

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

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

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2016**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>CONTENTS</b>	<b>Page</b>
Report of the Directors	1
Strategic Report	6
Independent Auditor's Report	12
Statement of Financial Activities	14
Balance Sheet	15
Statement of Cash Flows	16
Notes to the financial statements	17

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

**Report of the Directors for the year ended 31 December 2016**

The Directors present their annual Directors' report and the audited financial statements of the charity for the year ended 31 December 2016 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 SC 012302). 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 meet quarterly together 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 advise the Board on the financial implications of the Board's strategic and financial decisions and to monitor the integrity of SCIAF's internal and external financial statements. This committee was set up in 2013 and the Chair of the committee is on the Board of Directors.

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

**Report of the Directors for the year ended 31 December 2016 (continued)**

**Outreach and Fundraising Committee**

The members of the Committee are detailed below. The key responsibilities of the committee are to support, monitor and advise 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 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 related party transactions are disclosed in notes 7 and 17 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: 19 Park Circus, Glasgow, G3 6BE  
Website: [www.sciaf.org.uk](http://www.sciaf.org.uk)

**Our advisors:**

**Auditors:** Grant Thornton UK LLP, 110 Queen Street, Glasgow, G1 3BX

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

**Investment advisors:** Standard Life Wealth Limited, 1 George Street, Edinburgh, EH2 2LL

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

**Report of the Directors for the year ended 31 December 2016 (continued)**

**Reference and administrative details (continued)**

**Bankers:** Royal Bank of Scotland, Glasgow Charing Cross Branch,  
9 Clifton Place, Glasgow, G3 7JU  
Bank of Scotland, PO Box 1000, BX2 1LB  
Santander, 9 Nelson Street, Bradford, West Yorkshire, BD1 5AN  
Clydesdale Bank, 1 Woodside Crescent, Glasgow, G3 7UL  
Scottish Widows Bank plc, 67 Morrison Street, Edinburgh, EH3 8YJ  
Barclays Bank, 120 Bothwell Street, Glasgow, G2 7JT

**Key management personnel: Board of Directors**

Right Rev J. A. Toal (President)	Right Rev P.A. Moran (to September 2016)
Most Rev P. Tartaglia	Right Rev B McGee (from September 2016)
Most Rev L. Cushley	Right Rev S. Robson
Prof M. Mannion	Prof J Gallagher
Duncan MacLaren	

**Secretary**

McSparran McCormick, Solicitors

**Key management personnel: Senior Management Team**

Alistair Dutton	Executive Director
Charlotte Imbert	Head of Communication and Education
Lorraine Currie	Head of Integral Human Development
Robert Swinfen	Head of Central Services

**Finance & Audit Committee**

Prof. Jim Gallagher (Chair)  
Iain Marley  
Paula Speirs  
Joseph Hughes (from August 2016)

**Outreach & Fundraising Committee**

Prof. Mike Mannion (Chair)  
Jane Salmonson (to February 2016)  
Geraldine Hill (to February 2016)  
Liz Mallinson

**Integral Human Development Committee**

Duncan MacLaren (Chair)  
Ian Rideout (to February 2016)  
Jane Salmonson (from February 2016)  
Alison O'Connell (from August 2016)  
Fr. Leonard Chitty (from August 2016)

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

**Report of the Directors for the year ended 31 December 2016 (continued)**

**OBJECTIVES AND ACTIVITIES**

**Our mission**

Inspired by the gospel call to build a just world, SCIAF challenges injustice by strengthening poor and oppressed people and by stimulating the Scottish public to share in our common struggle for human dignity.

**Our objectives**

The objectives set out in SCIAF's Memorandum of Association enable SCIAF to undertake a wide range of charitable activities which contribute to the relief of poverty; advancement of education; the relief and prevention of sickness, disease, and physical and mental disability; and the relief and assistance of people who are victims of war or natural disaster anywhere in the world.

The main focus of our work in fifteen developing countries is helping people to: live in peaceful and just communities; grow enough food and earn a living to provide for their families and loved ones; enjoy the education they need; cope with, and recover from, humanitarian disasters. We raise money in Scotland to help people in Africa, Asia and Latin America.

As well as providing practical support, we are passionate about challenging the underlying causes of poverty through education and advocacy. We believe that poverty and hunger do not happen by accident: they are man-made injustices. We aim to influence policy on issues like business ethics, human rights and climate change, and raise awareness of the need for change through our work in schools and parishes in Scotland.

SCIAF is the Scottish member of Caritas Internationalis, the global network of Catholic agencies dedicated to ending poverty and working alongside the world's poorest people, whatever their faith.

**Strategies**

SCIAF works with partner organisations in the most deprived countries in the world. We prioritise work with people experiencing the most extreme forms of poverty and oppression. We provide integrated human development programmes which are effective and sustainable. We also provide grants to organisations in the UK and overseas which help to educate the Scottish public, raise awareness of the underlying causes of poverty, and advocate for change.

SCIAF follows the Caritas principles which guides our choice of partners. We have professional project management systems. We monitor and evaluate our programmes to help us learn and improve. The senior team monitors progress and reports to the Board of Directors.

**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 200 people who gave over five thousand hours of energy and expertise to SCIAF in Scotland alone in 2017.

Volunteers do a lot of work in schools and parishes. Our office-based volunteers work in a number of departments, while others translate documents. Some volunteers work with us as consultants to achieve specific pieces of work. All volunteers working with children or other vulnerable groups are checked with Disclosure Scotland as part of our child protection policy.

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

**Report of the Directors for the year ended 31 December 2016 (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 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.

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.

Approved by the Directors and signed on their behalf by:

Rt. Rev. J.A. Toal  
President

Date: May 8<sup>th</sup>, 2017

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

**Strategic Report for the year ended 31 December 2016**

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

**ACTIVITIES AND ACHIEVEMENTS**

**How our activities deliver public benefit**

SCIAF carries out a wide range of activities in pursuance of our charitable aims. The directors consider that these activities, summarised below, provide significant benefit to the people and communities we serve in our projects in Asia, Latin America, the Middle East and Africa.

