

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

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

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2014**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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## **Company Information**

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)

## **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  
Duncan MacLaren (appointed 2 September 2014)

## **Secretary**

McSparran McCormick, Solicitors

## **Senior Management Team**

Alistair Dutton	Executive Director
Philippa Bonella	Head of Communication and Education
Lorraine Currie	Head of International Programmes
Margaret Bowen	Head of Central Services

## **Finance & Audit Committee**

Prof. Jim Gallagher (Chair)  
Iain Marley  
Paula Speirs

## **Outreach, Fundraising and Advocacy Committee**

Prof. Mike Mannion (Chair)  
Jane Salmonson  
Liz Mallinson

## **International Programme Development Committee**

Duncan MacLaren (Chair)  
Geraldine Hill  
Ian Rideout

**Auditors:** Grant Thornton UK LLP, 95 Bothwell Street, Glasgow, G2 7JZ

**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** Standard Life Wealth Ltd, 1 George Street, Edinburgh, EH2 2LL

## **Report of the Directors for the year ended 31 December 2014**

The directors present their annual report and audited financial statements for the year ended 31 December 2014.

### **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 and those who served during the year and up to the date of this report are set out on page 1. The directors give their time freely 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 is delegated 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.

Alistair Dutton, Executive Director, joined the organisation on 4 August 2014.

#### **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.

#### **Finance & Audit Committee**

The members of the committee are detailed on page 1. 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 also on the Board of Directors.

## **Report of the Directors for the year ended 31 December 2014 (continued)**

### **Outreach, Fundraising and Advocacy Committee**

The members of the Committee are detailed on page 1. The key responsibilities of the committee are to support, monitor and advise SCIAF's Scotland-facing work and its accountability to partners, supporters, donors and other stakeholders. This committee was set up in 2013 and the Chair of the committee is also on the Board of Directors.

### **International Programmes Development Committee**

The members of the Committee are detailed on page 1. The key responsibilities of the committee are to support, monitor and advise SCIAF's international work, contributing to the quality and effectiveness of what SCIAF does and its accountability to its partners, supporters, donors and other stakeholders. This committee was set up in 2014 and the Chair of the committee is also on the Board of Directors.

## **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 objects set out in SCIAF's Memorandum of Association enable SCIAF to undertake a wide range of charitable activities including the relief of poverty, advancement of education and the relief and prevention of sickness, disease, and physical and mental disability anywhere in the world.

The main focus of our work in developing countries is helping people to overcome hunger, conflict, and disease, promoting education, and responding to humanitarian disasters. We raise money in Scotland to help people in Africa, Asia and Latin America find lasting solutions to poverty.

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 official aid and development charity of the Catholic Church in Scotland. We are part 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 continues to support partner organisations in the most deprived countries in the world. We give priority to initiatives which focus on the needs and aspirations of people experiencing the most extreme forms of poverty and oppression. We seek to provide integrated human development programmes which are effective and self-sustaining in the long term. We provide financial and technical support primarily to groups, with a strong emphasis on a partnership approach to programme design, implementation and organisational and programme development.

## **Report of the Directors for the year ended 31 December 2014 (continued)**

### **Strategies (continued)**

SCIAF also provides 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's monitoring and evaluation framework helps us learn from and improve every element of our work. The senior management team monitors progress and reports to the Board of Directors.

### **Use of volunteers**

Volunteers are a hugely important resource in the work of SCIAF, 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 thousands of hours of energy and expertise to SCIAF in 2014. 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 our 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 Directors' Report 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 incoming resources and application of resources, including 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;
- 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.

**Report of the Directors for the year ended 31 December 2014 (continued)**

**Statement of Directors' responsibilities (continued)**

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  
16<sup>th</sup> April 2015

## **Strategic Report for the year ended 31 December 2014**

### **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 benefit to both the Catholic and the wider community in our projects in Asia, Latin America, the Middle East and Africa.

#### **Working in partnerships to deliver development projects to help reduce poverty & injustice overseas.**

In 2014 SCIAF disbursed £5,920,972 (2013: £4,975,551) to 98 development and emergency projects delivered by 79 partners across 29 countries in four regions: Africa (15), Asia and the Middle East (9), Europe (1), and Latin America (4). In total there were 553,038 direct beneficiaries from these projects (2013: 408,847). Approximately 52% of all direct beneficiaries were women. An estimated 2,122,117 individuals were indirectly assisted by the programmes and projects (2013: 2,939,109).

In 2014, SCIAF's development programme continued to focus on three key themes: Livelihoods, Peacebuilding and Access to Justice, and Education. The SCIAF International Programmes Department supported 74 development projects in 15 programme countries with total disbursements of £4,269,448. We provided a number of small grants to partners to enhance their capacity in child protection as well as to carry out strategic advocacy work. Three grants were to UK-based organisations which were part of consortium-based projects in Colombia and Zambia. In addition, SCIAF made three discretionary grants under the development programme to projects in Ghana, Kenya and South Africa.

As a Catholic development agency, SCIAF draws its inspiration from the rich heritage of its religious tradition, including the Bible and Catholic Social Teaching.

The 15 programme countries have been selected using the following criteria: level of poverty, global coverage, inequality, human rights abuses, social exclusion, vulnerability to disaster, SCIAF's potential for impact, the presence of Caritas and CIDSE sister agencies and the strength of local partners.

