



Annual Report & Accounts 2021 - 2022



*Sowing seeds of hope
in Nicaragua*

Foreword by SIFT's Patron

Andrew Selous MP



Andrew Selous MP

Of course, at the date of this foreword the news that the SIFT, along with over 1,500 others, has lost its NGO status in Nicaragua (in November 2022) has been widely reported but that was outside the remit of this Annual Report. The Charity's next Annual Report will deal with how the SIFT Trustees have dealt with that issue.

This short foreword for the 2021/2022 SIFT Annual Report reflects the fact that Covid 19 was nearing the end of its grip but the country of Nicaragua was recovering from the devastating effects of the virus. SIFT has not been immune from the onslaught and I am always 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 to assist the levels of our finances.

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. I am delighted she has stepped in to become the Charity's Legal Representative bringing stability to that role. I am also so thankful to Margaret Storey who has had an enforced extended stay in Bluefields – due to the international travel restrictions brought about by the pandemic, Margaret had to stay in Bluefields for 21 months, returning to the British shores in December 2021. After a well-earned Christmas break with her family, she returned to Nicaragua in March 2022 for her usual six-month stint. She is a quite remarkable lady.

Thank you, too, to all those behind the scenes who keep to Charity going: Ruth Ward, liaising with sponsors and distributing reports and for all the Trustees who, so faithfully, keep a watchful eye on all matters practical and financial 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 MP, Patron
June 2023

Official portrait of Andrew Selous: © Chris McAndrew / CC BY
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Contents

About Nicaragua	Page 3
Report of the Trustees	Page 4
Independent Accountant's Report	Page 13
Statement of Financial Affairs	Page 14
Balance Sheet	Page 15
Statement of Cash Flows	Page 16
Notes to the Financial Statements	Page 17
Charity Information	Page 23

About Nicaragua

Nicaragua has a population of 6.8 million and is the second poorest country in the Americas after Haiti. The most recent independent 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. 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. Vaccinations started to be administered in Nicaragua in April 2021 and, by the end of August 2022, 82% of the population had been fully vaccinated against Covid-19³.

After three years of economic contraction, the Nicaraguan Central Bank reported an increase in national GDP of 10.3% in 2021. Whilst this is an encouraging sign nationally, it is unclear whether this will be felt by the average Nicaraguan due to high levels of inflation (7.2% in 2021). In addition, income from tourism is only at 35% of pre-pandemic levels, making life difficult for those who rely on this sector for their family income⁴.

At a national level in Nicaragua there are 17 physicians for every 10,000 people, compared to 30 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.⁷ 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 areas⁷. Maternal deaths include women who die whilst pregnant or within 6 weeks of being pregnant.

The latest UNDP 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 12.6 years in education, whereas the average Nicaraguan aged 25 years or older only spent 7.1 years in education.⁶ Whilst attendance at primary school is compulsory, primary attendance rates are only 87%. Secondary school attendance rates drop to 66% for girls and 64% for boys, and only 15% of teenagers go on to study at university². 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) Global Change Data Lab. 2021. *Coronavirus (COVID-19) Vaccinations – Our World in Data* [Online]. Available at <https://ourworldindata.org/covid-vaccinations?country=NIC>
- (4) BCN. 2022. *Informe Anual 2021* [Online]. Available at <https://bcn.gob.ni/publicaciones/informe-anual-2021>
- (5) World Bank. 2023. *Physicians (per 1,000 people)* [Online]. Available at <https://data.worldbank.org/indicator/SH.MED.PHYS.ZS>
- (6) UNDP. 2022. *Human Development Report 2021/22* [Online]. New York: UNDP. Available at: <https://hdr.undp.org/content/human-development-report-2021-22>
- (7) 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://media.path.org/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 Asese 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

The island of Ometepe, in Lake Nicaragua, is home to around 35,000 people, most of whom live in rural farming communities. The tourist industry on the island was heavily affected by the global travel restrictions of the pandemic, and is only slowly recovering (at a national level, tourism income is only at 35% of pre-pandemic levels).

