

**Company number: SC197327**

**Charity number: SC012302**

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

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2020**

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
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**Strategic Report for the year ended 31 December 2020**

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

**ACTIVITIES AND ACHIEVEMENTS**

**1 REDUCING POVERTY & INJUSTICE OVERSEAS**

- 1.1 Working in partnership
- 1.2 COVID-19 response
- 1.3 Institutional funding
- 1.4 Structural change
- 1.5 Best practice & accountability

**2 ADVOCATING FOR CHANGE**

**3 EDUCATING FOR CHANGE**

- 3.1 Reflect
- 3.2 Act
- 3.3 Give

**1. REDUCING POVERTY & INJUSTICE OVERSEAS**

**1.1. Working in Partnership**

As a Catholic development agency, SCIAF draws its inspiration from the rich heritage of its religious tradition, including the Bible and Catholic Social Teaching. SCIAF's work is guided by the Caritas Partnership Principles, and we are committed to a partnership-based model of working. In our development and emergency work, we collaborate with local partners, combining our skills and capacities to achieve the best possible results. Our partners are primarily the national or local Caritas, or other Church bodies, though we sometimes look for other suitable local partners.

During 2020 we completed the final year of the 2016 - 2020 Strategic Plan. We continued to work with our partners in **14 programme countries** to support development interventions and respond to emergency needs, responding to major humanitarian crises outside these countries as part of the Caritas Internationalis Confederation. We worked with **over 90 partners** around the globe to address both the consequences and the causes of poverty, injustice and humanitarian crises. In total, around **2.2 million people** benefited directly and indirectly from SCIAF's international partnerships.

**Development Projects**

- We supported 96 development projects in 19 countries
- In addition to our 14 programme countries, we supported missionary projects and the Caritas International Regional Offices in an additional five countries
- Around 175,000 people (just over 50% female) directly participated in the development projects we supported and over 1,850,000 indirectly benefited

**Emergency Response**

- We supported over 45 emergency response interventions in 20 countries
- Around 90,000 people (over 50% women) participated directly in these emergency interventions, and more than 375,000 indirectly benefited
- SCIAF continued to work with CAFOD on our Joint Programme on Syria, supporting partners in Homs, Hamma, Aleppo and Idleb in Syria; Beirut, Tripoli and the Beeka Valley in Lebanon; and Aman in Jordan
- We supported responses to the Beirut Port Explosion, the crisis in Yemen, and emergencies in Bangladesh, Colombia, Mozambique, and Pakistan.

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**Strategic Report for the year ended 31 December 2020 (continued)**

**1.2 COVID-19 Response**

2020 was an exceptional year – the first time we have been affected by the same emergency as our partners, facing a global pandemic. COVID-19 impacted our work and the work of our partners in many ways. From mid-March, we were no longer able to travel and directly monitor our projects, and no longer able to work from the SCIAF office. Our partners' work with communities was increasingly disrupted by restrictions on travel and gatherings. Methods, therefore, had to be adjusted and we had to find and test innovative ways of reaching out and working with people.

We moved quickly to support our partners and the communities they work with, making funds available from our reserves for cost extensions and COVID-19 directed interventions. Although official figures state that COVID-19 had a limited impact on most of our programme countries, poor surveillance systems mean numbers are most likely under-reported. In total, 41% of partners requested a cost extension to their existing project due to COVID-19, and SCIAF supported 22 COVID-19 projects, providing over £210,000. In Malawi we supported the Catholic Church's national COVID-19 response. And in India we supported Caritas India and partner IGSS to assist 11,000 slum dwellers and migrants with food provision, protection and sanitation kits, and to help inform communities on COVID-19 prevention and protection. Several of our partners thanked SCIAF for our flexibility and the additional resources provided during the initial stages of the COVID-19 crisis.

**1.3 Institutional Funding**

We continued our successful record of raising funding from major institutional donors, allowing us to maintain the scale and scope of our work. We continued our long-term collaboration with the Scottish Government in Malawi and Zambia; completed our joint project with Islamic Relief in north west Syria; and secured new Scottish Government support for emergency projects in DRC through the Humanitarian Emergency Fund. We continued our work with DfID, concluding our UK Aid Match project in Ethiopia, and secured funds for projects in South Sudan and DRC. We successfully completed the EU-funded *Hope for Youth* project in Malawi, and continued our partnership with the Catholic Commission for Justice and Peace (CCJP) in Malawi with EU financial support. We were successful in securing support from the Jersey Government for a project that will develop pastoralist dairy market systems in Ethiopia, and from the Guernsey Government for livelihoods work in Rwanda. In total £3,016,000 of new funding was secured in 2020 for overseas projects.

We consider our institutional funders important allies in our work, and we aim to develop and maintain effective partnerships with them. In 2020, all reports were delivered on time to our institutional funders, and we continue to build good working relationships with them.

**1.4 Structural Change**

We continued to support efforts to shift power and resources to organisations in the 'global South' for development and emergency work. We continued as a signatory of the Charter4Change (C4C) alliance, pushing for increased direct funding for southern-based emergency responders, and a greater role for them in policy making for humanitarian action. In 2020, SCIAF provided funding for the new C4C Secretariat in India.

We are keen to support partners to access institutional funding directly, and in 2020 we collaborated with the University of Glasgow to secure £150,000 for emergency COVID-19 work by Caritas Quibdo, in Colombia.

**1.5 Best Practice & Accountability**

We maintained our commitment to meeting sector 'best practice' standards, implementing the actions set out in our improvement plan for our accreditation with the Core Humanitarian Standards. We continued to emphasise the mainstreaming of safeguarding within our projects and by our partners, and we put in place improved feedback and complaints procedures within SCIAF.

We continue to enhance our monitoring, evaluation, learning and accountability to stakeholders. In 2020, we continued to capture project ratings from external evaluations and internal reviews. By the end of the year, 60 projects had been rated, with 77% scored A or above, meaning they had achieved or exceeded their planned outcomes.

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We continue to learn and innovate where we can to improve the effectiveness and impact of our interventions. One example has been a new partnership with Rugby 4 Peace in Chocó, Colombia, using a methodology developed by the University of Brighton. In responding to the challenges that the COVID-19 pandemic has brought we have demonstrated both agility and resilience.

We played an active role in the Caritas Confederation both globally with *Caritas Internationalis* and regionally with *Caritas Europa*. This gives us access to deep reserves of expertise and knowledge, as well as the global reach and local expertise of our confederation. In 2020, SCIAF staff played key roles in the Caritas Confederation's global effort to ensure children and vulnerable adults are safe and protected during our interventions, and participated in a range of activities to ensure effective use of resources, raise the quality of our responses, and give us a stronger voice for change.