SCIAF's work is guided by the Caritas Partnership Principles. Our partners are primarily the national or local Caritas, or other Church bodies. If these were found not to have the capacity or expertise to undertake our programmes we would look for other local partners.

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 increasing 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.

The total number of people directly benefitting from these projects was 286,423, while an estimated 1,922,828 indirectly benefited.



## **Strategic Report for the year ended 31 December 2014 (continued)**

### **Response to humanitarian crises in collaboration with our long term partners, sister agencies and Caritas Internationalis.**

In 2014, SCIAF responded to 14 humanitarian emergencies by supporting 21 projects that were implemented by existing local partners or one of our sister agencies, or other Caritas members via Caritas Internationalis' emergency appeals.

Our emergency budget of £1,651,524 (roughly twice the emergency expenditure in 2013 - £839,153) supported an estimated 272,585 people directly, by meeting their immediate needs post emergency as well as in the early recovery phases.

#### **Development Education**

This year, together with our team of 11 schools volunteers plus some dedicated Caritas Award participants, we visited 180 schools across Scotland (2013: 169). Criseria Bailarin, Mgr. Hector Fabio Henao and Fr Sterlin Londoño, the faces of our Lent WEE BOX appeal, visited several schools and parishes, even speaking at the Scottish Parliament, and had a great reception. We also welcomed Claudia Meza from our partner Special Families in Nicaragua, and Mam Sambath from DPA in Cambodia, who also gave excellent inputs to our schools visit programme.

Working jointly with Mission Matters Scotland (MMS) we led a teacher immersion trip to Ethiopia. We spent five weekends together with MMS delivering training and preparing the participating teachers for the trip. Six teachers travelled to Ethiopia to collect research, stories and images for the purpose of developing teaching resources. The trip was a great success and we look forward to the resources developed by the teachers being used in schools across Scotland to support education for global citizenship.

We established a new Education Strategy Group involving representatives from Catholic head-teacher associations, the Scottish Catholic Education Service, and other key groups. The group meets twice a year to help steer our education strategy and improve our linkages with the curriculum and new qualifications, with Catholic teacher networks, and with schools.

We continued to support a number of schools and their pupils through the Caritas Award by providing opportunities for young people to become active in their parish and to reflect on what they have learned about their faith through this experience.

A new SCIAF RE/enterprise teaching resource called Talented Fundraisers (based on the Parable of the Talents) was piloted with 9 schools and was well received. The resource will be rolled out nationally in 2015. We also launched an Education Seedbed Fund offering small grants to schools and community groups to develop and share relevant teaching materials. This Fund will be extended into 2015.

#### **Lenten Campaign**

This year's WEE BOX appeal told the story of the Emberá people who live in the rainforest in the Choco region of Colombia. Their traditional way of life, living in harmony with the land around them, has been badly affected as they are forced off the land so that it can be used for mining, banana plantations and cattle ranches. Two thirds of their people now live in poverty. They were given seeds and tools to grow bananas, rice and corn. Their village was also helped to set up a small fish farm. By selling some of the fish and bananas, they earn money to buy other essentials like clothes and medicines.

These were complex stories to tell, but they touched people across Scotland who responded by raising a total of £822,465 (2013: £862,190), including £525,978 (2013: £557,628) from parishes. We were delighted to have Holyrood Secondary School launch the appeal for us which was once again supported by a number of celebrities.

## **Strategic Report for the year ended 31 December 2014 (continued)**

### **Advocacy**

Tackling the root causes of poverty through policy and behaviour change is crucial to achieving SCIAF's goal of a more just world. Our advocacy work seeks to bring about change at different levels of government, and in the daily lives of our supporters.

Our campaign during Lent 2014 encouraged supporters and the Catholic community to 'look closer' at their lifestyles and commit to a range of activities and choices to reduce their impact on the planet – including eating less meat, 'powering down' their energy use, and wasting less food. Over 750 supporters confirmed they had taken one of these or similar actions, and evaluation suggests even more will have made a choice without reporting this to us. Useful lessons have been learned for campaign materials in 2015 and beyond.

In a year in which the independence referendum dominated political discussion in Scotland, SCIAF remained clearly neutral on the constitutional question. We worked as part of the Network of International Development Organisations in Scotland (NIDOS) to ensure that international development and global poverty issues were raised with politicians and stakeholders on all sides of the debate through a series of public and round-table meetings.

This year much of our policy work focussed on corporate accountability. We published a new report, Taking Care of Business, which examines the impact of big business on people living in poverty. Our Lent visitors from Colombia spoke at an event in the Scottish Parliament highlighting some of the key findings of the report and their own experience of multinational corporate behaviour in the country. Over 2,800 supporters signed a campaign postcard addressed to Scotland's newly-elected MEPs, calling on them to work for European legislation which protects people in developing countries from exploitative behaviour of large multi-national companies.

A dedicated research project helped us identify key priorities and mechanisms for supporting our overseas partners to carry out their own advocacy work, and strengthen the links between our partners' experiences and our campaigns and advocacy in Scotland. We continued to monitor international negotiations on the 'Sustainable Development Goals' framework expected to replace the 'Millennium Development Goals' which expire in 2015.

