



Annual Report & Accounts 2022 - 2023



*Sowing seeds of hope
in Nicaragua*

Foreword by SIFT's Patron

Andrew Selous MP



Andrew Selous MP

The situation in Nicaragua during the scope of this annual report was fractious to say the least. In the previous twelve months around 50 international charities lost their NGO status within the country but during this particular period 1,545 charities also ceased to be NGOs. Sadly in the November, SIFT came into this swathe of humanitarian organisations who had their NGO status revoked by the Nicaraguan Government. We were devastated, particularly as we had, by your superhuman giving over more than 20 years, given around £2 million to a country which is so poor in so many areas. We had never sought to meddle in its politics and only ever gave humanitarian aid to the people we so love.

Amazingly, the charity is still able to operate in Nicaragua and is financially stable thanks to all your sacrificial giving and to fundraisers, particularly Graham Knight, our Executive Officer, who has walked many miles around the coast of Wales since the Covid strictures.

As ever I am grateful for Dr Sandra Villagra and the nurses on Ometepe for their exuberant work in all its forms and for keeping the health of islanders of Ometepe in check, and for Margaret Storey who has been stoic in her wonderful efforts in Bluefields. I am so thankful for her humour and tenacity in working with students and vulnerable families and keeping reports up-to-date.

I extend a big 'thank you' to all those behind the scenes who keep the charity going: Ruth Ward, who communicates with sponsors and distributes reports. All the trustees who, so faithfully, keep a hand on the tiller to ensure things run smoothly. Dr Sandra, who liaises with Nicaraguan government departments, in addition to her medical work – what a blessing she is. And, of course, Graham Knight, as Executive Officer, who not only goes out each year to Nicaragua but also keeps all the charity's administration working.

I am grateful to all of you who support SIFT so faithfully and am thankful to God for his grace and mercy in difficult times.

May God's peace be with you all.

Andrew Selous

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About Nicaragua

Nicaragua has a population of 6.9 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 line, 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.

In contrast to many countries, the Nicaraguan government aimed to keep the country open for business during the pandemic and consequently did not enforce any national lockdowns. A programme of vaccinations was rolled out across the country and, by the end of August 2023, 88% of the population had been fully vaccinated against Covid-19².



Following a number of years of economic contraction, due to national unrest and then the coronavirus pandemic, the Nicaraguan Central Bank reported an increase in national GDP of 3.8% in 2022³. Whilst this is an encouraging sign for the country as a whole, ordinary Nicaraguans are continuing to experience high levels of inflation, which reached 11.6% in 2022. In response to the political and economic situation in Nicaragua, many Nicaraguans are choosing to emigrate to other countries in the region, such as Costa Rica and the United States.

At a national level in Nicaragua there are only 7 physicians for every 10,000 people, compared to 32 physicians for every 10,000 people in the UK⁴. Almost half of all health centres lack a water supply, and 35% of rural health centres do not have a reliable electricity source.⁶ The rural population face particular challenges in the area of health: 82% of rural families cook on open wood fires (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 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.⁵ 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 university. 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 and housing. 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) Global Change Data Lab. 2021. *Coronavirus (COVID-19) Vaccinations – Our World in Data* [Online]. Available at <https://ourworldindata.org/covid-vaccinations?country=NIC>
- (3) BCN. 2023. *Informe Anual 2022* [Online]. Available at <https://www.bcn.gob.ni/sites/default/files/Informe%20Anual%202022.pdf>
- (4) World Bank. 2023. *Physicians (per 1,000 people)* [Online]. Available at <https://data.worldbank.org/indicator/SH.MED.PHYS.ZS>
- (5) UNDP. 2022. *Human Development Report 2021/22* [Online]. New York: UNDP. Available at: <https://hdr.undp.org/content/human-development-report-2021-22>
- (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://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 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 on the island of Ometepe.
- Sponsoring the education of children and young people in Bluefields.
- Supporting a children's ministry near Managua.
- Progressing options to re-house poor and displaced islander families on the Asese Peninsula.
- Supporting a children's Feeding Programme on the island of Ometepe.