**1.6 Strategic Change**

As part of the new strategy for 2021 – 2025, SCIAF is reducing the number of programme countries from 14 to seven. This process began in 2020, and will be completed by 2022, giving us sufficient time to end our support, often for long-term partners, in a responsible and predictable manner. Plans have been agreed for exit grants and support for additional capacity strengthening where appropriate.

Exiting from these countries will allow us to strengthen the depth and breadth of our work in the remaining seven countries. However, ending partnerships with so many long-standing and committed partners – and the communities they serve – has been difficult. Many are large, capable organisations; but for some, our departure will be challenging. Throughout our dialogues we have been impressed with their resilience and generosity of spirit, appreciating our reasons and looking to see how best to prepare for the future.

**2. ADVOCATING FOR CHANGE**

2020 was a tumultuous year, so our advocacy efforts focused keenly on producing a brighter future for the planet and people everywhere, both at the UK and Scottish government level. As the pandemic developed, we emphasised what a Green and Just Recovery from COVID-19 should look like, highlighting our key messages through various routes, including parliamentary briefings and debate inputs, meetings with MPs, and contributing to various consultations on the impact of COVID-19. We were also key members of Stop Climate Chaos Scotland (SCCS), co-authoring a report on financing climate justice. To provide a voice for international climate justice in their parliamentary engagement, we also developed a 'Just and Green Recovery Campaign'.

We also actively objected to the FCDO/DfID merger, and had the opportunity to participate in the Scottish Government review of its approach to International Development. Towards the end of the year we started to advocate on the proposed cut of the aid budget from 0.7 to 0.5% GNI.

Over the course of the year, politicians used our language in written and oral inputs, expressed support for our positions in parliamentary debates and in Committees in Holyrood and Westminster, and our work was commended.

The move to online meetings provided a new opportunity to ensure our partners' voices were heard directly by decision-makers here in Scotland. Our partners inputted into the additional roundtables organised by the Scottish Government for its review, and also took part in a Cross-Party Group meeting at the Scottish Parliament on COVID-19 recovery.

We also continued to provide support for advocacy projects in Uganda and Zambia. In early 2021, we helped facilitate an advocacy win for our Ugandan partner Caritas Lugazi, as they secured an agreement from local government officials to hold regular meetings with farmers to discuss and agree the provision of agricultural extension services.

**3. EDUCATING FOR CHANGE**

Our work in Scotland is focused on explaining the realities of life in developing countries and how – as the official overseas development arm of the Catholic Church – we deliver our work. We also explain why we believe our focus on Integral Human Development is the best way to permanently improve the lives of our sisters and brothers living in some of the poorest parts of the world. We reach out to our audience in schools and parishes, to individuals who support us regularly, and to a broader

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**Strategic Report for the year ended 31 December 2020 (continued)**

audience more widely through a variety of media, explaining our purpose, asking for support and reporting back on how lives have been changed. Our objective is to inspire Catholics in Scotland to reflect on their faith and put it into action through prayer, campaigning, and the giving of time and money to help others.

**3.1 Reflect**

Our Development Education has traditionally focussed on schools, working with volunteers to develop topics that can be delivered in school assemblies or as part of the curriculum. We work closely with the Scottish Catholic Education Service (SCES) and primary and secondary teachers to deliver appropriate materials as part of the curriculum.

In 2020, much of this work went online as schools and offices closed due to lockdown. Nevertheless, we delivered Continuous Professional Development (CLPL modules) for more than 300 teachers, explaining Pope Francis' encyclical *Laudato Si'* in partnership with SCES and Justice & Peace Scotland. A number of new resources were created: Water is Life for primary schools; a senior school resource on sexual gender-based violence, based on our 2020 Lent Appeal; and a Children's Liturgy for parishes.

We delivered a series of online workshops focusing on Pope Francis' message on the "Cry of the Poor and the Cry of the Earth" and what we can do to respond. These had an excellent reach with Catholics from across Scotland meeting and engaging with each other to build strong bonds, share ideas and take joint action.

**3.2 Act**

Prayer is a key form of action and we developed a number of prayer and reflection materials for Lent and Advent. In November, we ran a prayer event for teachers with Fr Jim Lawlor and SCES as part of 'Catholic Education Week'.

In September, we launched #buildbackbetter, a campaign which encouraged more than 1,000 people to sign our open letter calling on the Prime Minister and First Minister to implement a green recovery from COVID-19 – one that protects the planet, and promotes the dignity of people everywhere. Supporters were also invited to take part in a large-scale lobby of MSPs in November ahead of the Scottish Government's Budget.

We celebrated 'Season of Creation Month' with a series of online calls, allowing our supporters to take part in this worldwide event and respond to Pope Francis' call to 'Care for our Common Home'. This was a collaboration with Eco-Congregation Scotland, Justice and Peace and others – a silver lining from the pandemic.

**3.3 Give**

At the start of 2020 we worked to identify a new fundraising proposition – the message we use to persuade our audience to support SCIAF's work. After wide consultation, we felt the issue at the heart of injustice is that "Poverty kills the poorest people first". We launched our first campaign on this theme in the summer, and returned to it for our Advent appeal and Real Gifts sales at Christmas. Substantial increases were achieved in giving and through the support of more than 1,000 new donors.

Our Lent campaign was one of the most powerful we have ever launched, focusing on a number of women in the Democratic Republic of Congo (DRC) who had suffered appalling sexual gender-based violence. Many had been made HIV positive and suffered from fistula through rape. Some had seen husbands tortured and killed. All had been shunned in their communities. We launched this

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difficult topic with some concerns but received very positive feedback for raising the subject. When the pandemic prevented churches from celebrating mass on the 4th (SCIAF) Sunday, we were amazed and humbled by the support and generosity of our supporters. Many gave to the appeal twice and some made extraordinary donations to replace their parish giving. With some additional fundraising in September our supporters donated £1.45m, with a further £1.2m to support the project in the DRC through UK Aid Match.

Overall our generous supporters gave almost £5,000,000 to support our work.

We received one complaint from a supporter in 2020, which was resolved by us to the satisfaction of the complainer (so much so they went on to reinstate their direct debit). We are aware of no complaints about SCIAF to external bodies.

Apart from one piece of negative feedback about our climate change narrative, feedback throughout the year was largely positive. In particular, the Lent WEE BOX, Big Change Appeal went well with a supporter contacting us to say the Scotland Tonight coverage "couldn't have been better" and words of thanks and encouragement from supporters for SCIAF highlighting the issue and impacts of sexual violence.

We incorporated our current Supporter Complaints Policy into the new organisation-wide Complaints Handling Mechanism described above in the "Accountability" section. This is now implemented, with related information now available on the SCIAF website.

**FINANCIAL REVIEW**

**Results for the year**

The result for the year before gains on assets was net income of £51,494 (2019 net expenditure of £254,510).