### **Building support within the Scottish community**

This year, our staff, volunteers and overseas partners visited over 100 Catholic parishes (2013: 70) delivering more than 200 thank you talks and presentations. We also held four training days in locations across Scotland for parish volunteers and anyone interested in finding out more about SCIAF's work. Our team of 127 volunteer parish contacts and 6 diocesan ambassadors, are especially busy at Lent, in support of our Lenten WEE BOX appeal. They also help Parish Priests distribute our newsletters, updates on fundraising and advocacy campaigns and messages of thanks within their parish.

In response to feedback from parishes, we significantly cut the quantity of materials we sent them in 2014, particularly at Lent and Advent. We sent 27% fewer WEE BOX materials to Scottish parishes and did away with the plastic wrapped WEE BOX pack. Our new, slimmed down parish pack costs 50% less to produce.

Parishes continue to be incredibly generous, donating £559,133 towards our WEE BOX Appeal (including collections, boxes and other parish income), £116,012 for emergencies and donations restricted to specific projects and £27,092 for Real Gifts. A further £63,378 was raised through community fundraising.

We continued to receive generous donations to our Syria Refugee Appeal and also launched a conflict appeal for Iraq, South Sudan and the Central African Republic, and an Ebola appeal. Parishes and individuals responded with great generosity.

## **Strategic Report for the year ended 31 December 2014 (continued)**

### **Building support within the Scottish community (continued)**

Our application to the UK Government to match our 2015 Lent appeal was successful, meaning that donations to next year's appeal will be doubled.

Preparations were made for commemorating our 50<sup>th</sup> anniversary in 2015 through diocesan Masses, parliamentary events and ceilidhs. We launched the Just Faith project, a collaboration with Justice and Peace, and Mission Matters Scotland, to encourage parishioners to learn more about Catholic social teaching and put their faith into action.

Providing a high standard of service to our supporters remained a core priority, with nearly 120,000 (2013: 90,000) individual transactions swiftly processed, and only 19 (2013: 14) complaints, all of which were successfully resolved. We prioritised the improvement of our online donation platform, and survey findings showed that the user experience had been greatly enhanced. Over 3,200 people are visiting our websites each month and our social media audience is growing.

### **FINANCIAL REVIEW**

#### **Results for the year**

The net outgoing resources before other gains and losses are £909,161 (2013: £505,022 incoming)

#### **Principal funding sources**

The charity's main source of income is voluntary income from individuals through regular donations, our Lenten campaign and legacies. Legacy income for the year of £1,608,521 (2013: £977,676) exceeded all expectations. Total voluntary income reached the sum of £4,973,985 (2013: £5,403,957). This represents a decrease from the previous year, as was expected, due to there being two large scale emergency appeals in 2013. SCIAF also received £2,327,767 (2013: £2,129,256) of institutional funding for overseas relief and development. This included £424,540 from other Catholic Agencies.

#### **Principal expenditure**

The charity's main source of expenditure is on international programmes. The total expenditure reached £8,396,086 (2013: £7,220,031) with international programmes making up £6,792,313 (2013: £5,710,788). This represents an increase on the previous year due to the provision of additional grants in 2014 per the planned spend down of reserves, additional grants thanks to unanticipated income from legacies and greater institutional income for programmes, including £424,540 from other Catholic Agencies. Greater legacy income enabled us to provide an additional £400,000 to forgotten emergencies.

#### **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 2014, restricted funds held amounted to £543,646 (2013: £1,237,548) representing positive balances of £648,730 (2013: £1,395,789) and negative balances of £105,084 (2013: £158,241).

## **Strategic Report for the year ended 31 December 2014 (continued)**

### **Reserves policy (continued)**

At the end of 2014, SCIAF had £7,974,772 (2013: £7,931,985) in unrestricted funds of which designated funds amounted to £5,815,994 at 31 December 2014 (2013:£4,761,768). 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 a minimum general reserve level of 6 months' expenditure and up to a maximum of 12 months. In accordance with this policy the Board has set the level of the Operational Reserve Fund at £1,602,404 (2013: £1,358,433) which is 1 year's operational costs. This reserve was fully funded.

The overseas aid reserve sets aside planned grant expenditure for the following year's expenditure base. Details of other specific reserves appear in note 13 to the accounts.

£2,158,778 (2013: £3,170,217) 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 2014, the funds invested had a market value of £3,844,992 (2013: £3,609,555). 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 3.3% (SCIAF: 10.6% compared to Composite Benchmark of 7.3%) and the portfolio yield at the 31 December 2014 was 3.4%.

### **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 relate to 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.

## **Strategic Report for the year ended 31 December 2014 (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**

During 2015 we in SCIAF will develop our strategic plan for 2016-2020, in which we will re-examine our strategic priorities, whom we should prioritise in our work, the countries in which we work, and the qualitative aspects of how we work that reflect the character of SCIAF. We will make these decisions on the basis of our vision, mission and values, and a detailed assessment of the nature and extent of poverty in different places, and where and how SCIAF can make the greatest difference in people's lives.

With the new governance arrangements and Executive Director in place, we will continue to improve SCIAF's governance, management and operational capacity. Reflecting upon our new strategic plan for 2016-20, we will examine what we need as an organisation in order to achieve what we intend, and how best we can collaborate with others in order to increase our relevance, impact, effectiveness and efficiency.