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

NGO status

During 2021 and 2022 the Nicaraguan government closed many foreign and religious NGOs as part of an effort to consolidate their power. In 2021 just over 50 organisations lost their NGO status but in 2022 over 1,500 NGOs, including SIFT, suffered this fate. Sadly this clampdown has had the effect of depriving many of the poorest Nicaraguans of access to valuable social aid programmes.

Following the revocation of SIFT's NGO status in November 2022 the Trustees met to discuss the way ahead and reaffirmed their commitment to serving the poor of Nicaragua. Our team members, both in the UK and Nicaragua, developed new working practices that would enable us to provide the same outcomes for our beneficiaries in Nicaragua, but without the official recognition of being an NGO. We are especially grateful to Dr Sandra Villagra, our representative in Nicaragua, and Yessenia Rosales, our lawyer, whose wisdom and determination have enabled us to navigate this difficult time and continue fulfilling our mission in Nicaragua.

Activities, Achievements and Performance

Health

SIFT has been providing primary healthcare to the people of Ometepe island since 2005, with this medical provision being led by Dr Sandra Villagra. The island of Ometepe, in Lake Nicaragua, is home to around 35,000 people, with around 39% of the population living in extreme poverty. The island has limited state-funded health facilities and these tend to be based in the main towns. Whilst consultations are free at these health centres, patients have to pay for their medicines, putting treatment out of the reach of the most vulnerable in society.

SIFT provides primary healthcare to the people of Ometepe at our clinics in the communities of Las Pilas and El Corozal. They are staffed by Dr Sandra Villagra and a team of four local nurses. Two of our nurses, Gretty and Aleida, 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. This has been particularly important this year owing to the high rate of inflation in Nicaragua.



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

In order to keep people safe in the aftermath of the coronavirus pandemic, our medical team continue to wear face masks when treating their patients. 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 keep wear masks when attending the clinics, to maintain social distancing and to wash their hands on arrival.

At the start of this year we were pleased to be able to donate our clinic building in the town of San José del Sur to the Nicaraguan Ministry of Health, MINSA. This is in line with the charity's original vision for the clinics, which was for them to be handed over to MINSA once MINSA had sufficient capacity to adequately run them. SIFT's nurses that were working at the San José del Sur clinic were transferred to work at our other clinics in Las Pilas and El Corozal.

Our nurses recognise the value of education in improving the general health of the community and so they teach their patients practical ways to live healthy lives through talks and posters around the clinics. 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.

Whilst patients are waiting for their appointments, our nurses are available to provide them with a listening ear, advice and pastoral care. 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. Patients appreciate being able to share their concerns with our nurses, and often request prayer for the situations that they are facing.

Following the revocation of SIFT's NGO status in Nicaragua, Dr Sandra met with the Nicaraguan Ministry of Health on Ometepe in order to ensure that a medical service could continue to be provided to the people of the island. Thanks to the good relationship that Dr Sandra has built with the Ministry of Health over many years, at both a local and national level, she was given the authorisation to open a private clinic on Ometepe. She was also given the permission to continue to use the clinic buildings in the villages of Las Pilas and El Corozal for this work. SIFT will fund this work

Report of the Trustees

from the UK, meaning that patients will be able to receive the same level of affordable care as they have done in previous years.

As part of this change-over process, we were required to pay our nurses severance payments, and three of them (Gretty, Aleida and Adelita) have opted to continue working with Sandra. The final nurse, Narcissa, decided that it was the right time for her to take retirement, as she has worked in the clinics since the beginning of our medical work on Ometepe. We are grateful for Narcissa's faithful service, and wish her well in her retirement. We are also extremely grateful for Dr Sandra's hard work and determination, which has enabled us to continue providing this valuable service to the people of Ometepe.

Around half 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.

Finca El Rayo - Asese Peninsula

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

As Granada is a popular tourist destination, and the Asese peninsula is a particularly beautiful area, some of the islands have been bought and developed into eco-tourist resorts, restaurants or holiday homes. This has left many islander families facing the prospect of being evicted from their homes at short notice, with only minimal compensation being awarded to them. Due to their limited financial resources, a family evicted from their island home might end up having to live in the slums of Granada.

Some of the new owners of the islands have allowed families to remain on their islands as caretakers, but this is only a temporary arrangement, offering the families little in the way of long-term security.

