



Santa Maria Education Fund

ANNUAL REVIEW FOR THE YEAR 2021

Aims of the Santa Maria Education Fund

According to its Trust Deed, the Santa Maria Education Fund is for “the education of the poor people of Santa María de Fe, Misiones, Paraguay and elsewhere in Paraguay, especially, but not exclusively, in formal education at tertiary level”. SMEF was founded in June 2001 and became a registered charity in July 2004. This is its seventeenth Annual Review.

The majority of our funding - though not all of it - goes to help with formal education of young people, rather than in alternative education or adult literacy. This is because we believe that this is the best way to help Paraguay advance: young people learn more, and more quickly, than their older relatives, and a better educated society prepares the way for making Paraguay economically viable.

Our aim is not just to help individuals but to invest in building a future for the whole community. So often the problem in helping a poor community is to know who are the people of talent and dedication who can make a difference: but in the case of Santa María knowing who they are is the easy bit, and finding the money to realise the dreams is the harder bit.

Activity in Paraguay in 2021

Our work in 2021 continued to be affected by the pandemic, though we were able to carry out much more of our work with normality compared to 2020.

In recent years approximately one third of SMEF’s expenditure has been on the Instituto Técnico Superior of Santa María de Fe (“The Institute”), one third on university scholarships, and one third on other areas, principally the English classes and music classes. This year, the proportion spent on the Institute was slightly higher, at 46% (36% in 2020 and 40% in 2019). The reason for this increase is two-fold. Firstly, because we lost a few months of class in 2020 when the pandemic first hit, they had no holidays in 2021, so we were paying fees every month in 2021, when we normally do not during the holiday. Secondly, as we bought some expensive laboratory equipment, a large one-off expenditure.

The Institute was founded in 2000 specifically on an “option for the poor” basis, and is funded exclusively by SMEF. It offers a two-year course at tertiary level in food technology, and serves an important function in offering tertiary level education to a larger number of students than we can send to university, and they are usually from the poorest areas, with many coming in from the outlying rural *compañías*. Costs are kept down by the dedicated work of teachers who are semi-volunteers, and the course is two years plus internship, whereas university courses are from four to seven years in length. Students must have completed their

www.santamariadefe.org info@santamariadefe.org

UK registered charity number 1105031

The Santa Maria Education Fund is for the education (especially at tertiary level) of the poor of Santa María de Fe, Paraguay
Donations to the Honorary Secretary: Catherine Brady, 2 Beck Crescent, Charnwood Green, Loughborough LE11 2UT
Trustees: Margaret Hebblethwaite, Kate Brown, Catherine Brady, Stephen Dunne, Jacob Pratt

secondary level education successfully to gain entry, and the students who do not reach the necessary level in their exams cannot proceed in the programme.

In 2021, due to Covid rules, we had to limit the amount of students in our course. The Director signed up everyone who was interested (45 students) and the first month was given with online classes. The students then had exams, and the best 27 students were accepted onto the course. This is not the way we would choose to work, but it was the only way to be able to give face-to-face classes and comply with the rules. Of those 27, 25 completed their first year. The second year began with 25 students, and all of them completed the year.

In 2021 we accepted five new students for university scholarships, though two of them will begin in 2022, making a total of 26 university students who received help during the year. We selected our new university students as usual from among the top leavers at all the six secondary schools in the Santa María *municipio*, with the selection made through an essay-writing examination that was independently marked by three examiners and blind-marked to avoid any unconscious bias – that is, we did not know the name of the student whose paper we were reading. As usual, the essay formed the principal part of the exam, supplemented with an IQ test and with an assessment of their performance in a short English course, in order that the outcome should not rest entirely on the answer to a single question, bearing in mind that there are different kinds of intelligence. On this occasion we offered help to 11 candidates out of a total of 19 who sat the exam, though several of our successful candidates ended up not taking the offer, either because their plans did not fit with what we fund, their families could fund their chosen degrees, or their chosen degree programmes didn't open, so they went to the Institute instead. Of the five who accepted our help, one chose International Relations, one Veterinary Medicine, one Agronomy, one Nursing (deferred) and one Industrial Engineering (deferred). As well as those who came through our exam this year, we also started helping one student with a Masters in Forensic Psychology and Psychodiagnosis. University classes continued to be affected by the pandemic and the vast majority of the year was taught through online learning.