We will continue to develop the quality and scale of our international programmes, based on on-going monitoring and evaluation of the impact our overseas projects have on the lives of the people we serve. We will provide financial and technical support to our strategic partners to help them improve their ability to implement better quality programmes. We will expand our work in education for marginalised groups.

We will increase our education and outreach focus, to help the Scottish public understand and address the long-term causes of poverty in the developing world, working in partnership with other Catholic agencies wherever we can. Our new Outreach team was established at the beginning of 2015 to help dioceses, clergy, religious and Catholic organisations across Scotland work together with us for a just world.

In 2015 we will campaign to ensure that strong, robust Sustainable Development Goals are agreed by the United Nations to maintain the global consensus that was achieved by the Millennium Development Goals. We will also continue to highlight the consequences of climate change for poor people in developing countries, and work closely in coalition with other Caritas and Church networks, and broader civil society movements to secure ambitious environmental targets at the UN COP in Paris in December 2015 that are needed. Within our work for climate justice we will emphasise the lifestyle changes that we all need to make to address poverty and inequality around the world, in particular looking ahead to Pope Francis' focus on care for creation in his forthcoming encyclical.

In 2015, our 50<sup>th</sup> anniversary year, we aim to sustainably grow our voluntary income and build even stronger relationships with our supporters. We will further increase the number of volunteers who give time to support our work, and work closely with them and our partners as we review our strategy for the coming years.

Approved by the directors and signed on their behalf by:

Rt. Rev. J.A. Toal  
President  
16<sup>th</sup> April 2015

## **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 2014 which comprise the Statement of Financial Activities, the Balance Sheet, 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).

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 Directors' Responsibilities Statement set out on page 4, 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 (APB'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 2014 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:

- the charitable company has not kept proper and adequate accounting records 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  
23<sup>rd</sup> April 2015

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 2014**

	Unrestricted Funds	Restricted Funds	Total Funds 2014	Total Funds 2013
Note	£	£	£	£
<b>Incoming resources</b>				
<b><i>Incoming resources from generating funds</i></b>				
Voluntary income				
	525,978	-	525,978	557,628
	1,938,157	901,329	2,839,486	3,868,653
	1,608,521	-	1,608,521	977,676
<b>Total voluntary income</b>	<b>4,072,656</b>	<b>901,329</b>	<b>4,973,985</b>	<b>5,403,957</b>
<b><i>Activities for generating funds</i></b>				
	13,217	-	13,217	16,860
	138,645	-	138,645	127,175
	31,444	1,625	33,069	46,556
	242	-	242	1,249
<b>Total incoming resources from generated funds</b>	<b>4,256,204</b>	<b>902,954</b>	<b>5,159,158</b>	<b>5,595,797</b>
<b><i>Total incoming from charitable activities</i></b>				
Institutional funding – overseas relief and development	207,891	2,119,876	2,327,767	2,129,256
<b>Total incoming resources</b>	<b>4,464,095</b>	<b>3,022,830</b>	<b>7,486,925</b>	<b>7,725,053</b>
<b>Resources expended</b>				
<b><i>Costs of generating funds</i></b>				
Fundraising and advertising	673,069	-	673,069	643,176
Cost of managing investments	21,886	-	21,886	21,469
<b><i>Costs of charitable activities</i></b>				
International programmes	3,085,359	3,706,954	6,792,313	5,710,788
Information and education	360,519	9,778	370,297	317,954
Advocacy and communication	489,084	-	489,084	435,604
<b>Governance costs</b>	<b>49,437</b>	<b>-</b>	<b>49,437</b>	<b>91,040</b>
<b>Total resources expended</b>	<b>4,679,354</b>	<b>3,716,732</b>	<b>8,396,086</b>	<b>7,220,031</b>
<b><i>Net (expenditure)/income for the year</i></b>				
Transfers between funds	(215,259)	(693,902)	(909,161)	505,022
<b><i>Net (outgoing)/incoming resources before other gains and losses</i></b>	<b>(215,259)</b>	<b>(693,902)</b>	<b>(909,161)</b>	<b>505,022</b>
Loss on investment assets	(12,021)	-	(12,021)	(7,344)
Movement in investment valuation	270,067	-	270,067	258,020
<b><i>Net movement in funds</i></b>	<b>42,787</b>	<b>(693,902)</b>	<b>(651,115)</b>	<b>755,698</b>
Total funds brought forward	7,931,985	1,237,548	9,169,533	8,413,835
<b>Total funds carried forward</b>	<b>7,974,772</b>	<b>543,646</b>	<b>8,518,418</b>	<b>9,169,533</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 form part of the financial statements.



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

**BALANCE SHEET  
As at 31 December 2014**

	Note	2014 £	2013 £
<b>Fixed Assets</b>			
Tangible assets	<b>9</b>	369,409	380,841
Investments	<b>10</b>	3,844,992	3,609,555
		<u>4,214,401</u>	<u>3,990,396</u>
<b>Current Assets</b>			
Other debtors		70,395	150,143
Prepayments and accrued income		97,148	285,083
Cash on deposit and on hand		4,267,865	4,857,584
		<u>4,435,408</u>	<u>5,292,810</u>
<b>Current liabilities:</b> amounts falling due within one year	<b>11</b>	<u>(131,391)</u>	<u>(113,673)</u>
<b>Net Current Assets</b>		<u>4,304,017</u>	<u>5,179,137</u>
<b>Net Assets</b>		<u>8,518,418</u>	<u>9,169,533</u>
<b>Reserves:</b>			
Unrestricted Reserves	<b>13</b>	7,974,772	7,931,985
Restricted Reserves	<b>13</b>	543,646	1,237,548
		<u>8,518,418</u>	<u>9,169,533</u>

