



Trustees' Annual Report 2016

1st January 2016 to 31st December 2016

Fly The Phoenix

Registered Charity #1148531 in England and Wales

for

The Phoenix Projects

www.thephoenixprojects.org

Submitted by the Trustees

On 28th August 2017

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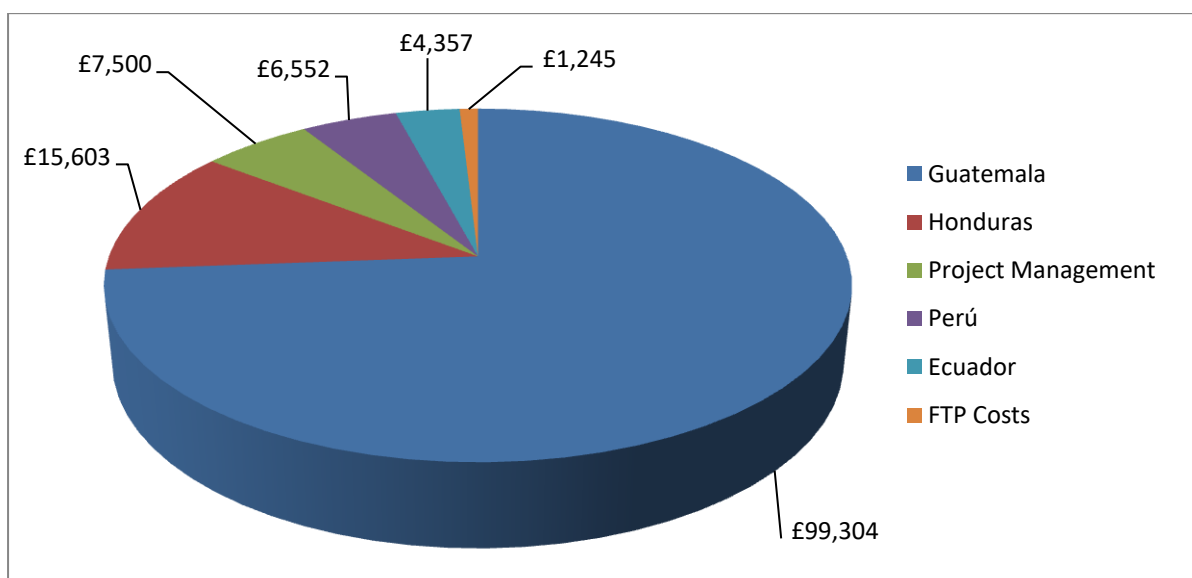
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1.0 Executive Summary

The Phoenix Projects are a non-profit-making organisation that believes education, daily food and employment opportunities are basic human rights for those who live in extreme poverty and have been promoting these rights in Guatemala, Honduras, Ecuador and Perú since 2002. We have started new schools as well as implementing sustainable income-generating plans in the communities where we work.

During the financial period between 1st January 2016 and 31st December 2016, £140,265 (£142,456 – 2015) was raised and received through our charity Fly The Phoenix. £134,561 (£150,690 – 2015) was spent on the operating costs of The Phoenix Projects including local teachers' salaries, daily food and fruit, transport, educational materials, construction and implementation of sustainable income-generating plans which should benefit over 500 families in the future. These plans provide local employment and over the next five years should grow to the point where the communities themselves completely finance the projects, with a target of 50% financing by the end of 2017.





2.0 The Phoenix Projects in Latin America

Fly The Phoenix is the registered charity for The Phoenix Projects which are based in Guatemala and work in Guatemala, Honduras, Ecuador and Perú promoting full education, food and employment in various indigenous communities. We run our own schools and support others whilst starting sustainable income-generating plans to create employment.

The Phoenix Projects aim to provide daily education, food and fruit to over 1000 children, teenagers and adults each year in primary, secondary, college and university by employing 40 local teachers and providing sustainable means by which all the children and teenagers can continue their further education whilst also investing in sustainable income-generating community initiatives which will help pay for the schools in the future.

