



Annual Report & Accounts 2019 - 2020



*Sowing seeds of hope
in Nicaragua*

Foreword by SIFT's Patron

Andrew Selous MP



Andrew Selous MP

As I write this short foreword for the 2019/20 SIFT Report, the coronavirus pandemic has its claws firmly clenched around the world and is endeavouring to cause havoc wherever it spreads. SIFT has not been immune to the onslaught and I am immensely grateful to all within the Charity who have dealt with the aftermath, both physical and financial.

The Charity is still financially stable thanks to all who sacrificially give and to fundraisers, particularly Graham Knight, our Executive Officer, who has walked many miles in his front room (and virtually around Nicaragua) to keep us afloat.

I am also grateful for Dra Sandra Villagra and our nurses on Ometepe for their fortitude in dealing with coronavirus in all its forms and the general health of islanders, for Margaret Storey who has had an enforced extended stay in Bluefields – she has an incredible tenacity and a wonderfully gracious spirit – her work on writing reports for sponsors and encouraging students and their families is wonderful.

Thank you, too, to all those behind the scenes who keep the Charity going: Jacobo Sanchez, interacting with the Government in Nicaragua, Ruth Ward, liaising with sponsors and distributing reports and for all the trustees who, so faithfully, keep a hand on the tiller to ensure God is central to the work of the Charity. I look forward to being able to say that work has started on our programme for building homes for the poor of Nicaragua in our next report.

I am eternally grateful to you all who support SIFT and am thankful to God for his mercy and grace.

Andrew Selous
Patron

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About Nicaragua

Nicaragua has a population of 6.2 million and is the third poorest country in the Americas after Haiti and Honduras. A survey of Nicaraguan households carried out in 2017 found 41% of the population living below the poverty line¹, with 8.4% living in extreme poverty. The survey found that there was a higher incidence of poverty in rural communities, where 56% of the population are below the poverty line and 14.5% 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

Nicaragua's economy has struggled to recover following the political unrest that took place in 2018. In particular, per capita GDP shrank by 6.2% in 2018 and by 5.1% in 2019, to \$1,918.³

The first case of coronavirus in Nicaragua was recorded on 18th March 2020. 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 4,818 cases of the virus and 144 deaths, but independent observations indicate that the actual figures are 10,268 cases and 2,716 deaths⁴, due to many suspected cases of coronavirus being classified as pneumonia.

At a national level in Nicaragua there are nine 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: 87% 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 12.1 years in education, whereas the average Nicaraguan aged 25 years or older only spent 6.7 years in education.⁵ Whilst primary school is compulsory, UNICEF figures indicate that attendance rates are 70%, with only 56% of children reaching the final year of primary school. Secondary school attendance rates drop to 47% for girls and 35% for boys⁷ caused, in part, by young people needing to find 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 \$2.50 per day and those in extreme poverty live on less than \$1.20 per day.

(2) FIDEG. 2018. *Encuesta de hogares para medir la pobreza en Nicaragua* [Online]. Managua: FIDEG. Available at: <http://fideg.org/wp-content/uploads/2018/09/INFORME-DE-RESULTADOS-2017.pdf> [Accessed: 21 July 2020]

(3) BCN. 2019. *Macroeconomic statistics yearbook 2019* [Online]. Managua: BCN. Available at: https://www.bcn.gob.ni/publicaciones/periodicidad/anual/anuario_estadistico/anuario_estadistico_2019.pdf [Accessed: 21 July 2020]

(4) Observatorio Ciudadano. 2020. *Estadísticas de COVID-19 en Nicaragua* [Online]. Available at: <https://observatorioni.org/estadisticas-covid-19-nicaragua> [Accessed: 09 September 2020]

(5) UNDP. 2019. *Human Development Report 2019* [Online]. New York: UNDP. Available at: <http://hdr.undp.org/sites/default/files/hdr2019.pdf> [Accessed: 21 July 2020]

(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> [Accessed: 21 July 2020]

(7) UNICEF. 2013. *At a glance: Nicaragua* [Online]. Available at: http://www.unicef.org/infobycountry/nicaragua_statistics.html [Accessed: 21 July 2020]

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 Asese Peninsula.
- Supporting Christians and churches in various areas of the country and providing funding for their ministries; in particular a child feeding programme on 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 provides healthcare to rural communities 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 them need to pay for any medicines 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. Patients 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 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 2019-20 our nursing team saw a total of 3,195 patients.