State funded health facilities on the island are limited and tend to be based in the main towns. Whilst consultations are free at these health centres, patients have to pay for their medicines which tends to put treatment out of the reach of those from poorer backgrounds.

SIFT provides primary healthcare to the people of Ometepe at our clinics 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.

Patients attending a SIFT clinic only have to pay a small, affordable, consultation fee, but all medicines are prescribed free of charge. Patients who cannot afford the consultation fee have it waived, as we do not want a lack of money to prevent someone from receiving the treatment that they need.



*Dr Sandra with a young patient
at Las Pilas clinic*

In June 2022 a group of students from Carthage College, Wisconsin, was due to travel to Nicaragua. Similar student groups have visited Nicaragua over the last decade, but this would have been the first visit from Carthage since the start of the pandemic in 2020. Unfortunately at the last minute five of the students tested positive for Covid and so the team were not able to fly that day. The team were not able to transfer their tickets to a later flight and so they sadly had to cancel their trip. Dr Sandra had organised a team of medics from the Nicaraguan Ministry of Health (MINSa) to work alongside the students and SIFT's nursing staff and so, whilst the students were not able to visit Nicaragua on this occasion, the combined medical team were still able to attend just over 600 patients.

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.

Our nurses give short talks to patients whilst they are waiting for their appointments in order to teach them practical ways to live healthy lives. When there is an outbreak of a specific disease on Ometepe, such as dengue fever or coronavirus, the talks focus on ways to avoid contracting it and how to recognise its symptoms. The talks also cover general health topics, such as personal hygiene and good nutrition.

The nurses also play a valuable role in providing pastoral care to their patients, which has been particularly valuable given the uncertainty and stress caused by the pandemic. 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, share their advice and offer to pray with the patient.

Report of the Trustees

In addition to treating their patient's diseases, our nurses also seek to tackle some of the social needs that they see in their communities. At our clinic in the village of Las Pilas a Luncheon Club is run for the elderly, who often experience loneliness as a result of being excluded from village life. Due to the age of the members and the coronavirus situation, the nurses have mainly visited the members at their homes this year, rather than meeting with the whole group at the clinic. They give each of the members a course of multi-vitamins and a bag of food, and spend time talking with them and providing them with encouragement. If there is a specific medical need then the nurses arrange for Dr Sandra to give them a home visit.

A second social care group is run by our nurses at El Corozal clinic. This clinic is located in the south of Ometepe, far from the main maternity facilities, and so it is particularly important that expectant mothers in this area have good antenatal support. Our nurses run a fortnightly club for expectant mothers to provide them with antenatal education and teach them how to recognise signs of potential complications. At the sessions each woman receives a hot meal and also a free consultation to monitor their pregnancy. In addition, the sessions enable our nurses to give emotional support to these women, including prayer if it is requested. As the women approach their due date, Dr Sandra is able to give them an ultrasound scan, using SIFT's portable ultrasound monitor.

During the year two of our nurses, Candida and Marlene, decided to take retirement, having worked with SIFT since the beginning of our medical work on Ometepe. In addition, nurse Gabi resigned and moved to Costa Rica for personal family reasons. We are extremely grateful for the faithful service that Candida, Marlene and Gabi have provided in SIFT's health clinics, serving the people of their own communities, and we wish them well as they move on to new stages in their lives.

Around 38% of the income for our health clinics comes from our supporters in the form of regular monthly donations. Many of the people who give to SIFT in this way do so through one of our medical sponsorship schemes, paying a suggested monthly donation of £15 to support either Dr Sandra or one of our nurses.

We also seek funding for the medical work from grant-making trusts in the UK. This year we received grants totalling £6,300, representing 15% of our total medical income. We are extremely grateful to the Father O'Mahony Memorial Trust, the George Muller Charitable Trust, the Souter Charitable Trust, and the Crossroads Project, Meltham, for partnering with us to provide the people of Ometepe with primary healthcare.

