

**Company number: SC197327**  
**Charity number: SC012302**

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
(COMPANY LIMITED BY GUARANTEE)**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2019**

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

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**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
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**Strategic Report for the year ended 31 December 2019**

The Directors present their annual strategic report in accordance with the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013.

**ACTIVITIES AND ACHIEVEMENTS**

**1 REDUCING POVERTY & INJUSTICE OVERSEAS**

- 1.1 Working in partnership
- 1.2 Responding to emergencies
- 1.3 Safeguarding communities

**2 ADVOCATING FOR CHANGE**

- 2.1 Securing climate justice
- 2.2 Supporting partners

**3 BUILDING SUPPORT IN SCOTLAND**

- 3.1 Supporter development and community engagement
- 3.2 Educating for change
- 3.3 Supporter consent

**1. REDUCING POVERTY AND INJUSTICE OVERSEAS**

**1.1 Working in partnership**

As a Catholic development agency, SCIAF draws inspiration from the rich heritage of religious tradition, including the Bible and Catholic Social Teaching. Our work is guided by the Caritas Partnership Principles and we are committed to a partnership-based model of working. Our development and emergency work is executed through local partners, combining our skills, resources and capacity, with their local knowledge and expertise, to achieve the best possible results for communities affected by hunger, poverty, conflict, disease, injustice and natural disasters. Our partners are primarily the national or local Caritas, or other Church bodies. If these are found not to have the capacity or expertise to undertake our programmes, we establish other suitable local partnerships.

In 2019 we continued to focus on four key themes:

- **Peaceful and Just Communities** provides help to women affected by gender-based violence, supports conflict resolution and mitigation, and empowers communities to exercise their rights and responsibilities, especially in relation to natural resources and community development
- **Sustainable Livelihoods and Environments** supports sustainable agriculture and small business development
- **Access to Education** aims to increase access to school, vocational training and educational courses for marginalised groups
- **Emergency Response** provides life-giving support to help people survive and recover when disaster strikes.

During 2019 SCIAF supported 131 projects implemented by 79 partners. The projects were implemented in 28 countries, across Africa, Asia, Latin America and the Middle East. In total SCIAF provided £5,748,930 in support of these projects in 2019, directly assisting over 400,000 individuals.

Aims	Total (Female)	Total (Male)	Total (Male & Female)
Peaceful and Just Communities	18,927	18,906	37,833
Sustainable Livelihoods and Environments	50,894	38,177	89,071
Access to Education	1,757	2,535	4,292
Emergency Humanitarian Response	117,596	151,812	269,408
<b>Grand Total</b>	<b>189,174</b>	<b>211,429</b>	<b>400,603</b>

**Strategic Report for the year ended 31 December 2019 (continued)**

In addition, a total of 1,412,025 individuals indirectly benefitted, including 835,556 women.

The 28 countries were selected by looking at the following criteria: level of poverty, inequality, human rights abuses, social exclusion, vulnerability to disaster, SCIAF's potential for impact, the presence of Caritas and CIDSE sister agencies, and the strength of local partners.

Our development programme continued its focus on three key themes in 2019: Peaceful and Just Communities, Sustainable Environment and Livelihoods, Access to Education, and Humanitarian Response.

Our work on 'Sustainable Environments and Livelihoods' supports the development of sustainable agriculture and micro- and small business development. The theme of 'Peaceful and Just Communities' provides support to women affected by gender-based violence, supports conflict resolution and mitigation, and helps communities to exercise their rights and responsibilities over natural resources and community development. SCIAF's work on education aims to increase access to school, vocational training and educational courses for marginalised groups.

As part of our commitment to the Caritas Partnership Principles, we help partners identify and address weaknesses as part of our project support and pay for specific capacity gaps to be addressed. During the year we carried out a survey of partners, and their views on their experience of working with SCIAF. The results were overwhelmingly positive, and encouraged us to think how we can strengthen our capacity building and accompaniment support.

A total of 131,688 individuals, including 71,658 women, directly benefitted from these projects. SCIAF works with a range of partners. Of the 79 partners we worked with in 2019 37% of them are members of the Caritas Confederation; 70% are within the Catholic family; 5% are from other faiths; 25% are secular organisations.

## **1.2 Responding to emergencies**

Responding to emergencies is a significant part of SCIAF's work. In 2019 around 269,400 individuals (including 114,400 women) directly benefitted from our support for 34 emergency responses in 19 countries.

In line with our commitment to a partnership approach, and our place within the Caritas family, most of our responses to major humanitarian crises are provided through Caritas Internationalis' appeals for national Caritas. SCIAF also supports sister agencies such as CAFOD and Trocaire, who have emergency teams that are deployed to respond to emergencies. We also provide support to our existing partners in our 14 programme countries if they face small-scale (or large-scale) emergencies, and through our long-term Syria emergency programme.

During 2019 this support focused on Venezuela, Zambia, Syria, Mozambique, India, Bangladesh, Malawi, Yemen, South Sudan, Nicaragua, Nepal, Pakistan, Lebanon, Jordan, Indonesia, Haiti and the DRC.

We continued to implement a long-term response to the chronic humanitarian crisis in Syria, in collaboration with our sister agency CAFOD. This includes projects in Syria, Lebanon and Jordan. In line with our long-term planning, the focus of the programme has increased the level of support provided within Syria year-on-year. In 2019 we secured funding from the Scottish Government for our work in Syria, in collaboration with Islamic Relief Worldwide.

During 2019 SCIAF continued to strengthen its role in the Caritas Internationalis confederation, playing an active role in the Accountability Working Group, the Safeguarding Taskforce and attending the second Caritas International Humanitarian Forum in Greece. SCIAF has also played an active role in the

**Strategic Report for the year ended 31 December 2019 (continued)**

Scottish Government's Humanitarian Emergency Fund (HEF) panel, and has been fortunate to receive support for our work in Colombia (for Venezuelan refugees), and in Syria in our collaboration with CAFOD and Islamic Relief Worldwide.

**1.3 Safeguarding communities**

As part of our ongoing commitment to creating a better world, in which everyone is safe and treated with respect, we continued to focus on building partners' capacity, policies and procedures to ensure they meet international safeguarding standards. At the end of 2019, we approved a new one-year compliance officer role whose remit will be to support our overseas partners to meet safeguarding minimum standards by the end of 2020.

**2. ADVOCATING FOR CHANGE**

Addressing the causes of poverty and injustice is core to SCIAF's approach. Throughout 2019 we brought together policy, campaigns and communications to secure improved climate change legislation in Scotland. We also increased support for our partners and project participants overseas so they can campaign for change in their countries.

**2.1 Securing climate justice**

In 2019 SCIAF had three advocacy priorities: to make sure that the Climate Bill making its way through the Scottish Parliament set ambitious targets to reduce greenhouse gas emissions; to support partners in their advocacy work and to promote awareness of the UN Binding Treaty on Business and Human Rights.

SCIAF was very happy to play a significant role in influencing the content of the Scottish Government's Climate Bill. The Bill included a net zero emissions reduction target for 2045 and an increase to 75% emissions reduction by 2030. We had lobbied for the 2045 target and for an 80% reduction by 2030, and were very pleased with this result. The Bill also included amendments proposed and supported by SCIAF that mean that the impact on developing countries has to be considered when reviewing climate targets in the future. In addition to this work, SCIAF has begun to prepare in earnest for the forthcoming meeting of COP26 in Glasgow in late 2020, and will seek to make sure our partners' voice is heard there.

**2.2 Supporting partners**

Throughout 2019 we have been using the partner advocacy manual developed in 2018 to support partner advocacy with pilot projects in Uganda and Zambia.

We also gathered information for an evaluation of these pilot projects and parts of the manual are currently being rewritten in consequence. With partners from Colombia we facilitated a meeting with the Scottish Minister for Equalities that resulted in her using their experience as an important example of the work human rights defenders undertake in a parliamentary debate on Human Rights Day.

**3. BUILDING SUPPORT WITHIN THE SCOTTISH COMMUNITY**

In addition to working closely with partners and campaigning to reduce poverty and injustice, we continued to build strong support within the Scottish community. With a new Director of Public Engagement in place, our Outreach team was re-shaped to enhance this support through a more locally based Community Engagement team. A new focus on Development Education put our Catholic faith and Catholic Social Teaching at the heart of our engagement, with plans to take this beyond schools into the parishes. Our fundraising activities raised £4m to support those most in need, including nearly £700,000 for humanitarian aid.