Most of our university scholars study at one or other of the country's two leading universities, which are the Universidad Nacional and the Universidad Católica. The Universidad Católica has a campus close to Santa María in the neighbouring town of San Ignacio, and seven of our scholarship students were studying there in 2021. We also had three Medicine students in the Católica in Villarrica. We had one postgraduate student in Critical Medicine in the Católica in Asuncion. 12 students were at the Universidad Nacional, whether in Santa Rosa, San Juan, Asuncion, Encarnacion, Ayolas or at the branch in San Ignacio known as the Universidad Nacional de Pilar. We also had two students studying Teacher Training in San Ignacio and one (the Psychology Masters student) studying at the online TECH University.

The state continues to offer a number of scholarships to university, and the principle of a SMEF scholarship is to top up what the state scholarship does not cover. Students do not discover if they have been awarded a state scholarship until they are halfway through their first year of studies, and they are not eligible unless they can prove they are already at university paying their fees, which means that the poorest have no chance of applying for these scholarships. SMEF's policy is to award scholarships on merit to those who cannot afford their education without this assistance, irrespective of whether a student is eligible for a state scholarship; then, when the announcements come through, we often find that a good number of

our students receive a state scholarship, which we top up to cover the balance of their costs. A SMEF scholarship pays what the student could not otherwise cover from other sources, and monthly interviews keep us up to date with all financial developments in the family, whether for good or ill.

In addition to the university scholarships and the Institute scholarships, we continued our usual practice of helping a small number of young people to cover their costs at a local agricultural college, which is secondary-level education. This year we helped three students.

In 2021 we also started a brand-new project: offering university students to some top students who have been to a Fe y Alegria secondary school. Fe y Alegria is another charity, and we already have a relationship with them, as they are technically the employers of our Field Officer. They have secondary schools around the country (though not in Misiones, where Santa Maria is), and provide schooling to the disadvantaged. We have joined with them to select some of their top students (using our usual exam method) to offer a university scholarship to. As a pilot scheme we chose to aim these scholarships at those from the north of the country, a dangerous area where no help – state-sponsored or otherwise – reaches. Depending on our finances, we will evaluate expanding the programme to other areas in the future. This project began at the very end of 2021, with the selection process, though significant spending will begin in 2022. We have selected five students.

The English course was back to being face-to-face from March, with classes corresponding to nine levels of ability, mostly running both a morning and an evening session, since school students cannot attend extra classes in the day and university students cannot attend extra classes in the evening. Over the course of the year we enabled eleven students to pass the Key English Test (A2), four to pass the Preliminary English Test (B1) and one to pass the Cambridge Advanced English (C1). We also held a session of Cambridge Young Learners exams, and again the examiners came down from the Anglo to Santa María. Nine children sat Starters (the first exam for children) and five children sat Movers (the second level, A1 on the Common European Framework of Reference).

Admission to the English course is through an annual short course open to everybody, from which we select the most able pupils to enter our permanent programme. We gave this in March 2021, later than usual, to be allowed to do it in-person. In the first *cursillo* we had 76 students (divided into three groups), of which we invited 35 to the second *cursillo*. We invited 17 of these to the permanent course.

There is no selection for admission to the programme for children (ages 8 to 12), but they are expected to join the programme in January or soon afterwards, in order to keep up with the class. This year we had to limit numbers to comply with Covid rules.

The violin course was unable to continue for pandemic-related reasons. Our local teacher, Jesus, had moved away and other teachers, based further afield, were unable to commit to coming regularly. We hope to restart the classes in 2022.

Harp classes with our faithful teacher, Victoria Oviedo, returned to face-to-face classes for most of the year.

In October we decided to continue helping a music conservatory, Semillas, in nearby Ayolas. The project is run by Ecuadorean lay-missionaries who only charge students what they can afford. While they are always walking a financial tight-rope, the pandemic hitting meant that more students than ever were unable to contribute to the costs of their classes. We had helped them previously from May to December 2020 and have committed to helping them with a monthly contribution from October 2021 to December 2022.