The strategies employed to achieve the charity's aims and objectives are to:

- Engage in authentic partnerships to deliver effective and sustainable programmes and projects that contribute to reducing poverty and injustice
- Develop and deliver effective advocacy work that directly addresses the root causes of poverty and injustice
- Build partnerships with the Catholic community, including parishes, schools, religious and lay associations, and with the wider Scottish public, to work for a more just world.

**Major Activities and Achievements in 2016**

**Development**

In 2016 SCIAF disbursed £5,252,844 (2015: £5,836,243) in 131 grants to development and emergency projects delivered by 78 partners across 26 countries (2015: 27) in four regions: Africa, Asia, the Middle East, and Latin America.

In total approximately 202,292 people benefitted directly from these projects. (2015: 286,814.) It should be noted that a significant revision to the methodology used for counting and reporting beneficiaries was introduced in 2017 and this has led to a reduction in the number of beneficiaries reported from some projects. The figures for earlier years are not adjusted, and so the figures for 2016 and 2015 are not directly comparable. Approximately 50% of all direct beneficiaries were women. An estimated 1,049,022 people benefitted indirectly from the programmes and projects (2015: 703,186).

As a Catholic development agency, SCIAF draws its inspiration from the rich heritage of its religious tradition, including the Bible and Catholic Social Teaching. SCIAF's work is guided by the Caritas Partnership Principles, and we are committed to working through local partners usually the national or diocesan Caritas, other Church bodies and faith-based organisations. If these are not available we look for other suitable local partners.

During the year our overseas work was guided by the Strategic Plan 2016 – 20 which came into force on 1st January 2016. Our development programme continued to focus on 15 programme countries in Africa, Asia and Latin America. These countries have been selected on the basis of need, SCIAF's history of involvement and our potential for supporting positive change, and the presence of Caritas and CIDSE sister agencies and the strength of local partners. The choice of countries was confirmed as part of the strategic planning process in 2015, including a planned phase-out from Burma which began in 2016 and which will be completed in 2017.

Our development programme focused on three strategic aims in the Strategic Plan 2016 – 2020: Peaceful and Just Communities, Sustainable Livelihoods and Environments; and Access to Education for Marginalised Groups. Disaster risk reduction interventions were supported, related to the fourth aim, humanitarian emergency response. In addition, we work to mainstream gender, inclusion, climate change adaptation, HIV and AIDS, and disabilities in our work.

As part of our commitment to the Caritas Partnership Principles we help partners identify and address weaknesses. During 2016 we continued to focus our support on general themes of child protection/safeguarding, safety and security management, monitoring and evaluation, digital data collection and analysis tools, and strategic planning. During the year we were



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

### **Strategic Report for the year ended 31 December 2016 (continued)**

trained in SGBV, sustainable livelihoods, and Making Markets Work for the Poor. Significant work was put into developing an Integral Human Development framework and tool to design and evaluate projects, and an Inward and Outward Accountability Framework. Both will be further developed with partners in 2017.

Seven projects in Eritrea, Ethiopia, Malawi, South Sudan and Sudan were supported by the discretionary grant budget during 2016. This included one emergency project in Sudan.

#### **Advocacy**

Addressing the root causes of poverty and injustice remains core to SCIAF's vision. During 2016 the Advocacy team were integrated into the new Integral Human Development Department, merging with the International Programmes Department (IPD). In 2016 SCIAF's advocacy team focused on supporting partner advocacy and developing work on the thematic areas identified in the Strategic Plan 2016 – 2020: climate justice and business and human rights. Highlights included helping partners from Zambia and Nicaragua take part in an international workshop on agroecology; and helping a partner from Colombia attend the UN Climate summit (COP22) in Marrakech, at which they met the Scottish Cabinet Secretary for Climate Change, Environment and Land Reform.

Our lent campaign asked supporters to write postcards to the First Minister to urge her to put people and planet first. 6,357 postcards were handed to Alasdair Allan, the Minister for International Development asking the First Minister to: ensure Scottish businesses help, don't harm, the poor; meet Scotland's climate change targets; make sure all government policies work for the poor. Before the Scottish Parliamentary elections in May SCIAF published an election manifesto and held hustings in Edinburgh, Glasgow, Stirling and Irvine with Oxfam UK. Following the elections SCIAF wrote to all new MSPs, and met MSPs from all parties.

In September with the Stop Climate Chaos Coalition (SCCS), SCIAF co-organised a mass lobby of MSPs at the Scottish Parliament in collaboration. Our supporters spoke to their MSPs about their climate change concerns. Over 35% of MSPs were met and a positive relationship was established between SCCS and MSPs from the beginning of the parliament.

Significant effort was put into education work related to Laudato Si internally and with external audiences including the Scottish and Westminster Parliaments. On the anniversary of Laudato Si we sent a communication and a poster on the encyclical to all MPs. We developed a resource on Caring for our Common Home for parishes, which has been requested by over 100 parishes. In some diocese, such as Aberdeen, ecumenical groups have been set up to work with the resource.

SCIAF contributed to the Scottish Government's International Development Review. Our input to the review was praised by civil servants in the government, and the decision to focus on 4 countries was along the lines we recommended. This year SCIAF also ensured that the Scottish Parliament's Cross Party Group on International Development continued to exist. We persuaded Lewis Macdonald MSP(Lab) to chair the group, and are providing secretariat support alongside our colleagues in Oxfam and Christian Aid.

#### **Emergencies**

Responding to emergencies is a significant part of SCIAF's work, and is one of the four aims in the 2016-20 Strategic Plan. Given the nature of emergencies, the proportion of SCIAF's grants which are spent on emergency response varies year-on-year. In line with our commitment to a partnership approach, and our place within the Caritas family, most of our responses to major humanitarian crises is 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 15 programme countries if they face small-scale (or large-scale) emergencies.

In the 2016-20 Strategic Plan SCIAF made a commitment to a long-term response to the Syrian crisis. A joint programme has been established with CAFOD, allowing us to increase the support and supervision of projects in a volatile and difficult part of the world. The partnership,

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

**Strategic Report for the year ended 31 December 2016 (continued)**

which is jointly governed, was formally agreed in October 2016. During the year we focused our support to people affected by the crisis in Syria and its immediate neighbours.