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**Strategic Report for the year ended 31 December 2019 (continued)**

**3.1 Supporter development and community engagement**

Following a review of our supporter communications in 2018, 2019 saw the launch of a new SCIAF Impact magazine in August. This was designed to thank our supporters and show them how their support makes a positive impact in the lives of our poorest brothers and sisters around the world. As well as statistics and stories about our work, to give it greater breadth articles included pieces written by a SCIAF volunteer, a principal RE teacher and an archbishop from the global south. It also contained a compressed Report and Accounts section. It was well received and we will continue to produce it annually.

SCIAF's 2019 WEE BOX BIG CHANGE Lent campaign focused on our work with families in the Lugazi district of Uganda. The Daily Record, Scottish Catholic Observer and photographer Simon Murphy travelled to see this work first-hand and ran multiple stories. In addition to social media output, we experimented with TV ads for the first time, with learnings for the future. We also had high profile support from Deacon Blue's Ricky Ross, broadcaster Kaye Adams and Scottish chef Gary Maclean.

Unfortunately, the appeal did not benefit from UK Aid Match funding, which affected donor response. However, we continued to engage with supporters, delivering more Lent talks than the previous year, and our WEE BOX BIG CHANGE Appeal brought in £936,237 (excluding Gift Aid),

In addition to Lent and just one emergency appeal (for those in east Africa harmed by Cyclone Idai, which coincided with Lent), our Advent campaign focused on our work in Syria and did better than the same appeal in 2018 appeal. We revised our Real Gifts catalogue to include a new section of gifts reflecting our work in Syria. The number of schools participating in our "Sale or Return" Real Gifts programme increased 100% on 2018, demonstrating potential future growth not only in schools but also in parishes.

Talented Fundraisers continues to engage schools outside of the Lenten period and we hope to increase this, and develop parish involvement.

**3.2 Educating for change**

As our mandate from the Bishops' Conference of Scotland includes the education of people in Scotland about global justice and international development, we put a new focus on Development Education. Whilst continuing to work closely with the Scottish Catholic Education Service (SCES) to deliver Development Education in schools, we started planning workshops on international development and Catholic Social Teaching in parishes and beyond, in partnership with the Community Engagement team. We developed a number of new resources, including a new big emergencies "board" game (played on the floor with an oversized dice) for primary schools.

Partnerships with key education stakeholders continue to be strengthened. We held meetings with RE advisors in Motherwell, Glasgow, St Andrews and Edinburgh and meetings in other diocese will take place in 2020. Our partnership with the St Andrews Foundation at the University of Glasgow continues to thrive with four inputs to Catholic student teachers. Our visibility at the national Association of Catholic Primary Head Teachers Scotland (CHAPS) and Catholic Head Teachers Association Scotland (CHAS) conferences continues and new members on our schools focus group have opened up doors to diocesan level CHAS and CHAPS meetings.

In 2019 we made 217 school visits, delivering 292 sessions to a total of 33,437 pupils and 889 teachers.

**3.3 Supporter consent**

Delivering a first-class supporter experience remains a key priority and we began a review of our "supporter journeys" (the paths that a supporter takes with us from first contact) to explore how we can deepen the relationships we have.

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**Strategic Report for the year ended 31 December 2019 (continued)**

We received two complaints from supporters 2019, both of which were resolved by us to the satisfaction of the complainer. We are aware of no complaints about SCIAF to external bodies. Work began on incorporating our current Complaints Policy into a new organisation-wide Complaints Handling Mechanism in line with Core Humanitarian Standards for quality and accountability.

**FINANCIAL REVIEW**

**Results for the year**

The result for the year before gains on assets was net expenditure of £254,510 (2018: £506,299). This reflects an excess of expenditure over normal income, largely offset by the profit on the long-planned sale of our previous head office at Park Circus in Glasgow. Our stock market investments also made significant gains over the course of the year.

**Principal funding sources**

The charity's main source of income is voluntary income from individuals. Total donations and legacy income was £3,977,044 (2018: £5,919,792). This represents a very large fall from 2018. Lent income was much lower, mainly because we did not benefit from UK Aid Match this year, and we followed a year of exceptionally high legacy income with one of unusually low income from legacies. Restricted income in the year totalled £663,831 (2018 £678,791); our only major appeal this year was for the Cyclone Idai in southeast Africa. SCIAF also received £2,943,033 (2018: £2,696,613) of institutional funding for overseas relief and development. Our largest institutional donors were the UK Department For International Development, the Scottish Government, and the European Union.

**Principal expenditure**

The charity's main expenditure is on international programmes. Total expenditure was £8,710,955 (2018: £9,090,399) with international programmes making up £6,792,564 (2018: £7,255,773). The reduction was mainly caused by timing differences on our large institutionally funded grant programmes, but also reflects some adjustment as we reach the end of the planned use of excess reserves. Expenditure on buildings has increased substantially this year because we are now renting rather than owning our office. The sale of the office has, however, boosted reserves by £1.5 million and also avoided using more than £1.3 million of reserves on necessary repairs to the old office. Although our expenditure appears to have been increased by this decision, in fact it has put the charity in a better financial position than the alternative of staying at Park Circus and spending significantly on that building.

**Reserves policy**

Over the past few years SCIAF has had a policy of using excess reserves to enable us to do more work. As we have successfully reduced our reserves during this period, the Board reviewed the Reserves Policy and agreed a new simplified Policy in September 2019. The previous Designated Funds, which were part of the strategic use of reserves, were merged back into the General Fund, and a new calculation was adopted for the target for free reserves. Free reserves are defined as Unrestricted Reserves less the Designated Fund for the net value of Fixed Assets.

In the event of sudden fall in income, SCIAF requires a certain amount of reserves to allow for income to recover or, failing that, for a controlled reduction in expenditure, such as salaries, rent, grants, etc. over the following two-to-three years. As it is the income budget where this shock is felt, this is calculated as 50% of the subsequent year's fundraising income budget. This amount does not need to be in liquid assets. Operational liquidity for our own work is calculated by examining the budget for the subsequent year and calculating the peak net cumulative outflow of cash at a month end.

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**Strategic Report for the year ended 31 December 2019 (continued)**

**Reserves policy (continued)**

In addition, SCIAF requires reserves to allow sufficient working capital to meet the cash flow deficit caused by the arrears funding of institutionally funded (IF) projects, which will generally peak at 50% of the annual income. The reserves target is therefore 50% of the following year's IF income budget.

The reserves target therefore consists of two parts: that for SCIAF to sustainably maintain its operations (contingency & liquidity, the latter reduced by 15% to allow for the element that would not coincide with the former), and the working capital required by SCIAF to implement Government-funded projects. Based on the approved budget for 2020, the general operations target is £2,106,000 and the government-funding target is £1,258,000. This is a total of £3,364,000, which is £487,000 lower than the General Fund of £3,850,000. From 31<sup>st</sup> December 2019 to 19<sup>th</sup> March 2020 all World stock markets fell dramatically. A snapshot of the value of our investments at the latter date indicates that reserves have fallen by £287,250 as a result. The Reserves have, been substantially boosted by the sale of our Park Circus office. The Board intends to consider during 2020 whether some of that surplus should be set aside to allow for the future purchase of a replacement office rather than continuing to rent

**Investment policy**

SCIAF's investment policy was developed by the Board of Directors to enable SCIAF to maximise the potential income from funds held at any time, while minimising the risk of loss of value. Funds are split between interest bearing current accounts, and medium-term stock exchange investments. The latter are managed for SCIAF by Aberdeen Standard Capital. Investments are required to meet strict ethical guidelines, consistent with the work and beliefs of SCIAF. At the end of 2019, the funds invested had a market value of £3,526,805 (2018: £3,152,701). During 2019 a net amount of £100,000 was added to the short-term element of the portfolio.

The investment objective is to achieve a balanced return from income and capital growth over the long term. The Board compare the performance of the fund against cash – the LIBID 7- day Index +3% and a composite of the following indices: FTA Government All Stocks Index (49%), FTSE All Share Index (49%) and Cash (2%). Over the year the portfolio outperformed its benchmark by 2% and the portfolio return for the year to 31 December 2019 was 15.2% in line with a very good year for investments generally.