Approved and authorised for issue by the Board of Directors on 16<sup>th</sup> April 2015 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)**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 £	2013 £
Net cash (outflow)/inflow from operating activities	1	(502,460)	537,323
Return on Investments and servicing of finance	2	171,956	174,980
Capital expenditure	2	(11,759)	(12,545)
Management of liquid resources	2	(247,456)	(236,909)
(Decrease)/Increase in cash in the period		<u>(589,719)</u>	<u>462,849</u>
Net cash resources at 1 January		4,857,584	4,394,735
Net cash resources at 31 December		<u>4,267,865</u>	<u>4,857,584</u>

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

	2014 £	2013 £
Net movement in funds	(651,115)	755,698
Depreciation charges	23,191	27,279
Gain on disposal of fixed asset	-	(22)
Loss on investment assets	12,021	7,344
Investment income	(171,956)	(174,980)
Decrease/(Increase) in debtors	267,682	(126,500)
Increase in creditors	17,717	48,504
<b>Net cash (outflow)/inflow</b>	<u>(502,460)</u>	<u>537,323</u>

**2. Analysis of cash flows for headings netted in the cash flow statement**

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	<u>171,956</u>	<u>174,980</u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(11,759)	(12,590)
Proceeds on disposal of fixed assets	-	45
Net cash outflow	<u>(11,759)</u>	<u>(12,545)</u>
<b>Management of liquid resources</b>		
Purchase of investments	(525,374)	(331,508)
Proceeds on disposal of investments	159,462	252,691
Decrease/(increase) in cash held with broker	140,342	(136,623)
Management fees	(21,886)	(21,469)
	<u>(247,456)</u>	<u>(236,909)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**1. Accounting policies**

**Basis of preparation**

The financial statements have been prepared under the historic cost convention, (which ignores the effect of inflation or revaluation (except for investments) and deals with original costs to SCIAF only), and in accordance with the Companies Act 2006 and the Statement of Recommended Practice for Charities 2005 and Charities Accounts (Scotland) Regulations 2006 (as amended). The accounting policies have remained unchanged from the previous year.

**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.

**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.

**Incoming resources**

All incoming resources are recognised once the charity has entitlement to the income and the amount can be quantified with reasonable accuracy. 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 Statement of Recommended Practice for Charities 2005.

Legacies are included when the charity is advised by the personal representative of an estate that payment will be made and when the amount involved can be quantified.

Grant income from institutional funders is included in the accounts in the year in which SCIAF is notified by the donor that it is satisfied all conditions have been met.

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. Consequently the liability is not recognised until evidence of this progress has been demonstrated.

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

**Resources expended**

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 is proportional to the number of full time equivalent staff involved in each section. No apportionment applies to the costs of governance.

Costs of 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. 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.

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

**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>2014</b>	<b>2013</b>
	£	£
<b>Restricted:</b>		
<b>Department for International Development</b>		
Sudan	42,699	81,382
Africa – Great Lakes	82,206	68,478
<b>European Commission</b>		
Sudan	264,624	-
Cambodia	152,785	-
Ethiopia	-	5,547
Africa – Great Lakes	-	105,764
Thailand	-	23,592
<b>Scottish Government</b>		
Zambia	390,720	636,102
Malawi	390,969	229,975
Rwanda	125,219	-
India	-	38,848
<b>States of Guernsey</b>		
Uganda	39,274	-
D R Congo	-	31,720
<b>The Big Lottery</b>		
Cambodia	102,173	101,534
Latin America	64,668	-
<b>Other Catholic Agencies</b>		
Ethiopia:		
Development & Peace	365,998	461,134
Secours Catholique	58,541	146,269
<b>Private Donors</b>		
Sudan	-	1,000
UK	40,000	40,000
	<hr/>	<hr/>
	2,119,876	1,971,345
<b>Unrestricted</b>	<hr/>	<hr/>
	207,891	157,911
	<hr/>	<hr/>
	2,327,767	2,129,256
	<hr/>	<hr/>

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

**Incoming resources from charitable activities (continued)**

The unrestricted total of £207,891 includes £33,230 received from The Big Lottery (£13,942 for UK costs relative to the Cambodia grant, £14,288 for UK costs relative to the Latin America Grant, and £5,000 for UK costs relative to the organisation and set-up of the Latin America grant).

