

Company number: SC197327
Charity number: SC012302

SCOTTISH CATHOLIC INTERNATIONAL AID FUND
(COMPANY LIMITED BY GUARANTEE)

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

CONTENTS	Page
Company information	1
Directors' Report	2
Strategic Report	6
Independent Auditors' Report	11
Statement of Financial Activities	13
Balance Sheet	14
Cash Flow Statement	15
Notes to the financial statements	16

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

Board of Directors

His Eminence K. P. Cardinal O'Brien (Chairman) (retired 4 March 2013)

Right Rev P. A. Moran (President)

Most Rev P. Tartaglia

Right Rev J. A. Toal

Right Rev S. Robson (appointed 20 March 2013)

Most Rev L. Cushley (appointed 12 December 2013)

Prof J. Gallagher (appointed 21 September 2013)

Prof M. Mannion (appointed 21 September 2013)

Secretary

McSparran McCormick, Solicitors

Senior Management Team

Patricia Chalé	Executive Director (Until 2 May 2013)
Philippa Bonella	Head of Communication and Education
Lorraine Currie	Head of International Programmes
Donna Ulijn	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

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

Investment Managers: Standard Life Wealth Ltd, 1 George Street, Edinburgh, EH2 2LL (acquired
Newton Investment Management Ltd charity portfolio in the year)

Report of the Directors for the year ended 31 December 2013

The directors present their annual report and audited financial statements for the year ended 31 December 2013.

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. The memorandum and articles of association governing SCIAF were amended in the year to include the appointment of Lay Directors and the following committees: Finance and Audit Committee, International Programme Committee and Outreach, Fundraising and Advocacy Committee.

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. Four new directors were appointed in the year: the Right Reverend Stephen Robson on 20 March 2013, Professors Jim Gallagher and Mike Mannion on 21 September 2013 and the Most Reverend Leo Cushley on 12 December 2013. His Eminence K. P. Cardinal O'Brien retired on 4 March 2013.

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 including annual work plans and budgets to ensure SCIAF is accountable and effective.

The day-to-day management of the organisation and implementation of plans are delegated to the Senior Management. This includes the implementation, monitoring and evaluation of development programmes, support for overseas partners, fundraising, education and advocacy.

Patricia Chalé, Executive Director, left the organisation on 2nd May 2013.

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.

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 2013 (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 on the development of 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.

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 unfair trade 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.

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.

Report of the Directors for the year ended 31 December 2013 (continued)

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 2013. 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.

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.

Report of the Directors for the year ended 31 December 2013 (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. P.A. Moran
President
4 April 2014

Strategic Report for the year ended 31 December 2013

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 and Africa.

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

In 2013, SCIAF disbursed £4,118,898 to 92 development projects delivered by 75 local partners across 15 countries in Africa (South Sudan, Ethiopia, Uganda, Burundi, DRC, Malawi, Rwanda, and Zambia), Asia (Cambodia, Burma, and India) and Latin America (Colombia, El Salvador, Haiti, and Nicaragua). As a Catholic development agency, SCIAF draws its inspiration from the rich heritage of its religious tradition, including the Bible and Catholic Social Teaching. Hence the 15 countries we work in are chosen 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. The Caritas Partnership Principles guide SCIAF in its choice of partners in that our first port of call would always be the local Caritas or Church and if they were found not to have the capacity or expertise to support us then we would look for more secular local partners. In 2013, SCIAF's development projects focused on three key themes: Livelihoods, Peacebuilding and Access to Justice, and Education. In addition, we also provided a number of small grants to partners to enhance their capacity in child protection as well as to carry out strategic advocacy work.

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 work to six cross-cutting themes of gender, inclusion, climate change, HIV and AIDS, environment and disability.

The number of people who benefited directly from our development programme in 2013 was 369,377, while 2,741,754 benefited indirectly. In 2013, successful applications to institutional donors ensured that we secured £2,129,256 for our development work overseas in addition to our voluntary income.

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

Additionally in 2013, SCIAF responded to eight humanitarian emergencies across the following countries: Ethiopia, Afghanistan, Burma, Cambodia, Lebanon, Jordan, and the Philippines, by supporting nine projects that were implemented either by our existing local partners or via one of our sister agencies or Caritas Internationalis appeals. Our emergency budget of £839,153 supported an estimated 39,470 people directly, and 197,355 indirectly by meeting their immediate needs post emergency as well as in the early recovery phases.