3.0 Message from the Trustees

2016 was marked by the steep devaluation of the Pound which impacted our work heavily during the second half of the year and forced various budget cuts for 2017. We use pounds to buy dollars to buy local currencies to cover project costs. Our medium to long-term outlook remains positive, not only for the recovery of the Pound though also for the success of the sustainable income plans we are implementing which generate local currency to cover the projects' costs, thus avoiding future outside fluctuations in the financial markets.

For the children in all our projects in Guatemala, Honduras, Ecuador and Perú it is seeing the circle being completed and what is achievable. Their own teachers were once the same as them, from the same poor homes and destitute conditions. Many of our local teachers across the board were once part of our schools many years ago.

As mentioned above, the collapse of the Pound in 2016 and a natural decline in personal project-connected donations have led to certain cuts in all our projects leading to, amongst other things, the temporary suspension of some of our assistant teaching programs. All our local teachers have had to step up and it has been a steep learning curve for them. Potential incoming funds and the success of future sustainable plans should see us reintroduce not only the assistant teaching programs but also add more full-time local teachers in the future. We want and need to add teachers in Guatemala, Honduras, Ecuador and Perú to give this generation and the next, and the next, a fighting sustainable chance and for them to be able to do the same in the future.

Whilst education is important, the key is the availability of jobs at the end of it. Phoenix can only employ so many teachers and project-related people though we are seeing crucial advances elsewhere as our students from the past are gaining employment. For example, since the first graduation in 2014 in our Phoenix College in Honduras, 32 of the 35 graduates now have full-time jobs with various NGO's – the other three graduates we employ as teachers in the primary school. In our other countries we are seeing accountants, teachers in other schools, nurses and even qualified



female mechanics! By creating local businesses as part of the sustainable income plans as well, they become their own bosses, not dependant on the inherently discriminatory job market.

2017 is all about tough consolidation, taking stock and seeing where we are and what we can do. May we take this opportunity to thank each and every one of our local teachers. We welcome the challenge of not only covering all our ground costs but also investing in sustainable plans to be able to keep the teachers we already have and also increase their numbers to continue to improve our work for years to come.

We, as the Board of Trustees, approved this report on 28th August 2017 and it has been signed by Dominic Williams on our behalf.

Dominic Williams, Trustee

4.0 Sustainable Income Plans

At present the projects are 100% reliant on donations and fundraising. Depending on funding we hope to invest over £100,000 (\$130,000) in sustainable income-generating plans in the communities over the next few years which will ultimately make all the projects self-sustainable financially whilst creating employment and income in the communities. The plans are predominantly managed and run by the local women.

So far over 200 families now benefit from our sustainable income plans meaning their children's secondary school, college and university costs can be covered in the future. We plan to increase this to 300 during 2017 and 500 in 2018.

Please see which sustainable plans have been implemented in each country in the sections below.

5.0 Guatemala

The Phoenix Projects began in Kaqchikel-speaking San Andrés Itzapa, Guatemala in 2002 and expanded into Santa María de Jesús in 2004. Since then we have built schools for children to receive first-time education, provided daily food and fruit as well as educational materials, constructed energy efficient stoves to help reduce in-house air pollution, provided materials to rebuild homes and food supplies after natural disasters including Hurrricanes Stan and Agatha, donated fertilizer for family crops, provided food and fruit-trees to the elderly population, reforested tens of thousands of trees and awarded hundreds of scholarships for further education.

Our school in Itzapa became official in 2012. All the teachers we now employ are local, many of whom were once our students and beneficiaries of our scholarship program.



In total around 400 children and teenagers currently receive pre-school, primary, secondary, college and University education either in our own schools or helped by income generated from the family income sustainable plans.



Fig. 1 – Local teachers in Itzapa

In 2016 the students in Itzapa achieved a 98% pass-rate with all our sixth grade students graduating primary school for the fifth year in a row. According to Mineduc (Ministry of Education) almost a quarter of children in 1st grade failed the year; just three students failed our first grade.

Due to an increase in students we had to build a new classroom in Itzapa at the start of 2016. Investment was made in school materials for both teachers and students as well as celebrating Mother's and Father's Days, graduations and other cultural events.

We introduced many sustainable plans during the year, details of which can be seen in section 5.3 below.