At the start of 2020 our nursing team was joined by a brigade of students and their professors from Carthage College in Wisconsin. This visit was part of an ongoing partnership between SIFT and Carthage College, where medical students are able to experience the provision of healthcare in the developing world. As well as assisting our nurses with consultations and distributing gifts to patients, the students also completed the construction of an extension at the front of El Corozal clinic. We are extremely grateful to Carthage College for this extra room, which will provide a larger space for the meetings of the Club for Expectant Mothers that is held at the clinic. The brigade also brought supplies of medicines which were a great help for our clinic pharmacies. Sadly the coronavirus pandemic prevented a repeat visit from the college in June 2020; we hope that these visits will be able to resume in late 2021 or early 2022.

In light of the spread of coronavirus across Nicaragua, Dr Sandra and the nurses modified their working practices in order to keep both themselves and their patients safe. Items of personal protective equipment, including face masks, plastic aprons and disposable gloves, were provided to all members of the nursing team. In addition, infrared thermometers and fingertip pulse oximeters were purchased for each of the three clinics, to minimise contact between the nurses and patients when taking their vital signs. Patients were asked to wear masks when attending the clinics, to wash their hands on arrival and to maintain social distancing, and we have been pleased to see that patients are happy to comply with these procedures.

Whilst patients are waiting for their appointments, our nurses give them short talks in order to teach them practical ways to live healthy lives. During the latter part of this year these talks have all focussed on practical ways to reduce the spread of coronavirus in the community, emphasizing the importance of hand-washing, mask-wearing and social distancing.

Our nurses also play a valuable role in providing pastoral care to their patients. Often they find that a patient needs to talk through a situation that they are facing in their personal life, in addition to the medical condition that they are presenting. Dr Sandra and our nurses take the time to listen to these concerns, offer their advice and, where requested, pray with the patient. This has been particularly important since the start of the pandemic, as many patients have come to the clinics suffering from stress or being fearful for the future.



Nurse Aleida with a young patient at El Corozal clinic

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At the start of the year our nursing team at Las Pilas clinic were running a fortnightly luncheon club for seniors, which was attended by between 15 and 20 elderly people. Following conversations with members of the club, Sandra discovered that their diets tended to be lacking in protein. The team aimed to meet some of this nutritional need through the food that they provided at the club. Before the food was distributed, Dr Sandra shared a word from the Bible and gave a short talk on health and lifestyle issues. Sandra noted that some of the members of the club were suffering from Alzheimer's and so she encouraged the group to stay mentally active.



Nurse Adelita wearing
her PPE

Following the start of the pandemic, Dr Sandra decided that the luncheon club should be suspended in order to protect the seniors from potential exposure to coronavirus from other patients. However she and the nurses were keen to continue supporting the members of the group and so they 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. On some occasions the nurses have also given them bags of groceries, which have been greatly appreciated by the seniors.

At SIFT's clinic in the remote community of El Corozal, which is far from the main maternal facilities on the island, our nurses run a Club for Expectant Mothers. The activities of the club are organised by nurse Adelita, who very much sees the club as her ministry to these women. Adelita gives health talks to the women which, in addition to focusing on health issues surrounding pregnancy, aim to teach them about good nutrition. Those women who have had a caesarean section can come

to the SIFT clinic to get their stitches removed. However, if a woman lives at a distance from the clinic, then one of the nurses will go to their home to remove the stitches. Thanks to an American organisation, Christian Aid Ministries (CAM), we are able to give each woman a selection of supplies ready for the arrival of their baby, such as cloth nappies, baby clothes and nappy pins. We are grateful to CAM for this generous support and the regular donations of adult medicines that they provide to our clinic pharmacies.