Education

This year, together with our team of 10 schools volunteers, we visited 169 schools across Scotland (2012: 128). Father Deo, Director of Agakura, Burundi, and one of the faces of our Lent WEE BOX appeal, visited several schools and had a great reception.

Strategic Report for the year ended 31 December 2013 (continued)

Working jointly with Mission Matters Scotland and Justice and Peace Scotland we created and promoted our new RE resources, 'This is our Faith in Action' (one for P5 and one for S1). We launched a new youth website which has a brighter look, is easier to navigate and has much more opportunity for interaction. This is a strong tool as more and more teachers look online to get the resources they need.

A team of SCIAF staff ran well-received workshops at 'Scotland's Rio' (World Youth Day) in Stirling. We also took part in both the secondary and primary Catholic head teachers' conferences and the Caritas awards ceremony.

We continued to provide teachers with in-service training and continuing professional development on SCIAF's work and international development.

Schools as ever have been very generous this year raising £146,000 for our Lent WEE BOX appeal and £57,000 for our Syria and Philippines emergency appeals.

Lenten Campaign

This year's WEE BOX told the story of people in Burundi, Africa and their work to rebuild their lives and communities after years of civil war. Through inspirational peacebuilding and livelihoods projects, people living in fear and poverty have come together to build a future. These were complex stories to tell, but they touched people across Scotland who responded by raising a total of £862,190 (2012: £847,054), including £557,628 (2012: £582,074) from parishes. We were delighted to have Susan Boyle launch the appeal for us again, along with paralympian David Smith who also visited Burundi and blogged online about his time there.

Advocacy

SCIAF's advocacy work seeks to realise our vision of a just world where everyone can "have life, and have it to the full", by addressing the root causes of global poverty and injustice.

Throughout 2013, we played a key role in the 'Enough Food For Everyone IF' coalition calling for action to tackle global hunger. Over 4,000 SCIAF supporters took action during the campaign. Pressure by the campaign ensured the UK Government met its commitment to spend 0.7% of Gross National Income on development aid. In Scotland, the campaign successfully called for the Scottish Government to invest further in the Climate Justice Fund, and provide more support to Development Education Centres.

We continued working with overseas partners to strengthen links between their work and our advocacy objectives, and build the capacity of partners to undertake advocacy in their own countries. With our support, the Director of Caritas India attended the UN Climate Change conference in Poland and presented the findings of a SCIAF-funded study into the impact of climate change on poor communities in the Sundarban region of India.

We contributed to the report on 'Scotland's Role in Building a Just World' by the Network of International Development Organisations in Scotland (NIDOS). This will be used to ensure international development policy and issues are raised during the debate on Scotland's constitutional future in 2014, and to help inform discussions on a successor framework to the Millennium Development Goals beyond 2015.

Building support within the Scottish community

This year, our staff, volunteers and overseas partners visited over 70 Catholic parishes delivering more than 130 thank you talks and presentations. We also held training days for our parish contacts and diocesan ambassadors. Our team of 147 volunteer parish contacts, including 8 new recruits, and 7 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.

Strategic Report for the year ended 31 December 2013 (continued)

Our first Open Day for diocesan staff and religious, and a Spotlight on Asia supporter event were both well attended and have increased understanding of and enthusiasm for our work.

In September, the Bishops' Conference appealed to parishes on our behalf, asking them to pray and to give to our Syria Refugee Appeal. In November, we launched a Philippines Typhoon Appeal. Parishes and individuals responded with great generosity to both emergency appeals.

Providing a high standard of service to our supporters remained a core priority, with over 90,000 individual transactions swiftly processed, and only 14 complaints, all of which were successfully resolved. Over 3,000 people are visiting our website each month and our social media audience is growing.

FINANCIAL REVIEW

Results for the year

The net incoming resources before other gains and losses are £505,022 (2012: £559,193 outgoing).

Principal funding sources

The charity's main source of income is voluntary income from individuals through regular donations, our Lenten campaign and legacies. Total voluntary income reached the sum of £5,403,957 (2012: £3,712,438). This represents an increase from the previous year, as was expected, due to there being two large scale emergency appeals in 2013 with Syria raising £501,241 and the Philippines £944,171. SCIAF also received £2,129,256 (2012: £1,453,469) of institutional funding for overseas relief and development. This included £607,403 from Other Catholic Agencies.

