

Company number: SC197327
Charity number: SC012302

SCOTTISH CATHOLIC INTERNATIONAL AID FUND
(COMPANY LIMITED BY GUARANTEE)

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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SCOTTISH CATHOLIC INTERNATIONAL AID FUND (COMPANY LIMITED BY GUARANTEE)

Report of the Directors for the year ended 31 December 2015

The Directors present their annual Directors' report and the audited financial statements of the charity for the year ended 31 December 2015 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 197327) 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 also given the opportunity to visit partner organisations in SCIAF's areas of work. 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.

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Report of the Directors for the year ended 31 December 2015 (continued)

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.

At its meeting in December 2015, the Board of Directors agreed that Prof. J. Gallagher would serve a second term as Chair of the Finance and Audit Committee from April 2016 to April 2019. The Board also agreed that the committee should be increased to four members.

Outreach, Fundraising and Advocacy Committee

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

At its meeting in December 2015, the Board of Directors agreed that Prof. M. Mannion would serve a second term as Chair of the Finance and Audit Committee from April 2016 to April 2019. The Board also agreed that the committee should be increased to four members.

International Programmes 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 and the Chair of the committee is on the Board of Directors.

At its meeting in December 2015, the Board of Directors agreed the committee should be increased to four members.

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 was agreed following a job evaluation and reward process undertaken in 2013 which covered all members of staff. 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.

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND
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Report of the Directors for the year ended 31 December 2015 (continued)

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

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

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
Co-operative Bank, 1 Balloon Street, Manchester, M60 4EP
Clydesdale Bank, 1 Woodside Crescent, Glasgow, G3 7UL
Scottish Widows Bank plc, 67 Morrison Street, Edinburgh, EH3 8YJ
Allied Irish Bank, PO Box 52496, London, NW3 9ED
Barclays Bank, 120 Bothwell Street, Glasgow, G2 7JT

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

Key management personnel: Board of Directors

Right Rev J. A. Toal (President)	Right Rev P.A. Moran
Most Rev P. Tartaglia	Right Rev S. Robson
Most Rev L. Cushley	Prof J. Gallagher
Prof M. Mannion	Prof D. MacLaren

Secretary

McSparran McCormick, Solicitors

Key management personnel: Senior Management Team

A. Dutton	Executive Director
C. Imbert	Head of Communication and Education
L. Currie	Head of International Programmes
M. Bowen	Head of Central Services

Finance & Audit Committee

Prof. J. Gallagher (Chair)
I. Marley
P. Speirs

Outreach, Fundraising and Advocacy Committee

Prof. M.Mannion (Chair)
L. Mallinson

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Report of the Directors for the year ended 31 December 2015 (continued)

Reference and administrative details (continued)

Integral Human Development Committee

Prof. D. MacLaren (Chair)

I. Rideout

J. Salmonson

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 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 from and improve every element of our work. The senior management team monitors progress and reports to the Board of Directors.

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Report of the Directors for the year ended 31 December 2015 (continued)

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 2015.

The most significant areas where volunteers are in schools and parishes as part of our outreach work. Our office-based volunteers work in a number of departments in varying roles, while translators help translate various documents. In certain circumstances our 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. We continued to work through our active volunteer forum to improve the involvement of volunteers and we are grateful for the input and suggestions made, which will stand us in good stead for the future.

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.

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND
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Report of the Directors for the year ended 31 December 2015 (continued)

Statement of Directors' responsibilities (continued)

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: 16 March 2016

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND
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Strategic Report for the year ended 31 December 2015

STRATEGIC REPORT

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.

Putting these strategies into action we have six major areas of activity noted below:

Working in partnerships to deliver development projects to help reduce poverty and injustice overseas

In 2015 SCIAF disbursed £5,822,428 (2014: £5,882,082) to 120 development and emergency projects delivered by 79 partners across 27 countries in four regions: Africa (65 projects), Asia and the Middle East (27), Europe (3), and Latin America (25). In total there were 286,814 direct beneficiaries from these projects (2014: 553,038). Approximately 53% of all direct beneficiaries were women. An estimated 703,186 people benefitted indirectly from the programmes and projects (2014: 2,122,117).

During 2015 our development programme continued to focus on 15 programme countries in Africa, Asia and the Middle East, and Latin America. These countries have been selected using the following criteria: level of poverty, global coverage, inequality, human rights abuses, social exclusion, vulnerability to disasters, SCIAF's potential for impact, the presence of other Caritas and CIDSE sister agencies and the strength of local partners.

Our development programme continued to focus on three key themes in 2015: Livelihoods, Peacebuilding and Access to Justice, and Education. The SCIAF International Programmes Department supported 88 (2014: 74) development projects in 15 programming countries with total disbursements of £4,705,244 (2014: £4,269,448).

The year saw considerable work put into reviewing our overseas programme as part of the development of the new strategic plan, 2016-2020. As a result of this review it was decided to begin a managed end to SCIAF's support for projects in Burma in 2016, with a final end to all grants in 2017. SCIAF will ensure that the decision will not affect any projects that SCIAF has already committed to support.

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Strategic Report for the year ended 31 December 2015 (continued)

Working in partnerships to deliver development projects to help reduce poverty and injustice overseas (continued)

Our work on 'Livelihoods' supports the development of sustainable agriculture and micro- and small business development. The theme of 'Peacebuilding and Access to Justice' provides psycho-social and health care for survivors of conflict; access to legal justice for communities and individuals affected by conflict; and promotes local conflict resolution. SCIAF's growing work on education aims to increase access to school, vocational training and educational courses for marginalised groups. In addition, we have six cross-cutting themes of gender, inclusion, climate change, HIV and AIDS, environment and disability.