**3. Fundraising and advertising costs**

	<b>Direct Costs</b>	<b>Direct Support</b>	<b>Indirect Support</b>	<b>Total 2014</b>	<b>Total 2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Lenten campaign & real gifts	228,421	-	-	228,421	216,700
Legacies	20,711	-	-	20,711	22,389
Salaries and other staff costs	-	172,933	67,600	240,533	271,277
Travel	-	10,540	1,711	12,251	8,622
Advertising, publicity and donor recruitment	59,750	-	-	59,750	31,763
50 <sup>th</sup> anniversary	1,212	-	-	1,212	-
Administration	-	-	38,208	38,208	29,100
Rates, utilities, telephone and cleaning	-	-	21,123	21,123	14,355
Professional fees	-	231	724	955	2,440
IT costs	-	27,013	5,377	32,390	33,009
Unrealised (profit)/loss on foreign exchange	-	-	4,211	4,211	(4,482)
Bank charges	-	-	11,428	11,428	16,489
Volunteer costs	-	1,806	70	1,876	1,514
	<b>310,094</b>	<b>212,523</b>	<b>150,452</b>	<b>673,069</b>	<b>643,176</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 2014</b>	<b>Total 2013</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	261,972	452,856	714,828	889,838
<b>Horn of Africa</b>				
CAFOD – for distribution to partners	100,000	-	100,000	-
<b>Uganda</b>				
Radio Wa	41,370	4,316	45,686	50,578
Comboni Samaritans	36,043	60,643	96,686	55,147
St. Monica's	-	-	-	15,000
<b>Malawi</b>				
Mangochi Cadecom	70,161	116,685	186,846	222,155
Trocaire – for distribution to partners	6,000	172,656	178,656	220,610

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

Cadecom Chickwawa	-	55,000	55,000	-
<b>Rwanda</b>				
Commission Episcopale Justice et Paix	44,423	23,941	68,364	33,864
Trocaire	-	99,194	99,194	-
<b>Democratic Republic of Congo</b>				
Codilusi	2,633	36,028	38,661	88,805
Commission Diocesaine Justice et Paiz/Bakavu Diocese	4,340	27,010	31,350	31,463
AJV	18,740	31,260	50,000	31,622
Commission Diocesaine Justice et Paiz/Uvira Diocese	-	36,161	36,161	26,592
<b>Sudan</b>				
Sudan Evangelical Mission	90,799	285,229	376,028	112,003
Comboni Sisters	49,996	-	49,996	57,793
CAFOD – for distribution to partners	225,000	-	225,000	99,986
Trocaire – for distribution to partners	100,000	-	100,000	-
<b>Burundi</b>				
Agakura	67,105	42,894	109,999	129,530
<b>Zambia</b>				
Diocese of Livingston	4,863	47,064	51,927	70,425
Caritas Mongu	3,556	39,497	43,053	60,049
Jesuit Centre for Theological Reflection	3,103	38,047	41,150	44,232
Kasisi	14,419	189,520	203,939	214,632
<b>ASIA</b>				
<b>Burma</b>				
Jesuit Refugee Service Thailand	83,880	36,120	120,000	109,768
Missionary Sisters of St Columban	39,340	12,360	51,700	-
<b>Cambodia</b>				
DPA	50,000	123,421	173,421	171,418
Caritas Cambodia	-	24,966	24,966	80,000
<b>India</b>				
Caritas India	60,000	-	60,000	50,000
IGSSS	53,870	-	53,870	-
<b>Philippines</b>				
Caritas Philippines	32,647	491,353	524,000	500,000
<b>Syria</b>				
Caritas Lebanon	-	200,000	200,000	250,000
Caritas Jordan	-	200,000	200,000	75,000
ALPHA	-	70,051	70,051	-

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

**LATIN AMERICA**

**Columbia**

Diocese of Apartado	1,974	78,819	80,793	-
Diocese of Quibdo	40,611	137,520	178,131	-

**El Salvador**

CESTA	42,823	27,664	70,487	59,940
Solidaridad (formerly JDS)	10,062	41,209	51,271	-

**Nicaragua**

Familias Especiales	42,613	2,387	45,000	50,000
CANTERA	-	57,789	57,789	-
FEDICAMP	-	67,537	67,537	-

**Haiti**

Institute of Technology & Animation	-	-	-	69,922
CAP	47,048	-	47,048	49,475

Other grants less than £50,000 paid in the year	652,019	290,365	942,384	1,055,704
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<b>Total Grant Expenditure</b>	<b>2,301,410</b>	<b>3,619,562</b>	<b>5,920,972</b>	<b>4,975,551</b>
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**Represented by:**

International development grants	2,262,520	3,619,562	5,882,082	4,958,051
Advocacy grants	38,890	-	38,890	17,500
	<b>2,301,410</b>	<b>3,619,562</b>	<b>5,920,972</b>	<b>4,975,551</b>

Restricted grants totalling £77,850 for the DFID Great Lakes project are included within the figures above.

**5. Costs of charitable activities and governance**

Expenditure recorded in the Financial Statements 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:

	<b>Direct Costs £</b>	<b>Direct Support £</b>	<b>Indirect Support £</b>	<b>Total 2014 £</b>	<b>Total 2013 £</b>
International programmes (5a)	5,882,082	542,439	367,792	6,792,313	5,710,788
Information and education (5b)	31,846	219,564	118,887	370,297	317,954
Advocacy and communication (5c)	135,362	241,798	111,924	489,084	435,604
Governance (5d)	49,437	-	-	49,437	91,040
	<b>6,098,727</b>	<b>1,003,801</b>	<b>598,603</b>	<b>7,701,131</b>	<b>6,555,386</b>