SIFT has bought a plot of land on the Asese peninsula, called Finca El Rayo, which we are planning to use to provide up to 50 islander families who are facing eviction from their islands with a permanent place to live. 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.



Members of the beneficiary committee for Finca El Rayo

A full environmental impact assessment has been carried out 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 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, but we hope that all the necessary paperwork will be put in place during the coming year so that we can give the families their plots of land and the security that they so desperately need.

Education Sponsorship

SIFT's 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 the Caribbean coast of Nicaragua. Bluefields has a population of 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.

Nicaraguan state schools have been free to attend since 2007, which has made it easier for children from all backgrounds to receive a basic education. However these schools tend to be under-resourced, with large class sizes, which affects the quality of education that the children receive. For those families that can afford it, attending a fee-paying school provides their children with a better standard of education, but this opportunity is out of the reach of the poorest in society.

SIFT's education sponsorship scheme enables children from disadvantaged families in Bluefields to attend fee-paying schools 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. All of the schools that our sponsored children attend are affiliated with churches and so the children receive a Christian education in addition to the standard curriculum. Of the 107 children that we sponsor in Bluefields, 43 attend primary school, 48 attend secondary school and 16 are university students.

The progress of our sponsored students' education is monitored by our voluntary field worker, Margaret Storey, who lives in Bluefields from March to September each year. Margaret visits all of the schools on a monthly basis and informs 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 for their studies as needed during the year. We are extremely grateful for Margaret's tireless service in Bluefields, which goes beyond the administration of the sponsorship scheme to providing timely pastoral and practical support to the children 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 for their sponsored child, which includes a recent photograph and news about their child's progress. The annual updates are written by Margaret Storey during her time in the UK and we are grateful to Ruth Ward who assists in sending the updates out to sponsors. During the year Ruth also liaises with sponsors if there are changes to their child's situation.

Hogar de Fe Children's Ministry

The Hogar de Fe (Home of Faith) orphanage was founded in 1992 by Pastor Ramiro Blandón 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 for over thirty years it has provided a loving home to children and young people. In recent years the running of the ministry has been handed over to Ramiro's son, Isaac, and a team of local Christians.



One of SIFT's sponsored students at school

Report of the Trustees



*Isaac Blandón and
Pastor Ramiro Blandón*

The children who lived at Hogar de Fe came from troubled backgrounds; some of them were full orphans and others were not able to be supported by their families. Regardless of their past, they were welcomed into a loving Christian family at Hogar de Fe and given every opportunity to develop to their full potential.

The neighbouring Josue 1:8 school is also administered by members of Ramiro Blandón's family and has around 525 students attending. It is a very popular and well-resourced school, providing primary classes in the mornings and secondary classes in the afternoons.

Sadly, last year, the organisation that 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 reduced operating budget.

The team initially attended six of the older teenagers, 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 either returned to their extended families in Los Brasiles or went to live at other children's homes run by the state. The team have remained 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.

During this year, the teenagers reached the point where they could live independently, and so Isaac and the team decided to use the resources of Hogar de Fe to provide children with access to education. They have started giving full scholarships to deserving children from poor backgrounds so that they can attend the Josue 1:8 school. At present they are giving scholarships to 29 children (13 in primary school and 16 in secondary school), and Isaac hopes to be able to expand this ministry to 40 children next year. SIFT will continue to stand alongside Hogar de Fe during this time of change for their ministry, as they seek to serve the most needy in their society.

Feeding Programme

Receiving good nutrition in the early years of childhood is an essential part of a child's development, affecting both their physical growth and their performance at school. Sadly, the economic situation faced by many families living in rural areas of Nicaragua means that they struggle to provide their children with a balanced diet full of the nutrients needed for healthy development. The typical diet for such a family consists of rice, beans and maize, supplemented by small amounts of meat, fish and vegetables.

Julita Alemán was involved with Christian work on the island of Ometepe for the final 47 years of her life. She became concerned that the diet of local children was lacking many of the vitamins that they needed, and so she set up a feeding programme for them at her home in the village of Urbaite. Sadly Julita passed away in 2020, but the ministry of the feeding programme continues to meet in the grounds of her house, run by a group of local Christians and led by Maxnomara (Max) Potoy.