In 2016 SCIAF supported 33 emergency projects (2015: 27) in 19 countries (2015: 17). Sixteen of these emergency projects were in Africa (2015: 13), 5 in Asia, 6 in the Middle East (2015: 12), and 6 in Latin America (2015: 1).

We also provide support to our existing partners in our 15 programme countries if they face small-scale (or large-scale) emergencies.

In the 2016-20 Strategic Plan SCIAF made a commitment to a long-term response to the Syrian crisis. This was to be done through a joint programme with CAFOD, joint programming allowing us to increase the support and supervision of projects in a volatile and difficult part of the world. The partnership was formally agreed in October 2016. During the year we focused our support to people affected by the crisis in Syria and its immediate neighbours.

SCIAF continued to make a major contribution to the Caritas response to the earthquake in Nepal during 2016. Due to the generosity of the Scottish public SCIAF was able to support the follow-on earthquake recovery appeal with significant funding, and continues to hold funds in reserve to support the reconstruction in 2017.

**Building support within the Scottish community**

Building on the success of the 2015 anniversary year and the formation of a new Outreach Team, engagement with supporters in parishes and schools increased steadily. During Lent we gave 258 talks in 115 parishes and 138 talks in schools, surpassing the previous highest number of talks delivered. We recruited high profile support including First Minister Nicola Sturgeon, and Deacon Blue's Ricky Ross and entertainer Michelle McManus which delivered widespread media coverage.

Throughout the year staff and volunteers visited schools to deliver assemblies, classroom activities and retreats. Our new Water is Life resource for primary schools was very well received by schools across Scotland.

In parishes our work focused on promoting the Laudato Si' resource and on reflections and prayers as part of the Rediscovering Mercy project. We also joined with supporters on the St Margaret of Scotland Pilgrimage.

A practical booklet Care for Our Common Home was well received by supporters, keen to make changes in their own lives to create a more sustainable fairer world.

Key outreach and engagement highlights of the year included working in partnership with Missio and Action for the Church in Need to host the visit of Cardinal Bo from Myanmar; and the Go the Extra Mile cycle event undertaken by Director, Alistair Dutton. This involved Alistair cycling over 200 miles around the central belt of Scotland, visiting many schools and parishes, as well as meeting with inmates in Shotts Prison and taking part in a fundraising 5-a-side football tournament.

**Fundraising**

2016 saw a number of successful appeals. Our WEE BOX, BIG CHANGE Lent appeal raised £1.63 million. With match funding from the UK Government's scheme to appeal raised a grand total of £3.1 million. The appeal told the story of the Sara family in southern Ethiopia and how goats, cows and camels provided by SCIAF helped them get back on their feet after the 2011 drought. Our mailing to existing individual supporters was extremely successful with a response rate of 11% which is maintained from last year. The ROI of the warm mailing was a massive 29:1 compared to 16:1 in 2015. The warm mailing raised a total of £361,176 from 2,683 supporters. Major donors once again contributed a significant amount to the campaign with £175,000. We changed the presentation in the accounts this year, to include all Lenten income (not just that from Parishes). The 2015 comparative was represented for consistency therefore. The above was supported by multiple features and news stories in the national, regional and Catholic media.

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

**Strategic Report for the year ended 31 December 2016 (continued)**

We also launched a major emergency appeal to help people affected by the Africa food crisis. The appeal raised £318,461 primarily from parishes (£118,750) and individuals (£159,546). This was part match funded by the Scottish Government bringing the total to £433,914. We also continued to receive generous donations to our Syria Refugee Appeal, which was the focus for our Christmas appeal. A dedicated media trip to Lebanon with STV News and the Press Association Scotland delivered a huge amount of media coverage which helped us to raise £165,223 to help those fleeing conflict in Syria.

Providing a high standard of service to our supporters remained a core priority, with 78,978 individual transactions swiftly processed and 41,894 actions added. Whilst feedback levels remained high we received only eight complaints (down from 23 in 2015), all of which were successfully resolved.

15 schools took part in the Talented Fundraisers programme, developing their entrepreneurial skills to raise money for SCIAF.

Legacies continued to play a strong role, raising £900,947

**The Year Ahead**

In 2017 we plan to improve our communications through rebranding, creating a new communications team, launching a new website and improving social media and online engagement through increased digital marketing. We aim to increase the efficiency and effectiveness of our fundraising through a focus on co-ordinated cross channel work, securing more committed givers, and developing new major donor, in memoriam and events fundraising programmes. In 2017 our thematic focus will be on livelihoods for Lent, and then later in the year Peaceful and Just Communities. During the year we will be engaging with supporters on an energy campaign, aimed at building public support for improvements to the Scottish Government's energy and climate plans. We will also celebrate our adoption of Oscar Romero as our patron through a series of engagement events.

**FINANCIAL REVIEW**

**Results for the year**

There was net expenditure for the year of £827,750 (2015: £978,908).

**Principal funding sources**

The charity's main source of income is voluntary income from individuals. Total donations and legacy income was £5,213,810 (2015: £5,481,394). This represents a small decrease from the previous record-breaking year, as was expected, with 2015 including additional activity around our Anniversary. Emergency income in the year totalled £1,087,016; our main appeals in the year were for Africa and for Syrian refugees. SCIAF also received £2,030,629 (2015: £1,968,012) of institutional funding for overseas relief and development.

**Principal expenditure**

The charity's main expenditure is on international programmes. Total expenditure was £8,239,488 (2015 £8,616,648) with international programmes making up £6,404,788 (2015: £6,888,074). This represents a slight decrease on the previous year.

**Reserves policy**

The Directors review SCIAF's reserves policy annually and monitor the level of reserves and the financial position each quarter. Restricted reserves are generated when the supporter or donor organisation stipulates the area of activity in which the income has to be spent (for example where funds are received in response to a particular emergency or for a particular project overseas). SCIAF regularly pre-finances programme costs that will be covered by government and other institutional programme grants, approving and paying out funds to local

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

**Strategic Report for the year ended 31 December 2016 (continued)**

**Reserves policy (continued)**

partners, in advance of receiving funds from the donor. As a result negative balances arise on particular restricted funds. At the end of 2016 the restricted funds held amounted to £786,846 (2015: £965,274).