No one from Santa Maria went to Iona this year due to the pandemic, though we started planning for Sever Quiroga to go in 2022.

Organisation in Paraguay

SMEF's paid Field Officer, Sarah Clarkson, continued the day-to-day administration while in constant consultation with Margaret Hebblethwaite, founder and trustee of SMEF. As well as helping to administer the funds she also taught in the English course along with native-speaker volunteers. In 2021 our volunteers were Michelle Grace (Politics, Sociology and Spanish, Durham), Hector O'Neill (Spanish and French, Magdalene College, Cambridge), Ruby Morris, (Spanish and French, Queens' College, Cambridge), Cora Bullivant (Spanish and Philosophy, St Hugh's, Oxford), Victor Matthews (German and Spanish, Trinity College, Cambridge), Emily Udell (Spanish and French, Trinity Hall, Cambridge) and Ella Palmer (Spanish and Portuguese, Newnham College, Cambridge). SMEF is immensely grateful to all our volunteers for their assistance, which is of an amazingly high quality. Irrespective of whether they have been formally trained or not, they all have a knowledge of how to learn and teach languages, a natural imagination and inventiveness, and a strong grasp of grammar. We are deeply appreciative of the fact that they not only work for nothing but they pay all their expenses, including, fare, rent, food and insurance.

In 2021 the on-the-ground funding decisions were made by the field worker Sarah Clarkson after consultation with founder and trustee, Margaret Hebblethwaite, teachers and trusted people in the community - particularly the local administrator of SMEF, Emi Del Puerto - and with regular consultation with the SMEF trustees over larger items of expenditure.

Where our funding went in 2021

The newsletter sent to all supporters appeared four times in 2021, in February, May, September and December, keeping donors up-to-date with new developments month by month, and with the usual personal stories. This Annual Review needs to be supplemented by the newsletter to gain a fuller picture of the year's events. Newsletters can be supplied on demand by emailing info@santamariadefe.org.

On-the-ground expenditure in Paraguay (excluding the Field Officer's salary) was £33,735 in 2021, much higher than in 2020, which was so affected by the pandemic (£23,246), but in line with previous years (£36,031 in 2019 and £30,119 in 2018). The Institute in Santa María accounted for 46% of our expenditure (36% in 2020, and 40% in 2019). The funds going to university scholarships accounted for 28% (38% in 2020, and 25% in 2019). The cost of English classes came to 14% of the total (5% in 2020, and 13% in 2019). This increase on 2020 can be explained by activities being so reduced in 2020, so 2021 expenditure is a return to normal.

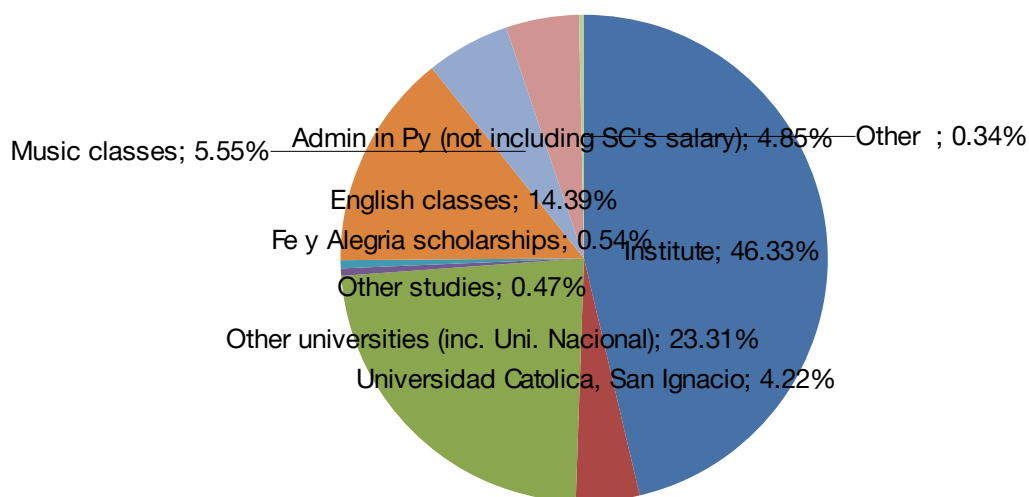
Music expenditure was 6% (11% in 2020, and 11% in 2019). This difference can be explained by the lack of violin classes. Administration costs in Paraguay (not including the Field Officer's salary) were 5% (8% in 2020, 7% in 2019).