Twice a week, on Monday and Friday afternoons, around 30 children and their parents attend the feeding programme. As the children arrive the team members, which include an educational assistant, provide them with help for their schoolwork and age-appropriate lessons in key skills such as writing and maths.

Once all of the children have arrived, Max leads the children in singing some Christian songs and tells 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 such as fortified rice. SIFT is pleased to be able to support the feeding programme by providing them with the funds needed to purchase the high-vitamin milk.

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.

We are encouraged to see the ministry of the feeding programme care for the children in a holistic manner, and continue Julita's legacy of love to the children of her community.



Children receiving their milk at the Feeding Programme

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 1% lower than last year. Whilst we experienced a reduction in the level of one-off gifts and grants that we received from trusts, this was balanced by the receipt of a generous legacy from one of our long-term supporters.

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. Whilst regular giving formed 52% of our income this year, 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.

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 8% of our total income.

All of our operational expenditure in Nicaragua is in dollars, and so continues to be affected by the low value of sterling with respect to the dollar. We have continued to focus our fundraising activities on the medical work to ensure that we are able to continue supporting this vital project. Our support costs this year formed 22% of our total expenditure. We aim to keep our UK and Nicaragua support operations as efficient and cost effective as possible, in order to maximise the funds that are available for projects in Nicaragua.

We operate a number of restricted funds to ring-fence funds for projects such as our medical work and our education sponsorship scheme. We do not use any of the money in these funds for administration or UK costs, but instead use it for project expenditure in Nicaragua. Our general account holds enough short term reserves to last for at least three months.

One of our usual fundraising tools is the SIFT Gifts catalogue, which we send out to our supporters prior to Christmas. This contains specific gifts that can be bought for the poor in Nicaragua, such as medicines for children. There is also an online version of the catalogue on the SIFT website, enabling these gifts to be bought throughout the year. Due to the temporary uncertainty over SIFT's work in Nicaragua due to the revocation of our NGO status, we did not send the paper version of the catalogue to our supporters this year, but we aim to resume this for Christmas 2023.

Graham Knight, SIFT's Executive Officer, did a 123 mile sponsored walk along the Wales Coast Path, from Amroth to Swansea, to raise funds for the medical work. This sponsored event was well

Report of the Trustees

supported by friends of SIFT across the UK, in particular from Crossroad Church in Seaton, and raised a total of £2,576.

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.

The Trustees were pleased to welcome Tony Langmead to the Board of Trustees during the year. Tony moved to Nicaragua in 2004 and for a number of years was SIFT's Project Manager and Legal Representative, overseeing the charity's various projects. Tony will provide the Board of Trustees with the benefit of his day to day experience of life in Nicaragua.

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 general administration, accounting, 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. Each October he travels to Nicaragua to help administer SIFT's sponsorship schemes and to collect information and media for promotional materials.

Dr Sandra Villagra is contracted by SIFT to oversee and provide a medical service on the island of Ometepe. She leads a team of three nurses who serve alongside her in the 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 the clinic pharmacies. Her work also involves liaising with the Nicaraguan Ministry of Health at a local and regional level.

Dr Sandra has continued her role representing SIFT before various Nicaraguan government departments, and we particularly appreciate her dedication to this role during this difficult year. We are also grateful to Yessenia Rosales and Rigoberto Solis who have provided us with valuable legal and accounting services respectively.

SIFT is very grateful for 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 our education sponsors. Margaret lives in Bluefields for six months each year, administering the sponsorship scheme on the ground and providing pastoral support to the children and their families.

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

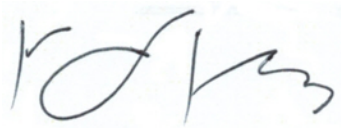
the annual budgetary process. In setting the Strategic Plan and in planning all of the charity's activities, the Trustees have paid due regard to the Charity Commission's guidance on public benefit.