SCIAF's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk, foreign exchange risk and interest rate risk. SCIAF does not use derivative financial instruments to manage interest rate or foreign exchange costs and no hedge accounting is applied.

- a) Price risk: SCIAF is exposed to price risk as a result of its operations. However, given the size of its operations, the cost of managing exposure to price risk exceeds the potential benefits
- b) Credit risk: SCIAF's income is mainly either from donations, which does not have a credit risk, or from public bodies that are viewed overall by the directors as being low credit risk. Included within this are some non-government bond investments as part of the investment portfolio that have a medium credit risk. The amount of exposure is reassessed regularly by the Board
- c) Liquidity risk: SCIAF maintains short-term cash that is designed to ensure that it has sufficient funds for its operations
- d) Variable interest - rate risk: placement of cash is regularly monitored.
- e) SCIAF's development and aid work is funded by donations received in sterling but the costs incurred are in local currency in the countries in which we work. As a result the amount of support we can give to partners is subject to foreign exchange risk. We are exploring whether SCIAF might itself take on some of this risk to give our partners greater certainty.



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**Strategic Report for the year ended 31 December 2019 (continued)**

**Risk Management**

SCIAF's risk register identifies the major risks by area of activity, the nature of those risks, the likelihood of the risks, and the measures taken to manage them. The Directors review this risk register at least annually at their meetings. The aim of this review is to ensure directors are satisfied that the main risks have been identified, and systems are in place, or arrangements are in hand, to mitigate all significant risks. SCIAF's current key risks include the generation of institutional income and the subsequent compliance and governance, and the impact on all income of significant adverse incidents in related charities or the general international development sector. These areas are being actively managed.

Qualifying third party indemnity provision for the Directors is in force during the year; as permitted by Company and Charity Law, SCIAF has purchased an insurance policy so that the Directors will not be financially liable for problems unless they have behaved culpably or recklessly.

**PLANS FOR THE FUTURE**

2020 is the final year of our five-year strategic plan. During the year we will concentrate on completing the commitments we made in that plan and preparing for the next five years. The new strategic plan for 2021-25 will be approved by the Board in September. Subject to that approval, our main priorities will be: to form much stronger relationships with our supporters through an extensive network of active volunteers; maintaining and substantially increasing our voluntary income; maximising our contribution to a just world through greater focus and depth in fewer countries, and closer integration of lobbying and practical assistance in our programmes overseas.

Our new engagement strategy in Scotland, Reflect Act Give, will ensure our faith as a Catholic institution is central in all we do, through our Development Education work and in new messaging based on theology. We will take action and campaign alongside faith communities and civil society to raise the existential issue of climate chaos and its immediate impact on the poorest and most vulnerable people in the world as COP26 comes to Glasgow. We will build a strong, extensive network of volunteers in parishes, schools and communities throughout Scotland through our Community Engagement team. We will launch an ambitious new five-year fundraising appeal to increase SCIAF's ability to sustainably help the poorest free themselves from poverty.

Approved by the Directors and signed on their behalf by:



Rt. Rev. J.A. Toal  
President

March 26<sup>th</sup> 2020

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**Report of the Directors for the year ended 31 December 2019**

The Directors present their annual Directors' report and the audited financial statements of the charity for the year ended 31 December 2019 which are prepared in accordance with the requirements for a Directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) (Charities SORP (FRS102)).

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

Scottish Catholic International Aid Fund ("SCIAF") is a company limited by guarantee, incorporated in Scotland (registration number SC197327) on 18 June 1999 and is also a Scottish charity registered with the Office of the Scottish Charity Regulator (charity reference number SC012302). SCIAF is the official international aid and development agency of the Catholic Church in Scotland.

**Organisational structure**

The Directors are responsible for the overall control of the charity. Those who served during the year and up to the date of this report are detailed below. The Directors give their time free of charge and receive no remuneration or other financial benefits. The Directors appoint three Committees of independent non-executive members. Each is chaired by a Director and has a remit as outlined below.

The Directors meet quarterly with the senior management team and are responsible for overseeing the alignment of SCIAF's vision, mission and values with its operational activities. They approve organisational strategy, structure, corporate plans and budgets to ensure SCIAF is accountable and effective.

The Directors appoint the executive director, to whom they delegate the day-to-day leadership and management of the organisation, and the implementation of plans. This includes the implementation, monitoring and evaluation of programmes, support for overseas partners, fundraising, education and advocacy.

**Recruitment and appointment of Directors**

The existing Directors are responsible for the nomination of new Directors. In selecting new Directors, we seek to identify qualified and committed people. All Directors are appointed by the Bishops' Conference of Scotland following selection and recommendation by the Board of Directors.

**Induction and training of directors**

Following appointment, new Directors are briefed by the Board and management. They are given a copy of the Memorandum and Articles of Association and introduced to SCIAF's vision, mission, values and its operational activities including annual work-plans and budgets.

**Finance and Audit Committee**

The members of the committee are detailed below. The key responsibilities of the committee are to ensure that SCIAF operates within appropriate financial guidelines as set out in its Memorandum and Articles, determined by current charity legislation and by the Board and that SCIAF can meet its financial obligations. This committee was set up in 2013, the Terms of Reference were revised in December 2015 and the Chair of the committee is on the Board of Directors.

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**Report of the Directors for the year ended 31 December 2019 (continued)**

**Public Engagement Committee**

The members of the Committee are detailed below. The key responsibilities of the committee are to support, monitor and advise on SCIAF's work in Scotland, its fundraising, and its relationships with, and accountability to, supporters. This committee was set up in 2013, the Terms of Reference were revised in December 2015, and the Chair of the committee is on the Board of Directors.

**Integral Human Development Committee**

The members of the Committee are detailed below. The key responsibilities of the committee are to support, monitor and advise on SCIAF's international work, including policy and advocacy, contributing to the quality and effectiveness of what SCIAF does and its accountability to its partners, donors and other stakeholders. This committee was set up in 2014, the Terms of Reference were revised in December 2015, and the Chair of the committee is on the Board of Directors.

**Pay policy for senior staff**

The Directors consider that the Board of Directors and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. All Directors give their time free of charge and no Director received remuneration in the year. Details of Directors' expenses and any related party transactions are disclosed in note 19 to the financial statements.

The pay of the senior management team and all members of staff was agreed following a job evaluation and reward process undertaken in 2013. This was undertaken by external consultants where roles and remuneration were benchmarked against roles of equivalent size in the wider Public and Not for Profit sectors. There are three points in the pay band structure for senior management with the top point being the midpoint between the minimum and median of the benchmark.

**Related parties**

SCIAF is an agency of the Bishops Conference of Scotland, which has a controlling interest in SCIAF. The Bishops Conference has the power to appoint or remove the charity trustees of SCIAF.

**Reference and administrative details**

Company Name: Scottish Catholic International Aid Fund  
Charity registration number: SC012302  
Company registration number: SC197327 (Scotland)  
Registered Office and operational address: Third Floor, 7 West Nile Street, Glasgow, G1 2PR  
Website: [www.sciaf.org.uk](http://www.sciaf.org.uk)

**Our advisors:**

**Auditors:** Wylie & Bisset LLP, 168 Bath Street, Glasgow G2 4TP

**Solicitors:** McSparran McCormick, Waterloo Chambers,  
19 Waterloo Street, Glasgow, G2 6AH

**Investment advisors:** Aberdeen Standard Capital Limited, 1 George Street, Edinburgh, EH2 2LL

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**Report of the Directors for the year ended 31 December 2019 (continued)**

**Reference and administrative details (continued)**

**Bankers:** Royal Bank of Scotland, Glasgow Charing Cross Branch,  
9 Clifton Place, Glasgow, G3 7JU  
Santander, 9 Nelson Street, Bradford, West Yorkshire, BD1 5AN  
Clydesdale Bank, 1 Woodside Crescent, Glasgow, G3 7UL  
Barclays Bank, 120 Bothwell Street, Glasgow, G2 7JT

**Key management personnel: Board of Directors**

Right Rev J. A. Toal (President)	Right Rev W. Nolan
Right Rev B McGee	Most Rev L. Cushley
Right Rev J Keenan	Prof M. Mannion
Prof J Gallagher	Prof D. MacLaren
L McMillan (from March 2019)	

**Secretary**

McSparran McCormick, Solicitors

**Key management personnel: Senior Management Team**

Alistair Dutton	Executive director
Lorraine Currie	Director of Integral Human Development
Robert Swinfen	Director of Central Services
Penelope Blackwell	Director of Public Engagement

**Finance & Audit Committee**

Prof Jim Gallagher (Chair)  
Iain Marley  
Joseph Hughes  
James Muir (from June 2019)

**Outreach & Fundraising Committee**

Prof Mike Mannion (Chair)  
Liz Mallinson (to December 2019)  
Jeremy Prall  
Eric Grounds (from June 2019)  
Philippa Bonella (from June 2019)

**Integral Human Development Committee**

Prof Duncan MacLaren (Chair)  
Jane Salmonson  
Alison O'Connell  
Fr. Leonard Chiti

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
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**Report of the Directors for the year ended 31 December 2019 (continued)**

**OBJECTIVES AND ACTIVITIES**

**Our mission**

We want a world without poverty, where the poorest can survive and thrive. Our mission is to help the poorest free themselves from poverty by equipping them with the tools they need.