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

**a) International programmes**

	<b>Direct Costs</b>	<b>Direct Support</b>	<b>Indirect Support</b>	<b>Total 2014</b>	<b>Total 2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Grant expenditure	5,882,082	4,425	-	5,886,507	4,995,695
Ethiopia joint office costs	-	-	10,860	10,860	3,694
Salaries and other staff costs	-	447,897	147,621	595,518	489,151
Travel	-	23,177	37,177	60,354	40,439
Administration	-	-	45,422	45,422	25,238
Unrealised loss/(gain) on foreign exchange	-	-	8,170	8,170	(6,585)
Rates, utilities, telephone and cleaning	-	-	51,449	51,449	21,091
Professional fees	-	66,940	51,381	118,321	113,151
IT costs	-	-	15,712	15,712	28,914
	<b>5,882,082</b>	<b>542,439</b>	<b>367,792</b>	<b>6,792,313</b>	<b>5,710,788</b>
of which:					
Unrestricted	2,262,520	539,076	283,763	3,085,359	2,723,609
Restricted	3,619,562	3,363	84,029	3,706,954	2,987,179
	<b>5,882,082</b>	<b>542,439</b>	<b>367,792</b>	<b>6,792,313</b>	<b>5,710,788</b>

**b) Information and Education**

	<b>Direct Costs</b>	<b>Direct Support</b>	<b>Indirect Support</b>	<b>Total 2014</b>	<b>Total 2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Individuals	681	-	-	681	5,202
Schools	4,152	-	-	4,152	8,243
Parishes	20,513	-	-	20,513	2,296
Salaries and other staff costs	-	174,285	71,275	245,560	232,010
Travel	-	25,427	1,620	27,047	10,228
Administration	-	1,222	10,155	11,377	20,570
Unrealised loss/(gain) on foreign exchange	-	-	3,984	3,984	(3,640)
Rates, utilities, telephone and cleaning	-	-	26,080	26,080	11,659
Professional fees	-	-	685	685	1,504
IT and social media costs	-	18,437	5,088	23,525	22,875
Education grant memberships	6,500	193	-	6,693	7,007
	<b>31,846</b>	<b>219,564</b>	<b>118,887</b>	<b>370,297</b>	<b>317,954</b>
of which:					
Unrestricted	31,846	209,786	118,887	360,519	317,954
Restricted	-	9,778	-	9,778	-
	<b>31,846</b>	<b>219,564</b>	<b>118,887</b>	<b>370,297</b>	<b>317,954</b>

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

**c) Advocacy and communication - unrestricted**

	<b>Direct Costs</b>	<b>Direct Support</b>	<b>Indirect Support</b>	<b>Total 2014</b>	<b>Total 2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Grant expenditure	38,890	-	-	38,890	17,500
Campaigning and policy	50,810	-	-	50,810	46,631
Media	45,662	-	-	45,662	60,991
Salaries and other staff costs	-	165,569	66,840	232,409	230,788
Travel	-	33,930	1,525	35,455	21,408
Administration	-	-	10,362	10,362	13,847
Unrealised loss/(gain) on foreign exchange	-	-	4,790	4,790	(3,535)
Rates, utilities, telephone, cleaning and repairs	-	-	23,621	23,621	8,861
Professional fees	-	26,519	-	26,519	1,461
Membership fees	-	15,780	-	15,780	30,483
IT costs	-	-	4,786	4,786	7,169
	<b>135,362</b>	<b>241,798</b>	<b>111,924</b>	<b>489,084</b>	<b>435,604</b>

**d) Governance**

	<b>Direct Costs</b>	<b>Direct Support</b>	<b>Indirect Support</b>	<b>Total 2014</b>	<b>Total 2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Costs of Board meetings and overseas travel	1,740	-	-	1,740	544
Professional fees	35,031	-	-	35,031	76,906
Auditor's remuneration - audit	12,666	-	-	12,666	12,600
Auditor's remuneration - non audit	-	-	-	-	990
	<b>49,437</b>	<b>-</b>	<b>-</b>	<b>49,437</b>	<b>91,040</b>

**6. Net outgoing resources for the year**

This is stated after charging:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Depreciation	23,191	27,279
Auditors' remuneration	12,666	13,590
Unrealised loss/(gain) on foreign exchange	20,155	(18,242)

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**7. Staff costs**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,064,383	1,016,499
Social security costs	105,771	99,518
Pension costs	76,550	68,373
	<u>1,246,704</u>	<u>1,184,390</u>

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

	<b>2014</b>	<b>2013</b>
	<b>No</b>	<b>No</b>
Management	4	3
Overseas project support	10	9
Education and information	3	3
Advocacy and campaigning	5	4
Cost of generating fund	7	8
Administration and finance	10	10
	<u>39</u>	<u>37</u>
Full time equivalent	<u>34</u>	<u>34</u>

No director or committee member received remuneration for their services. Expenses incurred by directors relating to visits and meetings amounted to £62 (2013: £544).

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. 28 staff are members of the scheme (2013: 28 staff). Included in staff costs are contributions paid or payable by SCIAF to the fund which amounted to £76,550 in 2014 (2013: £68,373).