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 2015 we supported partners with six grants for training and policy development in child protection, safety and security management, using digital data collection and analysis tools in emergencies, community development facilitation, financial management and English language for key staff.

Addressing the root causes of poverty and injustice remains core to SCIAF's vision, and during 2015 we made seven small grants to carry out strategic advocacy work in Europe or overseas. In addition to grants made to specific advocacy projects, a significant proportion of the projects that SCIAF supports in Africa, Latin America and Asia and the Middle East engage in advocacy at a local, regional or national level in order to promote positive change for poor and marginalised communities and groups of people.

Responding to Emergencies, Supporting Recovery, Challenging the Causes of Emergencies

Responding to emergencies is a significant part of SCIAF's work. Given the nature of emergencies, the proportion of SCIAF's grants which are spent on emergency response varies from 20% and 35%. 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 to national Caritas.

In 2015 SCIAF supported 27 emergency projects in 17 countries. Thirteen of these emergency projects were in Africa, 12 in Asia and the Middle East, 1 in Latin America (Colombia) and 1 in Europe (supporting Caritas Greece to respond to the refugee crisis in Greece). The total number of people directly benefitting from these projects was 286,423, while an estimated 1,922,828 benefited indirectly.

The Syrian crisis dominated the media in 2015 and SCIAF supported a number of projects with Caritas Lebanon, Jordan, Syria and Greece, as well as two other Syrian partners. Our aim has been to focus support on Syria and the region, and we have given only limited support to responses for refugees within Europe. As part of the strategic planning process it was agreed to maintain our support for the humanitarian response to the Syrian crisis through the lifetime of the new strategic plan.

SCIAF made a major contribution to the Caritas response to the earthquake in Nepal, and was one of the largest donors to the Caritas Internationalis appeal. 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 2016 and 2017.

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Strategic Report for the year ended 31 December 2015 (continued)

Development Education

During Lent we visited more schools and parishes than ever before giving 235 talks in more than 122 parishes across all dioceses and over 120 visits to schools. Income from schools in Lent alone was £273,957. This year saw many more sixth year Caritas pupils bring the WEEBOX message into primary schools, sharing the appeal with children in their area. We also rolled out our new Talented Fundraisers schools resource. This uses the Parable of the Talents to inspire schoolchildren to use their enterprise skills, their own talents and enthusiasm to raise money for SCIAF. 13 schools took on the challenge in its first year.

Once again we've participated in the main primary and secondary Head Teacher conferences and meetings with Head/Depute Head Teachers and diocesan RE advisors.

WeeBox Appeals

In 2015 we saw our most successful ever Lenten WEEBOX appeal raise a record £1.8m (2014: £822,465) matched by the UK Government's Aid Match scheme to a total of £3.4m. The focus of the appeal was women farmers, told through the story of Mary Jackson and her family in Malawi. Income from our individual supporters increased by 333% on the previous year and more than 2,300 people donated to us for the first time. Online traffic increased by 20% on 2014 and online donations by a multiple of over 5 to £154,816 (2014: £28,317).

Parishes, schools and individuals once again responded with great generosity to emergencies. In response to the Nepal earthquake we raised £657,909. We also continued to receive generous donations to our Syrian Refugee Appeal throughout the year raising £363,620 to help this fleeing conflict in Syria.

Providing a high standard of service to our supporters remained a core priority, with over 86,600 individual transactions swiftly processed, and only 23 complaints, all of which were successfully resolved.

Advocacy

2015 was a busy and challenging year for SCIAF's advocacy team leading up to the Paris COP21 summit.

Our lent campaign was part of the bigger "For the Love Of..." campaign with SCIAF focusing on Mary Jackson, who featured on the Wee Box and is a beneficiary of a SCIAF project in Malawi. Our campaign asked supporters to do two things. Firstly, we asked them to contact Nicola Sturgeon to ask her what she would do to make climate change a priority of her government. Secondly, they were asked to tell the First Minister what action they would take to reduce climate change. Over 2,500 supporters took part in this action (500 of whom pledged to cut their carbon footprints) and a public event was held at the Scottish Parliament in conjunction with coalition partners to hand postcards to the Scottish Minister for Climate Change.

In preparation for the 2015 Westminster elections and the 2016 Scottish Government elections SCIAF produced its election manifesto briefings, in which we outlined the commitments we want to see in all the parties' manifestos. This included recommendations regarding: the national commitment to international development (both in funding and structure), protecting the planet, achieving the sustainable development goals, and improving businesses' human rights performance.

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Strategic Report for the year ended 31 December 2015 (continued)

Advocacy (continued)

The culmination of the year's advocacy work on climate justice took place in November and December. The weekend before the UN climate negotiations in Paris 5,000 Scots took to the rainy streets of Edinburgh to call on world leaders to agree an ambitious deal. At Paris in December Scotland's First Minister took part in a CIDSE event at the summit where she announced that an extra £3 million per annum would be dedicated to the Climate Justice Fund over four years (£12M). This was one of SCIAF's key recommendations in our election manifesto.

Beyond work on climate change, 2015 saw a significant step forward at the EU in favour of strong legislation on the deadly trade in conflict minerals. Way beyond our expectations, European parliamentarians voted in favour of strong and binding legislation on conflict minerals after an e-campaign supported by thousands of people across Europe, including 730 SCIAF supporters.