**Principal funding sources**

The charity's main source of income is voluntary income from individuals. Total donations and legacy income was £5,120,906 (2019: £3,977,044). This represents a return to normal levels after a very poor year in 2019. Lent income was much higher, helped by the return of UK Aid Match, and might well have been even higher since the churches were shut for SCIAF Sunday. There was also one very large legacy of £500,000. Restricted donations (given for a particular purpose or appeal) in the year totalled £482,183 (2019 £663,831); Real Gifts was the bulk of this and our only appeal this year was for the explosion in Beirut. SCIAF also received £2,720,514 (2019: £2,943,033) of institutional funding for overseas relief and development. Our largest institutional donors were the UK Foreign Commonwealth and Development Office (formerly Department For International Development), the Scottish Government, and Jersey Overseas Aid, with smaller amounts from Guernsey and the European Union. This year we also received small grants from HM Treasury (the furlough grant) and Rockefeller Philanthropies, for work in Scotland.

**Principal expenditure**

The charity's main expenditure is on international programmes. Total expenditure was £7,926,344 (2019: £8,710,955) with international programmes making up £6,011,953 (2019: £6,792,564). The reduction in expenditure is a result of the successful completion of our reserves reduction plan, with reserves now close to target.

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**Reserves policy**

The Board reviewed the Reserves Policy and agreed a new Policy in September 2019. The Policy is concerned with Free Reserves, which are defined as Unrestricted Reserves less the net value of Fixed Assets, since these are the reserves available to meet the general obligations and needs of the charity

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

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

The reserves target therefore consists of two parts: that for SCIAF to sustainably maintain its operations (contingency & liquidity, the latter reduced by 15% to allow for the element that would not coincide with the former), and the working capital required by SCIAF to implement Government-funded projects. Based on the approved budget for 2021, the general operations target is £2,627,000 (2019 £2,106,000) and the government-funding target is £1,311,000 (2019 £1,258,000). This is a total of £3,937,000 (2020 £3,364,000), which is £62,000 higher (2020 £487,000 lower) than the General Fund of £3,875,000.

The General Fund excludes the value of the fixed assets and the unrealised increase in value of our investments.

**Investment policy**

SCIAF's investment policy was developed by the Board of Directors to enable SCIAF to maximise the potential income from funds held at any time, while minimising the risk of loss of value. Funds are split between interest bearing current accounts, and medium-term stock exchange investments. The latter are managed for SCIAF by Aberdeen Standard Capital. Investments are required to meet strict ethical guidelines, consistent with the work and beliefs of SCIAF. At the end of 2020, the funds invested had a market value of £2,757,779 (2019: £3,526,805). During 2020 a net amount of £1,000,000 was transferred from the short-term element of the portfolio to our liquidity management account with Flagstone.

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 9% and the portfolio return for the year to 31 December 2020 was 9.1% in a very volatile year where our conservative approach did very well.

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

- a) Price risk: SCIAF is exposed to price risk as a result of its operations. However, given the size of its operations, the cost of managing exposure to price risk exceeds the potential benefits
- b) Credit risk: SCIAF's income is mainly either from donations, which does not have a credit risk, or from public bodies that are viewed overall by the directors as being low credit risk. Included within this are some non-government bond investments as part of the investment portfolio that have a medium credit risk. The amount of exposure is reassessed regularly by the Board



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**Strategic Report for the year ended 31 December 2020 (continued)**

- c) Liquidity risk: SCIAF maintains short-term cash that is designed to ensure that it has sufficient funds for its operations
- d) Variable interest - rate risk: placement of cash is regularly monitored.
- e) SCIAF's development and aid work is funded by donations received in sterling but the costs incurred are in local currency in the countries in which we work. As a result the amount of support we can give to partners is subject to foreign exchange risk. We are exploring whether SCIAF might itself take on some of this risk to give our partners greater certainty.

**Risk Management**

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

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

**Partners Overseas**

In 2020 SCIAF worked with and provided funding for the following partners

**Bangladesh**

Caritas Bangladesh

**Burundi**

Agakura Agricultural Training Centre

Nduwamahoro

ONKIDI

**Cambodia**

Development & Partnership in Action

Caritas Cambodia

**Colombia**

Caritas Colombiana (SNPS)

Diocese of Istmina-Tado (SEPAS-Istmina Tadó)

Pastoral Social Diocesis de Quibdó (SEPAS-Quibdó)

Secretariado Diocesano de Pastoral Social, Diócesis de Apartadó (SEPAS-Apartadó)

Fundacion Buen Punto

**Democratic Republic of the Congo**

BDOM

Commission Diocesan Justice et Paix Bukavu

Commission Diocesan Justice et Paix Uvira

Judicial Support Association for Victims of Violence (AJV)

Popoli Fratelli

OLAM

**El Salvador**

Asociacion Servicio Solidario CVX

Centro Salvadoreno de Tecnologia Apropiada (CESTA)

**Ethiopia**

CAFOD, SCIAF & Trocaire Working Together (joint office)

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Partners Overseas (continued)**

**Fiji**

Missionary Sisters of the Society of Mary

**Haiti**

Centre D'Appui Pedagogique

Groupe d'Appui an Developpement Rural (GADRU)

Institute of Technology & Animation (ITECA)

**India**

Caritas India

Humanitarian Aid International

Indo Global Social Service Society

**Indonesia**

Caritas Karina

**Italy**

Association Terra Sancta (ATS)

**Kenya**

Franciscan Missionary Sisters for Africa

**Lebanon**

Caritas Lebanon

**Malawi**

CADECOM Malawi

CADECOM Mangochi

CCJP Malawi

Episcopal Conference of Malawi ECM

Trocaire Malawi

**Nicaragua**

Trocaire Nicaragua/Caritas Nicaragua

Centro de Comunicacion y Educacion Popular (Cantera)

Familias Especiales de Santa Julia Billiart

Federacion para el Desarrollo Integral Entre Campesinos (FEDICAMP)

**Pakistan**

Caritas Pakistan

**Rwanda**

CDJP Cyangugu

CDJP Kabgayi

CDJP Kigali

CEJP Rwanda

**South Sudan**

Caritas South Sudan

Mundri Relief & Development Association (MRDA)

Sudan Evangelical Mission (SEM)

**Uganda**

Caritas Lugazi

Caritas Uganda

Comboni Samaritans of Gulu

Sustainable Agriculture for Rural Development Network (SARD-Net)

**United Kingdom**

Catholic Agency for Overseas Development (CAFOD)

ABColumbia

Survive Miva

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**Strategic Report for the year ended 31 December 2020 (continued)  
Partners Overseas (continued)**

**Zambia**

Caritas Livingstone  
Caritas Mongu  
Caritas Solwezi  
Caritas Zambia  
Kasisi Agricultural Training Centre (KATC)

**International**


Caritas Internationalis  
Caritas Africa  
Caritas Asia  
Caritas MONA

**PLANS FOR THE FUTURE**

Under the new strategy 2021-25, with the number of countries in which we work reduced to seven and with the appropriate structure in place, the main focus of 2021 is to determine our country strategies for each of those countries. These will: build on the strong partnerships that we already enjoy; will concentrate on helping people live in safer and more just communities, improve their livelihoods and ability to provide for the families and loved ones sustainably, and build strong advocacy strategies to help the people we serve influence the authorities and policies that affect them, and ensure our international advocacy efforts reflect the people's priorities and amplify their voices.