Finca El Rayo - Asese Peninsula

Lake Nicaragua is the largest freshwater lake in Central America and the colonial city of Granada is situated on its north-western shore. Just to the south of Granada lies the Asese peninsula, which is surrounded by an archipelago of 365 small islands. In recent years this beautiful area of Nicaragua has been discovered by tourists and investors, and some of the islands have been bought and developed into holiday homes, restaurants or eco-tourist resorts.

Many of the islands around the Asese peninsula are inhabited, but sadly the families that live there do not, for the most part, have legal ownership of the land that they have lived on for generations. As a result many of them face the prospect of being evicted from their island homes at short notice, with only minimal compensation being awarded to them. Some of the new owners of the islands have allowed families to remain on their islands as caretakers, but this is only a temporary arrangement, offering 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 new homes for families who are facing eviction from their island homes. Since many families in this area rely on fishing to feed their families 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. We will be giving the families legal ownership of their plots of land so that they can have security for the future.

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 also 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.

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, and the process has been further slowed this year owing to the change of our legal representative in Nicaragua. We hope that all the necessary paperwork will be put in place during the coming year so that we can give the families the security that they so desperately need.

Education Sponsorship

The current government of Nicaragua made state-provided education free in 2007. This was a very welcome decision and has improved access to education across the country. However, since state schools in Nicaragua tend not to be fully resourced, parents often choose to send their children to fee-paying schools instead where they can receive a better quality of education. The costs involved in this, though, prohibit children from poor backgrounds from taking advantage of this opportunity.

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. Many poorer families rely on finding occasional temporary labour to meet their financial needs, but this is not a stable source of income. In a situation such as this having a good education and being able to find a well-paid job – possibly in another part of the country or abroad – can transform a family's future.

Through SIFT's education sponsorship scheme, children from deprived areas of Bluefields are able to attend fee-paying schools where they will receive a good standard of education. We pay their school fees, removing this financial burden from their parents, so that they are able to complete their primary and secondary education. If a child wishes to continue their studies at one of the two universities in Bluefields then we will also fund the costs of their course and university supplies. We hope that this good educational foundation will be a blessing both to the children and their families. Of the 110 children that we sponsor in Bluefields, 34 attend primary school, 55 attend secondary school and 21 are university students.

During the peak of the coronavirus pandemic many schools ran online classes for their students in place of face-to-face lessons. This year, as cases have reduced and vaccines have been offered to all students, in-person classes have resumed, although most schools still require masks to be worn in the classroom. It is unclear what impact the disruption caused by the pandemic will have on the children's overall educational attainment, but we hope that this return to normality will, in particular, help those who struggled during the time of home learning.

The progress of our sponsored students' education is monitored by our voluntary field worker, Margaret Storey. Due to the worldwide travel restrictions brought in by the pandemic, Margaret had to stay in Bluefields for 21 months, returning to the UK in December 2021. After a well-earned Christmas break with her family, she returned to Nicaragua in March 2022 for her usual six month



One of SIFT's sponsored students at school

Report of the Trustees

visit. Margaret makes monthly visits to the schools to check on the progress of our sponsored children and she also stays in contact with our university students, providing them with funds for their studies as needed during the year. If Margaret discovers that a child has left school or is experiencing difficulties then she relays this information to the UK office. We are extremely thankful for Margaret's continued faithful service to the children of Bluefields and their families.

We are also very grateful to our 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. Margaret Storey writes these annual updates whilst she is back in the UK and they are sent out to the sponsors with the assistance of Ruth Ward. Ruth also contacts sponsors during the year if there are any significant changes to their sponsor child's situation.

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 provides a loving home to 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.

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 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 English lessons each week and music classes at the weekends.



Three of the young people living at Hogar de Fe

The neighbouring school is also administered by members of Ramiro Blandon's family. It is a very popular and well-resourced school, and is open to both the children at the Orphanage and those from the local community. When the children return to the Orphanage after school, they spend time doing their homework, assisted by members of the team who help the children to understand their studies.

Sadly during the year the organisation who provided the majority of the budget to run Hogar de Fe changed its funding priorities in Nicaragua and withdrew its support from the orphanage. This left SIFT and a few American individuals as the only funding partners for Hogar de Fe. As a result Isaac had to restructure the orphanage's activities to cope with a significantly smaller operating budget.