The number of people campaigning with SCIAF on issues like Climate Change increased by 81% in 2015 and the number of our supporters campaigning with us for the first time jumped by 182%. To supplement many of these campaigns both offline and online communications and resources were produced such as www.matchingmiles.org. This was a website where supporters could learn more about climate change and the SCIAF cycle pilgrimage. They could also pledge their carbon savings by agreeing to walk or take public transport in order to cut their carbon emissions. A total of 750 miles of carbon saving travel was pledged by supporters.

Building support within the Scottish community

In 2015 we celebrated SCIAF's 50th anniversary. It was an extraordinary year that saw support for SCIAF soar. We reached new heights in terms of income, engagement and events which we hope will be the basis for future growth in our work and the numbers of people we serve.

The beginning of the year saw the formation of SCIAF's new Outreach Team, created to increase engagement with our supporters in parishes, schools and the wider Catholic community across Scotland.

This team was key to meeting many more supporters face to face through a series of events. Diocesan masses were held in eight diocese, the first being in St Columbkille's in Rutherglen, the Parish where SCIAF began 50 years ago. This was attended by the First Minister Nicola Sturgeon. At events in both the Scottish and Westminster Parliaments, along with SCIAF supporters, volunteers and many ex members of staff, notable politicians such as Gordon Brown spoke passionately about SCIAF's work and our mission for a just world. Fundraising ceilidhs, a reunion and participation in Doors Open Day were all well received too.

Our Director Alistair Dutton undertook a cycling pilgrimage of over 1,000 miles across Scotland visiting numerous schools, parishes and SCIAF supporters. Alistair was joined by a large number of fellow cyclists along the way including SCIAF volunteers, schoolchildren and Archbishop Leo Cushley who cycled with Alistair from the Falkirk Wheel to the Kelpies.

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND
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Strategic Report for the year ended 31 December 2015 (continued)

FINANCIAL REVIEW

Results for the year

There was net expenditure for the year of £978,908 (2014: £796,253).

Principal funding sources

The charity's main source of income is voluntary income from individuals through regular donations, our Lenten campaign and legacies. Total donations and legacy income reached the sum of £5,481,394 (2014: £4,973,985). This represents an increase from the previous year, as was expected, due to phenomenal success of our Lenten Campaign which raised £881,585 from parishes and collections (2014: £525,978). In total the campaign raised £1,813,276 of which the UK Government have matched £1,667,460 which will be received over the next three years. Legacy income for the year of £620,455 (2014: £1,608,521) was well below expectations however is it difficult to forecast. Emergency income in the year totalled £1,401,228 and our main appeals in the year were for Nepal and Syria. SCIAF also received £1,968,012 (2014: £2,182,629) of institutional funding for overseas relief and development. This included £339,642 from other Catholic Agencies.

Principal expenditure

The charity's main expenditure is on international programmes. The total expenditure reached £8,616,648 (2014 £8,396,086) with international programmes making up £6,888,074 (2014: £6,812,393). This represents a slight increase on the previous year due to a planned spend down in reserves.

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 partners, in advance of receiving funds from the donor. As a result negative balances arise on particular restricted funds. At the end of 2015 the restricted funds held amounted to £965,274 (2014: £562,071).

At the end of 2015, SCIAF had £6,600,239 (2014: £7,982,350) in unrestricted funds of which designated funds amounted to £6,031,976 (2014: £5,815,994). 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. During the year as part of the development of the 2016 – 2020 Strategic Plan, the Directors reviewed the levels of reserves and a decision was made to change to the basis upon which designated reserves were held. The Directors consider that this is a more accurate reflection of the future needs of the organisation. SCIAF now 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 £1,203,228 (2014: £1,602,404). 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.

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Strategic Report for the year ended 31 December 2015 (continued)

Reserves policy (continued)

The designated strategic investment reserve has been established based on the five year forecast and the funds will be spent down over the next five 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.

£568,263 (2014: £2,166,356) 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 charity 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 2015, the funds invested had a market value of £5,269,643 (2014: £3,844,992). During 2015 an additional net investment of £1.29m was placed with Standard Life. 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 1.7% (SCIAF: 2.6% compared to Composite Benchmark of 0.9%) and the portfolio yield at the 31 December 2015 was 3.3%.

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.

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

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Strategic Report for the year ended 31 December 2015 (continued)

Financial risk management objectives and policies (continued)

- 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

2016 will be the first year of the strategic planning period 2016-20, the strategic plan and financial framework which were approved by the Board at its meeting on 18th September 2015.

SCIAF's main strategic priorities over the next 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.

The first year of this strategic planning period will be spent making sure that we have the right people, guidance and systems in place to achieve our plan. We will collaborate closely with our partners, and Caritas and CIDSE sister agencies to ensure that we work effectively and efficient, to minimise our costs and ensure that we make the greatest difference possible for those we serve.

In 2016 we will:

a) Better programmes serving more people

- (i) Develop and implement our Integral Human Development framework to help us design our four strategic thematic position papers, country strategies and programming and project interventions in the countries we work.
- (ii) Develop and implement a partnership strategy for the organisation, including a strong capacity building strategy for our staff and overseas partners.
- (iii) Review and update our institutional funding strategy to help increase our institutional funded income and meet our targets.
- (iv) Review and update our programme cycle management policies and procedures manual to enhance the quality of our programming work as well as strengthen our ability to win and manage more institutionally funded grants.