**Our objectives**

SCIAF is the official aid agency of the Catholic Church in Scotland. Inspired by the Gospel, and guided by Catholic Social Teaching, we reach out with love to our global neighbours in need, regardless of gender, class, race or religion. We have development projects in 14 priority countries in Africa, Asia and Latin America, the Middle East, and respond to emergencies all over the world.

We help families in poor countries to live in peace, free themselves from hunger, poverty and injustice, learn new skills, and fully recover when disaster strikes. We stand with communities to build peace and promote justice, so they have power over their own lives. We help families to grow more food, earn a living, and protect their natural environments, giving them hope for the future. We help people develop the skills and knowledge they need to live life to the full. When disasters strike, we respond as part the Caritas family, feeding the hungry and sheltering the homeless.

We believe in giving people in need a hand up, not a hand out, focusing on the needs of the whole person - their emotional and spiritual wellbeing, political voice, cultural and community life, as well as the way they support themselves. Partnership is at the heart of what we do. We work with local organisations and the Church overseas so power is in the hands of local people and expertise stays in the communities where it is needed most.

At home, we inspire the Scottish public, parishes and schools to come together so we can build a better future for all, and put pressure on governments and big business to create a fairer, more peaceful world. We are proud to be part of Caritas Internationalis, the Catholic Church's international network of 165 development charities around the world, working tirelessly in more than 200 countries.

**Strategies**

We are driven by our values. We believe that every human being is created with inherent, inalienable dignity. We always seek to empower people by giving them a hand up, not a hand out. We stand in solidarity with our poorest sisters and brothers through thick and thin, and provide hope to those we work with that a better world is possible - one in which they can survive and thrive.

**Grants Policy**

Development grants are made to approved Partners in our priority countries, for projects developed with input from SCIAF which fall within the three strategic aims in the Strategic Plan 2016 – 2020: Peaceful and Just Communities, Sustainable Livelihoods and Environments; and Access to Education for Marginalised Groups. Additional grants are made in response to emergencies that are brought to our attention by the Caritas network or one of our other partners.

**Use of volunteers**

Volunteers are vital in SCIAF's work, at headquarters, in communities around Scotland, and overseas. Volunteers are involved in most of our activities and we are lucky to have over 160 people who gave over four thousand hours of energy and expertise to SCIAF in Scotland alone in 2019. Volunteers undertake a lot of work in schools and parishes. All volunteers working with children or other vulnerable groups are checked with Disclosure Scotland as part of our safeguarding policy.

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**Report of the Directors for the year ended 31 December 2019 (continued)**

**Statement of Directors' responsibilities**

The Directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors confirm that:

- so far as each of the Directors is aware there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Approved by the Directors and signed on their behalf by:



Rt. Rev. J.A. Toal  
President  
26<sup>th</sup> March 2020

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
(COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF SCOTTISH CATHOLIC  
INTERNATIONAL AID FUND FOR THE YEAR ENDED 31 DECEMBER 2019**

**Opinion**

We have audited the financial statements of Scottish Catholic International Aid Fund (the charitable company) for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2016; Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
(COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF SCOTTISH CATHOLIC  
INTERNATIONAL AID FUND FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)**

**Other information (continued)**

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors and the Strategic Report, which include the Directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors and the Strategic Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charity Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

**Responsibilities of trustees**

As explained more fully in the Directors' Responsibilities Statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.



**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
(COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF SCOTTISH CATHOLIC  
INTERNATIONAL AID FUND FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)**

**Auditor's responsibilities for the audit of the financial statements**

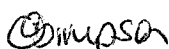
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jenny Simpson (Senior Statutory Auditor)  
For and on behalf of Wylie & Bisset LLP, Statutory Auditor  
168 Bath Street  
Glasgow  
G2 4TP

26<sup>th</sup> March 2020

SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
(COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019				2018	
		Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
<b>Income</b>							
<i>Donations and legacies</i>							
Lenten donations		936,237	-	936,237	1,663,055	-	1,663,055
Other donations		1,730,476	663,831	2,394,307	1,783,093	678,791	2,461,884
Legacies		646,500	-	646,500	1,794,853	-	1,794,853
<b>Total donations and legacy income</b>		<b>3,313,213</b>	<b>663,831</b>	<b>3,977,044</b>	<b>5,241,001</b>	<b>678,791</b>	<b>5,919,792</b>
<i>Income from charitable activities</i>							
Institutional funding – international programmes	1	187,174	2,755,859	2,943,033	197,873	2,498,740	2,696,613
<i>Income from trading activities</i>							
Sale of goods & resources		10,267	-	10,267	9,804	-	9,804
<i>Investment income – dividends and interest received</i>							
Net gain on disposal of Fixed Assets		1,418,038	-	1,418,038	138,184	-	138,184
<b>Total income</b>		<b>5,036,755</b>	<b>3,419,690</b>	<b>8,456,445</b>	<b>5,586,862</b>	<b>3,177,531</b>	<b>8,764,393</b>
<b>Expenditure</b>							
<i>Total Expenditure on raising funds</i>	2	983,062	-	983,062	870,000	3,175	873,175
<i>Expenditure on charitable activities</i>							
International programmes	4a	3,628,016	3,164,548	6,792,564	3,957,446	3,298,327	7,255,773
Advocacy	4c	266,074	-	266,074	252,544	-	252,544
Communication & education	4b	669,255	-	669,255	708,907	-	708,907

SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
(COMPANY LIMITED BY GUARANTEE)

Total Charitable expenditure	4,563,345	3,164,548	7,727,893	4,918,897	3,298,327	8,217,224
<b>Total expenditure</b>	<b>5,546,407</b>	<b>3,164,548</b>	<b>8,710,955</b>	<b>5,788,897</b>	<b>3,301,502</b>	<b>9,090,399</b>
<i>Net expenditure for the year before transfers and other gains and losses</i>	(509,652)	255,142	(254,510)	(202,035)	(123,971)	(326,006)
Net gain/(loss) on investments	388,157	-	388,157	(180,293)	-	(180,293)
<b>Net expenditure</b>	(121,495)	255,142	133,647	(382,328)	(123,971)	(506,299)
Transfer between funds	(25,237)	25,237	-	-	-	-
<b>Net movement in funds</b>	(146,732)	280,379	133,647	(382,328)	(123,971)	(506,299)
<i>Reconciliation of funds</i>						
Total funds brought forward	4,831,119	338,796	5,169,915	5,213,447	462,767	5,676,214
<b>Total funds carried forward</b>	<b>15</b>	<b>4,684,387</b>	<b>5,303,562</b>	<b>4,831,119</b>	<b>338,796</b>	<b>5,169,915</b>

The Statement of Financial Activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities. The accompanying notes and accounting policies form part of the financial statements.