5.1 Guatemala costs 2016

	2016	2015
Total costs	-£99,304	-£101,680
Sustainable income plans	-£34,772	-£31,058
Local teachers' salaries	-£32,677	-£37,280
Daily food and fruit	-£8,246	-£12,648
School running costs ¹	-£6,883	-£5,500
Classroom materials	-£6,643	-£6,838
Rent	-£3,200	-£2,708



Reforestation	-£3,139	-£2,795
Construction/maintenance	-£2,051	-£1,042
Celebrations/graduation	-£1,692	-£1,812

¹includes cleaners' salaries, cleaning products, drinking water, electricity and internet

5.2 Guatemala forecast costs 2017

For the next financial year we forecast that the basic running costs for Guatemala will be £45,800 excluding investment in sustainable plans. Our project in Santa María will be closed permanently as more opportunities for education and donations from other organisations are available now to the children and their families. The sustainable income plans which have already been put in place will also help the families to cover future costs of education.

	2017	2016
Total costs	-£45,800	-£62,480
Local teachers' salaries	-£24,000	-£32,677
School running costs	-£7,000	-£6,883
Classroom materials	-£5,000	-£6,643
Rent	-£4,000	-£3,200
Reforestation	-£2,500	-£3,139
Daily food and fruit	-£2,300	-£8,246
Celebrations/graduation	-£1,000	-£1,692

We also plan to continue investing in sustainable income plans and if funds allow, reinstate the teaching assistants program.

5.3 Guatemala Sustainable Plans

We continued to introduce many sustainable income-generating plans during 2016 with more investment due to be made in 2017 which will create further employment, cover further education costs and help to cover project costs.



Fig. 2 – Plan Moo

These include:

Plan Moo - the purchase of cows with the income from milk staying with the family as well as the initial cow after two calves. The first calf is passed onto another family to continue the process and the second calf is sold with proceeds going towards covering school costs. We plan to increase the herd to one hundred cows over the next two years.

Plan Corte - the purchase of large weaving looms for "cortes" (the indigenous traditional dresses) and investing in training for the women. The cortes will be sold locally with the proceeds being shared between the women and the schools. We plan to purchase more looms to bring the total to five.

Plan Nixtamal – the purchase of machines that grind basic maize into the dough needed to make tortillas. Income is shared between the family and the projects. We hope to purchase one more machine bringing the total to three.

Plan Pollo (chickens) - the investment in breeding infrastructure, pens, feed and chickens with the income from the sales of meat and eggs (after costs for feed) being shared between the family and the projects. Over sixty families have so far benefitted from Plan Pollo.

Plan Huerto (vegetable gardens) - We trialled Plan Arveja China (green beans) in 2012, investing in a crop from start to finish. Poor weather limited the harvest to break-even. In 2016 we trialled vegetable gardens with tomatoes with mixed results. During 2017 we plan to experiment with avocado and fruit trees.

Plan Reforestation - Since 2002 we have worked with the women's group in Itzapa funding a tree nursery and now producing and planting 25,000 trees a year. The women receive a small income as we purchase the trees each year and they are then planted in the surrounding hills.

Official figures by the Encuesta Nacional de Condiciones de Vida (Encovi) still show that around 60% of the population in Guatemala live in poverty, up from 51% in 2006; extreme poverty has surged to almost double the 15% in 2006. Our sustainable plans help alleviate some of these statistics.



6.0 Honduras

The Phoenix Projects began in Honduras in 2004 working on water projects providing running water to rural Ch'orti' communities in the Copán area. Since then education projects were started in San Rafael in 2006 and Barbasco in 2010. In 2008 we started the Phoenix Secondary School and College, paying for teachers' salaries and daily transport as well as materials allowing teenagers and adults from nine surrounding communities – many walking over two hours each way - to receive secondary and college education graduating in “Rural Social Enterprise”. We also have an adult literacy program.

We have undertaken extensive construction at both schools including roofing, toilets and kitchens to provide daily hot food and fruit for the children as well as completing an energy efficient stove project for families in the community.

In total 230 children, teenagers and adults currently receive official education in primary, secondary, college and University levels.



Fig. 3 – Local teachers

Over the past two years we have seen a small decline in numbers entering primary school in Honduras - though this isn't a reason to panic - why? Thanks to the Phoenix Secondary School and College opening 9 years ago, girls (as well as boys) have been able to stay in education and early teenage pregnancies have fallen dramatically. It is that segment that has caused the decline. Numbers will obviously rise again in the future.