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

Strategic Report for the year ended 31 December 2015 (continued)

b) Stronger relationships with more supporters

- (i) Maximise our voluntary income, by improving supporters' experience, through better segmentation and tailored communications
- (ii) Strengthen our face to face engagement with the Scottish Catholic community and continue to build meaningful relationships with partners and supporters
- (iii) Revise our Education strategy
- (iv) Review our communications to ensure that SCIAF is well positioned within the Catholic Church in Scotland and globally, and that our engagement with supporters is coherent and effective and maximizes online potential.

c) A stronger SCIAF

- (i) Finalise and implement the IT strategy
- (ii) Review and improve the payroll and disbursements processes
- (iii) Review the salary and rewards structures, and the pension scheme's contributions and performance
- (iv) Complete Caritas Internationalis Management Standards self-assessment
- (v) Implement our inward and outward accountability framework to ensure we become more accountable not only to our board, institutional donors and Scottish supporters but also to our staff, partners and the communities we serve.

Approved by the Directors and signed on their behalf by:

Rt. Rev. J.A. Toal
President

Date: 16 March 2016

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

We have audited the financial statements of the Scottish Catholic International Aid Fund for the year ended 31 December 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charitable company's trustees and members, 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 trustees and members 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 trustees and members 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 Statement of Directors' Responsibilities set out on pages 5 and 6, 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.

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 2015 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Annual Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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
22 March 2016

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 2015**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 Restated £
Income					
Incoming resources from generating funds					
Donations and legacy income					
Lenten income		881,585	-	881,585	525,978
Individual donations		2,578,126	1,401,228	3,979,354	2,839,486
Legacies		620,455	-	620,455	1,608,521
Total donations and legacy income		4,080,166	1,401,228	5,481,394	4,973,985
Total income from charitable activities					
Institutional funding – overseas relief and development	2	193,804	1,774,208	1,968,012	2,182,629
Income from other trading activities					
Sale of goods & resources		12,364	-	12,364	13,217
Investment income – Dividends & interest					
Bank interest		9,331	1,979	11,310	33,069
Other interest		37	-	37	242
Total other income		9,368	1,979	11,347	33,311
Total income		4,447,340	3,177,415	7,624,755	7,341,787
Expenditure					
Expenditure on raising funds					
Fundraising and advertising	3	861,716	-	861,716	683,415
Cost of managing investments		31,910	-	31,910	21,886
Expenditure on charitable activities					
International programmes	5a	4,016,694	2,871,380	6,888,074	6,812,393
Information and education	5b	460,373	-	460,373	380,089
Advocacy and communication	5c	374,575	-	374,575	498,303
Total expenditure		5,745,268	2,871,380	8,616,648	8,396,086
Net expenditure for the year before transfers and other gains and losses		(1,297,928)	306,035	(991,893)	(1,054,299)
Net gains on investments		12,985	-	12,985	258,046
Net expenditure		(1,284,943)	306,035	(978,908)	(796,253)
Transfer between funds		(97,168)	97,168	-	-
Net movement in funds		(1,382,111)	403,203	(978,908)	(796,253)
Reconciliation of funds:					
Total funds brought forward		7,982,350	562,071	8,544,421	9,340,674
Total funds carried forward	13	6,600,239	965,274	7,565,513	8,544,421

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 form part of the financial statements.

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

**BALANCE SHEET
As at 31 December 2015**

	Note	2015 £	2014 £
Fixed Assets			
Tangible assets	9	364,946	369,409
Investments	10	5,269,643	3,844,992
		<u>5,634,589</u>	<u>4,214,401</u>
Current Assets			
Other debtors		133,306	70,395
Prepayments and accrued income		369,735	123,151
Cash on deposit and on hand		1,521,231	4,267,865
		<u>2,024,272</u>	<u>4,461,411</u>
Current liabilities: amounts falling due within one year	11	<u>(93,348)</u>	<u>(131,391)</u>
Net Current Assets		<u>1,930,924</u>	<u>4,330,020</u>
Net Assets		<u>7,565,513</u>	<u>8,544,421</u>
Reserves:			
Unrestricted Reserves	13	6,600,239	7,982,350
Restricted Reserves	13	965,274	562,071
		<u>7,565,513</u>	<u>8,544,421</u>

Approved and authorised for issue by the Board of Directors on 16 March 2016 and signed on its behalf by

Rt Rev J A Toal (President)
Director

The accompanying notes 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 2015**

	Notes	2015 £	2014 restated £
Net cash used in operating activities	1	(1,482,669)	(502,460)
Cash flows from investing activities			
Dividends and interest from investments		162,985	171,956
Purchase of property, plant and equipment		(19,970)	(11,759)
Purchase of investments		(2,609,926)	(406,918)
Proceeds from sale of investments		1,202,946	159,462
Net cash used in investing activities		(1,263,965)	(87,259)
Decrease in cash and cash equivalents in the reporting period		(2,746,634)	(589,719)
Cash and cash equivalents at the beginning of the reporting period		4,267,865	4,857,584
Cash and cash equivalents at the end of the reporting period		1,521,231	4,267,865

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

	2015 £	2014 restated £
Net movement in funds	(978,908)	(796,253)
Depreciation charges	24,294	23,191
Loss on disposal of fixed asset	139	-
(Gain)/Loss on investment assets	(17,671)	12,021
Investment income	(162,985)	(171,956)
(Increase)/Decrease in debtors	(309,495)	412,820
(Decrease)/Increase in creditors	(38,043)	17,717
Net cash used in operating activities	(1,482,669)	(502,460)

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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).

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Board have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS102 the restatement of comparative items was required.