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
(COMPANY LIMITED BY GUARANTEE)**

**BALANCE SHEET**

As at 31 December 2019

	Note	2019 £	2018 £
<b>Fixed Assets</b>			
Tangible assets	9	294,898	362,732
Investments	10	3,526,805	3,152,701
		<u>3,821,703</u>	<u>3,515,433</u>
<b>Current Assets</b>			
Stock	11	20,398	27,428
Debtors	12	691,798	1,320,931
Cash on deposit and on hand	2	1,103,001	466,033
		<u>1,815,197</u>	<u>1,814,392</u>
<b>Current liabilities: amounts falling due within one year</b>	13	<u>(333,338)</u>	<u>(159,910)</u>
<b>Net Current Assets</b>		<u>1,481,859</u>	<u>1,654,482</u>
<b>Net Assets</b>		<u>5,303,562</u>	<u>5,169,915</u>
<b>Reserves</b>			
Unrestricted Reserves	15	4,145,214	4,462,989
Restricted Reserves	15	619,175	338,796
Investment Revaluation Reserve	15	539,173	368,130
		<u>5,303,562</u>	<u>5,169,915</u>

Approved and authorised for issue by the Board of Directors on 26<sup>th</sup> March 2020 and signed on its behalf by



Rt Rev J A Toal (President)  
Director

The accompanying notes and accounting policies form part of the financial statements.

Company registration number: SC197327

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
(COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
<b>Net cash (used in) operating activities</b>	<b>1</b>	<u>(943,896)</u>	<u>(983,568)</u>
<b>Cash flows from investing activities</b>			
Dividends and interest from investments		108,063	138,184
Proceeds from sale of property, plant and equipment		1,726,671	-
Purchase of property, plant and equipment		(267,923)	(21,944)
Purchase of investments		(408,230)	(473,898)
Decrease/(increase) in investment cash deposits		(979,605)	2,153
Proceeds from sale of investments		<u>1,401,888</u>	<u>1,360,975</u>
<b>Net cash released by investing activities</b>		<u>1,580,864</u>	<u>1,005,470</u>
Increase/(Decrease) in cash and cash equivalents in the reporting period		636,968	21,902
Cash and cash equivalents at the beginning of the reporting period		466,033	444,131
Cash and cash equivalents at the end of the reporting period	<b>2</b>	<u>1,103,001</u>	<u>466,033</u>

**1. Reconciliation of net movement in funds to net cash outflow from operating activities**

	2019 £	2018 £
Net movement in funds	133,647	(506,299)
Depreciation charges	27,124	22,839
(Gain)/Loss on investment assets	(388,157)	180,293
Gain on sale of fixed assets	(1,418,038)	-
Investment income	(108,063)	(138,184)
Decrease/(Increase) in stock	7,030	(7,866)
Decrease/(Increase) in debtors	629,133	(477,362)
Increase/(Decrease) in creditors	173,428	(56,989)
<b>Net cash (used in) operating activities</b>	<u>(943,896)</u>	<u>(983,568)</u>

The accompanying notes and accounting policies form part of the financial statements

**2. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash at bank and in hand	<u>1,103,001</u>	<u>466,033</u>
	<u>1,103,001</u>	<u>466,033</u>

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

**1. Incoming resources from charitable activities**

	Unrestricted £	Restricted £	2019 Total £	2018 Total £
<b>Government Grants</b>				
<b>Department for International Development</b>				
Africa – Aid Match	33,760	-	33,760	437,895
Ethiopia – Aid Match	7,977	382,682	390,659	565,835
Cambodia – Aid Match	32,823	436,854	469,677	109,556
<b>Scottish Government</b>				
Zambia	25,350	354,650	380,000	380,001
Malawi Contract	64,150	1,191,520	1,255,670	781,727
Humanitarian Emergency Fund	1,636	208,365	210,001	113,920
<b>Guernsey Overseas Aid Commission</b>				
D R Congo	-	39,921	39,921	-
<b>Government Grants Total</b>	<b>165,696</b>	<b>2,613,992</b>	<b>2,779,688</b>	<b>2,388,934</b>
<b>European Commission</b>				
Sudan	-	-	-	24,098
Colombia	-	-	-	659
Nicaragua	-	-	-	71,812
Malawi	21,478	141,867	163,345	211,110
<b>Total</b>	<b>187,174</b>	<b>2,755,859</b>	<b>2,943,033</b>	<b>2,696,613</b>

There are no unfulfilled conditions or other contingencies attaching to grants that have been recognised in income. Amounts reported as unrestricted income above represent the administration fee element of grants, all of which has been expended during the year. SCIAF has not benefitted from any government assistance other than the grants and contracts listed above, and the statutory tax reliefs for charities including Gift Aid and Business Rates Relief.

**2. Expenditure on Raising Funds**

	Direct Costs £	Support Costs £	Total 2019 £	Total 2018 £
Fundraising campaigns	256,143	-	256,143	279,439
Salaries and other staff costs	418,312	124,270	542,582	462,091
Merchandise and materials	4,979	-	4,979	4,528
Travel	37,316	4,715	42,031	27,810
Professional fees	-	1,585	1,585	2,803
Building and admin costs	-	106,381	106,381	62,439
Governance costs	-	12,172	12,172	8,546
<b>Total cost of fundraising</b>	<b>716,750</b>	<b>249,123</b>	<b>965,873</b>	<b>847,656</b>
Investment management	17,189	-	17,189	25,519
	<b>733,939</b>	<b>249,123</b>	<b>983,062</b>	<b>873,175</b>

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
(COMPANY LIMITED BY GUARANTEE)**

**3. Grant expenditure**

The major recipients of grants (those over £50,000) were:-

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
<b>AFRICA</b>				
<b>Ethiopia</b>				
Joint office with CAFOD and Trocaire – for distribution to partners	235,590	331,558	567,148	896,197
<b>Burundi</b>				
Agakura	40,000	-	40,000	52,200
<b>Democratic Republic of Congo</b>				
Justice et Paiz Bukavu Diocese	60,000	42,287	102,287	97,926
Justice et Paiz Uvira Diocese	20,000	-	20,000	76,739
Popoli Fratelli	25,000	-	25,000	81,519
<b>Malawi</b>				
Cadecom Mangochi	60,000	-	60,000	70,000
Cadecom Chikwawa	2,463	-	2,463	61,821
Cadecom Dedza	30,000	-	30,000	97,788
National Cadecom	38,375	230,802	269,177	253,733
Trocaire	-	844,763	844,763	927,117
<b>Mozambique</b>				
Caritas Mozambique	-	134,732	134,732	-
<b>Rwanda</b>				
Justice et Paix, Kigali	35,000	-	35,000	79,765
<b>South Sudan</b>				
Sudan Evangelical Mission	60,602	-	60,602	76,279
MRDA	30,000	-	30,000	97,882
CAFOD/Trocaire	-	-	-	50,011
Caritas South Sudan	60,000	-	60,000	80,000
Comboni Missionaries	30,000	-	30,000	60,955
<b>Uganda</b>				
Caritas Lugazi	63,860	140	64,000	44,000
Comboni Samaritans	37,000	-	37,000	83,000
<b>Zambia</b>				
KATC Kassisi	72,634	76,438	149,072	141,219
Caritas Zambia	22,007	278,212	300,219	281,817
Caritas Solwezi	45,000	-	45,000	50,000
Caritas Livingstone	65,659	1,173	66,832	40,000

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
(COMPANY LIMITED BY GUARANTEE)**

**Grant expenditure (continued)**

**ASIA**

**Cambodia**

DPA	-	546,747	546,747	293,148
Caritas Cambodia	45,000	-	45,000	59,150

**India**

Caritas India	44,693	76,418	121,111	185,785
IGSSS	49,279	-	49,279	53,130

**Indonesia**

Caritas Karina	-	154,000	154,000	-
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**Syria**

CAFOD/SCIAF	-	-	-	260,000
Islamic Relief	-	96,729	96,729	-

**LATIN AMERICA**

**Colombia**

Diocese of Quibdo	70,236	-	70,236	81,914
SNPS	43,160	110,000	153,160	-

**El Salvador**

CESTA	38,012	1,988	40,000	68,000
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**Nicaragua**

CANTERA	50,101	-	50,101	37,146
FEDICAMP	49,794	-	49,794	53,567

**Haiti**

Institute of Technology & Animation	50,000	-	50,000	79,045
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Other grants less than £50,000 paid in the year	758,593	238,561	997,154	989,794
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<b>Total Grant Expenditure</b>	<b>2,232,058</b>	<b>3,164,548</b>	<b>5,396,606</b>	<b>5,860,647</b>
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**Represented by:**

International development grants	2,217,058	3,164,548	5,381,606	5,849,343
Advocacy grants	15,000	-	15,000	11,304
	<b>2,232,058</b>	<b>3,164,548</b>	<b>5,396,606</b>	<b>5,860,647</b>

Grant expenditure represents grants paid or approved to partner organisations responding to a wide range of humanitarian needs in the communities in which they work.