At the end of 2016, SCIAF had £6,288,204 (2015: £6,600,239) in unrestricted funds of which designated funds amounted to £5,726,993 (2015: £6,031,976). As detailed in note 13, the Board has a policy to set aside contingency reserves based on its assessment of the likelihood and impact of financial risks. These designated funds are to ensure that, in the wake of significant unexpected events, SCIAF can continue to respond rapidly to emergencies, can meet its planned future commitments to current projects, and continue its operations. Unrestricted funds are generated when there are no restrictions imposed by the donor. SCIAF holds an operational reserve level of 30% of voluntary income. In accordance with this policy the Board has set the level of the Operational Reserve Fund at £1,352,921 (2015: £1,203,228). This reserve was fully funded.

The funds tied up in tangible fixed assets is set at the net book value at the balance sheet date of 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 designated strategic investment reserve has been established based on the five year forecast and the funds will be spent down over the next four years in furtherance of SCIAF's aims. The strategic contingency fund has been established for any additional agreed and approved spend to meet SCIAF's strategic objectives. Details of other specific reserves appear in note 13 to the accounts.

£561,211 (2015: £568,263) forms a general fund that the Board intends to spend on SCIAF's work over the next 3 years. SCIAF continues to use this fund to direct more funds where they are most needed, but our concern to make sure that these funds are spent wisely has resulted in a longer period for consideration and evaluation before sums are committed for new projects and other work.

**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 corporate bonds, interest bearing current accounts and medium term stock exchange investments. The latter are managed for SCIAF by Standard Life Wealth, and investments are required to meet strict ethical guidelines, consistent with the work and beliefs of SCIAF. At the end of 2016, the funds invested had a market value of £4,890,033 (2015: £5,269,643). During 2016 a net amount of £840,000 was withdrawn from Standard Life for normal spending requirements. 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 underperformed its benchmark by 2.8% (SCIAF: 10.5% compared to Composite Benchmark of 13.3%) and the portfolio yield at the 31 December 2016 was 3.1%.

**Risk Management**

SCIAF's risk register identifies the major risks by area of activity, the nature of those risks, the likelihood of the risks happening 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 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. These areas are being actively managed.

Qualifying third party indemnity provision for the directors is in force during the year.

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

**Strategic Report for the year ended 31 December 2016 (continued)  
Risk Management (continued)**

**Financial risk management objectives and policies**

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 which 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 which 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.

**Plans for the future**

During 2017 SCIAF will continue to implement our strategic plan for the period 2016-20.

SCIAF's main strategic priorities over these five years are:

- a) Better programmes serving more people - to serve 15% more people with better quality and integrated programmes that help them to:
  - (i) live in more peaceful, integrated and just communities;
  - (ii) provide for their families and loved ones;
  - (iii) improve their education, particularly if they have been excluded from mainstream education;
  - (iv) cope with and recover from emergencies.
- b) Stronger relationships with more supporters - to build stronger relationships with more people throughout Scotland and inspire in them the desire to be part of SCIAF's mission to tackle poverty and injustice, and increase SCIAF's private income by 45%.
- c) A stronger SCIAF - to ensure that SCIAF's structures and systems support staff and help SCIAF achieve its strategy.

Approved by the Directors and signed on their behalf by:

Rt. Rev. J.A. Toal  
President

Date: May 8<sup>th</sup>, 2017

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

**Independent auditor's report to the trustees and members of the Scottish Catholic International Aid Fund**

We have audited the financial statements of Scottish Catholic International Aid Fund for the year ended 31 December 2016 which comprise the balance sheet, the statement of financial activities, the cash flow statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charitable company's members and trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under Chapter 3 of Part 16 of the Companies Act 2006. 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 and its members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 regulations made under those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

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 2016 and of its incoming resources and application of resources including, its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Opinion 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 Strategic Report and Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

**Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and Trustees' Annual Report.

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

**Independent auditor's report to the trustees and members of the Scottish Catholic International Aid Fund (continued)**

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

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

- proper and adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; 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.

Diana Penny  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Edinburgh

Date:

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE  
ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
<b>Income</b>					
<b>Incoming resources from generating funds</b>					
Donations and legacy income					
Lenten income		1,635,162	-	1,635,162	1,637,276
Other donations		1,590,685	1,087,016	2,677,701	3,223,663
Legacies		900,947	-	900,947	620,455
<b>Total donations and legacy income</b>		<b>4,126,794</b>	<b>1,087,016</b>	<b>5,213,810</b>	<b>5,481,394</b>
<b>Total income from charitable activities</b>					
Institutional funding – overseas relief and development	2	225,415	1,805,214	2,030,629	1,968,012
<b>Income from other trading activities</b>					
Sale of goods & resources		6,969	-	6,969	12,364
<b>Investment income – Dividends &amp; interest</b>					
Bank interest		4,739	3,483	8,222	11,310
Other interest		-	-	-	37
<b>Total other income</b>		<b>4,739</b>	<b>3,483</b>	<b>8,222</b>	<b>11,347</b>
<b>Total income</b>		<b>4,516,025</b>	<b>2,895,713</b>	<b>7,411,738</b>	<b>7,624,755</b>
<b>Expenditure</b>					
<b>Expenditure on raising funds</b>					
Fundraising and advertising	3	971,924	-	971,924	861,716
Cost of managing investments		21,777	-	21,777	31,910
<b>Expenditure on charitable activities</b>					
International programmes	5a	3,630,447	2,774,341	6,404,788	6,888,074
Advocacy	5c	261,693	-	261,693	374,575
Communication and education	5b	520,706	58,600	579,306	460,373
<b>Total expenditure</b>		<b>5,406,547</b>	<b>2,832,941</b>	<b>8,239,488</b>	<b>8,616,648</b>
<b>Net expenditure for the year before transfers and other gains and losses</b>					
Net gains on investments	10	337,287	-	337,287	12,985
<b>Net expenditure</b>		<b>(553,235)</b>	<b>62,772</b>	<b>(490,463)</b>	<b>(978,908)</b>
Transfer between funds		241,200	(241,200)	-	-
<b>Net movement in funds</b>		<b>(312,035)</b>	<b>(178,428)</b>	<b>(490,463)</b>	<b>(978,908)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		6,600,239	965,274	7,565,513	8,544,421
<b>Total funds carried forward</b>	<b>13</b>	<b>6,288,204</b>	<b>786,846</b>	<b>7,075,050</b>	<b>7,565,513</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 2016**