Principal expenditure

The charity's main source of expenditure is on international programmes. The total expenditure reached £7,220,031 with international programmes making up £5,710,788. This represents an increase in the year due to there being two large scale emergencies in the year with grants of £500,000 being disbursed to the Philippines and £325,000 to Syria and increase in institutional grants including £607,403 from Other Catholic Agencies.

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 2013, restricted funds held amounted to £1,237,548 (2012: £198,798) representing positive balances of £1,395,789 (2012: £615,942) and negative balances of £158,241 (2012: £417,144).

At the end of 2013, SCIAF had £7,931,985 (2012: £8,215,037) in unrestricted funds of which designated funds amounted to £4,761,768 at 31 December 2013 (2012: £4,505,621). As detailed in note 13, the Board has a policy to set aside contingency reserves based on its expectation 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

Strategic Report for the year ended 31 December 2013 (continued)

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 £1,358,433 (2012: £1,252,603) 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.

£3,170,217 (2012: £3,709,416) 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 (previously Newton Investment Management Ltd), and investments are required to meet strict ethical guidelines, consistent with the work and beliefs of SCIAF. At the end of 2013, the funds invested had a market value of £3,609,555 (2012: £3,379,990). The investment objective is to achieve a balanced return from income and capital growth over the long term. The Board compare the performance of the fund against cash – the LIBID 7- day Index +3% and a composite of the following indices: FTA Government All Stocks Index (49%), FTSE All Share Index (49%) and Cash (2%). Over the year the portfolio outperformed its benchmark by 2.9% (SCIAF: 10.7% compared to Composite Benchmark of 7.8%) and the portfolio yield at the 31 December 2013 was 3.5%.

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 so, no hedge accounting is applied.

- a) Price risk: SCIAF is exposed to price risk as a result of its operations. However, given the size of its operations, the cost of managing exposure to price risk exceeds the potential benefits.
- b) Credit risk: SCIAF's income is mainly either from donations which does not have a credit risk or from public bodies which are viewed overall by the directors as being low credit risk. Included within this are some non-government bond investments as part of the investment portfolio which have a medium credit risk. The amount of exposure is reassessed regularly by the Board.
- c) Liquidity risk: SCIAF maintains short-term cash that is designed to ensure that it has sufficient funds for its operations.
- d) Variable interest - rate risk: placement of cash is regularly monitored.

Strategic Report for the year ended 31 December 2013 (continued)

Plans for the future

2014 will be another period of strengthening the governance and operational capacity of SCIAF, further consolidating work begun in 2013 in a range of areas. This will include, for example, appointing a new Executive Director and continuing to develop the work of our new Board sub-committees.

We will further develop the scope and quality of our international programmes, based on the on-going monitoring and evaluation of the positive impact of our overseas projects has on the lives of the people we serve. In addition, we will be providing increased financial and technical support to some of our strategic partners to help them strengthen their capacity to deliver better quality programmes. We also plan to expand the scope of our work in education for marginalised groups.

In addition, we aim to grow our education and outreach focus, to improve the ability of the Scottish public to understand and address the long-term causes of poverty in the developing world, working in partnership with other Catholic agencies wherever we can. We will undertake a thorough review of our approach to communicating with our supporters and stakeholders, to increase our effectiveness.

Our campaigning work will grow in 2014, with a new and challenging focus on the lifestyle changes that we all need to make to address poverty and inequality around the world. In 2014 we aim to grow our voluntary income and build even stronger relationships with our supporters. We will increase the number of volunteers who give time to support our work, and will work closely with our consultative volunteer forum to finalise new policies to ensure SCIAF is 'volunteer friendly'.

Approved by the directors and signed on their behalf by:

Rt. Rev. P.A. Moran
President
4 April 2014

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 2013 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/apb/scope/private.cfm.