Restricted grants totalling: £235,957 for DFID Aid Match, Round 5 and £546,747 for DFID Aid Match Cambodia are included within the figures above.



**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
(COMPANY LIMITED BY GUARANTEE)**

**4. Costs of charitable activities**

Expenditure recorded in the Statement of Financial Activities includes both the direct costs of carrying out activities and the costs of supporting these activities.

Support Costs are allocated between the various expenditure categories in proportion to the salary cost of staff directly involved in delivering those activities. The following provides a breakdown of costs:

	<b>Direct Costs</b>	<b>Support Costs</b>	<b>Total 2019</b>	<b>Total 2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
International programmes (4a)	6,397,003	395,561	6,792,564	7,255,773
Communication and education (4b)	463,016	206,239	669,255	708,907
Advocacy (4c)	181,364	84,710	266,074	252,544
	<u>7,041,383</u>	<u>686,510</u>	<u>7,727,893</u>	<u>8,217,224</u>

**a) International programmes**

	<b>Direct Costs</b>	<b>Support Costs</b>	<b>Total 2019</b>	<b>Total 2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Grant expenditure	5,381,606	-	5,381,606	5,849,343
Salaries and other staff costs	766,142	178,251	944,393	1,033,382
Travel	74,083	8,206	82,289	81,219
Professional fees	112,282	2,758	115,040	132,713
Building & admin costs	62,890	185,161	248,051	140,005
Governance costs	-	21,185	21,185	19,111
	<u>6,397,003</u>	<u>395,561</u>	<u>6,792,564</u>	<u>7,255,773</u>

**b) Communication and education**

	<b>Direct Costs</b>	<b>Support Costs</b>	<b>Total 2019</b>	<b>Total 2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Education	2,497	-	2,497	16,847
Information	49,990	-	49,990	55,551
Salaries and other staff costs	398,375	93,138	491,513	533,944
Travel	12,154	4,271	16,425	17,303
Building & admin costs	-	97,804	97,804	75,388
Governance costs	-	11,026	11,026	9,874
	<u>463,016</u>	<u>206,239</u>	<u>669,255</u>	<u>708,907</u>

**c) Advocacy**

	<b>Direct Costs</b>	<b>Support Costs</b>	<b>Total 2019</b>	<b>Total 2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Grant expenditure	15,000	-	15,000	11,304
Events & publication	13,179	-	13,179	12,870
Salaries and other staff costs	144,714	41,793	186,507	165,571
Travel	8,471	1,621	10,092	8,312
Building & admin costs	-	37,112	37,112	51,425
Governance costs	-	4,184	4,184	3,062
	<u>181,364</u>	<u>84,710</u>	<u>266,074</u>	<u>252,544</u>

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**5. Governance costs**

Governance costs are apportioned between the three charitable activities and fundraising based on headcount within those activities.

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Costs of Board meetings and overseas travel	6,926	4,515
Professional fees	31,628	25,469
Auditor's remuneration	10,013	10,609
	<u>48,567</u>	<u>40,593</u>

**6. Net expenditure for the year**

This is stated after charging:	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Depreciation	27,124	22,839
Realised (gain)/loss on foreign exchange	1,622	1,043
Auditor's remuneration	10,013	10,609

**7. Staff costs**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,783,668	1,759,252
Social security costs	178,241	177,211
Pension costs	149,715	142,083
	<u>2,111,624</u>	<u>2,078,546</u>

Included in the above staff costs are costs paid during the year relating to redundancy and compensation for loss of office, including at the end of fixed term contracts, of £15,230 (2018 £18,759).

The average number of employees during the year was as follows:

	<b>2019</b>	<b>2018</b>
	<b>No</b>	<b>No</b>
Overseas project support	18	20
Education and information	9	10
Advocacy	4	4
Cost of generating funds	12	10
Support costs & governance	12	13
	<u>55</u>	<u>57</u>
Full time equivalent	<u>51</u>	<u>54</u>

The key management personnel of the charity comprise the Board, the Executive director, Director of Public Engagement, Director of Integral Human Development and Director of Central Services. The total employee benefits of the key management personnel of SCIAF were £302,663 (2018: £278,377). One employee's total employee benefits were between £90,000 and £100,000 and three were between £60,000 and £70,000 (2018: one employee between £80,000 and £90,000).

SCIAF operates a Group Personal Pension Scheme, the assets of which are held separately in an independently administered fund. The charity's contribution is between 4.5 per cent and 10 per cent of salary with staff making contributions between 2.5 per cent and 4 per cent of

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**Staff costs (continued)**

salary to the scheme. 54 staff are members of the scheme (2018: 56 staff). Included in staff costs are contributions paid or payable by SCIAF to the fund which amounted to £149,715 (2018: £142,083).

**8. Taxation**

SCIAF is a charitable company within the meaning of Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

**9. Tangible fixed assets**

	<b>Heritable/ Leasehold property</b>	<b>Furniture</b>	<b>Computer equipment</b>	<b>Total 2019</b>
<b>Cost:</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2019	484,450	19,111	104,488	608,049
Additions	203,112	32,281	32,530	267,923
Disposals	(484,450)	(18,330)	(28,337)	(531,117)
At 31 December 2019	203,112	33,062	108,681	344,855
<b>Depreciation:</b>				
At 1 January 2019	169,781	14,820	60,716	245,317
Disposals	(179,470)	(14,677)	(28,337)	(222,484)
Charge for the year	9,689	638	16,797	27,124
At 31 December 2019	-	781	49,176	49,957
<b>Net book value</b>				
At 31 December 2019	203,112	32,281	59,505	294,898
At 31 December 2018	314,669	4,291	43,771	362,732

In December 2019, the SCIAF premises, located in Park Circus, were sold in an arms-length commercial transaction. Following careful review, the Directors had decided in 2018 that the building was no longer suitable to function as SCIAF's office. After a cost-benefit analysis it has been decided to rent an office for at least the next five years. The building was held at a carrying value of £304,980. A gain on sale of £1,421,691 was generated from proceeds of £1,750,083 after accounting for expenses in relation to the sale of £23,412. There are no capital commitments at the year-end (2018: £Nil)

**10. Investments**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Valuation at 1 January	3,152,701	4,222,226
Acquisitions	408,230	473,898
Disposals	(1,295,847)	(1,391,246)
Market valuation movement in year	282,116	(150,024)
	2,547,200	3,154,854
Cash deposits movement in year	979,605	(2,153)
Valuation at 31 December	3,526,805	3,152,701

Net cash released during the year was £993,658 (2018: £887,076).

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
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**Investments (continued)**

All of SCIAF's investments are held for unrestricted charitable purposes and are included at market value. All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The main risk to SCIAF from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Due to 'quantitative easing' and market sentiment favouring lower risk investments, the yield on bonds has been abnormally low giving rise to a significant downside risk of a fall in capital values when interest rates return to normal levels. Although rising interest rates resulting from a stronger economy and improved economic activity should be indicative of improving dividend yields and equity values, there is a concern that the abnormal availability of 'cheap money' to the banking sector has led to wider over-valuation of traded assets (an 'asset bubble') that may depress equity values once economic conditions ease. SCIAF is not dependent on income from its investments to continue its work.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so their ability to buy and sell quoted equities and stock is anticipated to continue. All of our investments are in markets with good liquidity and high trading volumes.

SCIAF manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges.