Unfortunately, due to an ongoing shortfall of funds for the medical work, SIFT's Trustees had to take the difficult decision to reduce Dr Sandra's working hours from full time to working every other week in the clinics. On the weeks when Sandra is not on Ometepe the nurses can still contact her by phone with any questions that they may have. Dr Sandra and the nurses have adjusted well to this new way of working, which has given the medical work more ongoing financial stability.

Around 41% 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 £9,350, which represents 21% of our total medical income. We are extremely grateful to the Austin Bailey Foundation, the George Muller Charitable Trust, the Hamead Trust, the Mywalit Foundation, 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

The Asese peninsula is located just to the south of the colonial city of Granada, on the north-western shore of Lake Nicaragua. The three-mile long peninsula is surrounded by 365 little islands, known as

Las Isletas de Granada (the Little Islands of Granada). Many of these islands are inhabited by poor families, but these families do not have legal ownership of the land that they have lived on for generations.

In recent years this beautiful area of Nicaragua has been discovered by tourists and investors, and some of the islands have been bought and are being developed into holiday homes, eco-tourist resorts, or restaurants. This means that many families face the prospect of eviction from their homes at short notice, with only minimal compensation being awarded to them. 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. If a family facing eviction cannot move in with their relatives then their limited financial resources may mean that they have to relocate to the slums of Granada.

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. This has included getting the beneficiaries' thoughts on the proposed houses, which are being designed by Matthew Farrer, one of SIFT's Trustees and a UK architect. Based on the committee's input the designs have been modified to enable the houses to be easily extended by the families as they increase in size. Matthew has been assisted in this task, and in the development of the community layout, by SIFT's newest Trustee, Freja Brown, who is an Architectural Designer.

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

SIFT supports the ministry of the Hogar de Fe (Home of Faith) Orphanage in the town of Los Brasiles, near to Managua. The Orphanage was founded in 1992 after a baby was abandoned on the doorstep of Pastor Ramiro Blandón and his wife Conchita and it is currently home to up to 50 children and young people. 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. Six of 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.

A team of Christian workers, led by Pastor Ramiro Blandón's son Isaac, care for the children and provide a loving Christian environment in which they can grow up. The team are keen to ensure that the children learn a variety of life skills during their time at Hogar de Fe and organise educational



The children living at the Hogar de Fe Orphanage

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talks through the year on topics such as personal hygiene, assertive communication and writing a CV. The children are encouraged to wash their own clothes every day, supervised by members of the team, and some of the teenagers help to prepare the food in the kitchen.

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 the various Microsoft Office applications, such as Word and PowerPoint, and some of them also have taken a course in computer repair and maintenance. The children also receive four hours of English lessons each week and music classes at the weekends.

As the children have come from broken family situations, it is especially important that they receive 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 are keen to ensure that the children are aware of God's love for them and have the opportunity to get to know Jesus personally. There is a devotional session each day for the children and staff, and the children also attend Sunday School and youth events at Pastor Ramiro's church.

The work of Hogar de Fe is officially recognised by the Nicaraguan Ministry of the Family, who refer children to the home and regularly visit to monitor its work. As a result of these visits some recommendations were made for improvements to the facilities, which included renovating the kitchen and building new counselling rooms for use by the child psychologist.

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, having both a computer room and 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 the team members at Hogar de Fe are educational assistants, who help the children to understand their studies.

In response to the spread of the coronavirus pandemic in Nicaragua the school suspended classes and distributed workbooks to enable the students to continue their studies. Isaac and the team at Hogar de Fe decided to quarantine the Orphanage 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, 28 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 involvement in Nicaragua was initially motivated by a request for help with the costs of schooling from a child living in the town of Bluefields, on Nicaragua's Caribbean coast. 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 recent political unrest in Nicaragua and the ongoing 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.

Whilst Nicaraguan state schools have been free to attend since 2007, they tend not to be fully resourced and can also have large class sizes. For those families that can afford it, attending a fee-paying school provides their children with a better standard of education. The costs involved in this, however, prohibit children from the poorest backgrounds from taking advantage of this opportunity.