Continuing the fundraising work we began last year, using the proposition that "poverty kills the poorest work", we have an ambitious fundraising target for the duration of the new strategy and are aligning all our public engagement activities to ensure this is achieved. We continue to actively look for efficiency saving wherever possible and will continue to look for improvements and investments in the organisation to ensure it optimised to achieve the strategy.

Approved by the Directors and signed on their behalf by:

DocuSigned by:  
  
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Rt. Rev. J.A. Toal  
President

June 17<sup>th</sup> 2021

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
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**Report of the Directors for the year ended 31 December 2020**

The Directors present their annual Directors' report and the audited financial statements of the charity for the year ended 31 December 2020 which are prepared in accordance with the requirements for a Directors' report and accounts for Companies Act purposes.

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

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

**Organisational structure**

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

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

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

**Recruitment and appointment of Directors**

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

**Induction and training of directors**

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

**Finance and Audit Committee**

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

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**Report of the Directors for the year ended 31 December 2020 (continued)**

**Public Engagement Committee**

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

**Integral Human Development Committee**

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

**Pay policy for senior staff**

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

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

**Related parties**

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

**Reference and administrative details**

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

**Our advisors:**

**Auditors:** Wylie & Bisset (Audit) Limited, 168 Bath Street, Glasgow G2 4TP  
**Solicitors:** McSparran McCormick, Waterloo Chambers,  
19 Waterloo Street, Glasgow, G2 6AH  
**Investment advisors:** Aberdeen Standard Capital Limited, 1 George Street, Edinburgh, EH2 2LL  
Flagstone, Clareville House, 26-27 Oxendon Street, London SW1Y 4EL

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

**Report of the Directors for the year ended 31 December 2020 (continued)**

**Reference and administrative details (continued)**

**Bankers:** Royal Bank of Scotland, Glasgow Charing Cross Branch,  
9 Clifton Place, Glasgow, G3 7JU  
Barclays Bank, 120 Bothwell Street, Glasgow, G2 7JT

**Key management personnel: Board of Directors**

Right Rev J. A. Toal (President)	Right Rev W. Nolan
Right Rev B McGee	Most Rev L. Cushley
Right Rev J Keenan	Prof M. Mannion
Prof J Gallagher	Prof D. MacLaren (to September 2020)
L McMillan	T Mapenzi (from September 2020)

**Secretary**

McSparran McCormick, Solicitors

**Key management personnel: Senior Management Team**

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

**Finance & Audit Committee**

Prof Jim Gallagher (Chair)  
Iain Marley  
Joseph Hughes  
Lorraine McMillan  
James Muir (to December 2020)

**Outreach & Fundraising Committee**

Prof Mike Mannion (Chair)  
Jeremy Prall (to December 2020)  
Eric Grounds  
Philippa Bonella

**Integral Human Development Committee**

Prof Duncan MacLaren (Chair, to September 2020)  
Therese Mapenzi (Chair, from September 2020)  
Jane Salmonson  
Alison O'Connell  
Fr. Leonard Chiti

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

**Report of the Directors for the year ended 31 December 2020 (continued)**

**OBJECTIVES AND ACTIVITIES**

**Our mission**

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

**Our objectives**

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

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

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

**Strategies**

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

**Grants Policy**

Development grants are made to approved Partners in our priority countries, for projects developed with input from SCIAF which fall within the three strategic objectives in our Strategic Focus 2021 – 2025: Peaceful and Just Communities and Sustainable Resilient Livelihoods and a Flourishing Environment for All. Additional grants are made in response to emergencies that are brought to our attention by the Caritas network or one of our other partners.

**Use of volunteers**

Volunteers are vital in SCIAF's work, at headquarters, in communities around Scotland, and overseas. Office Volunteers gave over 1600 hours of effort during the year. Our 12 schools specific volunteers received training at the start of the year on our WEE BOX plans and resources and participated in a smaller number of school visits (than normal) in light of the up-coming lockdown measures. Throughout lockdown a number of volunteers have created videos for us on social media, taken part in Q&A events, written prayers and reflections for resources. SCIAF currently has 86 parish reps that are our supporters within the parishes. They work with their parish with their priest to ensure that all information SCIAF related is passed onto the other parishioners either in person or via social media. When they able to, they hold coffee mornings and lunches to fundraise for SCIAF, they sell real gifts on behalf of SCIAF during advent and deliver Lent talks in their own and nearby parishes. All volunteers working with children or other vulnerable groups are checked with Disclosure Scotland as part of our safeguarding policy.

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

**Report of the Directors for the year ended 31 December 2020 (continued)**

**Statement of Directors' responsibilities**

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

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

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

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


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

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

The Directors confirm that:

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

Approved by the Directors and signed on their behalf by:

DocuSigned by:  
  
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Rt. Rev. J.A. Toal  
President  
17<sup>th</sup> June 2021



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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF SCOTTISH CATHOLIC  
INTERNATIONAL AID FUND FOR THE YEAR ENDED 31 DECEMBER 2020**

**Opinion**

We have audited the financial statements of The Scottish Catholic International Aid Fund (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, Balance Sheet, the Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020, and of the Charity's incoming resources and application of resources, for the year 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 Charities and Trustees Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect of going concern are described in the relevant sections of this report.

**Other information**

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF SCOTTISH CATHOLIC  
INTERNATIONAL AID FUND FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

**Other information (continued)**

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

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 15, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

We have been appointed as auditor under section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF SCOTTISH CATHOLIC INTERNATIONAL AID FUND FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

**Explanation as to what extent the audit was considered capable of detecting irregularities including fraud**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks or material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following;

- The nature of the charity, the environment in which they operate and the control procedures implemented by management and the trustees; and
- Our enquiries of management and trustees about their identification and assessment of the risks of irregularities.

Based on our understanding of the charity and the sector we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- Regulations and legislation pertinent to the charity's operations; and
- UK tax and employment legislation

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006. We evaluated management and trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks of the charity were related to;

- Posting inappropriate journal entries;
- Management bias in accounting estimates;

**Audit response to the risks identified:**

Our procedures to respond to the risks identified included the following;

- Gaining an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, trustees and legal advisors concerning actual and potential litigation and claims;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC;
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; evaluating rationale of any significant transactions that are unusual or outside the normal course of business;

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.


