>8,208</u>

9. Creditors falling due within one year

	Unrestricted	Restricted	2021	2020
	£	£	£	£
Accruals	907	-	907	607
	<u>907</u>	<u>-</u>	<u>907</u>	<u>607</u>

10. Restricted funds

	Balance at 1 Sept 2020	Incoming resources	Transfer from unrestricted funds	Programme expenditure	Balance at 31 Aug 2021
	£	£	£	£	£
Islands	48,421	240	-	(908)	47,753
Orphanage	1,333	8,384	-	(8,687)	1,030
Child Sponsorship	24,077	23,013	-	(22,009)	25,081
Team Support	69	5,860	-	(5,700)	229
SIFT Gifts	-	716	-	(480)	236
Medical	4,237	42,202	-	(33,664)	12,775
	<u>78,137</u>	<u>80,415</u>	<u>-</u>	<u>(71,448)</u>	<u>87,104</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	2021	2020
	£	£	£	£
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	2021	2020
	£	£	£	£
Salaries and wages	16,751	5,700	22,451	23,034
Social security costs	-	-	-	-
Pension costs	253	-	253	253
	<u>17,004</u>	<u>5,700</u>	<u>22,704</u>	<u>23,287</u>

No employees had employee benefits in excess of £60,000 (2020: £ 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 (2020: £ nil). During the period no Trustees were reimbursed for travel and admin expenses (2020: £ nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £ nil).

The key management personnel of the Trust comprise the board of trustees. 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 2010

13. Trustees' donations

Aggregate donations from the Trustees to the charity for the period were £868.85, including Gift Aid of £173.77 (2020: £664.35, including Gift Aid of £132.87).

14. Staff numbers

The average monthly head count was 2 staff (2020: 2 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	2021	2020
Fundraising	-	-
Office administration and charitable activities (UK)	1	1
Office administration and charitable activities (Nicaragua)	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	2021 Total	2020 Total
	£	£	£	£	£	£	£
Basis of apportionment	(Activity type)	(Activity type)	(Activity type)	(All income generation)	(Location)		
Charitable activities							
Operational projects in Nicaragua	2,007	12,822	1,892	-	532	17,253	17,300
Discretionary gifts in Nicaragua	-	-	-	-	-	-	32
	<u>2,007</u>	<u>12,822</u>	<u>1,892</u>	<u>-</u>	<u>532</u>	<u>17,253</u>	<u>17,332</u>
Income generation							
Donations and legacies	-	9,388	3,594	238	-	13,220	12,876
Gift Aid recoverable tax income	-	494	189	12	-	695	677
	<u>-</u>	<u>9,882</u>	<u>3,783</u>	<u>250</u>	<u>-</u>	<u>13,915</u>	<u>13,553</u>
Total costs allocated	<u>2,007</u>	<u>22,704</u>	<u>5,675</u>	<u>250</u>	<u>532</u>	<u>31,168</u>	<u>30,885</u>



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