At present they are able to attend six of the older children, providing them with a place to live, food and hygiene materials, and support to enable them to continue with their schooling. The other children who were living at Hogar de Fe have either returned to their extended families in Los Brasiles or have gone to live at other children's homes run by the state. The team remain in contact with the children and young people to provide them with pastoral support, and see many of them at Pastor Ramiro's church each Sunday.

Isaac is hopeful that he will be able to find additional sources of funding in the near future, enabling them to expand their ministry to work with up to 20 children. SIFT will continue to stand alongside Hogar de Fe as they seek to serve the most needy in their society.

Supporting Nicaraguan Christians and churches

SIFT seeks to support Nicaraguan Christians 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 find themselves 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 seeks to break the 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 Christian workers, led by Valeria Lopez, work with girls aged between 11 and 17 years old who have been referred to them by the police or local authorities. Their aim is 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 trauma that they have experienced. 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 schooling. 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.

SIFT has supported the ministry of Casa Rahab by funding the salary of the craft teacher and psychologist. We are grateful in particular to those individuals who have specifically funded this valuable work.

During 2022 the Nicaraguan government issued closure notices to over 1,500 NGOs, including both international and national organisations. We were saddened to learn from Valeria that Centre Cosecha, the NGO that ran Casa Rahab, was one of those national NGOs that were closed by the government. As a result the centre had to close its doors at the end of June 2022.

SIFT has been privileged to partner with Casa Rahab almost since its inception and to see the caring ministry of Valeria's team slowly bring positive change to broken lives. We pray that the love and practical input that has been shown to the girls during their time at Casa Rahab will enable them to continue moving forward towards a brighter future.

2. Feeding Programme, Urbaite

Families living in rural areas of Nicaragua can often struggle to provide their children with all of the nutrients that are needed for their healthy development. The typical diet for such a family would consist of rice, beans and maize, supplemented by small amounts of meat, fish and vegetables.

Over 20 years ago Julita Alemán established a feeding programme for children from the villages of Urbaite and Las Pilas on the island of Ometepe, to meet this nutritional need that she saw in her community. Children would come to her house twice a week to receive a glass of high vitamin milk and receive teaching from the Bible.

Report of the Trustees

Following the sad death of Julita Alemán in 2020, the ministry of the feeding programme has been taken on by a group of local Christians, led by Maxnomara (Max) Potoy who has helped at the feeding programme for a number of years. During the worst period of the pandemic the activities at the feeding programme were necessarily curtailed to protect the children, their families and the team. As cases of coronavirus have decreased the team felt that they were able to fully restart the activities for the children.



Children receiving milk at the Feeding Programme

The feeding programme meets on two occasions each week in the grounds of Julita's house, in a building that was constructed this year thanks to donations from the United States. As children arrive, one of the team is on hand to provide them with educational support and help them with their school work. Once all of the children have arrived, Max leads the children in singing some Christian songs and teaching them a story from the Bible. The children enjoy choosing their favourite songs and joining in with the actions. Following their activities the children are given a glass of high-vitamin milk and, on some occasions, some items of food provided by the mothers.

One of the team members who works alongside Max is a trained psychologist, and another is a physiotherapist. On three occasions each week they run free sessions for those children who would benefit from their services. This has been a new venture for the feeding programme since the pandemic, and it is encouraging to see how the team care for the children physically, emotionally, and spiritually.

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 thank 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 level of committed giving for restricted funds. However, regular giving to SIFT still formed 53% of our income this year. Most people who support SIFT on a regular basis give towards a particular project, such as support our medical work or sponsoring a child's education, 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 financial security to our ongoing projects.

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.

Our expenditure continues to be negatively affected by the historically low value of sterling with respect to the dollar, as all of our expenditure in Nicaragua is in dollars. 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 a virtual 600km cycle ride across Nicaragua from the SIFT office in Seaton to raise funds for the medical work. In May 2022 Graham also did a 117 mile sponsored walk around the Cardigan Bay in Wales, again raising funds for the medical work. These two sponsored events were well supported by friends of SIFT across the UK, in particular from Crossroad Church in Seaton, and raised a total of £6,077.