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 2013 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 April 2014

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 2013**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Incoming resources					
<i>Incoming resources from generating funds</i>					
Voluntary income					
Lenten income		557,628	-	557,628	582,074
Individual donations		1,961,710	1,906,943	3,868,653	2,633,924
Legacies		973,676	4,000	977,676	496,440
Total voluntary income		3,493,014	1,910,943	5,403,957	3,712,438
<i>Activities for generating funds</i>					
Sale of goods & resources		16,860	-	16,860	17,412
Investment income		127,175	-	127,175	125,870
Bank interest		45,056	1,500	46,556	42,806
Other interest		1,249	-	1,249	-
Total incoming resources from generated funds		3,683,354	1,912,443	5,595,797	3,898,526
<i>Total incoming from charitable activities</i>					
Institutional funding – overseas relief and development	2	157,911	1,971,345	2,129,256	1,453,469
Total incoming resources		3,841,265	3,883,788	7,725,053	5,351,995
Resources expended					
<i>Costs of generating funds</i>					
Fund raising and advertising	3	643,176	-	643,176	582,676
Cost of managing investments		21,469	-	21,469	20,067
<i>Costs of charitable activities</i>					
International programmes	5a	2,723,609	2,987,179	5,710,788	4,603,613
Information and education	5b	317,954	-	317,954	293,811
Advocacy and communication	5c	435,604	-	435,604	389,617
Governance costs	5d	91,040	-	91,040	21,404
Total resources expended		4,232,852	2,987,179	7,220,031	5,911,188
<i>Net income/(expenditure) for the year</i>					
Transfers between funds		(391,587)	896,609	505,022	(559,193)
<i>Net (outgoing)/incoming resources before other gains and losses</i>		(533,728)	1,038,750	505,022	(559,193)
(Loss)/Gain on investment assets		(7,344)	-	(7,344)	499
Movement in investment valuation		258,020	-	258,020	204,185
<i>Net movement in funds</i>		(283,052)	1,038,750	755,698	(354,509)
Total funds brought forward		8,215,037	198,798	8,413,835	8,768,344
Total funds carried forward	13	7,931,985	1,237,548	9,169,533	8,413,835

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 2013**

	Note	2013 £	2012 £
Fixed Assets			
Tangible assets	9	380,841	395,552
Investments	10	3,609,555	3,379,990
		<u>3,990,396</u>	<u>3,775,542</u>
Current Assets			
Debtors		-	12
Other debtors		150,143	108,165
Prepayments and accrued income		285,083	200,550
Cash on deposit and on hand		4,857,584	4,394,735
		<u>5,292,810</u>	<u>4,703,462</u>
Current liabilities: amounts falling due within one year	11	<u>(113,673)</u>	<u>(65,169)</u>
Net Current Assets		<u>5,179,137</u>	<u>4,638,293</u>
Net Assets		<u>9,169,533</u>	<u>8,413,835</u>
Reserves:			
Unrestricted Reserves	13	7,931,985	8,215,037
Restricted Reserves	13	1,237,548	198,798
		<u>9,169,533</u>	<u>8,413,835</u>

Approved and authorised for issue by the Board of Directors on 4 April 2014 and signed on its behalf by

Rt Rev Peter Moran (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 2013**

		2013	2012
	Notes	£	£
Net cash inflow/(outflow) from operating activities	1	537,323	(546,534)
Return on Investments and servicing of finance	2	174,980	168,676
Capital expenditure	2	(12,545)	(37,203)
Management of liquid resources	2	(236,909)	(150,228)
Increase/(Decrease) in cash in the period		<u>462,849</u>	<u>(565,289)</u>
Net cash resources at 1 January		4,394,735	4,960,024
Net cash resources at 31 December		<u>4,857,584</u>	<u>4,394,735</u>

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

	2013	2012
	£	£
Net movement in funds	755,698	(354,509)
Depreciation charges	27,279	34,193
(Gain)/Loss on disposal of fixed asset	(22)	10,540
Loss/(Gain) on investment assets	7,344	(499)
Investment income	(174,980)	(168,676)
Increase in debtors	(126,500)	(63,952)
Increase/(decrease) in creditors	48,504	(3,631)
Net cash inflow/ (outflow)	<u>537,323</u>	<u>(546,534)</u>

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

	2013	2012
	£	£
Returns on investments and servicing of finance		
Interest received	<u>174,980</u>	<u>168,676</u>
Capital expenditure		
Purchase of tangible fixed assets	(12,590)	(37,203)
Proceeds on disposal of fixed assets	45	-
Net cash outflow	<u>(12,545)</u>	<u>(37,203)</u>
Management of liquid resources		
Purchase of investments	(331,508)	(1,019,374)
Proceeds on disposal of investments	252,691	746,663
(Increase)/decrease in cash held with broker	(136,623)	142,550
Management fees	(21,469)	(20,067)
	<u>(236,909)</u>	<u>(150,228)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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 general reserves which will help SCIAF to continue to support its work for a period in excess of 12 months.