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 work 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. 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 and serve the poor of Nicaragua. 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: 25th June 2024

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

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 2023

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: 27/06/2024

Statement of Financial Affairs

For the Year Ended 31 August 2023

	Note	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Income and endowments from:					
Donations and legacies	2	45,741	63,781	109,522	107,204
Charitable activities	3	-	2,576	2,576	6,077
Other trading activities		-	-	-	-
Investments	4	-	-	-	-
Other		-	-	-	-
Total		45,741	66,357	112,098	113,281
Expenditure on:					
Raising funds	5	7,982	5,700	13,682	12,275
Charitable activities	6	20,781	70,458	91,239	98,903
Other		-	-	-	-
Total		28,763	76,158	104,921	111,178
Other recognised gains / (losses):					
Gains / (losses) on disposal of fixed assets		(13,504)	-	(13,504)	-
Net income / (expenditure)		3,474	(9,801)	(6,327)	2,103
Transfers between funds		-	-	-	-
Net movement in funds		3,474	(9,801)	(6,327)	2,103
Reconciliation of funds:					
Total funds brought forward		111,416	97,079	208,495	206,392
Total funds carried forward		114,890	87,278	202,168	208,495

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

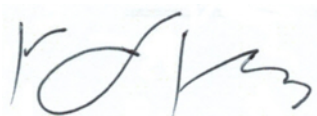
All incoming resources and resources expended derive from continuing activities.

Balance Sheet

At 31 August 2023

		31-Aug-23		31-Aug-22	
	Notes	£	£	£	£
Fixed Assets:					
Tangible Assets	7		115,634		130,573
Current Assets:					
Debtors	8	9,530		7,091	
Cash at Bank and in hand		77,872		78,505	
		<u>87,402</u>		<u>85,596</u>	
Creditors:					
Amounts falling due within one year	9	(868)		(7,674)	
Net Current Assets			86,534		77,922
Creditors:					
Amounts falling due after more than one year			-		-
Net Assets			<u><u>202,168</u></u>		<u><u>208,495</u></u>
Funds					
Restricted Funds	10		87,278		97,079
Unrestricted Funds: General Reserves			40,337		23,359
			<u>127,615</u>		<u>120,438</u>
Revaluation Reserve	11		74,553		88,057
			<u><u>202,168</u></u>		<u><u>208,495</u></u>

Approved by the Board of Trustees:



Mark Catley

Date: 8th June 2024

Statement of Cash Flows

For the Year Ended 31 August 2023

	2023 Total funds £	2022 Total funds £
Net income/(expenditure) for the period (as per the statement of financial activities)	(6,327)	2,103
Adjustments for:		
Depreciation charges	1,435	1,761
Loss/(profit) on the disposal of fixed assets	13,504	-
Interest income	-	-
(Increase)/decrease in debtors	(2,439)	(319)
Increase/(decrease) in creditors	(6,806)	6,767
Net cash provided by (used in) operating activities	<u>(633)</u>	<u>10,312</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	(633)	10,312
Cash and cash equivalents at the beginning of the period	78,505	68,193
Cash and cash equivalents at the end of the period	<u><u>77,872</u></u>	<u><u>78,505</u></u>
Analysis of cash and cash equivalents:		
Cash in hand	77,872	78,505
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	<u><u>77,872</u></u>	<u><u>78,505</u></u>

Notes to the Financial Statements

For the Year Ended 31 August 2023

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 2023

2. Donations, legacies and similar incoming resources

	Unrestricted Funds £	Restricted Funds £	2023 £	Unrestricted Funds £	Restricted Funds £	2022 £
Committed giving	9,164	48,880	58,044	8,630	51,765	60,395
One-off gifts	5,623	4,416	10,039	11,470	14,045	25,515
Grants from organisations	500	2,485	2,985	1,318	6,850	8,168
Legacies	21,015	8,000	29,015	2,000	-	2,000
Gift Aid recoverable tax income	9,439	-	9,439	11,126	-	11,126
	45,741	63,781	109,522	34,544	72,660	107,204

3. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	2023 £	Unrestricted Funds £	Restricted Funds £	2022 £
Fundraising events	-	2,576	2,576	-	6,077	6,077
	-	2,576	2,576	-	6,077	6,077

4. Investment income and interest

	Unrestricted Funds £	Restricted Funds £	2023 £	Unrestricted Funds £	Restricted Funds £	2022 £
Bank interest received	-	-	-	-	-	-

5. Expenditure on raising funds

	Unrestricted Funds £	Restricted Funds £	2023 £	Unrestricted Funds £	Restricted Funds £	2022 £
Donations, legacies and similar incoming resources:						
Support costs allocated	7,982	5,700	13,682	6,575	5,700	12,275