	Note	2016 £	2015 £
<b>Fixed Assets</b>			
Tangible assets	<b>9</b>	362,441	364,946
Investments	<b>10</b>	4,889,764	5,269,643
		<u>5,252,205</u>	<u>5,634,589</u>
<b>Current Assets</b>			
Other debtors		213,939	133,306
Prepayments and accrued income		520,877	369,735
Cash on deposit and on hand		1,227,793	1,521,231
		<u>1,962,609</u>	<u>2,024,272</u>
<b>Current liabilities:</b> amounts falling due within one year	<b>11</b>	<u>(139,764)</u>	<u>(93,348)</u>
<b>Net Current Assets</b>		<u>1,822,845</u>	<u>1,930,924</u>
<b>Net Assets</b>		<u>7,075,050</u>	<u>7,565,513</u>
<b>Reserves:</b>			
Unrestricted Reserves	<b>13</b>	6,288,204	6,600,239
Restricted Reserves	<b>13</b>	<u>786,846</u>	<u>965,274</u>
		<u>7,075,050</u>	<u>7,565,513</u>

Approved and authorised for issue by the Board of Directors on 8<sup>th</sup> May 2017 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 2016**

	Notes	2016 £	2015 £
<b>Net cash used in operating activities</b>	<b>1</b>	<b>(1,110,587)</b>	<b>(1,482,669)</b>
<b>Cash flows from investing activities</b>			
Dividends and interest from investments		160,330	162,985
Purchase of property, plant and equipment		(11,044)	(19,970)
Purchase of investments		(422,884)	(2,609,926)
Proceeds from sale of investments		1,090,747	1,202,946
<b>Net cash used in investing activities</b>		<b>817,149</b>	<b>(1,263,965)</b>
Decrease in cash and cash equivalents in the reporting period		(293,438)	(2,746,634)
Cash and cash equivalents at the beginning of the reporting period		1,521,231	4,267,865
Cash and cash equivalents at the end of the reporting period		1,227,793	1,521,231

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

	2016 £	2015 £
Net movement in funds	(490,463)	(978,908)
Depreciation charges	13,548	24,294
Loss on disposal of fixed asset	-	139
(Gain)/Loss on investment assets	(287,983)	(17,671)
Investment income	(160,330)	(162,985)
(Increase)/Decrease in debtors	(231,775)	(309,495)
(Decrease)/Increase in creditors	46,416	(38,043)
<b>Net cash used in operating activities</b>	<b>(1,110,587)</b>	<b>(1,482,669)</b>

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**1. 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) (effective 1 January 2015) – (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).

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.

**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).

For legacies, entitlement is taken as the earlier of date on which either: the charity is aware that probate 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 income from institutional funders is included in the accounts when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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

Sale of goods and resources:

SCIAF sells Christmas cards on a sale or return basis with Traidcraft and provides educational material on request for schools.

**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 incurred, which relates directly to any one cost category is allocated directly to that category. Expenditure, common to more than one cost category, is apportioned on a reasonable and consistent basis to the categories involved. Allocation to the cost categories, including governance costs is proportional to the number of full time equivalent staff involved in each section.

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.

Governance costs include those incurred in the governance of the charity and its assets, are primarily associated with constitutional and statutory requirements and include its audit fees and costs linked to the strategic management of the charity.

**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.

**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. This year the basis of depreciation was changed from Reducing Balance to Straight Line. This did not have a material effect on any figure, and no prior year figures were adjusted. Depreciation is provided at the following rates to write off assets over their estimated useful life.

Heritable property	2% straight line
Furniture, fixtures and fittings	10% straight line
Computer & electronic equipment	25% straight line

**Investments**

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.

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

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

**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.

**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.

**Liquid resources**

Liquid resources include surplus cash invested in Government Bonds, Non-Government Bonds, equities, property and cash deposits.

**2. Incoming resources from charitable activities**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Restricted:</b>		
<b>Department for International Development</b>		
Africa – Great Lakes	-	87,829
Africa – Aid Match, Round 2	507,375	57,216
Africa – Aid Match, Round 5	41,850	-
<b>European Commission</b>		
Sudan	206,317	-
Colombia	190,790	176,320
Nicaragua	158,758	162,629
<b>Scottish Government</b>		
Zambia	129,922	275,633
Malawi	269,912	108,686
Rwanda	84,096	325,210
<b>The Big Lottery</b>		
Cambodia	-	99,723
Latin America	216,194	130,474
<b>Other Catholic Agencies</b>		
Ethiopia: Development & Peace	-	344,643
<b>Private Donors</b>		
Sudan	-	5,845
UK	-	-
	<hr/>	<hr/>
	1,805,214	1,774,208
<b>Unrestricted</b>	<hr/>	<hr/>
	225,415	193,804
	<hr/>	<hr/>
	2,030,629	1,968,012

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

The unrestricted total of £225,415 includes £27,824 received from The Big Lottery for UK costs relative to the Latin America grant.