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

	2013	2012
	£	£
Restricted:		
Department for International Development		
Ethiopia	-	16,215
Sudan	81,382	80,172
Africa – Great Lakes	68,478	-
European Commission		
Sudan	-	55,562
Cambodia	-	25,675
Ethiopia	5,547	-
Africa – Great Lakes	105,764	295,134
Thailand	23,592	188,730
Scottish Government		
Zambia	636,102	393,777
Malawi	229,975	98,540
India	38,848	150,829
States of Guernsey		
D R Congo	31,720	-
The Big Lottery		
Cambodia	101,534	-
Other Catholic Agencies		
Ethiopia:		
Development & Peace	461,134	-
Secours Catholique	146,269	-
Private Donors		
Sudan	1,000	-
UK	40,000	-
	<hr/>	
	1,971,345	1,304,634
Unrestricted	<hr/>	
	157,911	148,835
	<hr/>	
	2,129,256	1,453,469
	<hr/>	

The unrestricted total of £157,911 includes £30,701 received from The Big Lottery. This represents £13,621 Cambodia grant, £5,000 organisational support for Cambodia grant and two grants totalling £12,080 towards organisational support and proposal development for a Latin America proposal.

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

3. Fundraising and advertising costs

	Direct Costs	Direct Suppor t £	Indirect Suppor t £	Total 2013 £	Total 2012 £
Lenten campaign & real gifts	216,700	-	-	216,700	227,057
Legacies	22,389	-	-	22,389	18,998
Salaries and other staff costs	-	190,934	80,343	271,277	238,137
Travel	-	7,295	1,327	8,622	7,400
Advertising, publicity and donor recruitment	31,763	-	-	31,763	26,279
Administration	-	-	29,100	29,100	31,830
Rates, utilities, telephone and cleaning	-	-	14,355	14,355	10,586
Professional fees	-	-	2,440	2,440	691
IT costs	-	23,920	9,089	33,009	15,305
Unrealised (profit)/loss on foreign exchange	-	-	(4,482)	(4,482)	(466)
Bank charges	-	-	16,489	16,489	6,068
Volunteer costs	-	1,440	74	1,514	791
	<u>270,852</u>	<u>223,589</u>	<u>148,735</u>	<u>643,176</u>	<u>582,676</u>

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:-

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
AFRICA				
Ethiopia				
Joint office with CAFOD and Trocaire – for distribution to partners	270,922	618,916	889,838	-
Horn of Africa				
Joint office with CAFOD and Trocaire – for distribution to partners	-	-	-	341,000
CAFOD – for distribution to partners	-	-	-	65,000
Uganda				
Radio Wa	48,078	2,500	50,578	54,704
Comboni Samaritans	45,401	9,746	55,147	70,000
St. Monica's	1,804	13,196	15,000	8,045
Malawi				
Mangochi Cadecom	67,434	154,721	222,155	85,249
Trocaire – for distribution to partners	-	220,610	220,610	111,140
Rwanda				
Commission Episcopale				

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

Justice et Paix	10,091	23,773	33,864	76,540
Democratic Republic of Congo				
Codilusi	-	88,805	88,805	180,533
Commission Diocesaine Justice et Paiz/Bakavu Diocese	5,126	26,337	31,463	105,934
AJV	-	31,622	31,622	80,617
Commission Diocesaine Justice et Paiz/Uvira Diocese	-	26,592	26,592	75,280
Sudan				
Sudan Evangelical Mission	32,363	79,640	112,003	170,317
Comboni Sisters	57,793	-	57,793	-
CAFOD – for distribution to partners	99,986	-	99,986	-
Trocaire – for distribution to partners	-	-	-	48,771
Burundi				
Agakura	57,143	72,387	129,530	124,723
Zambia				
Diocese of Livingston	4,926	65,499	70,425	57,182
Caritas Mongu	3,627	56,422	60,049	55,000
Jesuit Centre for Theological Reflection	3,550	40,682	44,232	68,051
Kasisi	19,411	195,221	214,632	210,923
Senegal				
Caritas Senegal	-	-	-	50,000
Nigeria				
Caritas Nigeria	-	-	-	50,000
Multi-Country				
Jesuit Refugee Service – for projects in Burundi, DRC, Sudan, Tanzania and Zambia	-	-	-	65,000
ASIA				
Burma				
Jesuit Refugee Service Thailand	11,909	97,859	109,768	-
Cambodia				
DPA	18,504	152,914	171,418	50,000
Caritas Cambodia	47,682	32,318	80,000	53,333
India				
Caritas India	50,000	-	50,000	180,904
Philippines				
Caritas Philippines	-	500,000	500,000	-
Syria				