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. This year the catalogue raised a total of £2,025, of which £1,330 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, and works 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.

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 four nurses who serve alongside her in our 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 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.

This year Dr Sandra has also taken on the responsibility of being SIFT's legal representative in Nicaragua, following the dismissal of our previous legal representative. We are grateful to Dr Sandra for being willing to take on the extra responsibility of overseeing SIFT's work in Nicaragua and representing SIFT before Nicaraguan government departments. We have also contracted the services of a Nicaraguan accountant, Rigoberto Solis, to help with the financial administration of SIFT in Nicaragua.

SIFT is very appreciative of the continued involvement of Margaret Storey and Ruth Ward in the education sponsorship scheme. Ruth assists the office in the production of the annual reports for

Report of the Trustees

our education sponsors and communicates with them through the year if there are changes to their child's situation. Margaret is SIFT's field worker in Bluefields; she liaises with schools and students to administer the education sponsorship scheme, and provides pastoral support to the children and their families. Due to travel restrictions caused by the coronavirus pandemic, Margaret had to live in Bluefields from March 2020 to December 2021. After some much needed time with her family in the UK, Margaret returned to Nicaragua in March 2022. We are extremely grateful for her selfless service to benefit the children of Bluefields.

Management

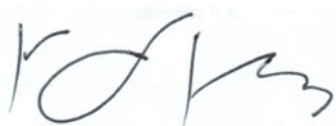
SIFT's Trustees are responsible for setting the strategy and direction for the charity, in the form of a regularly reviewed Strategic Plan. The Strategic Plan documents the mission, strategy and values of the charity and for each major project details the objectives and resources. This document underpins 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 2023

Independent Accountant's Report

Seed International Fund Trust
For the Year Ended 31 August 2022

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.



Vineta Cable FCCA
HAMMETT ASSOCIATES
8-10 Queen Street
Seaton
Devon
EX12 2NY

Date: 28/06/23

Statement of Financial Affairs

For the Year Ended 31 August 2022

	Note	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Income and endowments from:					
Donations and legacies	2	34,544	72,660	107,204	109,345
Charitable activities	3	-	6,077	6,077	6,401
Other trading activities		-	-	-	-
Investments	4	-	-	-	-
Other		-	-	-	-
Total		34,544	78,737	113,281	115,746
Expenditure on:					
Raising funds	5	6,575	5,700	12,275	13,915
Charitable activities	6	35,841	63,062	98,903	95,761
Other		-	-	-	-
Total		42,416	68,762	111,178	109,676
Other recognised gains / (losses):					
Gains / (losses) on revaluation of fixed assets		-	-	-	-
Net income / (expenditure)		(7,872)	9,975	2,103	6,070
Transfers between funds		-	-	-	-
Net movement in funds		(7,872)	9,975	2,103	6,070
Reconciliation of funds:					
Total funds brought forward		119,288	87,104	206,392	200,322
Total funds carried forward		111,416	97,079	208,495	206,392

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

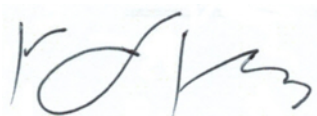
All incoming resources and resources expended derive from continuing activities.

Balance Sheet

At 31 August 2022

		31-Aug-22		31-Aug-21	
	Notes	£	£	£	£
Fixed Assets:					
Tangible Assets	7		130,573		132,334
Current Assets:					
Debtors	8	7,091		6,772	
Cash at Bank and in hand		78,505		68,193	
		<u>85,596</u>		<u>74,965</u>	
Creditors:					
Amounts falling due within one year	9	(7,674)		(907)	
Net Current Assets			<u>77,922</u>		<u>74,058</u>
Creditors:					
Amounts falling due after more than one year			-		-
Net Assets			<u><u>208,495</u></u>		<u><u>206,392</u></u>
Funds					
Restricted Funds	10		97,079		87,104
Unrestricted Funds: General Reserves			23,359		31,231
			<u>120,438</u>		<u>118,335</u>
Revaluation Reserve	11		88,057		88,057
			<u><u>208,495</u></u>		<u><u>206,392</u></u>