At the date of transition, (1 January 2014), in applying the requirement to record income when its receipt is probable, an additional debtor was recognised for income receivable as at the balance sheet date. Under the previous Charities SORP, income was recognised only when the income was virtually certain. The additional debtor was for £171,141. A similar additional debtor of £26,003 was required at 31 December 2014. In accordance with the requirements of FRS102 a reconciliation of opening balances is provided:

Reconciliation of balances

	1 January 2014	31 December 2014
	£	£
Fund balances as previously stated	9,169,533	8,518,418
Accrued income	171,141	26,003
Fund balances restated	<u>9,340,674</u>	<u>8,544,421</u>

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.

SCOTTISH CATHOLIC INTERNATIONAL AID FUND (COMPANY LIMITED BY GUARANTEE)

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.

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.

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

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. Depreciation is provided at the following rates to write off assets over their estimated useful life.

Heritable property	2% on reducing balance
Fixtures and fittings	25% on reducing balance
Computer equipment	50% on reducing balance
Motor vehicles	25% on reducing balance

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.

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.

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

2. Incoming resources from charitable activities

	2015	2014
	£	£
Restricted:		
Department for International Development		
Sudan	-	18,979
Africa – Great Lakes	87,829	85,981
Africa – Aid Match, Round 2	57,216	-
European Commission		
Sudan	-	264,624
Colombia	176,320	152,785
Nicaragua	162,629	-
Scottish Government		
Zambia	275,633	390,720
Malawi	108,686	275,954
Rwanda	325,210	125,919
States of Guernsey		
Uganda	-	39,274
The Big Lottery		
Cambodia	99,723	89,569
Latin America	130,474	64,668
Other Catholic Agencies		
Ethiopia:		
Development & Peace	344,643	365,998
Secours Catholique	-	58,541
Private Donors		
Sudan	5,845	-
UK	-	40,000
	<hr/>	<hr/>
	1,774,208	1,973,012
Unrestricted	<hr/>	<hr/>
	193,804	209,617
	<hr/>	<hr/>
	1,968,012	2,182,629

The unrestricted total of £193,804 includes £45,820 received from The Big Lottery (£15,911 for UK costs relative to the Cambodia grant, and £29,909 for UK costs relative to the Latin America grant).

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

3. Fundraising and advertising costs

	Direct Costs	Direct Support	Indirect Support	Total 2015	Total 2014
	£	£	£	£	£
Lenten campaign & real gifts	236,675	-	-	236,675	228,421
Legacies	20,361	-	-	20,361	20,711
Salaries and other staff costs	-	279,909	108,558	388,467	240,533
Travel	-	7,717	3,291	11,008	12,251
Advertising, publicity and donor recruitment	89,577	-	-	89,577	59,750
50 th anniversary	-	-	-	-	1,212
Administration	-	-	37,119	37,119	38,208
Rates, utilities, telephone and cleaning	-	-	11,721	11,721	21,123
Professional fees	-	4,287	2,828	7,115	955
IT costs	-	19,984	10,210	30,194	32,390
Unrealised (profit)/loss on foreign exchange	-	-	(2,817)	(2,817)	4,211
Bank charges	-	-	18,148	18,148	11,428
Media and marketing costs	-	979	-	979	-
Governance costs	-	-	12,104	12,104	10,346
Volunteer costs	-	675	390	1,065	1,876
	346,613	313,551	201,552	861,716	683,415

3. 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:-

	Unrestricted Funds	Restricted Funds	Total 2015	Total 2014
	£	£	£	£
AFRICA				
Ethiopia				
Joint office with CAFOD and Trocaire – for distribution to partners	417,036	349,645	766,681	714,828
Horn of Africa				
CAFOD – for distribution to partners	-	-	-	100,000
Uganda				
Radio Wa	50,000	-	50,000	45,686
Comboni Samaritans	42,966	21,023	63,989	96,686
Malawi				
Mangochi Cadecom	14,815	128,295	143,110	186,846
Trocaire – for distribution to partners	-	-	-	178,656
Cadecom Chickwawa	45,794	41,996	87,790	55,000
Cadecom Dedza	46,834	41,741	88,575	-
Caritas Malawi	50,000	-	50,000	-

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

Rwanda				
Commission Episcopale Justice et Paix	45,926	27,183	73,109	68,364
Commission Diocesaine Justice et Paix, Kigali	30,713	41,384	72,097	-
Trocaire	6,100	332,295	338,395	99,194
Caritas Rwanda	35,000	-	35,000	-
Democratic Republic of Congo				
Codilusi	14,399	32,405	46,804	38,661
Commission Diocesaine Justice et Paiz/Bakavu				
Diocese AJV	43,793	72,383	116,176	31,350
	-	-	-	50,000
Commission Diocesaine Justice et Paiz/Uvira Diocese	5,971	11,958	17,929	36,161
Sudan				
Sudan Evangelical Mission	59,027	95,005	154,032	376,028
Comboni Sisters	-	-	-	49,996
Comboni Missionaries	50,000	-	50,000	-
CAFOD – for distribution to partners	83,258	31,742	115,000	225,000
Trocaire – for distribution to partners	70,000	-	70,000	100,000
MRDA	70,000	-	70,000	-
Burundi				
Agakura	4,724	63,640	68,364	109,999
Zambia				
Diocese of Livingston	13,819	15,566	29,385	51,927
Caritas Mongu	8,894	26,333	35,227	43,053
Jesuit Centre for Theological Reflection	22,520	21,243	43,763	41,150
Kasisi	63,180	112,527	175,707	203,939
ASIA				
Burma				
Jesuit Refugee Service Thailand	92,091	37,909	130,000	120,000
Missionary Sisters of St Columban	25,761	25,989	51,750	51,700
Cambodia				
DPA	66,575	102,513	169,088	173,421
Caritas Cambodia	54,015	-	54,015	24,966
India				
Caritas India	115,455	9,595	125,050	60,000
IGSSS	50,178	-	50,178	53,870
Philippines				
Caritas Philippines	-	-	-	524,000