**3. Fundraising and advertising costs**

	<b>Direct Costs</b>	<b>Direct Support</b>	<b>Indirect Support</b>	<b>Total 2016</b>	<b>Total 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fundraising campaigns	310,758	-	-	310,758	326,252
Legacies	21,331	-	-	21,331	20,361
Branding	67,494	-	-	67,494	-
Salaries and other staff costs	-	315,037	111,537	426,574	388,467
Travel	-	11,083	6,120	17,203	11,008
Administration	-	1,363	23,895	25,258	34,302
Building costs	-	-	16,657	16,657	11,721
Professional fees	-	10,620	3,964	14,584	7,115
IT costs	-	12,635	8,042	20,677	30,194
Bank charges	-	-	18,489	18,489	18,148
Merchandise and Materials	-	5,478	17,694	23,172	979
Governance costs	-	-	9,388	9,388	12,104
Volunteer costs	-	-	339	339	1,065
	<b>399,583</b>	<b>356,216</b>	<b>216,125</b>	<b>971,924</b>	<b>861,716</b>

**4. Grant expenditure**

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

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2016</b>	<b>Total 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>AFRICA</b>				
<b>Ethiopia</b>				
Joint office with CAFOD and Trocaire – for distribution to partners	250,000	157,674	407,674	766,681
<b>Uganda</b>				
Radio Wa	50,000	-	50,000	50,000
Comboni Samaritans	50,000	-	50,000	63,989
<b>Malawi</b>				
Cadecom Mangochi	60,000	46,500	106,500	143,110
Cadecom Chikwawa	-	163,659	163,659	87,790
Cadecom Dedza	20,000	157,544	177,544	88,575
National Cadecom	71,989	280,000	351,989	50,000
<b>Rwanda</b>				
Commission Episcopale Justice et Paix	-	-	-	73,109
Commission Diocesaine Justice et Paix, Kigali	30,000	145,890	175,890	72,097
Trocaire	22,899	103,033	125,932	338,395
Caritas Rwanda	50,000	-	50,000	35,000

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

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
<b>Democratic Republic of Congo</b>				
Codilusi Commission	-	-	-	46,804
Diocesaine Justice et Paiz/Bukavu Diocese Commission	72,253	150,794	223,047	116,176
Diocesaine Justice et Paiz/Uvira Diocese	-	-	-	17,929
<b>Sudan</b>				
Sudan Evangelical Mission	107,748	86,303	194,051	154,032
Comboni Missionaries	-	-	-	50,000
CAFOD – for distribution to partners	-	-	-	115,000
Trocaire – for distribution to partners	-	-	-	70,000
CAFOD/Trocaire Partnership	110,000	50,000	160,000	-
MRDA	70,000	-	70,000	70,000
<b>Burundi</b>				
Agakura	60,000	-	60,000	68,364
<b>Zambia</b>				
Diocese of Livingston	-	32,901	32,901	29,385
Caritas Mongu	-	28,480	28,480	35,227
Jesuit Centre for Theological Reflection	-	15,153	15,153	43,763
Kasisi	-	121,440	121,440	175,707
Caritas Zambia	-	15,360	15,360	-
Caritas Solwezi	60,000	-	60,000	-
<b>ASIA</b>				
<b>Burma</b>				
Jesuit Refugee Service Thailand	70,000	-	70,000	130,000
Missionary Sisters of St Columban	-	-	-	51,750
<b>Cambodia</b>				
DPA	120,000	-	120,000	169,088
Caritas Cambodia	56,244	-	56,244	54,015
<b>India</b>				
Caritas India	126,000	-	126,000	125,050
IGSSS	80,947	-	80,947	50,178
<b>Syria</b>				
Caritas Lebanon	-	45,000	45,000	115,006
Caritas Syria	-	-	-	20,000
Caritas Jordan	-	25,000	25,000	50,000
ATS	39,952	-	39,952	39,945
Trocaire	-	-	-	16,269
CAFOD/SCIAF P'ship	140,000	-	140,000	-

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

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
<b>Nepal</b>				
Caritas Nepal	-	150,000	150,000	350,000
<b>LATIN AMERICA</b>				
<b>Columbia</b>				
Diocese of Apartado	17,246	51,738	68,984	80,858
Diocese of Quibdo	47,465	101,738	149,203	171,857
Sepas Apartado	12,744	11,592	24,336	-
Sepas Quibdo	4,506	33,254	37,760	-
<b>El Salvador</b>				
CESTA	38,803	32,281	71,084	67,972
Solidaridad	-	-	-	45,827
COMUS	12,971	54,067	67,038	54,244
Asociacion Servicio Solidario CVX	1,892	23,564	25,456	-
<b>Nicaragua</b>				
Familias Especiales	-	-	-	45,452
CANTERA	58,056	182,154	240,210	267,446
FEDICAMP	38,605	119,760	158,365	178,766
<b>Haiti</b>				
Institute of Technology & Animation	-	-	-	70,000
Other grants less than £50,000 paid in the year	528,223	389,462	917,685	921,384
<b>Total Grant Expenditure</b>	<b>2,478,543</b>	<b>2,774,341</b>	<b>5,252,884</b>	<b>5,836,240</b>
<b>Represented by:</b>				
International development grants	2,439,131	2,774,341	5,213,472	5,882,428
Advocacy grants	39,412	-	39,412	13,812
	<b>2,478,543</b>	<b>2,774,341</b>	<b>5,252,884</b>	<b>5,836,240</b>

Restricted grants totalling: £617,887 for DFID Africa Aid Match, Round 2, £107,673 for DFID Aid Match, Round 5 and £212,144 for the Big Lottery Latin America project are included within the figures above.

**5. Costs of charitable activities**

Expenditure recorded in the Statement of Financial Activities includes both the direct costs of carrying out activities and the direct and indirect costs of supporting these activities. Direct support costs include essential integral staff-related costs including recruitment, training and travel. Indirect costs are the common or shared costs of the organisation such as property running and maintenance costs, telephone, IT, stationery, postage and printing. These are allocated between the various expenditure categories in proportion to the salary costs for staff involved in the activities of each section. The following provides a breakdown of these costs:



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

	<b>Direct Costs £</b>	<b>Direct Support £</b>	<b>Indirect Support £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
International programmes (5a)	5,125,967	955,259	323,562	6,404,788	6,888,074
Information and education (5b)	35,974	349,735	193,597	579,306	460,373
Advocacy (5c)	54,293	137,739	69,661	261,693	374,575
	<u>5,216,234</u>	<u>1,442,733</u>	<u>586,820</u>	<u>7,245,787</u>	<u>7,723,022</u>