Approved by the Board of Trustees:



Mark Catley

Date: 29th June 2023

Statement of Cash Flows

For the Year Ended 31 August 2022

	2022 Total funds £	2021 Total funds £
Net income/(expenditure) for the period (as per the statement of financial activities)	2,103	6,070
Adjustments for:		
Depreciation charges	1,761	1,761
Loss/(profit) on the sale of fixed assets	-	-
Interest income	-	-
(Increase)/decrease in debtors	(319)	1,436
Increase/(decrease) in creditors	6,767	300
Net cash provided by (used in) operating activities	10,312	9,567
Cash flows from investing activities:		
Proceeds from the sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	-	-
Net cash provided by (used in) investing activities	-	-
Cash flows from financing activities:		
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Receipt of endowment	-	-
Net cash provided by (used in) financing activities	-	-
Change in cash and cash equivalents in the period	10,312	9,567
Cash and cash equivalents at the beginning of the period	68,193	58,626
Cash and cash equivalents at the end of the period	78,505	68,193
Analysis of cash and cash equivalents:		
Cash in hand	78,505	68,193
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	78,505	68,193

Notes to the Financial Statements

For the Year Ended 31 August 2022

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 2022

2. Donations, legacies and similar incoming resources

	Unrestricted Funds £	Restricted Funds £	2022 £	Unrestricted Funds £	Restricted Funds £	2021 £
Committed giving	8,630	51,765	60,395	8,530	54,465	62,995
One-off gifts	11,470	14,045	25,515	14,387	5,599	19,986
Grants from organisations	1,318	6,850	8,168	940	13,950	14,890
Legacies	2,000	-	2,000	-	-	-
Gift Aid recoverable tax income	11,126	-	11,126	11,474	-	11,474
	34,544	72,660	107,204	35,331	74,014	109,345

3. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	2022 £	Unrestricted Funds £	Restricted Funds £	2021 £
Fundraising events	-	6,077	6,077	-	6,401	6,401
	-	6,077	6,077	-	6,401	6,401

4. Investment income and interest

	Unrestricted Funds £	Restricted Funds £	2022 £	Unrestricted Funds £	Restricted Funds £	2021 £
Bank interest received	-	-	-	-	-	-

5. Expenditure on raising funds

	Unrestricted Funds £	Restricted Funds £	2022 £	Unrestricted Funds £	Restricted Funds £	2021 £
Donations, legacies and similar incoming resources:						
Support costs allocated	6,575	5,700	12,275	8,215	5,700	13,915

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				2021		
	Operational projects	Support costs	Total	£	Operational projects	Support costs	Total restricted	£	Unrestricted	Restricted	Total
Orphanage	-	-	-	-	4,967	-	4,967	-	-	8,687	8,687
Sponsored children's education	-	-	-	-	19,916	-	19,916	-	-	22,009	22,009
Other education projects	-	-	-	-	-	-	-	-	-	-	-
Christian Vocational Centre	-	-	-	-	-	-	-	-	-	-	-
Islands community development	-	-	-	-	60	-	60	-	-	908	908
Children's feeding programme	300	144	444	-	-	-	-	520	-	-	520
SIFT Gifts expenditure	-	-	-	-	480	-	480	-	-	480	480
Supporting churches	-	-	-	-	-	-	-	-	-	-	-
Medical and clinic expenditure	8,486	4,063	12,549	-	37,639	-	37,639	4,425	33,664	38,089	-
Cookers project	-	-	-	-	-	-	-	-	-	-	-
Other building projects	-	-	-	-	-	-	-	-	-	-	-
Casa Rahab	5,190	2,485	7,675	-	-	-	-	10,531	-	-	10,531
Project administration in Nicaragua	7,268	7,885	15,153	-	-	-	-	14,537	-	-	14,537
	21,244	14,577	35,821		63,062	-	63,062	30,013	65,748	95,761	
Discretionary gifts in Nicaragua	16	4	20		-	-	-	-	-	-	