Since the first graduation in 2014, 32 of the 35 graduates from the Phoenix College now have full-time jobs with various NGO's – the other three graduates we employ as teachers in the primary school, paying them a monthly stipend and also covering their University costs so that they become qualified teachers.



Investment was made in school materials for both teachers and students as well as celebrating Mother's and Father's Days, graduations and other cultural events. We also undertook some much needed maintenance including painting the primary school.

As part of the final year of the Phoenix College, the students have to teach literacy and numeracy to adult community members for which they receive diplomas through the school. Twenty-five adults successfully passed 1st grade in 2016. They also have to give talks on health issues in the surrounding communities.

Eight students graduated from our secondary school and eight students graduated from our college in "Promoción Social" - better known as Rural Social Enterprise. They are qualified in community health, agriculture, micro-businesses and much more. Most of last year's graduates now have full-time work in this field.

We started planning more sustainable plans during the year, details of which can be seen in section 6.3 below.

6.1 Honduras costs 2016

	2016	2015
Total costs	-£15,603	-£21,482
Local teachers' salaries:	-£10,638	-£15,439
Classroom materials	-£1,246	-£481
Daily food and fruit	-£1,111	-£1,023
Sustainable income plans	-£983	-£2,679
Teacher transport	-£930	-£1,488
Celebrations	-£399	-£372
Maintenance	-£296	-£0

Sustainable Plan Café, Plan Tilapia and Plan Huerto covered the costs of the graduation at the end of the year and also some school supplies throughout the year.

6.2 Honduras forecast costs 2017

For the next financial year we forecast that the basic running costs for Honduras will be £22,000 excluding investment in sustainable plans. The Phoenix college will be moving to Copán, incurring construction costs for new classrooms. Transport will be provided for the students.

	2017	2016
Total costs	-£22,000	-£14,620
Local teachers' salaries ¹	-£17,000	-£10,638
Construction	-£2,500	-£296
College transport	-£1,600	-£930
Classroom materials	-£500	-£1,246
Celebrations/graduation	-£400	-£399
Daily food and fruit	-£0	-£1,111

¹includes the University costs of the assistant teachers

We also plan to continue investing in sustainable income plans.

6.3 Honduras sustainable plans

We continued to work on the sustainable income-generating plans during 2016 with more investment due to be made in 2017 which will create employment and help to cover project costs.



Fig. 4 – Plan Pollo

These include:

Plan Café - this was launched in 2011 by planting thousands of coffee bushes on land in San Rafael. Income from the coffee harvest helps cover some of the costs of the Phoenix College including the annual graduation. We plan to double the number of bushes during 2017.



Plan Estufa (stove) - the purchase of an industrial stove to start a cooked-food business for the students of the Phoenix college. The food is sold in Copán, the nearest town and has proven to be a great success. We plan to invest in more stoves during 2017 as the income generated helps to cover some college costs.

Plan Huerto (vegetable gardens) - various crops were introduced in 2015 in the homes of the college students and the income generated from these was shared between the school, the families and reinvestment in future crops. This plan will be expanded during 2017.

Plan Tilapia (fish) – Introduced in 2015, two more pools for Tilapia were constructed in 2016 and the fish were farmed and sold locally with income being shared between the school, the community members who worked on the plan and reinvestment into the next batch of fish. During 2017 we aim to add more pools.

Plan Pollo – Plan Pollo was started in 2015 and continued to thrive during 2016. More investment is anticipated in 2017.

7.0 Ecuador

In 2005 The Phoenix Projects began working in three local Kichwa-speaking indigenous schools in the communities of Huayrapungo, Muenala and Urcusiqui. All above 3000m in the Andes mountains each school had one teacher working across all 7 grades and little access to educational resources. Since then, in 2007, The Phoenix Projects began work with Larcacunga, a community on the other side of Otavalo.

As well as providing daily food and fruit and educational materials we have built energy-efficient stoves, employed local teachers and started Plan Ironwoman aimed to improve the diets of pre-natal mothers. Sustainable plans including the purchase of cows (Plan Moo) and guinea pigs (Plan Cuy) which were started in 2009 now help cover further education costs of all the children in the communities.