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND
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Syria				
Caritas Lebanon	115,006	-	115,006	200,000
Caritas Syria	20,000	-	20,000	-
Caritas Jordan	20,000	30,000	50,000	200,000
ALPHA	-	-	-	70,051
ATS	39,945	-	39,945	-
Trocaire	16,269	-	16,269	-
Nepal				
Caritas Nepal	-	350,000	350,000	-
LATIN AMERICA				
Columbia				
Diocese of Apartado	12,646	68,212	80,858	80,793
Diocese of Quibdo	54,480	117,377	171,857	178,131
El Salvador				
CESTA	39,003	28,969	67,972	70,487
Solidaridad	1,998	43,829	45,827	51,271
COMUS	23,444	30,800	54,244	-
Nicaragua				
Familias Especiales	45,452	-	45,452	45,000
CANTERA	53,113	214,333	267,446	57,789
FEDICAMP	34,921	143,845	178,766	67,537
Haiti				
Institute of Technology & Animation	70,000	-	70,000	-
CAP	-	-	-	47,048
Other grants less than £50,000 paid in the year	719,739	201,645	921,384	942,384
Total Grant Expenditure	2,964,860	2,871,380	5,836,240	5,920,972
Represented by:				
International development grants	2,951,048	2,871,380	5,822,428	5,882,082
Advocacy grants	13,812	-	13,812	38,890
	2,964,860	2,871,380	5,836,240	5,920,972

Restricted grants totalling £90,786 for the DFID Great Lakes project; £167,064 for DFID Africa Aid Match, Round 2; £98,072 for the Big Lottery Cambodia project; and £132,961 for the Big Lottery Latin America project are included within the figures above.

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

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 number of full-time equivalent staff involved in the activities of each section. The following provides a breakdown of these costs:

	Direct Costs £	Direct Support £	Indirect Support £	Total 2015 £	Total 2014 £
International programmes (5a)	5,822,428	781,208	284,438	6,888,074	6,812,393
Information and education (5b)	28,556	299,014	132,803	460,373	380,089
Advocacy and communication (5c)	84,024	199,833	90,718	374,575	498,303
	<u>5,935,008</u>	<u>1,280,055</u>	<u>507,959</u>	<u>7,723,022</u>	<u>7,690,785</u>

a) International programmes

	Direct Costs £	Direct Support £	Indirect Support £	Total 2015 £	Total 2014 £
Grant expenditure	5,822,428	55,822	-	5,878,250	5,886,507
Ethiopia joint office costs	-	-	-	-	10,860
Salaries and other staff costs	-	540,892	155,149	696,041	595,518
Travel	-	66,710	4,590	71,300	60,354
Administration	-	-	44,303	44,303	45,422
Unrealised loss/(gain) on foreign exchange	-	-	(4,708)	(4,708)	8,170
Rates, utilities, telephone and cleaning	-	-	25,880	25,880	51,449
Professional fees	-	117,784	20,692	138,476	118,321
IT costs	-	-	19,612	19,612	15,712
Governance costs	-	-	18,920	18,920	20,080
	<u>5,822,428</u>	<u>781,208</u>	<u>284,438</u>	<u>6,888,074</u>	<u>6,812,393</u>
of which:					
Unrestricted	2,952,934	779,322	284,438	4,016,694	3,105,439
Restricted	2,869,494	1,886	-	2,871,380	3,706,954
	<u>5,822,428</u>	<u>781,208</u>	<u>284,438</u>	<u>6,888,074</u>	<u>6,812,393</u>

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

b) Information and Education

	Direct Costs	Direct Support	Indirect Support	Total 2015	Total 2014
	£	£	£	£	£
Individuals	-	-	-	-	681
Schools	4,657	-	-	4,657	4,152
Parishes	23,899	-	-	23,899	20,513
Salaries and other staff costs	-	238,846	86,325	325,171	245,560
Travel	-	14,329	2,525	16,854	27,047
Administration	-	1,736	11,519	13,255	11,377
Unrealised loss/(gain) on foreign exchange	-	-	(2,726)	(2,726)	3,984
Rates, utilities, telephone and cleaning	-	-	14,317	14,317	26,080
Professional fees	-	-	2,336	2,336	685
IT and social media costs	-	41,220	7,746	48,966	23,525
Campaigns	-	2,869	-	2,869	-
Education grant memberships	-	14	-	14	6,693
Governance costs	-	-	10,761	10,761	9,792
	<u>28,556</u>	<u>299,014</u>	<u>132,803</u>	<u>460,373</u>	<u>380,089</u>

of which:

Unrestricted	28,556	299,014	132,803	460,373	370,311
Restricted	-	-	-	-	9,778
	<u>28,556</u>	<u>299,014</u>	<u>132,803</u>	<u>460,373</u>	<u>380,089</u>

c) Advocacy and communication - unrestricted

	Direct Costs	Direct Support	Indirect Support	Total 2015	Total 2014
	£	£	£	£	restated £
Grant expenditure	13,812	-	-	13,812	38,890
Campaigning and policy	26,272	-	-	26,272	50,810
Media	43,940	-	-	43,940	45,662
Salaries and other staff costs	-	166,972	60,475	227,447	232,409
Travel	-	11,568	1,976	13,544	35,455
Administration	-	-	8,056	8,056	10,362
Unrealised loss/(gain) on foreign exchange	-	-	(749)	(749)	4,790
Rates, utilities, telephone, cleaning and repairs	-	-	10,316	10,316	23,621
Professional fees	-	20,112	-	20,112	26,519
Membership fees	-	1,181	-	1,181	15,780
IT costs	-	-	6,308	6,308	4,786
Governance costs	-	-	4,336	4,336	9,219
	<u>84,024</u>	<u>199,833</u>	<u>90,718</u>	<u>374,575</u>	<u>498,303</u>

Effective from 1 October 2015, the Advocacy Department merged with the then International Programmes department and formed a new department, the Integrated Human Development Department. The results above are for the Advocacy department for the nine months to 30 September 2015. The costs for the three months to 31 December 2015 are included within the International Programmes costs.