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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF SCOTTISH CATHOLIC  
INTERNATIONAL AID FUND FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

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

**Use of our report**

This report is made solely to the Charitable Trustees, as a body, in accordance with section 44(1) (c) of the Charities and Trustees Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
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Jenny Simpson (Senior Statutory Auditor)  
For and on behalf of Wylie & Bisset (Audit) Limited, Statutory Auditor  
168 Bath Street  
Glasgow  
G2 4TP

21<sup>st</sup> June 2021

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2020**

		2020			2019		
	Note	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
<b>Income</b>							
<i><b>Donations and legacies</b></i>							
Lenten donations		1,448,532	-	1,448,532	936,237	-	936,237
Other donations		1,847,736	482,183	2,329,919	1,730,476	663,831	2,394,307
Legacies		1,342,455	-	1,342,455	646,500	-	646,500
<b>Total donations and legacy income</b>		<b>4,638,723</b>	<b>482,183</b>	<b>5,120,906</b>	<b>3,313,213</b>	<b>663,831</b>	<b>3,977,044</b>
<i><b>Income from charitable activities</b></i>							
Institutional funding – international programmes	<b>1</b>	149,883	2,570,631	2,720,514	187,174	2,755,859	2,943,033
Institutional funding – UK staffing	<b>1</b>	-	55,015	55,015	-	-	-
<i><b>Income from trading activities</b></i>							
Sale of goods & resources		6,242	-	6,242	10,267	-	10,267
<i><b>Investment income – dividends and interest received</b></i>							
Net gain on disposal of Fixed Assets		-	-	-	1,418,038	-	1,418,038
<b>Total income</b>		<b>4,870,009</b>	<b>3,107,829</b>	<b>7,977,838</b>	<b>5,036,755</b>	<b>3,419,690</b>	<b>8,456,445</b>
<b>Expenditure</b>							
<i><b>Total Expenditure on raising funds</b></i>	<b>2</b>	1,079,389	34,582	1,113,971	983,062	-	983,062
<i><b>Expenditure on charitable activities</b></i>							
International programmes	<b>4a</b>	3,012,005	2,999,588	6,011,593	3,628,016	3,164,548	6,792,564
Advocacy	<b>4c</b>	196,666	634	197,300	266,074	-	266,074

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

Communication & education	<b>4b</b>	582,203	21,277	603,480	669,255	-	669,255
<b>Total Charitable expenditure</b>		3,790,874	3,021,499	6,812,373	4,563,345	3,164,548	7,727,893
<b>Total expenditure</b>		<b>4,870,263</b>	<b>3,056,081</b>	<b>7,926,344</b>	<b>5,546,407</b>	<b>3,164,548</b>	<b>8,710,955</b>
<i>Net income/(expenditure) for the year before transfers and other gains and losses</i>		(254)	51,748	51,494	(509,652)	255,142	(254,510)
Net gain on investments		178,695	-	178,695	388,157	-	388,157
<b>Net expenditure</b>		178,441	51,748	230,189	(121,495)	255,142	133,647
Transfer between funds		-	-	-	(25,237)	25,237	-
<b>Net movement in funds</b>		178,695	51,748	230,189	(146,732)	280,379	133,647
<b>Reconciliation of funds</b>							
Total funds brought forward		4,684,387	619,175	5,303,562	4,831,119	338,796	5,169,915
<b>Total funds carried forward</b>	<b>15</b>	<b>4,862,828</b>	<b>670,923</b>	<b>5,533,751</b>	<b>4,684,387</b>	<b>619,175</b>	<b>5,303,562</b>

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


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

**BALANCE SHEET**

**As at 31 December 2020**

	Note	2020 £	2019 £
<b>Fixed Assets</b>			
Tangible assets	9	268,774	294,898
Investments	10	2,757,779	3,526,805
		<u>3,026,553</u>	<u>3,821,703</u>
<b>Current Assets</b>			
Stock	11	20,713	20,398
Debtors	12	598,018	691,798
Cash on deposit and on hand	2	2,172,640	1,103,001
		<u>2,791,371</u>	<u>1,815,197</u>
<b>Current liabilities:</b> amounts falling due within one year	13	<u>(284,173)</u>	<u>(333,338)</u>
<b>Net Current Assets</b>		<u>2,507,198</u>	<u>1,481,859</u>
<b>Net Assets</b>		<u>5,533,751</u>	<u>5,303,562</u>
<b>Reserves</b>			
Unrestricted Reserves	15	4,143,616	4,145,214
Restricted Reserves	15	670,923	619,175
Investment Revaluation Reserve	15	719,212	539,173
		<u>5,533,751</u>	<u>5,303,562</u>

Approved and authorised for issue by the Board of Directors on 17<sup>th</sup> June 2021 and signed on its behalf by

DocuSigned by:  
  
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Rt Rev J A Toal (President)  
 Director

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

Company registration number: SC197327

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Notes</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
<b>Net cash released by/(used in) operating activities</b>	<b>1</b>	63,341	(943,896)
<b>Cash flows from investing activities</b>			
Dividends and interest from investments		75,161	108,063
Proceeds from sale of property, plant and equipment		-	1,726,671
Purchase of property, plant and equipment		(16,584)	(267,923)
Purchase of investments		(328,105)	(408,230)
Decrease/(increase) in investment cash deposits		843,071	(979,605)
Proceeds from sale of investments		432,755	1,401,888
<b>Net cash released by investing activities</b>		<b>1,006,298</b>	<b>1,580,864</b>
Increase/(Decrease) in cash and cash equivalents in the reporting period		1,069,639	636,968
Cash and cash equivalents at the beginning of the reporting period		1,103,001	466,033
Cash and cash equivalents at the end of the reporting period	<b>2</b>	<b>2,172,640</b>	<b>1,103,001</b>

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Net movement in funds	230,189	133,647
Depreciation charges	42,708	27,124
(Gain)/Loss on investment assets	(178,695)	(388,157)
Gain on sale of fixed assets	-	(1,418,038)
Investment income	(75,161)	(108,063)
Decrease/(Increase) in stock	(315)	7,030
Decrease/(Increase) in debtors	93,780	629,133
Increase/(Decrease) in creditors	(49,165)	173,428
<b>Net cash (used in) operating activities</b>	<b>63,341</b>	<b>(943,896)</b>

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

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	2,172,640	1,103,001
	<b>2,172,640</b>	<b>1,103,001</b>



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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. Incoming resources from charitable activities**