In total 150 children and teenagers currently receive primary, secondary, college and University education either in the centralized school or helped by income generated from the family sustainable plans.



Fig. 7 – In the centralized school



During 2016 the communities and students continued to acclimatise to the new centralized school in Urcusiqui after the education system in Ecuador was completely overhauled in 2014. We employed one local teacher to work in the school bringing the teacher/class ratio to one teacher for two classes.

We started planning and introducing more sustainable plans during the year, details of which can be seen in section 7.3 below.

7.1 Ecuador costs 2016

	2016	2015
Total costs	-£4,357	-£9,227
Sustainable income plans	-£1,972	-£3,302
Local teachers' salaries:	-£1,923	-£3,280
Transport	-£0	-£1,602
Daily food and fruit	-£462	-£1,042

7.2 Ecuador forecast costs 2017

For the next financial year we forecast that the basic running costs for Ecuador will be £2,500 excluding investment in sustainable plans.

	2017	2016
Total costs	-£2,500	-£2,385
Local teachers' salaries:	-£2,000	-£1,923
Daily food and fruit	-£500	-£462

Sustainable Plans are already covering further education costs of the children in college and university.

7.3 Ecuador sustainable plans

We started to introduce sustainable income-generating plans back in 2009.



Fig. 8 – Plan Moo

These include:

Plan Moo (cows) – introduced in 2009 with families receiving a cow and the income derived from milk sales and subsequent calves' milk helping to cover secondary school, college and further education costs of the children in the communities.

Plan Cuy (guinea pigs) – this was introduced in 2011 with the building of cuy houses and the rearing of guinea pigs for sale. The income helps with further education costs.

Plan Ironwoman - was started in 2012 with the aim of providing sustainable iron-rich crops for pregnant mothers to fight infant malnutrition. Investment was made in materials, tools and seeds.

Plan Papa (potatoes) - introduced in 2013/14 with the harvests of potatoes. It covered wages though, due to problems with the weather, the yield covered costs only.

Plan Huerto (vegetable gardens) - started in 2013 provided regular food for school meals and the community. Plans are underway to expand this in 2017 in the centralized school.

Plan Pollo (eggs) - introduced in Muenala with the sales of eggs being shared between the communities for further education costs. The old classrooms were used after centralization of the schools.

8.0 Perú

The Phoenix Projects began work in Perú in both kindergarten and primary schools in the Quechua-speaking desert communities of Triunfo and Maldonado in Sachaca on the outskirts of Arequipa in 2006 and later in Chiguata, Chivay and Machahuaya. Since then we have employed local teachers and cooks so the children could have one hot meal a day as well as fresh fruit. We have built extra classrooms, energy-efficient stoves and kitchens in the schools, awarded materials scholarships for further education and communal water tanks due to the scarcity of water. In 2013 the government became more proactive with food programs and teachers so our work is now concentrated in Maldonado. In total 50 children receive primary school education.



Fig. 9 – Traditional dance

In 2016 the year started with the reinforcement classes during the school holidays preparing the children for classes starting in March. Results have shown a vast improvement in the education due to these classes. We again took on a local teaching assistant, an ex-student, to help in grades 1 and 2 once the school started as well as restocking the school with materials and text-books.

During the year we continued with the daily fruit program and provided gas for breakfasts. Mother's Day, Day of the Student and anniversaries were celebrated with the usual dance, gifts and typical food. We also brought back the annual trip to the beach for the children, a great respite from living in the desert for 365 days a year.

Discussions over sustainable plans were also held, which can be seen in section 8.3

8.1 Perú running costs 2016

	2016	2015
Total costs	-£6,552	-£4,599
Local teachers' salaries:	-£5,197	-£3,301



Celebrations	-£648	-£348
Daily fruit and gas	-£371	-£674
Classroom materials	-£336	-£236
Sustainable Plans	-£0	-£0

8.2 Perú forecast costs 2017

For the next financial year we forecast that the basic running costs for Perú will be £7,100 excluding investment in sustainable plans.