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 126 children that we sponsor in Bluefields, 45 attend primary school, 62 attend secondary school and 19 are university students.

As cases of coronavirus increased in Nicaragua, the fee-paying schools in Bluefields decided to close to protect their students and members of staff. The students received online teaching if they had access to the internet; otherwise weekly worksheets could be obtained from the school administrators, although these had to be paid for. We wait to see what impact this disruption will have had on the progress of the children in their studies.

The education sponsorship scheme is monitored by our voluntary field worker, Margaret Storey, who lives in Bluefields for eight months of each year. Margaret normally visits 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. Due to the pandemic, Margaret has been shielding for much of the latter portion of this year, which has naturally reduced the amount of contact that she has been able to have with the students and the schools. We are extremely grateful for Margaret's tireless service in Bluefields and the pastoral support that she gives to the children of Bluefields and their families.

We are very grateful to the 111 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 to inform them of significant changes to their child's situation.



One of SIFT's sponsored students at school

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

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 girls and young women get caught up in the sex trade. In some cases they can be forced into a life of prostitution by their own families, who are desperate for a source of income.

Casa Rahab (Rahab's House) is a Christian day centre that is seeking to break this cycle of sexual exploitation by providing girls who have been affected by the sex trade with support and a fresh start in life. The team of Christians, led by Valeria Lopez, work with girls aged between 11 and 17

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years old who have been referred to them by the police or local authorities. Their aim is to help these girls to rebuild their lives and find hope for the future. Between 10 and 15 girls are helped at Casa Rahab at any one time.

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, offering parenting classes and therapy to their families where this is appropriate. The team recognise the value of a good education and so support and encourage the girls as they complete their primary and secondary education. The craft teacher does craft activities with the girls both as a form of therapy as well as 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 was closed during the worst period of the coronavirus outbreak in Nicaragua in order to protect the health of the team and the girls.

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, Urbaité

SIFT is also pleased to be able to provide funds to support a feeding programme for around 45 primary school children on the island of Ometepe. The feeding programme was established over 20 years ago by Julita Alemán to provide children from the villages of Urbaité and Las Pilas with some of the vitamins missing from their diets. Families on Ometepe typically eat rice, beans and maize, but only eat limited amounts of meat and vegetables.



Julita (centre) and the Feeding Programme team

The feeding programme meets on Monday and Friday afternoons on the large veranda of Julita's house. Each child receives a cup of high-vitamin milk and, on Fridays, a hot meal of soya-fortified rice, chicken, vegetables and bread.

The sessions are run by a team of Christians from the local church. Each session begins with fun activities for the children, which include singing some Christian songs and listening to a Bible story. The children are split into an older and younger group so that their activities can be more age appropriate.

The team are also concerned for the spiritual welfare of the mothers, some of whom attended the feeding programme when they themselves were children. As a result they hold a Bible study for the mothers whilst the children are doing their activities and drinking the milk.

Sadly, Julita Alemán passed away peacefully on 25th July 2020. She had ministered on the island of Ometepe for 47 years, running Bible schools, establishing a Christian Vocational Centre and, in her retirement, running the feeding programme. Whilst her health in her later years had prevented her from being as active in the feeding programme as she would have liked, she was always on hand to offer words of encouragement and she was faithful in her prayers for the children and their families. Julita was a gentle, caring, Christian lady, whose faith in Jesus was the foundation and motivation of her life. The ongoing ministry of the feeding programme will be her lasting legacy to the children and families of Ometepe.

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 11% lower than last year. This was mainly due to a reduction in the number of one-off gifts received during the year for both general and restricted funds.

Regular giving to SIFT formed 53% of our income this year. Most people who support SIFT on a regular basis give 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 seeking to increase the overall proportion of our income that comes from regular donations as this gives 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 and our support of Casa Rahab, to ensure that we are able to continue supporting these vital projects. Nevertheless, an ongoing deficit in the medical fund meant that during the year the Trustees had to reduce Dr Sandra's working hours from full time to working every other week in the clinics. As part of this agreed change to her working pattern we paid Dr Sandra her severance payment, which has reduced the amount of medical reserves that the charity needs to keep.