The employment of the full-time Field Officer, Sarah Clarkson, cost SMEF £15,482 in 2021 (£17,060 in 2020). This includes the Field Officer's salary as well as mandatory social security payments and an advance provision for severance pay.

The distribution of funds in Paraguay was as follows in 2021:

The Institute (52 students).....	£15,515
Universidad Católica (San Ignacio) scholarships for 7 students (including inscription, monthly fees, exam fees, degree certificates and - where necessary - books, photocopies, fares).....	£1,412
Other universities courses (including the Universidad Nacional) (19 students)	£7,806
Other studies (agricultural school)	£159
Fe y Alegria scholarships	£181
English course (including Cambridge University exam fees, fares, study materials)	£4,819
Music classes.....	£1,859
Administration in Paraguay (not including Field Officer's salary).....	£1,623
Other.....	£115

Expenditure in Paraguay 2021



The Field Officer's salary is not included on this chart as it is paid separately and directly to Fe y Alegría Paraguay, who are technically her employers.

Expenditure in the UK was as follows:

Bank charges and investment fees	£269
--	------

Admin expenses in UK
 £859
 Teaching resources
 £211

Where our funding came from in 2021:

In 2021 we received a total of £114,806 in donations. This was significantly more than in 2020 (£41,053), and in 2021 our income greatly exceeded our expenditure. This was predominantly due to an increase in large, one-off donations, and without these large donations SMEF would have broken even.

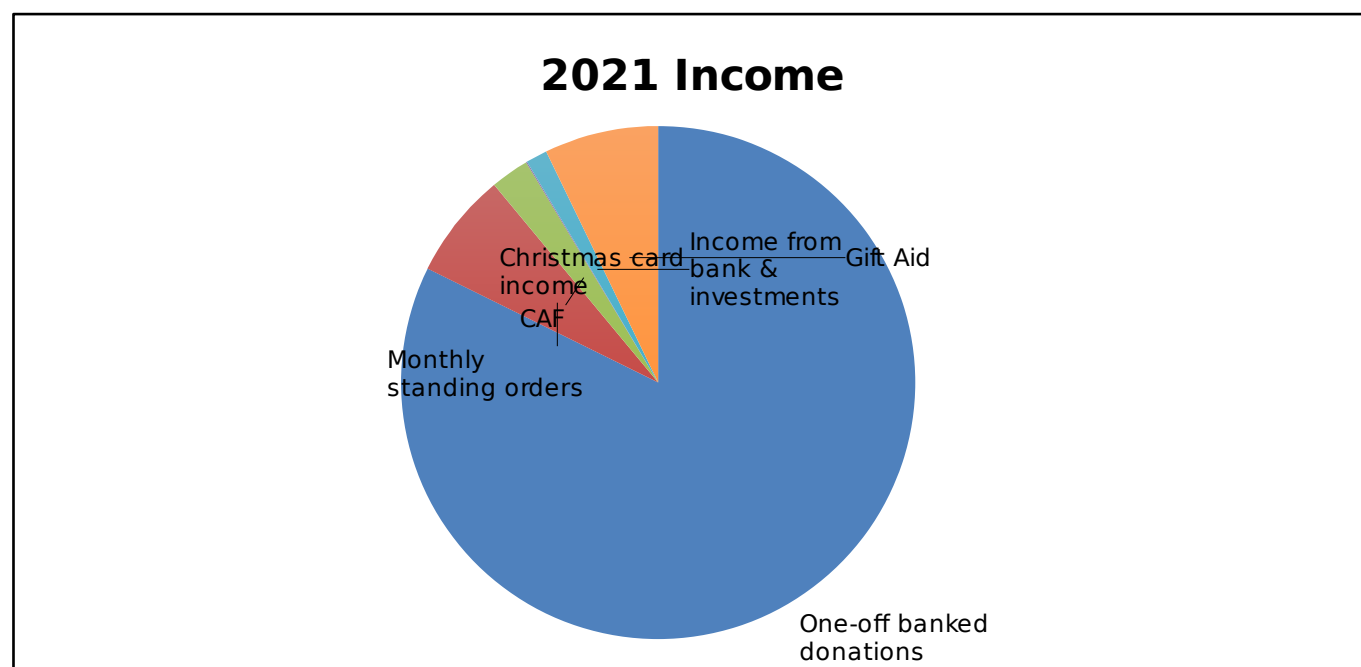
In 2021 we produced four newsletters for our supporters, in line with 2020 and with what had been decided by the trustees. 90% of SMEF's donations came in the form of one-off banked donations, a much larger proportion compared to 2019 (62%).