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6. Net expenditure for the year

This is stated after charging:

	2015	2014
	£	£
Depreciation	24,294	23,191
Auditors' remuneration – audit services	15,281	12,666
Unrealised (gain)/loss on foreign exchange	(10,821)	20,155
Loss on sale of fixed assets	139	-
	<hr/>	<hr/>

7. Staff costs

	2015	2014
	£	£
Wages and salaries	1,357,299	1,064,383
Social security costs	134,172	105,771
Pension costs	98,327	76,550
	<hr/>	<hr/>
	1,589,798	1,246,704

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

	2015	2014
	No	No
Management	4	4
Overseas project support	12	10
Education and information	7	3
Advocacy and campaigning	4	5
Cost of generating fund	9	7
Administration and finance	12	10
	<hr/>	<hr/>
	48	39
	<hr/>	<hr/>
Full time equivalent	44	34

No Director or committee member received remuneration for their services. Expenses incurred by Directors relating to visits and meetings amounted to £285 (2014: £62). Expenses totalling £5,534 were paid directly by SCIAF in relation to overseas trips undertaken by board members in the year (2014: £nil)

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 £236,453 (2014: £194,862). One employee earned between £70,000 and £80,000 in the year (2014: no employee earned over £60,000 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 7.5 per cent and 10 per cent of salary with staff making contributions between 2.5 per cent and 4 per cent of salary to the scheme. SCIAF's staging date for auto-enrolment was October 2015 and those entitled employees who were not in the Group Personal Pension Scheme were auto-enrolled in October with both SCIAF and employees contributing 1%. 44 staff are members of the scheme (2014: 28 staff). Included in staff costs are contributions paid or payable by SCIAF to the fund which amounted to £98,327 (2014: £76,550).

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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

	Heritable property	Fixtures & fittings	Computer equipment	Total 2015
	£	£	£	£
Cost:				
At 1 January 2015	484,450	91,791	234,752	810,993
Additions	-	4,183	15,787	19,970
Disposals	-	-	(6,335)	(6,335)
At 31 December 2015	<u>484,450</u>	<u>95,974</u>	<u>244,204</u>	<u>824,628</u>
Depreciation:				
At 1 January 2015	133,699	87,854	220,031	441,584
Disposals	-	-	(6,196)	(6,196)
Charge for the year	7,015	2,028	15,251	24,294
At 31 December 2015	<u>140,714</u>	<u>89,882</u>	<u>229,086</u>	<u>459,682</u>
Net book value				
At 31 December 2015	<u>343,736</u>	<u>6,092</u>	<u>15,118</u>	<u>364,946</u>
At 31 December 2014	<u>350,751</u>	<u>3,937</u>	<u>14,721</u>	<u>369,409</u>

There are no capital commitments at the year end (2014: £Nil)

10. Investments

	2015	2014
	£	£
Valuation at 1 January	3,683,125	3,307,346
Acquisitions	2,363,245	525,374
Disposals	(1,180,599)	(419,662)
Market valuation movement in year	(4,686)	270,067
	<u>4,861,085</u>	<u>3,683,125</u>
Cash deposits	408,558	161,867
Valuation at 31 December	<u>5,269,643</u>	<u>3,844,992</u>

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 £408,558 (2014: £161,867).

Analysis of investments at market value

	2015	2014
	£	£
Listed investments		
United Kingdom bonds	2,410,176	1,644,115
United Kingdom equities	1,227,704	1,124,631
Overseas equities and bonds	1,180,781	875,918
Property	42,424	38,461
	<u>4,861,085</u>	<u>3,683,125</u>
Cash deposits	408,558	161,867
	<u>5,269,643</u>	<u>3,844,992</u>
Historic cost	<u>4,623,064</u>	<u>3,111,769</u>

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

	2015	2014
	£	£
Trade creditors	33,957	69,091
PAYE & NIC	36,022	30,856
Accrued expenses	23,369	31,444
	<u>93,348</u>	<u>131,391</u>

12. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total 2015
	£	£	£
Tangible fixed assets	364,946	-	364,946
Investments	5,269,643	-	5,269,643
Net current assets	965,650	965,274	1,930,924
Total net assets	<u>6,600,239</u>	<u>965,274</u>	<u>7,565,513</u>