<b>Analysis of investments at market value</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Listed investments	2,448,071	3,053,572
Cash deposits	1,078,734	99,129
	<u>3,526,805</u>	<u>3,152,701</u>
Historic cost	<u>2,987,632</u>	<u>2,784,571</u>

**11. Stock**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Printed fundraising materials	20,398	24,690
Romero materials	-	2,738
	<u>20,398</u>	<u>27,428</u>

Fundraising material specific to the Lent campaign for the following year is treated as Stock at the year end

**12. Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Gift Aid	50,770	145,788
Accrued Income	531,414	1,109,179
Prepayment	77,836	59,100
Other Debtors	31,778	6,864
	<u>691,798</u>	<u>1,320,931</u>

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
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**13. Current liabilities: amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	92,004	59,012
PAYE & NIC	46,777	44,940
Accrued expenses	194,557	55,958
	<u>333,338</u>	<u>159,910</u>

**14. Analysis of net assets between funds**

**Analysis of net assets between funds 2019**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	294,898	-	294,898
Investments	3,526,805	-	3,526,805
Stock	20,398	-	20,398
Debtors	217,458	474,340	691,798
Cash	872,063	230,938	1,103,001
Current Liabilities	(247,235)	(86,103)	(333,338)
Net current assets	<u>862,684</u>	<u>619,175</u>	<u>1,481,859</u>
<b>Total net assets</b>	<u>4,684,387</u>	<u>619,175</u>	<u>5,303,562</u>

**Analysis of net assets between funds 2018**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	362,732	-	362,732
Investments	3,152,701	-	3,152,701
Stock	27,428	-	27,428
Debtors	269,572	1,051,359	1,320,931
Cash	1,178,596	(712,563)	466,033
Current Liabilities	(159,910)	-	(159,910)
Net current assets	<u>1,315,686</u>	<u>338,796</u>	<u>1,654,482</u>
<b>Total net assets</b>	<u>4,831,119</u>	<u>338,796</u>	<u>5,169,915</u>

**15. Movement in funds**

<b>Fund Name</b>	<b>At 1 Jan 2019</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfer</b>	<b>Gains/ Losses</b>	<b>At 31 Dec 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted:</b>						
Strategic Investment Reserve	1,568,665	-	-	(1,568,665)	-	-
Contingency Reserve	500,000	-	-	(500,000)	-	-
Fixed Assets Fund	362,732	-	-	(67,834)	-	294,898
<b>Designated Funds</b>	<u>2,431,397</u>	<u>-</u>	<u>-</u>	<u>(2,136,499)</u>	<u>-</u>	<u>294,898</u>

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
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**Movement in funds 2019 (continued)**

Investment Revaluation Reserve	368,130	-	-	-	171,043	539,173
General Fund	2,031,592	3,618,717	(5,546,407)	2,111,262	1,635,152	3,850,316
<b>Total unrestricted</b>	<b>4,831,119</b>	<b>3,618,717</b>	<b>(5,546,407)</b>	<b>(25,237)</b>	<b>1,806,195</b>	<b>4,684,387</b>
<b>Restricted Funds</b>						
Refugees	231,543	791	-	-	-	232,334
Syria	51,422	10,194	-	10,464	-	72,080
Africa Food	22,007	1,286	(30,000)	6,707	-	-
Indonesia						
Tsunami	254,073	6,830	(154,000)	-	-	106,903
Haiti Hurricane	1,238	200	(1,438)	-	-	-
Rohingya	51,739	671	-	-	-	52,410
Cyclone Idai	-	217,543	(219,740)	-	-	(2,197)
Emergency Response Fund	81,363	23,568	(102,678)	53,359	-	55,612
Other						
Emergencies	11,492	12,886	(19,567)	-	-	4,811
Development						
Projects	15,236	49,505	(64,741)	-	-	-
Michael & Joseph McCabe	-	95,046	(9,546)	-	-	85,500
Real Gifts	263,546	245,312	(193,016)	(70,530)	-	245,312
<i>Institutional Funds</i>						
EU Malawi	(13,015)	141,868	(148,419)	-	-	(19,566)
DFID AM 5	(171,962)	382,682	(235,957)	25,237	-	-
DFID AM						
Cambodia	(88,271)	436,853	(546,747)	-	-	(198,165)
GOAC Bukavu	-	39,921	(39,921)	-	-	-
SG Kabwe	-	278,212	(278,212)	-	-	-
SG KATC	-	76,438	(76,438)	-	-	-
SG CCP Malawi	(387,615)	1,191,519	(819,763)	-	-	(198,165)
SG HEF	16,000	208,365	(224,365)	-	-	-
<b>Total Restricted</b>	<b>338,796</b>	<b>3,419,690</b>	<b>(3,164,548)</b>	<b>25,237</b>	<b>-</b>	<b>619,175</b>
<b>Total funds</b>	<b>5,169,915</b>	<b>7,038,407</b>	<b>(8,710,955)</b>	<b>-</b>	<b>1,806,195</b>	<b>5,303,562</b>

**Movement in funds 2018**

Fund Name	At 1 Jan 2018	Income	Expenditure	Transfer	Gains/Losses	At 31 Dec 2018
	£	£	£	£	£	£
<b>Unrestricted:</b>						
Strategic Investment Reserve	2,066,780	-	(498,115)	-	-	1,568,665
Contingency Reserve	500,000	-	-	-	-	500,000

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
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**Movement in funds 2018 (continued)**

Fixed Assets						
Fund	362,596	-	-	136	-	362,732
<b>Designated Funds</b>	<b>2,929,376</b>	<b>-</b>	<b>(498,115)</b>	<b>136</b>	<b>-</b>	<b>2,431,397</b>
Investment Revaluation Reserve	823,105	-	-	(454,975)	-	368,130
General Fund	1,460,966	5,586,862	(5,290,782)	454,839	(180,293)	2,031,592
<b>Total unrestricted</b>	<b>5,213,447</b>	<b>5,586,862</b>	<b>(5,788,897)</b>	<b>-</b>	<b>(180,293)</b>	<b>4,831,119</b>
<b>Restricted Funds</b>						
Refugees	225,772	5,771	-	-	-	231,543
Syria	196,536	14,886	(160,000)	-	-	51,422
Africa Food	194,069	8,893	(180,955)	-	-	22,007
Nepal Quake	2,409	1,574	(3,983)	-	-	-
Indonesia						
Tsunami	-	254,073	-	-	-	254,073
Haiti Hurricane	45,881	2,357	(47,000)	-	-	1,238
Rohingya	69,277	22,462	(40,000)	-	-	51,739
Emergency Response Fund	111,162	33,840	(181,990)	118,351	-	81,363
Other						
Emergencies	14,150	33,531	(36,189)	-	-	11,492
Development						
Projects	15,452	19,684	(19,900)	-	-	15,236
Real Gifts	337,933	281,720	(237,756)	(118,351)	-	263,546
<i>Institutional Funds</i>						
EU Nicaragua	(70,524)	70,524	-	-	-	-
EU Malawi	(2,839)	188,469	(198,645)	-	-	(13,015)
DFID AM 2	(244,879)	409,784	(164,904)	-	-	-
DFID AM 5	(251,297)	554,343	(475,008)	-	-	(171,962)
DFID AM						
Cambodia	-	96,883	(185,154)	-	-	(88,271)
SG Kabwe	2,064	279,753	(281,817)	-	-	-
SG KATC	(8,662)	76,488	(67,826)	-	-	-
SG CCP Malawi	(173,737)	713,238	(927,116)	-	-	(387,615)
SG HEF	-	109,258	(93,258)	-	-	16,000
<b>Total Restricted</b>	<b>462,767</b>	<b>3,177,531</b>	<b>(3,301,502)</b>	<b>-</b>	<b>-</b>	<b>338,796</b>
<b>Total funds</b>	<b>5,676,214</b>	<b>8,764,393</b>	<b>(9,090,399)</b>	<b>-</b>	<b>(180,293)</b>	<b>5,169,915</b>

**a) Unrestricted Reserves**

The Fixed Assets Fund represents the net book value at the balance sheet date of unrestricted tangible fixed assets. This fund is not available for current expenditure as the assets are used in the day to day operation of SCIAF.

The Investment Revaluation Reserve represents the unrealised increase in the value of the stocks and shares held within the Investment portfolio, at the year-end.

**Unrestricted Reserves (continued)**

Our previous Reserves Policy provided for separate Designated Reserves for Contingencies and Strategic Investments. The revised policy agreed in 2019 decided that these two Reserves were no longer required separately from our General Reserve.

**b) Restricted Reserves**

Restricted Reserves represent funds held for projects or programmes specified by the donors and not yet disbursed at 31 December 2019.

The Reserves for Refugees, Syria, Africa Food Crisis, Indonesia Tsunami, Haiti Hurricane, Rohingya, Indonesia, and Cyclone Idai arose from specific appeals made to our supporters in 2016 to 2019. The funds are being applied in a planned manner to meet humanitarian needs. In the case of the Cyclone Idai fund we have disbursed funds in advance of income which will be received during 2020.