**a) International programmes**

	<b>Direct Costs £</b>	<b>Direct Support £</b>	<b>Indirect Support £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Grant expenditure	5,125,967	87,505	-	5,213,472	5,878,250
Salaries and other staff costs	-	572,309	203,931	776,240	696,041
Travel	-	61,354	11,102	72,456	71,300
Administration	-	11,194	30,051	41,245	39,595
Building costs	-	-	24,316	24,316	25,880
Professional fees	-	222,897	7,192	230,089	138,476
IT costs	-	-	29,324	29,324	19,612
Governance costs	-	-	17,032	17,032	18,920
Volunteer costs	-	-	614	614	-
	<u>5,125,967</u>	<u>955,259</u>	<u>323,562</u>	<u>6,404,788</u>	<u>6,888,074</u>
of which:					
Unrestricted	2,351,626	955,259	323,562	3,630,447	4,016,694
Restricted	2,774,341	-	-	2,774,341	2,871,380
	<u>5,125,967</u>	<u>955,259</u>	<u>323,562</u>	<u>6,404,788</u>	<u>6,888,074</u>

**b) Information and Education**

	<b>Direct Costs £</b>	<b>Direct Support £</b>	<b>Indirect Support £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Education	10,227	-	-	10,227	7,540
Information	25,747	-	-	25,747	23,899
Salaries and other staff costs	-	332,608	120,193	452,801	325,171
Travel	-	12,063	6,595	18,658	16,854
Administration	-	86	14,732	14,818	10,529
Building costs	-	-	14,443	14,443	14,317
Professional fees	-	-	4,272	4,272	2,336
IT and social media costs	-	4,882	22,880	27,762	48,966
Volunteer costs	-	96	365	461	-
Governance costs	-	-	10,117	10,117	10,761
	<u>35,974</u>	<u>349,735</u>	<u>193,597</u>	<u>579,306</u>	<u>460,373</u>

of which:

Unrestricted	30,552	296,557	193,597	520,706	460,373
Restricted	5,422	53,178	-	58,600	-
	<u>35,974</u>	<u>349,735</u>	<u>193,597</u>	<u>579,306</u>	<u>460,373</u>

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

**c) Advocacy - unrestricted**

	<b>Direct Costs</b>	<b>Direct Support</b>	<b>Indirect Support</b>	<b>Total 2016</b>	<b>Total 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Grant expenditure	39,412	-	-	39,412	13,812
Events & Publication	14,881	24,030	14,214	53,125	71,393
Salaries and other staff costs	-	102,459	37,193	139,652	227,447
Travel	-	5,034	2,041	7,075	13,544
Administration	-	6,216	4,497	10,713	7,307
Building costs	-	-	4,469	4,469	10,316
Professional fees	-	-	1,321	1,321	20,112
Volunteer costs	-	-	113	113	-
IT costs	-	-	2,682	2,682	6,308
Governance costs	-	-	3,131	3,131	4,336
	<b>54,293</b>	<b>137,739</b>	<b>69,661</b>	<b>261,693</b>	<b>374,575</b>

Effective from 1 October 2015, the Advocacy Department separated from Campaigns and Education and merged with the then International Programmes department and formed a new department, the Integrated Human Development Department. The figures for 2016 therefore show the new smaller Advocacy team, with the other part of the former team having moved in with Information and Education

**6. Net expenditure for the year**

This is stated after charging:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Depreciation	13,548	24,294
Auditors' remuneration – audit services	13,440	15,281
Unrealised (gain)/loss on foreign exchange	(23,166)	(10,821)
Loss on sale of fixed assets	-	139
	<b>-</b>	<b>139</b>

**7. Staff costs**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,439,790	1,357,299
Social security costs	142,880	134,172
Pension costs	110,701	98,327
	<b>1,693,371</b>	<b>1,589,798</b>

Included in the above staff costs are costs relating to redundancy and compensation for loss of office of £6,937 (2015 £Nil)

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

	<b>2016</b>	<b>2015</b>
	<b>No</b>	<b>No</b>
Management	4	4
Overseas project support	13	12
Education and information	8	7
Advocacy	3	4
Cost of generating funds	8	9
Administration and finance	14	12
	<b>50</b>	<b>48</b>
Full time equivalent	<b>46</b>	<b>44</b>

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

No Director or committee member received remuneration for their services. Expenses incurred by Directors relating to visits and meetings amounted to £NIL (2015: £285). Expenses totalling £2,812 were paid directly by SCIAF in relation to overseas trips undertaken by board members in the year (2015: £5,534)

The key management personnel of the charity comprise the Board, the Executive Director, Head of Communication and Education, Head of Integrated Human Development Department and Head of Central Services. The total employee benefits of the key management personnel of SCIAF were £275,135 (2015: £236,453). One employee earned between £70,000 and £80,000 in the year (2015: one employee earned between £70,000 and £80,000 in the year).

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 1 per cent and 10 per cent of salary with staff making contributions between 1 per cent and 4 per cent of salary to the scheme. 48 staff are members of the scheme (2015: 44 staff). Included in staff costs are contributions paid or payable by SCIAF to the fund which amounted to £110,701 (2015: £98,327).

**8. Taxation**

SCIAF is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to charitable objectives. No charges have arisen in the Charity.

**9. Tangible fixed assets**

	<b>Heritable property</b>	<b>Fixtures &amp; fittings</b>	<b>Computer equipment</b>	<b>Total 2016</b>
<b>Cost:</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2016	484,450	95,974	244,204	824,628
Additions	-	514	10,530	11,044
Disposals	-	(70,378)	(101,878)	(172,256)
At 31 December 2016	484,450	26,110	152,856	663,416
<b>Depreciation:</b>				
At 1 January 2016	140,714	89,882	229,086	459,682
Disposals	-	(70,378)	(101,878)	(172,256)
Charge for the year	9,689	1,281	2,579	13,549
At 31 December 2016	150,403	20,785	129,787	300,975
<b>Net book value</b>				
At 31 December 2016	334,047	5,325	23,069	362,441
At 31 December 2015	343,736	6,092	15,118	364,946

There are no capital commitments at the year end (2015: £Nil)

**10. Investments**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Valuation at 1 January	4,861,085	3,683,125
Acquisitions	422,884	2,363,245
Disposals	(1,090,747)	(1,180,599)
Market valuation movement in year	280,714	(4,686)
	4,474,936	4,861,085
Cash deposits	415,828	408,558
Valuation at 31 December	4,889,764	5,269,643

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

All of SCIAF's investments are held for unrestricted charitable purposes and are included at market value. The closing valuation includes cash uninvested held within the portfolio of £415,828 (2015: £408,558).