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

Caritas Lebanon	250,000	-	250,000	-
Caritas Jordan	-	75,000	75,000	-
LATIN AMERICA				
El Salvador				
CESTA	5,000	54,940	59,940	-
Nicaragua				
Familias Especiales	43,993	6,007	50,000	-
Haiti				
Institute of Technology & Animation	45,282	24,640	69,922	411,980
CAP	34,116	15,359	49,475	69,418
Other grants less than £50,000 paid in the year	886,000	169,704	1,055,704	1,007,158
Total Grant Expenditure	2,120,141	2,855,410	4,975,551	3,926,802
Represented by:				
International development grants	2,102,641	2,855,410	4,958,051	3,899,539
Advocacy grants	17,500	-	17,500	27,263
	2,120,141	2,855,410	4,975,551	3,926,802

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:

	Direct Costs	Direct Support t	Indirect Support t	Total 2013	Total 2012
	£	£	£	£	£
International programmes (5a)	4,958,051	455,729	297,008	5,710,788	4,603,613
Information and education (5b)	22,741	201,524	93,689	317,954	293,811
Advocacy and communication (5c)	125,122	218,791	91,691	435,604	389,617
Governance (5d)	91,040	-	-	91,040	21,404
	5,196,954	876,044	482,388	6,555,386	5,308,445

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

a) International programmes

	Direct Costs	Direct Suppor t	Indirect Suppor t	Total 2013	Total 2012
	£	£	£	£	£
Grant expenditure	4,958,051	37,644	-	4,995,695	3,931,158
Juba office costs	-	-	-	-	4,969
Ethiopia joint office costs	-	-	3,694	3,694	40,955
Salaries and other staff costs	-	372,821	116,330	489,151	452,422
Travel	-	19,590	20,849	40,439	41,080
Administration	-	-	25,238	25,238	30,334
Unrealised (gain)/loss on foreign exchange	-	-	(6,585)	(6,585)	(808)
Rates, utilities, telephone and cleaning	-	-	21,091	21,091	21,913
Professional fees	-	25,673	87,478	113,151	59,562
IT costs	-	-	28,914	28,914	22,028
	<u>4,985,051</u>	<u>455,728</u>	<u>297,009</u>	<u>5,710,788</u>	<u>4,603,613</u>
of which:					
Unrestricted	2,101,641	424,627	197,341	2,723,609	2,197,807
Restricted	2,856,410	31,101	99,668	2,987,179	2,405,806
	<u>4,958,051</u>	<u>455,728</u>	<u>297,009</u>	<u>5,710,788</u>	<u>4,603,613</u>

b) Information and Education - unrestricted

	Direct Costs	Direct Suppor t	Indirect Suppor t	Total 2013	Total 2012
	£	£	£	£	£
Individuals	5,202	-	-	5,202	2,559
Schools	8,243	-	-	8,243	18,315
Parishes	2,296	-	-	2,296	1,845
Salaries and other staff costs	-	167,226	64,784	232,010	208,383
Travel	-	9,188	1,040	10,228	7,746
Administration	-	9,610	10,960	20,570	17,052
Unrealised (gain)/loss on foreign exchange	-	-	(3,640)	(3,640)	(431)
Rates, utilities, telephone and cleaning	-	-	11,659	11,659	11,683
Professional fees	-	-	1,504	1,504	378
IT and social media costs	-	15,493	7,382	22,875	15,995
Education grant memberships	7,000	7	-	7,007	10,286
	<u>22,741</u>	<u>201,524</u>	<u>93,689</u>	<u>317,954</u>	<u>293,811</u>