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.

We are grateful for the efforts of our "Voices for SIFT" who promote SIFT in their areas using presentations and other resources produced by the SIFT office. In order to stay in contact with our supporter base we send out the SIFT Insight newsletter twice a year and, for those who want more regular updates, a monthly news and prayer sheet. Most of those on our mailing list have opted to receive these publications by email, which reduces postage costs.

We had hoped to run an event at the Houses of Parliament for potential major donors, but this had to be cancelled due to the spread of coronavirus and the subsequent UK lockdown. The lockdown also meant that we were not able to hold "SIFT Sunday" services at our supporters' churches. We are planning to reschedule these events next year, subject to social distancing restrictions. Graham Knight, SIFT's Executive Officer, did a virtual sponsored walk on a treadmill at his house to raise funds for the medical work. This event was very well supported, particularly by members of Crossroad Church in Seaton, and financially made up for us not being able to run our other planned 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 £1,935, of which £1,455 was for medical gifts.

Report of the Trustees

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.

This year the Trustees were pleased to welcome Freja Brown to join the Board of Trustees. Freja is a Part 2 qualified Architectural Designer and works for a private practice in London. She has first-hand experience of Nicaragua, having spent one year working as an architectural assistant in Managua between her first and second degrees in architectural design. We look forward to the insights that Freja will bring to the charity, particularly in relation to the housing development at Finca El Rayo.

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 not on Ometepe 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, and organising the visits of medical brigades from the USA to Ometepe.

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. He is in regular contact with Graham Knight to discuss operational matters.

SIFT continues to be grateful for the involvement of Margaret Storey and Ruth Ward in SIFT's education sponsorship scheme. 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.

Margaret normally lives in Bluefields for eight months each year as our field worker, liaising with schools and university students to administer the scheme, and providing pastoral support to the children and their wider families. At the time of writing this report Margaret is still in Bluefields, having not been able to return to the UK in winter 2020 due to ongoing coronavirus travel restrictions. We are particularly grateful to Margaret for her service to SIFT and the children of Bluefields during these difficult times.

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: 27th June 2021

Trustees

Mark Catley FRICS FAAV
David Joseph Langmead BA
Matthew James Farrer BA (Hons) DipArch ARB
Freja Joy Brown BA MArchD

Patron

Andrew Selous MP

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 2020

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: 28 June 2021

Statement of Financial Affairs

For the Year Ended 31 August 2020

	Note	Unrestricted Funds £	Restricted Funds £	2020 Total £	2019 Total £
Income and endowments from:					
Donations and legacies	2	35,456	74,366	109,822	127,960
Charitable activities	3	-	7,994	7,994	4,767
Other trading activities		-	-	-	-
Investments	4	-	-	-	31
Other		-	-	-	-
Total		35,456	82,360	117,816	132,758
Expenditure on:					
Raising funds	5	7,803	5,750	13,553	18,750
Charitable activities	6	31,102	95,378	126,480	129,724
Other		-	-	-	-
Total		38,905	101,128	140,033	148,474
Other recognised gains / (losses):					
Gains / (losses) on revaluation of fixed assets		-	-	-	-
Net income / (expenditure)		(3,449)	(18,768)	(22,217)	(15,716)
Transfers between funds		-	-	-	-
Net movement in funds		(3,449)	(18,768)	(22,217)	(15,716)
Reconciliation of funds:					
Total funds brought forward		125,634	96,905	222,539	238,255
Total funds carried forward		122,185	78,137	200,322	222,539

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 2020

		31-Aug-20		31-Aug-19	
	Notes	£	£	£	£
Fixed Assets:					
Tangible Assets	7		134,095		135,859
Current Assets:					
Debtors	8	8,208		7,965	
Cash at Bank and in hand		58,626		79,322	
		<u>66,834</u>		<u>87,287</u>	
Creditors:					
Amounts falling due within one year	9	(607)		(607)	
Net Current Assets			66,227		86,680
Creditors:					
Amounts falling due after more than one year			-		-
Net Assets			<u><u>200,322</u></u>		<u><u>222,539</u></u>
Funds					
Restricted Funds	10		78,137		96,905
Unrestricted Funds: General Reserves			34,128		37,577
			<u>112,265</u>		<u>134,482</u>
Revaluation Reserve	11		88,057		88,057
			<u><u>200,322</u></u>		<u><u>222,539</u></u>