Emergency Response Funds are created where supporters also give money for emergencies in general; these funds are applied to emergencies for which no specific Appeal is made. We also hold small balances on funds for other past emergencies, which we apply as appropriate. The final grant for the Africa Food Emergency was greater than the balance on that fund, so we made a transfer from the more general Emergency Response Fund to cover that.

The Developments Projects funds arise when supporters give money towards particular aspects of our development work, and these funds are applied to Projects which meet the particular requirements of the donation

The Michael & Joseph McCabe Fund is the result of a generous donation in the course of 2019 from the winding up of the Michael & Joseph McCabe Trust. The donation is to be applied to our work overseas at the rate of 10% of the fund each year until it is extinguished.

The Real Gifts Funds arise as donations from the Real Gifts catalogue are applied to Projects relevant to the respective gift, usually in the year after the donation. Some Real Gifts are for items which are used as part of an emergency Response, and therefore the balance from these Gifts is transferred to the Emergency Response Fund or, where more appropriate, the Reserve for Syria.

All of our Institutional (grant) Funders restrict their funds to the particular project which they have agreed to fund. Most of these funders require us to pre-finance expenditure, so that these Restricted Funds are in deficit until after the Project is completed. Funds during the year were from the European Union (EU), the UK Government (DFID), and the Scottish Government (SG).

The EU funded a project in Malawi to support women and vulnerable students to gain technical education or vocational skills training.

DFID funded two Aid Match projects: one in Ethiopia (UKAM 5) to support community managed disaster risk reduction, and a second in Cambodia increasing household income, food and livelihood security; strengthening community response and resilience to disasters; improving access to water and sanitation; and sustainably managing and protecting natural resources. The final reconciliation of the Ethiopia project identified spending which could not be recovered from DFID and so a transfer was required from general funds.

The Scottish Government runs a Humanitarian Emergency Fund for rapid response to emergencies and this year we received funds for Venezuelan refugees and for displaced people in NE Syria. The Scottish Government also funded two projects in Zambia (Kabwe and KATCi) empowering resource-poor rural communities by strengthening income security, fostering



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**Restricted Reserves (continued)**

well-being of women and promoting renewable energy use and training farmers on sustainable organic agriculture to improve nutrition, food security and income security. We also have a contract to deliver the Scottish Government's Climate Challenge Programme in Malawi supporting rural communities in Malawi to identify and implement their own solutions for adapting to and building resilience against the worst effects of climate change

**16. Company status**

The company is limited by guarantee. The members undertake to contribute a maximum of £1 each to the company's assets should it be wound up.

**17. Operating lease agreements**

During the year SCIAF signed a new ten-year lease for an office, which is cancellable at the fifth anniversary. At 31 December 2019 the minimum future payments under non-cancellable operating leases for leasehold property and office equipment is set out below:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
In the next year	50,688	2,808
During years 2 to 5	348,945	600
In more than 5 years	-	-
	<u>399,633</u>	<u>3,408</u>

**18. Commitments**

At the year end, forward commitments in respect of signed grant funding agreements with overseas partner organisations amounted to £913,737 (2018:£1,671,549). These grants are conditional on receipt of satisfactory reports, and are subject to SCIAF having the appropriate funds available at the time when the grants fall due for payment. Because of these conditions, the grants have not been treated as creditors.

Forward Commitments at 31/12/18	1,671,549
Commitments expended in 2019	(1,040,389)
Forward commitments entered into 2019	282,577
	<u>913,737</u>
Forward Commitments at 31/12/19	
Commitments relate to the following years:	
2020	731,549
2021	182,188
Forward Commitments at 31/12/19	<u>913,737</u>

There are no capital commitments at the year end (2018: £Nil).

**19. Trustees and Related parties**

No Director (Trustee) or Committee Member received remuneration for their services, and they do not claim expenses except for international travel. One Director claimed expenses totalling £260 (2018: £164). Expenses were paid directly by SCIAF in relation to overseas trips undertaken by board members in the year of £4,192 (2018: £1,758).

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
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**Trustees and Related parties (continued)**

Donations totalling £8,546 (2018 £10,615) were received from Directors and Senior Management. No other transactions were made with Related Parties.

SCIAF is an agency of the Bishops Conference of Scotland which has a controlling interest in SCIAF. The Bishops Conference has the power to appoint or remove the charity trustees of SCIAF. There are no financial transactions between the Bishops Conference of Scotland and SCIAF in the year (2018: £Nil).

**20. Post Balance Sheet Events**

Subsequent to the year end the market value of the investment portfolio has decreased. At 19 March 2020 the portfolio was valued at £3,251,827. The valuation will have changed since that date and will continue to do so after these accounts are approved.

**21. Accounting Policies**

**Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in UK and Republic of Ireland (FRS102) (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

All amounts are presented in Pound Sterling and rounded to the nearest pound. SCIAF meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value, (which ignores the effect of inflation or revaluation (except for investments) and deals with original costs to SCIAF only).

**Going concern**

The financial statements have been prepared on a going concern basis. SCIAF has a strong balance sheet with significant unrestricted reserves which will help SCIAF to continue to support its work for a period in excess of 12 months of the date of signing the financial statements and on that basis the charity is a going concern. No material uncertainties exist that would affect this judgement.

**Fund structure**

Unrestricted funds are available for use at the discretion of the Directors in furtherance of the general objectives of the charity. Unrestricted funds include designated funds where the directors, at their discretion, have set aside resources for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or through the terms of an appeal.

**Income**

All income is recognised once the charity has entitlement to the income, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

Voluntary income and donations are included in the accounts as income when they are receivable in accordance with the Charities SORP (FRS102).

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
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**Accounting Policies (continued)**

Gift Aid is included in the accounts when it is claimable. This means that Gift Aid for donations in previous years is included in the current year when a new valid Gift Aid Declaration has been received.

For legacies, entitlement is taken as the earlier of date on which either: the charity is aware that confirmation (probate in England and Wales) has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Grant and contract income from institutional funders is included in the accounts when the charity has entitlement to the funds, any performance conditions attached to the funding have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

**Grant expenditure**

Expenditure on grants is included when the recipients have met SCIAF's conditions for payment. Where grant agreements have been approved in principle for multiple years with partner organisations, subsequent years' payments are subject to evidence of satisfactory progress and consequently the liability is not recognised until evidence of this progress has been demonstrated.

**Expenditure**

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT, which cannot be fully recovered.

Expenditure on charitable activities comprise expenditure incurred in the fulfilment of SCIAF's main objectives.

Fundraising and advertising expenditure comprise costs incurred in encouraging people and organisations to contribute financially to the charity's work and includes some media promotional costs.

**Allocation of support and governance costs**

Expenditure incurred which relates directly to any one cost category is allocated directly to that category. Support costs and governance costs are allocated to activities in to the number of full time equivalent staff involved in each section.

Governance costs include those incurred in the governance of the charity and its public accountability, are primarily associated with constitutional and statutory requirements and include its audit fees and costs of Board meetings.

The allocation of support and governance costs is analysed in notes 4 and 5.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
(COMPANY LIMITED BY GUARANTEE)**

**Accounting Policies (continued)**

**Pensions**

SCIAF offers employees the opportunity to join a Group Personal Pension Scheme to which SCIAF also contributes. Contributions are charged to the Statement of Financial Activities in the year payable. The company has no liability for any scheme shortfall, neither would it benefit from any surplus.

**Tangible fixed assets**

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £500 are not capitalised. Depreciation is provided at the following rates to write off assets over their estimated useful life. No depreciation is provided in the year of acquisition and a full year of depreciation is provided in the year of disposal.

Heritable property	2% straight line
Leasehold improvements (life of the lease)	20% straight line
Furniture	10% straight line
Computer & electronic equipment	25% straight line

**Financial Instruments (investments)**

SCIAF only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans (which we don't have) which are subsequently measured at amortised cost using the effective interest method.

Investments have been included in the Balance Sheet at market value. The annual movement in the market value is treated as an unrealised gain or loss and is incorporated within the General Unrestricted Fund.

Income from investments is credited to the Statement of Financial Activities in the year in which it is due to be received.

**Stock**

Stock is included at the lower of cost or net realisable value.

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
(COMPANY LIMITED BY GUARANTEE)**

**Accounting Policies (continued)**

**Foreign currency**

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rate of exchange on that date

**Employee Benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