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

c) Advocacy and communication - unrestricted

	Direct Costs	Direct Suppor t	Indirect Suppor t	Total 2013	Total 2012
	£	£	£	£	£
Grant expenditure	17,500	-	-	17,500	27,263
Campaigning and policy	46,631	-	-	46,631	29,908
Media	60,991	-	-	60,991	44,723
Salaries and other staff costs	-	167,868	62,920	230,788	203,950
Travel	-	20,398	1,010	21,408	26,486
Administration	-	42	13,805	13,847	12,645
Unrealised (gain)/loss on foreign exchange	-	-	(3,535)	(3,535)	(380)
Rates, utilities, telephone, cleaning and repairs	-	-	8,861	8,861	11,076
Professional fees	-	-	1,461	1,461	333
Membership fees	-	30,483	-	30,483	27,690
IT costs	-	-	7,169	7,169	5,923
	<u>125,122</u>	<u>218,791</u>	<u>91,691</u>	<u>435,604</u>	<u>389,617</u>

d) Governance

	Direct Costs	Direct Suppor t	Indirect Suppor t	Total 2013	Total 2012
	£	£	£	£	£
Costs of Board meetings and overseas travel	544	-	-	544	354
Professional fees	76,906	-	-	76,906	7,487
Auditor's remuneration - audit	12,600	-	-	12,600	12,240
Auditor's remuneration - non audit	990	-	-	990	1,323
	<u>91,040</u>	<u>-</u>	<u>-</u>	<u>91,040</u>	<u>21,404</u>

6. Net outgoing resources for the year

This is stated after charging:

	2013	2012
	£	£
Depreciation	27,279	34,193
Auditors' remuneration	13,590	13,563
Unrealised (gain)/loss on foreign exchange	<u>(18,242)</u>	<u>(2,085)</u>

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

7. Staff costs

	2013	2012
	£	£
Wages and salaries	1,016,499	887,143
Social security costs	99,518	85,361
Pension costs	68,373	50,606
	<u>1,184,390</u>	<u>1,023,110</u>

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

	2013	2012
	No	No
Management	3	3
Overseas project support	9	10
Education and information	3	4
Advocacy and campaigning	4	4
Cost of generating fund	8	8
Administration and finance	10	8
	<u>37</u>	<u>37</u>
Full time equivalent	<u>34</u>	<u>31</u>

Salary numbers for 2012 include 3 staff working in our Sudan office until February 2012 when the office closed.

No director or committee member received remuneration for their services. Expenses incurred by directors relating to visits and meetings amounted to £544 (2012: £354).

No employee earns over £60,000 annually.

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 (2012: 22 staff). Included in staff costs are contributions paid or payable by SCIAF to the fund which amounted to £68,373 in 2013 (2012: £50,606).

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.

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

9. Tangible fixed assets

	Heritable property	Fixtures & fittings	Computer equipment	Total 2013
Cost:	£	£	£	£
At 1 January 2013	484,450	90,461	211,778	786,689
Additions	-	516	12,074	12,590
Disposals	-	-	(45)	(45)
At 31 December 2013	<u>484,450</u>	<u>90,977</u>	<u>223,807</u>	<u>799,234</u>
Depreciation:				
At 1 January 2013	119,237	85,063	186,837	391,137
Disposals	-	-	(23)	(23)
Charge for the year	7,304	1,479	18,496	27,279
At 31 December 2013	<u>126,541</u>	<u>86,542</u>	<u>205,310</u>	<u>418,393</u>
Net book value				
At 31 December 2013	<u>357,909</u>	<u>4,435</u>	<u>18,497</u>	<u>380,841</u>
At 31 December 2012	<u>365,213</u>	<u>5,398</u>	<u>24,941</u>	<u>395,552</u>

There are no capital commitments at the year end (2012: £Nil)

10. Investments

	2013	2012
	£	£
Valuation at 1 January	3,214,404	2,921,127
Acquisitions	331,508	1,019,374
Disposals	(496,586)	(930,282)
Market valuation movement in year	258,020	204,185
	<u>3,307,346</u>	<u>3,214,404</u>
Cash deposits	302,209	165,586
Valuation at 31 December	<u>3,609,555</u>	<u>3,379,990</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 £302,209 (2012: £165,586).