**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.

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**9. Tangible fixed assets**

	<b>Heritable property</b>	<b>Fixtures &amp; fittings</b>	<b>Computer equipment</b>	<b>Total 2014</b>
<b>Cost:</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2014	484,450	90,977	223,807	799,234
Additions	-	814	10,945	11,759
Disposals	-	-	-	-
At 31 December 2014	<u>484,450</u>	<u>91,791</u>	<u>234,752</u>	<u>810,993</u>
<b>Depreciation:</b>				
At 1 January 2014	126,541	86,542	205,310	418,393
Disposals	-	-	-	-
Charge for the year	7,158	1,312	14,721	23,191
At 31 December 2014	<u>133,699</u>	<u>87,854</u>	<u>220,031</u>	<u>441,584</u>
<b>Net book value</b>				
At 31 December 2014	<u>350,751</u>	<u>3,937</u>	<u>14,721</u>	<u>369,409</u>
At 31 December 2013	<u>357,909</u>	<u>4,435</u>	<u>18,497</u>	<u>380,841</u>

There are no capital commitments at the year end (2013: £Nil)

**10. Investments**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Valuation at 1 January	3,307,346	3,214,404
Acquisitions	525,374	331,508
Disposals	(419,662)	(496,586)
Market valuation movement in year	270,067	258,020
	<u>3,683,125</u>	<u>3,307,346</u>
Cash deposits	161,867	302,209
Valuation at 31 December	<u>3,844,992</u>	<u>3,609,555</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 £161,867 (2013: £302,209).

<b>Analysis of investments at market value</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Listed investments		
United Kingdom bonds	1,644,115	1,385,701
United Kingdom equities	1,124,631	1,050,531
Overseas equities and bonds	875,918	827,965
Property	38,461	43,149
	<u>3,683,125</u>	<u>3,307,346</u>
Cash deposits	161,867	302,209
	<u>3,844,992</u>	<u>3,609,555</u>
Historic cost	<u>3,111,769</u>	<u>3,029,940</u>

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade creditors	69,091	19,587
PAYE & NIC	30,856	29,050
Accrued expenses	31,444	65,036
	<u>131,391</u>	<u>113,673</u>

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

	Unrestricted Funds £	Restricted Funds £	Total 2014 £
Tangible fixed assets	369,409	-	369,409
Investments	3,844,992	-	3,844,992
Net current assets	3,760,371	543,646	4,304,017
<b>Total net assets</b>	<u>7,974,772</u>	<u>543,646</u>	<u>8,518,418</u>

**13. Movement in funds**

Fund Name	At 1 Jan 2014 £	Incoming resources £	Resources expended £	Transfer £	Gains & losses £	At 31 Dec 2014 £
<b>Unrestricted:</b>						
Designated Operational Reserve Fund	1,358,433	-	-	243,971	-	1,602,404
Emergency Response Fund	500,000	-	-	-	-	500,000
Investment Revaluation Reserve	725,483	-	-	-	270,067	995,550
Overseas Aid Reserve	2,177,852	-	-	540,188	-	2,718,040
	<u>4,761,768</u>	-	-	784,159	270,067	5,815,994
General	<u>3,170,217</u>	4,464,095	(4,679,354)	(784,159)	(12,021)	2,158,778
<b>Total unrestricted</b>	<u>7,931,985</u>	4,464,095	(4,679,354)	-	258,046	7,974,772
<b>Restricted</b>						
Donations	1,000,883	521,445	(1,352,535)	-	-	169,793
Real gifts	394,906	381,509	(297,479)	-	-	478,936
Government & institutions	(158,241)	2,119,876	(1,969,550)	-	-	(7,915)
Support costs	-	-	(97,168)	-	-	(97,168)
<b>Total Restricted</b>	<u>1,237,548</u>	3,022,830	(3,716,732)	-	-	543,646
<b>Total funds</b>	<u>9,169,533</u>	7,486,925	(8,396,086)	-	258,046	8,518,418

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 the income or expenditure of SCIAF from year to year. The Board keeps this under review on a regular basis.

The Emergency Response Fund has been established to provide funds to enable SCIAF to make an immediate funding response, in the event of a major catastrophe or emergency. In the light of the number and scale of major disasters in recent years, this reserve has been retained at £500,000 to allow SCIAF to be able to respond quickly and efficiently to emergencies as part of our strategic plan.

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.

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The Overseas Aid Reserve is a provision for those Overseas Aid and Development Grants for 2014, which have not yet been formally committed to partners, but for which funding will be spent on overseas aid by 31 December 2014.

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 2014. 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 2014, balances held were for the following purposes:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Africa programme	79,003	9,566
Asia programme	355,330	1,056,584
Latin America programme	(245,459)	(87,441)
Other	354,772	258,839
	<u>543,646</u>	<u>1,237,548</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 are detailed below:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Programme grants in deficit:		
Columbis - EU	(39,260)	-
DPA programme	(1,652)	(13,144)
Ethiopia Trocaire programme	(287)	-
SEM programme	(26)	(42,725)
Great Lakes programme - DFID	(15,467)	(19,823)
Latin America – Big Lottery	(64,670)	-
Malawi Trocaire programme	-	(108,105)
Malawi Mangoche programme	-	(14,444)
Programme grants in surplus	113,447	40,000
	<u>(7,915)</u>	<u>(158,241)</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.

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**15. Operating lease agreements**

At 31 December 2014 the company had aggregate annual commitments under non cancellable operating leases for computer equipment as set out below:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Within 1 year	-	11,485
Within 2 to 5 years	4,406	940
	<u>4,406</u>	<u>12,425</u>

**16. Commitments**

At the year end, forward commitments in respect of signed grant funding agreements with overseas partner organisations amounted to £1,048,098 (2013: £408,344). 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 (2013:£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 (2013: £Nil).