The distribution of the donations, by amount and % of total donations received, is as follows:

One-off banked donations	£103,383	90%
CAF	£3,043	3%
Monthly standing orders	£8,381	7%

In addition, SMEF generated income through the following:

Gift aid return	£9,007
Income from bank and investments	£1,664
Net sales of Christmas cards	£98



Shorter term and longer term possibilities

Our immediate goal is to continue funding our existing projects while remaining open to new needs, and to do so without making inroads on the reserves and investment needed to cover our future commitments, both medium and long term. This is important so that we can safeguard the sustainability of the work for the unknown future. (This policy was explained in brief in the mailing letter of 30 November 2003, and in detail in the newsletter of May 2005, page 4, under the heading "Use of your money".) As we are in a healthy financial position, we decided to explore new projects and, as mentioned above, have started a new project offering university scholarships to Fe y Alegria students. We are confident we can commit to this, as we will commit to it on a yearly basis and re-evaluate our financial position every year and expand or reduce this project as necessary.

As of 31st December 2021, our investments stood at £278,535. This includes a general investment account and four fixed rate bonds.

SMEF holds a general investment account with Transact, namely a Liontrust Sustainable managed fund. This is invested in shares, both in the UK and abroad, as well as in fixed interest stocks such as corporate bonds. This stood at £198,212 at 31st December 2021. In addition, SMEF had three fixed rate bonds with Cambridge & Counties Bank, valued at £15,000, £15,000 and £25,000 on 31st December 2021, and one fixed rate bond with Hampshire Trust Bank, valued at £25,000 on 31st December 2021.

SMEF also holds funds with HSBC - the savings account balance was £93,968 and the current account balance was £29,258 as of 31st December 2020.

Together these amounts in savings, bonds and investments are to ensure the sustainability of our work in the medium and long term future – not just the completion of studies of individual students, but the future of the Institute.

We believe the work of SMEF is important, because Paraguay is a forgotten country in terms of international aid. Funding of students of ability from the base could make an enormous contribution to social justice in Paraguay, training the best leaders for a country that has been steeped for too long in corruption, and in privileges for friends and family.

Organisation in the UK

We have a small and tight group of trustees in the UK who all work hard for SMEF on a voluntary basis. In 2021 our Trustees remained unchanged. Jacob Pratt is the treasurer, and a trustee. Stephen Dunne is a trustee, having previously been treasurer before temporarily moving abroad for work. Kate Brown is our webmistress and hub of all communications, and a trustee. Catherine Brady, our Honorary Secretary, receives all postal donations and sends out the thank-you letters, and is a trustee. Her address is the official address of SMEF. Margaret Hebblethwaite is a trustee who lives between the UK and Paraguay and attends both of the trustee meetings in the year. Sarah Clarkson is not a trustee but attends one trustee meeting a year to report back from Paraguay.

As we are a small charity, we are proud of our tradition of work on a voluntary basis. We believe this is particularly important in view of the criticisms that have been made of many charities for the high salaries paid to UK staff. Since 2016 we have had one full-time employee in Paraguay, who is Sarah Clarkson, our Field Officer. She is British, a former volunteer of SMEF, married to a Paraguayan and

living in Paraguay, and so paid a Paraguayan wage. It was necessary for SMEF to take on a full-time employed field officer to ensure its future as Margaret is past retirement age. The only other person involved in SMEF's administration to be paid is the Paraguayan teacher Emi Del Puerto, who has extensive knowledge of the local families and helps with administration and interviewing. She is paid a variable amount according to the work done each month.