Approved by the Board of Trustees:



Mark Catley

Date: 27th June 2021

Statement of Cash Flows

For the Year Ended 31 August 2020

	2020 Total funds £	2019 Total funds £
Net income/(expenditure) for the period (as per the statement of financial activities)	(22,217)	(15,716)
Adjustments for:		
Depreciation charges	1,764	1,765
Loss/(profit) on the sale of fixed assets	-	-
Interest income	-	3
(Increase)/decrease in debtors	(243)	348
Increase/(decrease) in creditors	-	(1,422)
Net cash provided by (used in) operating activities	<u>(20,696)</u>	<u>(15,022)</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	(20,696)	(15,022)
Cash and cash equivalents at the beginning of the period	79,322	94,344
Cash and cash equivalents at the end of the period	<u><u>58,626</u></u>	<u><u>79,322</u></u>
Analysis of cash and cash equivalents:		
Cash in hand	58,626	79,322
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	<u><u>58,626</u></u>	<u><u>79,322</u></u>

Notes to the Financial Statements

For the Year Ended 31 August 2020

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 2020

2. Donations, legacies and similar incoming resources

	Unrestricted Funds £	Restricted Funds £	2020 £	Unrestricted Funds £	Restricted Funds £	2019 £
Committed giving	8,231	54,673	62,904	9,216	57,064	66,280
One-off gifts	14,024	9,793	23,817	23,762	14,028	37,790
Grants from organisations	914	9,900	10,814	3,409	8,100	11,509
Legacies	-	-	-	750	-	750
Gift Aid recoverable tax income	12,287	-	12,287	11,631	-	11,631
	35,456	74,366	109,822	48,768	79,192	127,960

3. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	2020 £	Unrestricted Funds £	Restricted Funds £	2019 £
Fundraising events	-	7,994	7,994	1,420	3,347	4,767
	-	7,994	7,994	1,420	3,347	4,767

4. Investment income and interest

	Unrestricted Funds £	Restricted Funds £	2020 £	Unrestricted Funds £	Restricted Funds £	2019 £
Bank interest received	-	-	-	31	-	31

5. Expenditure on raising funds

	Unrestricted Funds £	Restricted Funds £	2020 £	Unrestricted Funds £	Restricted Funds £	2019 £
Donations, legacies and similar incoming resources:						
Support costs allocated	7,803	5,750	13,553	13,000	5,750	18,750

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				2019			
	Operational projects	Support costs	Total	£	Operational projects	Support costs	Total restricted	£	Unrestricted	Restricted	Total	£
Orphanage	-	-	-	-	8,600	-	8,600	-	-	10,000	10,000	-
Sponsored children's education	-	-	-	-	23,388	-	23,388	-	-	19,361	19,361	-
Other education projects	-	-	-	-	-	-	-	-	-	-	-	-
Christian Vocational Centre	-	-	-	-	-	-	-	-	-	-	-	-
Islands community development	-	-	-	-	241	-	241	-	-	66	66	-
Children's feeding programme	762	497	1,259	-	-	-	-	-	2,028	-	2,028	-
SIFT Gifts expenditure	-	-	-	-	658	-	658	-	-	652	652	-
Supporting churches	13	8	21	-	-	-	-	-	-	-	-	-
Medical and clinic expenditure	1,963	1,279	3,242	-	62,491	-	62,491	-	5,005	57,342	62,347	-
Cookers project	-	-	-	-	-	-	-	-	-	-	-	-
Other building projects	-	-	-	-	-	-	-	-	-	-	-	-
Casa Rahab	6,524	4,251	10,775	-	-	-	-	-	14,058	-	14,058	-
Project administration in Nicaragua	4,305	11,265	15,570	-	-	-	-	-	20,375	-	20,375	-
	13,567	17,300	30,867		95,378	-	95,378		41,466	87,421	128,887	
Discretionary gifts in Nicaragua	203	32	235		-	-	-		837	-	837	