Analysis of investments at market value	2013	2012
	£	£
Listed investments		
United Kingdom bonds	1,385,701	1,542,672
United Kingdom equities	1,050,531	844,769
Overseas equities and bonds	827,965	790,090
Property	43,149	36,873
	<u>3,307,346</u>	<u>3,214,404</u>
Cash deposits	302,209	165,586
	<u>3,609,555</u>	<u>3,379,990</u>
Historic cost	<u>3,029,940</u>	<u>2,970,690</u>

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

11. Current liabilities: amounts falling due within one year

	2013	2012
	£	£
Trade creditors	19,587	11,889
PAYE & NIC	29,050	26,968
Accrued expenses	65,036	26,312
	<u>113,673</u>	<u>65,169</u>

12. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total 2013
	£	£	£
Tangible fixed assets	380,841	-	380,841
Investments	3,609,555	-	3,609,555
Net current assets	3,941,589	1,237,548	5,179,137
Total net assets	<u>7,931,985</u>	<u>1,237,548</u>	<u>9,169,533</u>

13. Movement in funds

Fund Name	At 1 Jan 2013	Incoming resources	Resource s expended	Transfer	Gains & losses	At 31 Dec 2013
	£	£	£	£	£	£
Unrestricted:						
Designated Operational Reserve Fund	1,252,603	-	-	105,830	-	1,358,433
Emergency Response Fund	500,000	-	-	-	-	500,000
Investment Revaluation Reserve	467,463	-	-	-	258,020	725,483
Overseas Aid Reserve	2,285,555	-	-	(107,703)	-	2,177,852
	<u>4,505,621</u>	<u>-</u>	<u>-</u>	<u>(1,873)</u>	<u>258,020</u>	<u>4,761,768</u>
General	3,709,416	3,841,265	(4,232,852)	(140,628)	(7,344)	3,170,217
Total unrestricted	<u>8,215,037</u>	<u>3,841,265</u>	<u>(4,232,852)</u>	<u>(142,141)</u>	<u>250,676</u>	<u>7,931,985</u>
Restricted						
Donations	231,627	1,563,226	(924,739)	130,769	-	1,000,883
Real gifts	384,315	349,217	(338,626)	-	-	394,906
Government & institutions	(417,144)	1,971,345	(1,723,814)	11,372	-	(158,241)
Total Restricted	<u>198,798</u>	<u>3,883,788</u>	<u>(2,987,179)</u>	<u>142,141</u>	<u>-</u>	<u>1,237,548</u>
Total funds	<u>8,413,835</u>	<u>7,725,053</u>	<u>(7,220,031)</u>	<u>-</u>	<u>250,676</u>	<u>9,169,533</u>

The Operational Reserve Fund is, in the opinion of the directors, required to ensure that SCIAF is able to continue operations in the event of dramatic unforeseen events,

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

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.

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 31st 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 2013. 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 2013, balances held were for the following purposes:

	2013	2012
	£	£
Africa programme	9,566	(198,899)
Asia programme	1,056,584	203,255
Latin America programme	(87,441)	22,357
Other	258,839	172,085
	<u>1,237,548</u>	<u>198,798</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 restricted funds. These programme grants are in deficit by £158,241 at 31 December 2013 as detailed below:

	2013	2012
	£	£
Programme grants in surplus:		
UK programme	40,000	-
Programme grants in deficit:		
Great Lakes programme – EU	-	(107,997)
DPA programme	(13,144)	-
JRS Thailand programme	-	(26,660)
REST programme	-	(21,349)
SEM programme	(42,725)	(48,484)
Great Lakes programme - DFID	(19,823)	-
Kulima programme	-	(171,188)
Caritas India programme	-	(38,866)
Malawi Trocaire programme	(108,105)	(2,600)
Malawi Mangoche programme	(14,444)	-

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

(158,241) (417,144)

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 2013 the company had aggregate annual commitments under non cancellable operating leases for computer equipment as set out below:

	2013	2012
	£	£
Operating leases which expire:		
Within 1 year	11,485	-
Within 2 to 5 years	940	12,425
	<u>12,425</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 £408,344 (2012: £374,592). 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 (2012:£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 (2012: £Nil).