As in the fifteen previous years, in 2021 we produced a SMEF Christmas card, which this year showed a dove and people taken from a mural on the wall of the Santa Maria Hotel, painted by Chilean Jesuit artist Miko. We also have ongoing stock of cards from former years which enables us to offer a wider variety each year.

The postal address for donations or other correspondence remains that of our Honorary Secretary Catherine Brady: 2 Beck Crescent, Charnwood Green, Loughborough LE11 2UT.

The website address is www.santamariadefe.org and the email address for enquiries is info@santamariadefe.org.

Note: all figures in £s are approximate due to the variation in the exchange rate during the course of 2021.



CHARITY COMMISSION
FOR ENGLAND AND WALES

Santa Maria Education Fund

No (if any)

Receipts and payments accounts

For the period
from

1st January 2020

To

31st December

Section A Receipts and payments

	Unrestricted funds to the nearest £	Restricted funds to the nearest £	Endowment funds to the nearest £	Total funds to the nearest £
A1 Receipts				
Donations	114806	-	-	114,806
Sale Christmas cards	98	-	-	98
Investment income	685	-	-	685
Bank and bond interest	979	-	-	979
Gift Aid	9,007	-	-	9,007
	-	-	-	-
	-	-	-	-
	-	-	-	-
Sub total (Gross income for AR)	125,575	-	-	125,575
A2 Asset and investment sales, (see table).				
	-	-	-	-
	-	-	-	-
Sub total	-	-	-	-
Total receipts	125,575	-	-	125,575
A3 Payments				
Field Officer	15,482	-	-	15,482
Education fees and costs in Paraguay	33,156	-	-	33,156
Teaching Resources	211	-	-	211
UK Administration	859	-	-	859
Bank charges	269	-	-	269
Investment management fees	504	-	-	504
	-	-	-	-
	-	-	-	-
	-	-	-	-
Sub total	50,481	-	-	50,481
A4 Asset and investment purchases, (see table)				
	-	-	-	-
	-	-	-	-
Sub total	-	-	-	-
Total payments	50,481	-	-	50,481
Net of receipts/(payments)	75,094	-	-	75,094
A5 Transfers between funds	-	-	-	-
A6 Cash funds last year end	-	-	-	-
Cash funds this year end	75,094	-	-	75,094

Section B Statement of assets and liabilities at the end of the period

Categories	Details	Unrestricted funds to nearest £	Restricted funds to nearest £
B1 Cash funds	Treasurers Account	29259	-
	Savings Account	93968	-
	Petty Cash	5399	-
	Total cash funds	128,626	-
	(agree balances with receipts and payments account(s))	Agreement Error	OK

	Details	Unrestricted funds to nearest £	Restricted funds to nearest £
B2 Other monetary assets		-	-
		-	-
		-	-
		-	-
		-	-
		-	-

	Details	Fund to which asset belongs	Cost (optional)
B3 Investment assets	Bond		-
	AVIVA Investment Fund		-
			-
			-
			-

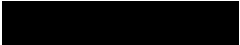
	Details	Fund to which asset belongs	Cost (optional)
B4 Assets retained for the charity's own use			-
			-
			-
			-
			-
			-
			-
			-
			-

	Details	Fund to which liability relates	Amount due (optional)
B5 Liabilities	Future education fee commitments		-83056
			-
			-
			-
			-

Signed by one or two trustees on behalf of all the trustees

Signature	Print Name

CC16a



Last year

to the nearest £

41053
253
1046
570
3818

-
-
-
46,740

-
-

46,740

18,738
22,646
-
2,012
212
430

-
-
-
44,038

-

44,038

2,702
-
-
2,702



**Endowment
funds
to nearest £**

-
-
-
-

OK

**Endowment
funds
to nearest £**

-
-
-
-
-
-

**Current value
(optional)**

80323

198212

-
-

**Current value
(optional)**

-
-
-
-
-
-
-
-
-

When due (optional)