Notes to the Financial Statements

For the Year Ended 31 August 2022

7. Tangible fixed assets

	Land	Buildings	Motor vehicles	Total
Cost	£	£	£	£
At 1 September 2021	57,653	88,057	9,571	155,281
Additions - Revaluation	-	-	-	-
Disposals	-	-	-	-
At 31 August 2022	57,653	88,057	9,571	155,281
Accumulated depreciation				
At 1 September 2021	-	13,376	9,571	22,947
Charge for year	-	1,761	-	1,761
Disposals	-	-	-	-
At 31 August 2022	-	15,137	9,571	24,708
Net book value				
At 31 August 2022	57,653	72,920	-	130,573
At 31 August 2021	57,653	74,681	-	132,334

£28,508 of the tangible fixed assets relate to restricted funds (Islands) and £102,065 relate to unrestricted funds.

8. Debtors

	Unrestricted	Restricted	2022	2021
	£	£	£	£
Gift Aid debtor - HMRC	6,931	-	6,931	6,632
Bank interest receivable	-	-	-	-
Prepayments	160	-	160	140
	7,091	-	7,091	6,772

9. Creditors falling due within one year

	Unrestricted	Restricted	2022	2021
	£	£	£	£
Accruals	1,174	-	1,174	907
Loan from donor	6,500	-	6,500	-
	7,674	-	7,674	907

10. Restricted funds

	Balance at 1 Sept 2021	Incoming resources	Transfer from unrestricted funds	Programme expenditure	Balance at 31 Aug 2022
	£	£	£	£	£
Islands	47,753	240	-	(60)	47,933
Orphanage	1,030	8,635	-	(4,967)	4,698
Child Sponsorship	25,081	21,816	-	(19,916)	26,981
Team Support	229	5,760	-	(5,700)	289
SIFT Gifts	236	700	-	(480)	456
Medical	12,775	41,586	-	(37,639)	16,722
	<u>87,104</u>	<u>78,737</u>	<u>-</u>	<u>(68,762)</u>	<u>97,079</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	2022	2021
	£	£	£	£
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	2022	2021
	£	£	£	£
Salaries and wages	13,278	5,700	18,978	22,451
Social security costs	-	-	-	-
Pension costs	253	-	253	253
	<u>13,531</u>	<u>5,700</u>	<u>19,231</u>	<u>22,704</u>

No employees had employee benefits in excess of £60,000 (2021: £ 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 (2021: £ nil). During the period no Trustees were reimbursed for travel and admin expenses (2021: £ nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £ 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 2022

13. Trustees' donations

Aggregate donations from the Trustees to the charity for the period were £1,163.11, including Gift Aid of £232.62 (2021: £868.85, including Gift Aid of £173.77).

14. Staff numbers

The average monthly head count was 2 staff (2021: 2 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	2022	2021
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	2022 Total	2021 Total
	£	£	£	£	£	£	£
Basis of apportionment	(Activity type)	(Activity type)	(Activity type)	(All income generation)	(Location)		
Charitable activities							
Operational projects in Nicaragua	1,162	9,346	4,069	-	-	14,577	17,253
Discretionary gifts in Nicaragua	1	2	1	-	-	4	-
	<u>1,163</u>	<u>9,348</u>	<u>4,070</u>	<u>-</u>	<u>-</u>	<u>14,581</u>	<u>17,253</u>
Income generation							
Donations and legacies	-	9,389	1,933	339	-	11,661	13,220
Gift Aid recoverable tax income	-	494	102	18	-	614	695
	<u>-</u>	<u>9,883</u>	<u>2,035</u>	<u>357</u>	<u>-</u>	<u>12,275</u>	<u>13,915</u>
Total costs allocated	<u>1,163</u>	<u>19,231</u>	<u>6,105</u>	<u>357</u>	<u>-</u>	<u>26,856</u>	<u>31,168</u>

Charity Information

Trustees

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

Patron

Andrew Selous MP

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