	2017	2016
Total costs	-£7,100	-£6,552
Local teachers' salaries	-£5,000	-£5,197
Celebrations	-£800	-£648
Daily fruit and gas	-£800	-£371
Classroom materials	-£500	-£336

We also plan to continue investing in sustainable income plans.

8.3 Perú sustainable plans

Due to the geography of the region where we work (altitude desert), sustainable agricultural plans are difficult, though we plan to trial Plan Huerto (vegetables) and Plan Negocio (business) with textiles during 2017.

9.0 Fly The Phoenix costs 2016

	2016	2015
Total costs	-£1,245	-£1,409
Bank transfer charges	-£1,245	-£1,409

Fly The Phoenix is run voluntarily by founders Dom and Doreen Williams. No fundraising events were undertaken which involved using some of the funds raised to pay for event costs.



9.1 Fly The Phoenix costs 2017

For the next financial year we forecast that the basic running costs for Fly The Phoenix will be £1,500. Fly The Phoenix will continue to be run voluntarily in 2017.

	2017	2016
Total costs	-£1,500	-£1,245
Bank transfer charges	-£1,500	-£1,245

10.0 The Phoenix Projects Management costs 2016

	2016	2015
Total costs	-£7,500	-£7,500
Management costs ¹	-£7,500	-£7,500

¹includes salaries, living expenses, internet and transport.

10.1 The Phoenix Projects Management costs 2017

For the next financial year we forecast that the management costs of The Phoenix Projects will be £7,500.

	2017	2016
Total costs	-£7,500	-£7,500
Management costs	-£7,500	-£7,500



11.0 Financial Statement

From 1st January 2016 to 31st December 2016

	2016	2015
Opening Balance	£90.00	£8,324.00
Restricted funds	£127,709.00	£135,223.00
Unrestricted funds	£12,556.00	£7,233.00
<hr/>		
Total funds received¹	£140,264.00	£142,456.00
Total expenditure	-£134,561.00	-£150,690.00
Guatemala	-£99,304.00	-£101,680.00
Honduras	-£15,603.00	-£21,482.00
Ecuador	-£4,357.00	-£9,227.00
Perú	-£6,552.00	-£4,599.00
Project Management	-£7,500.00	-£7,500.00
International Bank Charges	-£1,245.00	-£1,409.00
Assets	£0.00	£0.00
Liabilities	£0.00	£0.00
Net Balance	£5,793.00	£90.00

¹Includes Gift Aid


We, as the Board of Trustees, approved this financial statement on 28th August 2017 and it has been signed by Dominic Williams on our behalf.

Dominic Williams

Trustee



12.0 Independent Examiner's Report



**CHARITY
COMMISSION**

Independent Examiner's Report on the Accounts

Section A Independent Examiner's Report

Report to the trustees/members of Charity Name
FLY THE PHOENIX

On accounts for the year ended 3 1 1 2 1 6 Charity no (if any) 1 1 4 8 5 3 1

Set out on pages all Section B (remember to include the page numbers of additional sheets)

Respective responsibilities of trustees and examiner The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed. It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement My examination was carried out in accordance with general Directions given by the Charity Commission. 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 explanations 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 no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement In connection with my examination, no matter has come to my attention (other than that disclosed below*):

(1) which gives me reasonable cause to believe that in, any material respect, the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act;
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

* Please delete the words in the brackets if they do not apply.

Signed [Signature] Date 30/08/17

Name RICHARD ERIC LHOYD-OWEN

Relevant professional qualification(s) or body (if any) -

Address 9 CHURCH STREET, CLARE
SUDBURY, SUFFOLK (O10 8PA)

IER1March 2012



Section B	Disclosure
Only complete if the examiner needs to highlight material problems	
Give here brief details of any items that the examiner wishes to disclose	
<p>I have seen the Trustees' Annual Report for 2016. Page 8 para 11.0 sets out the financial statement in detail and has been approved by the Trustees. The Annual Report fully details the activities of the charity and its describes the various projects with their costs.</p> <p>I have also seen the HSBC statements for the year in question.</p> <p>To the best of my knowledge and belief the Trustees' Annual Report for 2016 sets out an accurate statement of the affairs of the charity.</p>	
R.E. Lhoyd-Owen	
Date 30/08/17	