Date of approval

Independent examiner's report to the trustees of The Santa Maria Education Fund

I report on the accounts of the Santa Maria Education Fund (the Trust) for the year ended 31st December 2021, which are set out on pages 2 to 3.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act'). I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Sue Hardman
1st October 2022

Mrs S M Hardman MSc, BSc (Hons) (affiliate member of ACCA)
22 Dorney Reach Rd
Dorney Reach
Maidenhead Berks SL6 0DX

Santa Maria Education Fund
Statement of Assets and Liabilities as at 31st
December 2021

	2021		2020	
	£	£	£	£
ASS				
ETS				
Cash at bank				
Treasurers				
AC	29,259		3309	
			4371	
Savings AC	93,968		3	
Petty Cash	5,399		7014	
				5403
Total		128,626		6
Investments				
Bond	80323		80,0	
			00	
AVIVA Fund	198,212		1757	
			30	
				255,7
Total		278,535		30
		407,16		309,
Total Assets		1		766
LIABILITIES				
Education				-
commitme				44,25
nts		-83,056		3
Total assets minus		324,10		265,
liabilities		5		513
Funded by:				
Funds brought		265,51		217,6
forward		3		77
Income less				
expenditure		75,094		2,703
Increase in education				16,10
liabilities		-38,802		5
Gain on				29,02
Investment		22,301		8
Funds carried		324,10		265,
forward		5		513

Santa Maria Education Fund
Statement of Income & Expenditure for the period ending
31st December 2021

	2021		2020
	£	£	£
INCOME			
Received from donors	114806		41053
Net sale of Christmas cards	98		253
Investment income	685		1046
Bond and Bank Interest	979		571
Gift Aid	9007		3,818
Total Income	125575		46741
EXPENDITURE			
Field Officer	15482		18,738
Education grants			
Universities	9217		8969
Other	22532		12288
Paraguay Admin	1406		1389
Teaching resources	211		0
UK admin	859		2012
Bank charges	269		212
Investment fees	504		430
Total expenditure	50481		44038
Income less expenditure	75094		2703

Santa Maria Education Fund
Statement of Movement in Investment Funds for the period ending
31st December 2021

	2021	AVIVA Fund	2020
	£		£
Value b/fwd	175730		146086
Gain on revaluation	22300		29028
Management fees	-504		-429
Net Investment	685		1046

Income

Value c/fwd 198212 175731
Report to the Trustees of Santa Maria Education Fund from the Independent Examiner

Following my examination of your accounting records and Financial Statements, I would like to make the following comments for consideration by the Trustees of the afore-mentioned charity.

There was one recommendation in the report last year:

1. These financial statements must be approved by the Trustees in one of their meetings and this must be documented. This is a legal requirement.

The minutes of the Trustee meeting 2021 detail the presentation of the 2020 financial statements to the trustees along with subsequent discussion. Thank you.

The charity's finances remain in a strong position and reflect decisions made by the trustees as recorded in their meeting minutes. These minutes also agree with the examined records. There are some aspects of this year's accounts worth highlighting:

1. The increase in assets this year is due to a combination of unrealised valuation gains in the charity's long-term investments (as in previous years) and the increase in 'one-off' large donations from individual donors. The charity finds itself with high liquidity (cash in UK bank accounts) which more than cover education commitments already made and so it is advised that the longer-term investments are increased to produce extra investment income in the short term.
2. The profit of around £75,000 is exactly the amount of the increased large donations (from £15,000 in 2020 to £90,000 in 2021). Without these donations SMEF would have broken even.
3. There are some impending changes to the Charities Act in 2022, but these are not likely to affect SMEF. Although it may be possible to make one-off moral 'ex gratia' payments of up to £2,500.

The trustees run the charity extremely well and their risk based approach, as documented in the minutes, results in good financial decision making. I have one suggested action point for next year:

1. Trustees undertake 'unconscious bias' training as they are making important decisions for people of the Global majority. This is in line with modern equality, diversity and inclusion principles and will give donors confidence that the charity is fair in all its decision making.

In the accounts above, previous year's figures are added as per the HMRC recommended format. This should enable better analysis and understanding of the current period's results. I hope you find my comments useful

Yours sincerely

Sue M Hardman 1/10/2022