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
<b>Government Grants</b>				
<b>Foreign Commonwealth and Development Office</b>				
Africa – Aid Match	-	-	-	33,760
Ethiopia – Aid Match	6,271	-	6,271	390,659
Cambodia – Aid Match	36,091	522,448	558,539	469,677
<b>HM Revenue &amp; Customs. Furlough</b>	-	39,457	39,457	-
<b>Scottish Government</b>				
Zambia	24,310	275,690	300,000	380,000
Malawi Contract	65,383	1,331,611	1,396,994	1,255,670
Humanitarian Emergency Fund	-	16,000	16,000	210,001
<b>Guernsey Overseas Aid Commission</b>				
D R Congo	-	-	-	39,921
Rwanda	-	46,165	46,165	-
<b>States of Jersey</b>				
Ethiopia	10,000	273,047	283,047	-
<b>Government Grants Total</b>	<b>142,055</b>	<b>2,504,418</b>	<b>2,646,273</b>	<b>2,779,688</b>
European Commission Malawi	7,828	105,670	113,498	163,345
Rockefeller Philanthropies	-	15,558	15,558	-
<b>Total</b>	<b>149,883</b>	<b>2,625,646</b>	<b>2,775,529</b>	<b>2,943,033</b>

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

**2. Expenditure on Raising Funds**

	Direct Costs £	Support Costs £	Total 2020 £	Total 2019 £
Fundraising campaigns	356,846	-	356,846	256,143
Salaries and other staff costs	459,245	130,319	589,564	542,582
Travel	38,908	1,246	40,154	42,031
Professional fees	-	1,474	1,474	1,585
Office costs	-	101,878	101,878	106,381
Governance costs	-	9,143	9,143	12,172
<b>Total cost of fundraising</b>	<b>854,999</b>	<b>244,060</b>	<b>1,099,059</b>	<b>965,873</b>
Investment management	14,912	-	14,912	17,189
	<b>869,911</b>	<b>244,060</b>	<b>1,113,971</b>	<b>983,062</b>

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

**3. Grant expenditure**

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

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
<b>AFRICA</b>				
<b>Ethiopia</b>				
Joint office with CAFOD and Trocaire – for distribution to partners	249,660	327,578	577,238	567,148
<b>Democratic Republic of Congo</b>				
Justice et Paiz Bukavu Diocese	42,361	16,000	58,361	102,287
<b>Malawi</b>				
Cadecom Mangochi	40,806	24,194	65,000	60,000
CCJP Malawi	8,149	103,597	111,746	-
National Cadecom	60,997	-	60,997	269,177
Trocaire	-	1,451,008	1,451,008	844,763
<b>Mozambique</b>				
Caritas Mozambique	-	-	-	134,732
<b>Rwanda</b>				
Justice et Paix, Kabgayi	14,530	60,458	74,988	-
<b>South Sudan</b>				
Sudan Evangelical Mission	48,667	16,333	65,000	60,602
Caritas South Sudan	30,000	-	30,000	60,000
<b>Uganda</b>				
Caritas Lugazi	63,860	140	64,000	64,000
<b>Zambia</b>				
KATC Kassisi	72,634	76,438	149,072	149,072
Caritas Zambia	25,000	137,845	162,845	300,219
Caritas Livingstone	44,321	-	44,321	66,832

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

**Grant expenditure (continued)**

**ASIA**

**Cambodia**

DPA	41,880	486,000	527,880	546,747
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**India**

Caritas India	53,141	-	53,141	121,111
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IGSSS	69,440	-	69,440	49,279
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**Bangladesh**

Caritas Bangladesh	-	51,739	51,739	-
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**Indonesia**

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

CAFOD/SCIAF	-	170,000	170,000	-
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Islamic Relief	-	-	-	96,729
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**LATIN AMERICA**

**Colombia**

Diocese of Quibdo	59,236	-	59,236	70,236
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SNPS	4,802	10,000	14,802	153,160
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**Nicaragua**

CANTERA	45,892	-	45,892	50,101
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**Haiti**

Institute of Technology & Animation	50,000	-	50,000	50,000
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Other grants less than £50,000 paid in the year	644,895	54,444	699,339	1,398,589
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<b>Total Grant Expenditure</b>	<b>1,670,271</b>	<b>2,985,774</b>	<b>4,656,045</b>	<b>5,396,606</b>
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**Represented by:**

International development grants	1,648,936	2,985,774	4,634,710	5,381,606
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Advocacy grants	21,335	-	21,335	15,000
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	<b>1,670,271</b>	<b>2,985,774</b>	<b>4,656,045</b>	<b>5,396,606</b>
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Grant expenditure represents grants paid or approved to partner organisations responding to a wide range of humanitarian needs in the communities in which they work.

Restricted grants totalling £486,000 for DFID Aid Match Cambodia are included within the figures above.

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
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**4. Costs of charitable activities**

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

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

	<b>Direct Costs</b>	<b>Support Costs</b>	<b>Total 2020</b>	<b>Total 2019</b>
	£	£	£	£
International programmes (4a)	5,636,423	375,170	6,011,593	6,792,564
Communication and education (4b)	415,309	188,171	603,480	669,255
Advocacy (4c)	143,590	53,710	197,300	266,074
	<u>6,195,322</u>	<u>615,393</u>	<u>6,812,373</u>	<u>7,727,893</u>

**a) International programmes**

	<b>Direct Costs</b>	<b>Support Costs</b>	<b>Total 2020</b>	<b>Total 2019</b>
	£	£	£	£
Grant expenditure	4,634,710	-	4,634,710	5,381,606
Salaries and other staff costs	808,203	183,791	991,994	944,393
Travel	29,316	2,096	31,412	82,289
Professional fees	83,416	2,481	85,897	115,040
Office costs	80,778	171,418	252,196	248,051
Governance costs	-	15,384	15,384	21,185
	<u>5,636,423</u>	<u>375,170</u>	<u>6,011,593</u>	<u>6,792,564</u>

**b) Communication and education**

	<b>Direct Costs</b>	<b>Support Costs</b>	<b>Total 2020</b>	<b>Total 2019</b>
	£	£	£	£
Materials and activities	47,072	-	47,072	52,487
Salaries and other staff costs	367,605	98,289	465,894	491,513
Travel	632	985	1,617	16,425
Office costs	-	81,672	81,672	97,804
Governance costs	-	7,225	7,225	11,026
	<u>415,309</u>	<u>188,171</u>	<u>603,480</u>	<u>669,255</u>

**c) Advocacy**

	<b>Direct Costs</b>	<b>Support Costs</b>	<b>Total 2020</b>	<b>Total 2019</b>
	£	£	£	£
Grant expenditure	21,335	-	21,335	15,000
Events & publication	6,613	-	6,613	13,179
Salaries and other staff costs	114,100	26,572	140,672	186,507
Travel	1,542	297	1,839	10,092
Office costs	-	24,660	24,660	37,112
Governance costs	-	2,181	2,181	4,184
	<u>143,590</u>	<u>53,710</u>	<u>197,300</u>	<u>266,074</u>

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

**5. Governance costs**

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Costs of Board meetings and overseas travel	2,117	6,926
Professional fees	21,000	31,628
Auditor's remuneration	10,815	10,013
	<u>33,932</u>	<u>48,567</u>

**6. Net expenditure for the year**

This is stated after charging:	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Depreciation	42,708	27,124
Realised (gain)/loss on foreign exchange	4,646	1,622
Auditor's remuneration	10,815	10,013

**7. Staff costs**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,719,668	1,783,668
Social security costs	176,630	178,241
Pension costs	143,080	149,715
	<u>2,039,378</u>	<u>2,111,624</u>

Included in the above staff costs are costs paid during the year relating to redundancy and compensation for loss of office, including at the end of fixed term contracts, of £23,760 (2019 £15,230).