<b>Analysis of investments at market value</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Listed investments		
United Kingdom bonds	2,186,542	2,410,176
United Kingdom equities	1,111,540	1,227,704
Overseas equities and bonds	1,133,003	1,180,781
Property	42,851	42,424
	<u>4,473,936</u>	<u>4,861,085</u>
Cash deposits	415,828	408,558
	<u>4,889,764</u>	<u>5,269,643</u>
Historic cost	<u>4,010,615</u>	<u>4,623,064</u>

**11. Current liabilities: amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade creditors	55,832	33,957
PAYE & NIC	37,897	36,022
Accrued expenses	46,035	23,369
	<u>139,764</u>	<u>93,348</u>

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

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	362,441	-	362,441
Investments	4,889,764	-	4,889,764
Net current assets	1,035,999	786,846	1,822,845
<b>Total net assets</b>	<u>6,288,204</u>	<u>786,846</u>	<u>7,075,050</u>

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

**13. Movement in funds**

<b>Fund Name</b>	<b>At 1 Jan 2016 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfer £</b>	<b>Gains &amp; losses £</b>	<b>At 31 Dec 2016 £</b>
<b>Unrestricted:</b>						
Designated Operational Reserve Fund	1,203,228	-	-	149,693	-	1,352,921
Investment Revaluation Reserve	990,864	-	-	(111,447)	-	879,417
Strategic Investment Reserve	2,972,938	-	-	(339,694)	-	2,633,244
Strategic Contingency Reserve	500,000	-	-	-	-	500,000
Funds tied up in tangible fixed assets	364,946	-	-	(3,535)	-	361,411
	<u>6,031,976</u>	<u>-</u>	<u>-</u>	<u>(304,983)</u>	<u>-</u>	<u>5,726,993</u>
General <b>Total unrestricted</b>	<u>568,263</u>	<u>4,516,025</u>	<u>(5,406,547)</u>	<u>546,183</u>	<u>337,287</u>	<u>561,211</u>
<b>Restricted</b>						
Donations	735,155	763,922	(529,705)	(105,777)	-	863,595
Real gifts	459,335	326,577	(329,757)	(129,578)	-	326,577
Government & institutions	<u>(229,216)</u>	<u>1,805,214</u>	<u>(1,973,479)</u>	<u>(5,845)</u>	<u>-</u>	<u>(403,326)</u>
<b>Total Restricted</b>	<u>965,274</u>	<u>2,895,713</u>	<u>(2,832,941)</u>	<u>(241,200)</u>	<u>-</u>	<u>786,846</u>
<b>Total funds</b>	<u><u>7,565,513</u></u>	<u><u>7,411,738</u></u>	<u><u>(8,239,488)</u></u>	<u><u>-</u></u>	<u><u>337,287</u></u>	<u><u>7,075,050</u></u>

The Operational Reserve Fund is, in the opinion of the Directors, required to ensure that SCIAF is able to continue operations in the event of dramatic unforeseen events, or significant fluctuations in voluntary income of SCIAF from year to year. The Board keeps this under review on a regular basis.

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.

The Strategic Investment Reserve was set up in the year following the approval of the Strategic Plan 2016 – 2020. As part of the approval process £2,972,938 spend down in reserves was approved to invest in the organisation and our partners over the next five years and a reserve has been set up for this amount.

The Strategic Contingency Reserve of £500,000 has been set aside for any additional agreed and approved spend to meet SCIAF's strategic objectives.

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

The funds tied up in tangible fixed assets 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 General Fund represents unrestricted income carried forward. The Board of Directors have agreed that the unrestricted funds available, other than those utilised for the provision of fixed assets, should be used to meet planned development projects and other costs, over the next five years on a rolling basis.

**b) Restricted Reserves**

Restricted Reserves represent funds held for projects or programmes specified by the donors and not yet disbursed at 31 December 2016. Restricted Reserves are generated when the supporter or donor organisation stipulates the area of activity in which the income has to be spent (for example where funds are sent in, in response to a particular emergency or for a particular project overseas).

As at 31 December 2016, balances held were for the following purposes:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Emergency Programmes	566,998	631,625
Development Programmes	198,763	253,965
Advocacy, Communication and Education	21,085	79,684
	<u>786,846</u>	<u>965,274</u>

SCIAF regularly pre-finances programme costs that will be covered by government and other institutional programme grants, approving and paying out funds to local partners, in advance of receiving funds from the donor. As a result negative balances arise on particular government and institutions restricted funds. The balances at 31 December in government and institutions are detailed below:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Programme grants in deficit:		
Colombia - EU	(42,829)	(35,298)
Nicaragua – EU	(74,634)	(43,710)
South Sudan – EU	-	(77,674)
Africa Aid Match, Round 2 – DFID	(220,360)	(167,064)
Africa Aid Match, Round 5 – DFID	(65,824)	-
Latin America – Big Lottery	(63,126)	(67,156)
Programme grants in surplus	63,447	161,686
	<u>(403,326)</u>	<u>(229,216)</u>

**14. 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.

**15. Operating lease agreements**

At 31 December 2016 the minimum future payments under non-cancellable operating leases for computer equipment as set out below:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Within 1 to 2 years	1,377	4,958
Within 2 to 5 years	4,200	6,000
	<u>5,577</u>	<u>10,958</u>

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

**16. Commitments**

At the year end, forward commitments in respect of signed grant funding agreements with overseas partner organisations amounted to £1,297,053 (2015: £938,483). 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.

There are no capital commitments at the year end (2015:£Nil).

**17. Related party**

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 (2015: £Nil).

The charity Missio is a related party by virtue of common trusteeship. During the year SCIAF paid Missio £1,009 as our share of the costs of a jointly organised visit to Scotland.

**18. Analysis of governance**

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

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Costs of Board meetings and overseas travel	4,190	7,236
Professional fees	21,000	23,604
Auditor's remuneration - audit	13,440	15,281
	<u>38,630</u>	<u>46,121</u>