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Notes to the Financial Statements

For the Year Ended 31 August 2023

7. Tangible fixed assets

	Land	Buildings	Motor vehicles	Total
Cost	£	£	£	£
At 1 September 2022	57,653	88,057	9,571	155,281
Additions - Revaluation	-	-	-	-
Disposals	-	(13,504)	-	(13,504)
At 31 August 2023	57,653	74,553	9,571	141,777
Accumulated depreciation				
At 1 September 2022	-	15,137	9,571	24,708
Charge for year	-	1,435	-	1,435
Disposals	-	-	-	-
At 31 August 2023	-	16,572	9,571	26,143
Net book value				
At 31 August 2023	57,653	57,981	-	115,634
At 31 August 2022	57,653	72,920	-	130,573

£28,508 of the tangible fixed assets relate to restricted funds (Islands) and £87,126 relate to unrestricted funds.

8. Debtors

	Unrestricted	Restricted	2023	2022
	£	£	£	£
Gift Aid debtor - HMRC	9,350	-	9,350	6,931
Bank interest receivable	-	-	-	-
Prepayments	180	-	180	160
	9,530	-	9,530	7,091

9. Creditors falling due within one year

	Unrestricted	Restricted	2023	2022
	£	£	£	£
Accruals	868	-	868	1,174
Loan from donor	-	-	-	6,500
	868	-	868	7,674

10. Restricted funds

	Balance at 1 Sept 2022	Incoming resources	Transfer from unrestricted funds	Programme expenditure	Balance at 31 Aug 2023
	£	£	£	£	£
Islands	47,933	110	-	(2,535)	45,508
Orphanage	4,698	9,936	-	(8,531)	6,103
Child Sponsorship	26,981	20,965	-	(22,598)	25,348
Team Support	289	5,760	-	(5,700)	349
SIFT Gifts	456	-	-	(285)	171
Medical	16,722	29,586	-	(36,509)	9,799
	<u>97,079</u>	<u>66,357</u>	<u>-</u>	<u>(76,158)</u>	<u>87,278</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	2023	2022
	£	£	£	£
Buildings	<u>74,553</u>	<u>-</u>	<u>74,553</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	2023	2022
	£	£	£	£
Salaries and wages	8,872	5,700	14,572	18,978
Social security costs	-	-	-	-
Pension costs	253	-	253	253
	<u>9,125</u>	<u>5,700</u>	<u>14,825</u>	<u>19,231</u>

No employees had employee benefits in excess of £60,000 (2022: £ 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 (2022: £ nil). During the period no Trustees were reimbursed for travel and admin expenses (2022: £ nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £ 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 2023

13. Trustees' donations

Aggregate donations from the Trustees to the charity for the period were £1,168.09, including Gift Aid of £233.62 (2022: £1,163.11, including Gift Aid of £232.62).

14. Staff numbers

The average monthly head count was 1 staff (2022: 2 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	2023	2022
Fundraising	-	-
Office administration and charitable activities (UK)	1	1
Office administration and charitable activities (Nicaragua)	-	1
	<u>1</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	2023 Total	2022 Total
	£	£	£	£	£	£	£
Basis of apportionment	(Activity type)	(Activity type)	(Activity type)	(All income generation)	(Location)		
Charitable activities							
Operational projects in Nicaragua	2,327	4,939	1,766	-	-	9,032	14,577
Discretionary gifts in Nicaragua	2	3	1	-	-	6	4
	<u>2,329</u>	<u>4,942</u>	<u>1,767</u>	<u>-</u>	<u>-</u>	<u>9,038</u>	<u>14,581</u>
Income generation							
Donations and legacies	-	9,389	3,356	253	-	12,998	11,661
Gift Aid recoverable tax income	-	494	177	13	-	684	614
	<u>-</u>	<u>9,883</u>	<u>3,533</u>	<u>266</u>	<u>-</u>	<u>13,682</u>	<u>12,275</u>
Total costs allocated	<u>2,329</u>	<u>14,825</u>	<u>5,300</u>	<u>266</u>	<u>-</u>	<u>22,720</u>	<u>26,856</u>



1 Harepath Road, Seaton,
Devon, EX12 2RP

info@seed-trust.com • (01297) 22484 • www.seed-trust.com

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