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

	<b>2020</b>	<b>2019</b>
	<b>No</b>	<b>No</b>
Overseas project support	18	18
Education and communication	9	9
Advocacy	3	4
Cost of generating funds	12	12
Support costs & governance	11	12
	<u>53</u>	<u>55</u>
Full time equivalent	<u>48</u>	<u>51</u>

The key management personnel of the charity comprise the Board, the Executive director, Director of Public Engagement, Director of Integral Human Development and Director of Central Services. The total employee benefits of the key management personnel of SCIAF were £309,991 (2019: £302,663). One employee's total employee benefits were between £90,000 and £100,000 and two were between £60,000 and £70,000 (2019: one employee between £90,000 and £100,000 and three between £60,000 and £70,000).

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

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

**Staff costs (continued)**

salary to the scheme. 52 staff are members of the scheme (2019: 54 staff). Included in staff costs are contributions paid or payable by SCIAF to the fund which amounted to £143,080 (2019: £149,715).

**8. Taxation**

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

**9. Tangible fixed assets**

	<b>Leasehold property</b>	<b>Furniture</b>	<b>Computer equipment</b>	<b>Total 2020</b>
<b>Cost:</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2020	203,112	33,062	108,681	344,855
Additions	-	-	16,584	16,584
Disposals	-	-	(4,088)	(4,088)
At 31 December 2020	<u>203,112</u>	<u>33,062</u>	<u>121,177</u>	<u>357,351</u>
<b>Depreciation:</b>				
At 1 January 2020	-	781	49,176	49,957
Disposals	-	-	(4,088)	(4,088)
Charge for the year	19,195	3,228	20,285	42,708
At 31 December 2020	<u>19,195</u>	<u>4,009</u>	<u>65,373</u>	<u>88,577</u>
<b>Net book value</b>				
At 31 December 2020	<u>183,917</u>	<u>29,053</u>	<u>55,804</u>	<u>268,774</u>
At 31 December 2019	<u>203,112</u>	<u>32,281</u>	<u>59,505</u>	<u>294,898</u>

There are no capital commitments at the year-end (2019: £Nil)

**10. Investments**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Valuation at 1 January	3,526,805	3,152,701
Acquisitions	328,105	408,230
Disposals	(490,888)	(1,295,847)
Market valuation movement in year	<u>236,828</u>	<u>282,116</u>
	<u>3,600,850</u>	<u>2,547,200</u>
Cash deposits movement in year	<u>(843,071)</u>	<u>979,605</u>
Valuation at 31 December	<u><u>2,757,779</u></u>	<u><u>3,526,805</u></u>

Net cash released during the year was £104,650 (2019: £993,658).

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

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

**Investments (continued)**

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

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

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

<b>Analysis of investments at market value</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Listed investments	2,522,115	2,448,071
Cash deposits	235,664	1,078,734
	<u>2,757,779</u>	<u>3,526,805</u>
Historic cost	<u>2,038,567</u>	<u>2,987,632</u>

**11. Stock**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Printed fundraising materials	20,713	20,398
	<u>20,713</u>	<u>20,398</u>

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

**12. Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Gift Aid	141,677	50,770
Accrued Income	369,919	531,414
Prepayment	63,288	77,836
Other Debtors	23,134	31,778
	<u>598,018</u>	<u>691,798</u>

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	88,122	92,004
PAYE & NIC	46,014	46,777
Accrued expenses	150,037	194,557
	<u>284,173</u>	<u>333,338</u>

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

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

**Analysis of net assets between funds 2020**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	268,774	-	268,774
Investments	2,757,779	-	2,757,779
Stock	20,713	-	20,713
Debtors	232,568	365,450	598,018
Cash	1,867,167	305,473	2,172,640
Current Liabilities	(284,173)	-	(284,173)
Net current assets	<u>1,836,275</u>	<u>670,923</u>	<u>2,507,198</u>
<b>Total net assets</b>	<u>4,862,828</u>	<u>670,923</u>	<u>5,533,751</u>

**Analysis of net assets between funds 2019**

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

**15. Movement in funds**

<b>Fund Name</b>	<b>At 1 Jan 2020</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfer</b>	<b>Gains/ Losses</b>	<b>At 31 Dec 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted:</b>						
Fixed Assets						
Fund	294,898	-	-	(26,124)	-	268,774
Investment						
Revaluation						
Reserve	539,173	-	-	-	180,039	719,212
General Fund	<u>3,850,316</u>	<u>4,870,009</u>	<u>(4,870,263)</u>	<u>26,124</u>	<u>(1,344)</u>	<u>3,874,842</u>
<b>Total</b>						
<b>unrestricted</b>	<u>4,684,387</u>	<u>4,870,009</u>	<u>(4,870,263)</u>	<u>-</u>	<u>178,695</u>	<u>4,682,828</u>
<b>Restricted Funds</b>						
Refugees	232,334	2,021	(24,585)	-	-	209,770
Syria	72,080	3,682	(75,762)	-	-	-
Coronavirus	-	14,659	(14,659)	-	-	-
Indonesia						
Tsunami	106,903	85	-	-	-	106,988
Rohingya	52,410	45	(51,739)	-	-	716
Cyclone Idai	(2,197)	1,004	(85)	1,278	-	-
Beirut						
Explosion	-	88,324	(78,609)	-	-	9,715