Notes to the Financial Statements

For the Year Ended 31 August 2020

7. Tangible fixed assets

	Land	Buildings	Motor vehicles	Total
Cost	£	£	£	£
At 1 September 2019	57,653	88,057	9,571	155,281
Additions - Revaluation	-	-	-	-
Disposals	-	-	-	-
At 31 August 2020	57,653	88,057	9,571	155,281
Accumulated depreciation				
At 1 September 2019	-	9,854	9,568	19,422
Charge for year	-	1,761	3	1,764
Disposals	-	-	-	-
At 31 August 2020	-	11,615	9,571	21,186
Net book value				
At 31 August 2020	57,653	76,442	-	134,095
At 31 August 2019	57,653	78,203	3	135,859

£28,508 of the tangible fixed assets relate to restricted funds (Islands) and £105,587 relate to unrestricted funds.

8. Debtors

	Unrestricted	Restricted	2020	2019
	£	£	£	£
Gift Aid debtor - HMRC	8,080	-	8,080	7,839
Bank interest receivable	-	-	-	-
Prepayments	128	-	128	126
	8,208	-	8,208	7,965

9. Creditors falling due within one year

	Unrestricted	Restricted	2020	2019
	£	£	£	£
Accruals	607	-	607	607
	607	-	607	607

10. Restricted funds

	Balance at 1 Sept 2019	Incoming resources	Transfer from unrestricted funds	Programme expenditure	Balance at 31 Aug 2020
	£	£	£	£	£
Islands	48,422	240	-	(241)	48,421
Orphanage	1,563	8,370	-	(8,600)	1,333
Child Sponsorship	25,154	22,311	-	(23,388)	24,077
Team Support	159	5,660	-	(5,750)	69
SIFT Gifts	-	658	-	(658)	-
Medical	21,607	45,121	-	(62,491)	4,237
	<u>96,905</u>	<u>82,360</u>	<u>-</u>	<u>(101,128)</u>	<u>78,137</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 £	2020 £	2019 £
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 £	2020 £	2019 £
Salaries and wages	17,284	5,750	23,034	37,591
Social security costs	-	-	-	-
Pension costs	253	-	253	351
	<u>17,537</u>	<u>5,750</u>	<u>23,287</u>	<u>37,942</u>

No employees had employee benefits in excess of £60,000 (2019: £ 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 (2019: £ nil). During the period no Trustees were reimbursed for travel and admin expenses (2019: £ nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £ 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 2020

13. Trustees' donations

Aggregate donations from the Trustees to the charity for the period were £664.35, including Gift Aid of £132.87 (2019: £617.90, including Gift Aid of £123.58).

14. Staff numbers

The average monthly head count was 2 staff (2019: 3 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	2020	2019
Fundraising	-	1
Office administration and charitable activities (UK)	1	1
Office administration and charitable activities (Nicaragua)	1	1
	<u>2</u>	<u>3</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	2020 Total	2019 Total
	£	£	£	£	£	£	£
Basis of apportionment	(Activity type)	(Activity type)	(Activity type)	(All income generation)	(Location)		
Charitable activities							
Operational projects in Nicaragua	2,345	13,371	1,584	-	-	17,300	27,918
Discretionary gifts in Nicaragua	4	25	3	-	-	32	181
	<u>2,349</u>	<u>13,396</u>	<u>1,587</u>	<u>-</u>	<u>-</u>	<u>17,332</u>	<u>28,099</u>
Income generation							
Donations and legacies	-	9,396	3,016	464	-	12,876	17,813
Gift Aid recoverable tax income	-	495	158	24	-	677	937
	<u>-</u>	<u>9,891</u>	<u>3,174</u>	<u>488</u>	<u>-</u>	<u>13,553</u>	<u>18,750</u>
Total costs allocated	<u>2,349</u>	<u>23,287</u>	<u>4,761</u>	<u>488</u>	<u>-</u>	<u>30,885</u>	<u>46,849</u>



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