13. Movement in funds

Fund Name	At 1 Jan 2015 restated £	Income £	Expenditure £	Transfer £	Gains & losses £	At 31 Dec 2015 £
Unrestricted:						
Designated Operational Reserve Fund	1,602,404	-	-	(399,176)	-	1,203,228
Emergency Response Fund	500,000	-	-	(500,000)	-	-
Investment Revaluation Reserve	995,550	-	-	-	(4,686)	990,864
Overseas Aid Reserve	2,718,040	-	-	(2,718,040)	-	-
Strategic Investment Reserve	-	-	-	2,972,938	-	2,972,938
Strategic Contingency Reserve	-	-	-	500,000	-	500,000
Funds tied up in tangible fixed assets	-	-	-	364,946	-	364,946
	<u>5,815,994</u>	<u>-</u>	<u>-</u>	<u>220,668</u>	<u>(4,686)</u>	<u>6,031,976</u>
General	2,166,356	4,447,340	(5,745,268)	(317,836)	17,671	568,263
Total unrestricted	<u>7,982,350</u>	<u>4,447,340</u>	<u>(5,745,268)</u>	<u>(97,168)</u>	<u>12,985</u>	<u>6,600,239</u>

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND
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Restricted						
Donations	169,793	1,073,425	(508,063)	-	-	735,155
Real gifts	478,936	329,782	(349,383)	-	-	459,335
Government & institutions	10,510	1,774,208	(2,013,934)	-	-	(229,216)
Support costs	(97,168)	-	-	97,168	-	-
Total						
Restricted	562,071	3,177,415	(2,871,380)	-	-	965,274
Total funds	8,544,421	7,624,755	(8,616,648)	-	12,985	7,565,513

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 Emergency Response Fund had been established to provide funds to enable SCIAF to make an immediate funding response, in the event of a major catastrophe or emergency. Following the review of reserves in the year it was determined that these costs could be met from general undesignated reserves.

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 Overseas Aid Reserve was a provision for Overseas Aid and Development Grants which had not yet been formally committed to partners, but for which funding would be spent on overseas aid in the following year. Following the review of reserves it was determined that this reserve was no longer required as would be incorporated into the Strategic Investment Reserve.

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 spent to meet SCIAF's strategic objectives.

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 2015. 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).

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND
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As at 31 December 2015, balances held were for the following purposes:

	2015	2014
	£	restated £
Africa programme	(97,413)	97,428
Asia programme	874,846	355,330
Latin America programme	(358,001)	(245,459)
Other	545,842	354,772
	<u>965,274</u>	<u>562,071</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:

	2015	2014
	£	restated £
Programme grants in deficit:		
Colombia - EU	(35,298)	(39,260)
South Sudan – EU	(77,674)	-
Nicaragua – EU	(43,710)	-
DPA programme	-	(1,652)
Ethiopia Trocaire programme	-	(287)
SEM programme	-	(26)
Great Lakes programme - DFID	-	(3,713)
Africa Aid Match, Round 2 – DFID	(167,064)	-
Latin America – Big Lottery	(67,156)	(64,670)
Programme grants in surplus	161,686	120,118
	<u>(229,216)</u>	<u>10,510</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 2015 the minimum future payments under non-cancellable operating leases for computer equipment as set out below:

	2015	2014
	£	£
Operating leases which expire:		
Within 1 to 2 years	4,958	-
Within 2 to 5 years	6,000	15,464
	<u>10,958</u>	<u>15,464</u>

16. Commitments

At the year end, forward commitments in respect of signed grant funding agreements with overseas partner organisations amounted to £938,483 (2014: £1,048,098). 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 (2014:£Nil).

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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 (2014: £Nil).

18. Analysis of governance

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

	2015	2014
	£	£
Costs of Board meetings and overseas travel	7,236	1,740
Professional fees	23,604	35,031
Auditor's remuneration - audit	15,281	12,666
	<u>46,121</u>	<u>49,437</u>

19. Contingent assets

At the end of the year, income in respect of signed grants agreements with institutional funders not yet claimed amounted to £178,865. The grant claim and project this income is in relation to is delayed due to security issues. A temporary project suspension has been in place on the project since 1 November 2015 and timing and amount of any eventual income cannot be reliably measured at this time.

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND
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20. STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2014

	Unrestricted Funds Restated £	Restricted Funds Restated £	Total Funds 2014 Restated £
Incoming resources			
<i>Incoming resources from generating funds</i>			
Donations and legacy income			
Lenten income	525,978	-	525,978
Individual donations	1,938,157	901,329	2,839,486
Legacies	1,608,521	-	1,608,521
Total donations and legacy income	4,072,656	901,329	4,973,985
<i>Income from other trading activities</i>			
Sale of goods & resources	13,217	-	13,217
<i>Investment income</i>			
	138,645	-	138,645
<i>Other income</i>			
Bank interest	31,444	1,625	33,069
Other interest	242	-	242
Total other income	31,686	1,625	33,311
Total incoming resources from generated funds	4,256,204	902,954	5,159,158
<i>Total incoming from charitable activities</i>			
Institutional funding – overseas relief and development	209,617	1,973,012	2,182,629
Total incoming resources	4,465,821	2,875,966	7,341,787
Resources expended			
<i>Costs of raising funds</i>			
Fundraising and advertising	683,415	-	683,415
Cost of managing investments	21,886	-	21,886
<i>Costs of charitable activities</i>			
International programmes	3,105,439	3,706,954	6,812,393
Information and education	370,311	9,778	380,089
Advocacy and communication	498,303	-	498,303
Total resources expended	4,679,354	3,716,732	8,396,086
<i>Net expenditure for the year before transfers and other gains and losses</i>	(213,533)	(840,766)	(1,054,299)
Net gains on investments	258,046	-	258,046
<i>Net income/(expenditure)</i>	44,513	(840,766)	(796,253)
Transfer between funds	-	-	-
<i>Net movement in funds</i>	44,513	(840,766)	(796,253)
<i>Reconciliation of funds:</i>			
Total funds brought forward	7,937,837	1,402,837	9,340,674
Total funds carried forward	7,982,350	562,071	8,544,421