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

**Movement in Restricted Funds (continued)**

Emergency Response Fund	55,612	43,717	(70,577)	75,112	-	103,864
Other Emergencies	4,811	10,159	(217)	(3,914)	-	10,839
Development Projects	-	19,469	(20,809)	811	-	-
Michael & Joseph McCabe	85,500	-	(9,500)	-	-	76,000
Real Gifts	245,312	299,018	(155,707)	(73,287)	-	315,336
<i>Institutional Funds</i>						
EU Malawi	(19,566)	19,566	-	-	-	-
EU Albanism	-	86,103	(89,281)	-	-	(3,178)
HMRC Furlough	-	39,457	(39,457)	-	-	-
DFID AM						
Cambodia	(198,165)	522,449	(486,000)	-	-	(161,716)
GOAC Rwanda	-	46,165	(46,165)	-	-	-
States of Jersey	-	273,047	(273,047)	-	-	-
SG Ethiopia	-	275,690	(137,845)	-	-	137,845
SG Kabwe	-	275,690	(137,845)	-	-	137,845
SG CCP Malawi	(15,859)	1,331,611	(1,451,008)	-	-	(135,256)
SG HEF	-	16,000	(16,000)	-	-	-
Rockefeller	-	15,558	(15,558)	-	-	-
<b>Total Restricted</b>	<b>619,175</b>	<b>3,107,829</b>	<b>(3,056,081)</b>	<b>-</b>	<b>-</b>	<b>670,923</b>
<b>Total funds</b>	<b>5,303,562</b>	<b>7,977,838</b>	<b>(7,926,344)</b>	<b>-</b>	<b>178,695</b>	<b>5,533,751</b>

**Movement in funds 2019**

<b>Fund Name</b>	<b>At 1 Jan 2019</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfer</b>	<b>Gains/Losses</b>	<b>At 31 Dec 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted:</b>						
Strategic Investment Reserve	1,568,665	-	-	(1,568,665)	-	-
Contingency Reserve	500,000	-	-	(500,000)	-	-
Fixed Assets Fund	362,732	-	-	(67,834)	-	294,898
<b>Designated Funds</b>	<b>2,431,397</b>	<b>-</b>	<b>-</b>	<b>(2,136,499)</b>	<b>-</b>	<b>294,898</b>
Investment Revaluation Reserve	368,130	-	-	-	171,043	539,173
General Fund	2,031,592	3,618,717	(5,546,407)	2,111,262	1,635,152	3,850,316
<b>Total unrestricted</b>	<b>4,831,119</b>	<b>3,618,717</b>	<b>(5,546,407)</b>	<b>(25,237)</b>	<b>1,806,195</b>	<b>4,684,387</b>

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

**Movement In Funds 2019 (continued)**

**Restricted Funds**

Refugees	231,543	791	-	-	-	232,334
Syria	51,422	10,194	-	10,464	-	72,080
Africa Food Indonesia	22,007	1,286	(30,000)	6,707	-	-
Tsunami	254,073	6,830	(154,000)	-	-	106,903
Haiti Hurricane	1,238	200	(1,438)	-	-	-
Rohingya	51,739	671	-	-	-	52,410
Cyclone Idai Emergency	-	217,543	(219,740)	-	-	(2,197)
Response Fund	81,363	23,568	(102,678)	53,359	-	55,612
Other						
Emergencies	11,492	12,886	(19,567)	-	-	4,811
Development Projects	15,236	49,505	(64,741)	-	-	-
Michael & Joseph McCabe	-	95,046	(9,546)	-	-	85,500
Real Gifts	263,546	245,312	(193,016)	(70,530)	-	245,312
<i>Institutional Funds</i>						
EU Malawi	(13,015)	141,868	(148,419)	-	-	(19,566)
DFID AM 5	(171,962)	382,682	(235,957)	25,237	-	-
DFID AM Cambodia	(88,271)	436,853	(546,747)	-	-	(198,165)
GOAC Bukavu	-	39,921	(39,921)	-	-	-
SG Kabwe	-	278,212	(278,212)	-	-	-
SG KATC	-	76,438	(76,438)	-	-	-
SG CCP Malawi	(387,615)	1,191,519	(819,763)	-	-	(15,859)
SG HEF	16,000	208,365	(224,365)	-	-	-
<b>Total</b>						
<b>Restricted</b>	<b>338,796</b>	<b>3,419,690</b>	<b>(3,164,548)</b>	<b>25,237</b>	<b>-</b>	<b>619,175</b>
<b>Total funds</b>	<b>5,169,915</b>	<b>7,038,407</b>	<b>(8,710,955)</b>	<b>-</b>	<b>1,806,195</b>	<b>5,303,562</b>

**a) Unrestricted Reserves**

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

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

**b) Restricted Reserves**

Restricted Reserves represent funds held for projects or programmes specified by the donors and not yet disbursed at 31 December 2020.

The Reserves for Refugees, Syria, Indonesia Tsunami, Haiti Hurricane, Rohingya, Cyclone Idai, and Beirut Explosion arose from specific appeals made to our supporters in 2016 to 2020. The funds are being applied in a planned manner to meet humanitarian needs.

Emergency Response Funds are created where supporters also give money for emergencies in general; these funds are applied to emergencies for which no specific Appeal is made. We also hold small balances on funds for other past emergencies, which we apply as appropriate.

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

**Restricted Reserves (continued)**

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

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

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

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

The EU funded one project in Malawi to support women and vulnerable students to gain technical education or vocational skills training, and another aimed at improving the lives of persons with albinism in Malawi by promoting and protecting their human rights to access healthcare and justice.

DFID funded an Aid Match project in Cambodia Increasing household income, food and livelihood security; strengthening community response and resilience to disasters; improving access to water and sanitation; and sustainably managing and protecting natural resources.

The Guernsey Overseas Aid Fund funded a project to help vulnerable Rwandan small-scale farming households through small livestock and cash crop production, and improved savings, competence and collective support through self-help groups.

The States of Jersey is funding a project in southern Ethiopia developing inclusive and profitable dairy market systems for pastoralist communities.

The Scottish Government runs a Humanitarian Emergency Fund for rapid response to emergencies and this year we received funds to Mitigate and reduce the risk of COVID-19 infection/spread and severe secondary effects on income, food shortages and gender-based violence in South Kivu, Democratic Republic of Congo. The Scottish Government also funded a project in Zambia empowering resource-poor rural communities by strengthening income security, fostering well-being of women and promoting renewable energy use and training farmers on sustainable organic agriculture to improve nutrition, food security and income security. We also have a contract to deliver the Scottish Government's Climate Challenge Programme in Malawi supporting rural communities in Malawi to identify and implement their own solutions for adapting to and building resilience against the worst effects of climate change

In common with many other organisations, we received "furlough" grant from HM Revenue and Customs which covered part of the cost of staff who were unable to work due to pandemic-related restrictions

Rockefeller Philanthropies provided a grant to cover the costs of one member of staff working on civil society preparations for COP 2020 Glasgow, which has now been postponed to 2021.

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**16. Company status**

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

**17. Operating lease agreements**

At 31 December 2020 the minimum future payments under non-cancellable operating leases for leasehold property and office equipment is set out below:

	<b>2019</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
In the next year	51,844	50,688
During years 2 to 5	264,209	348,945
In more than 5 years	-	-
	<u>316,053</u>	<u>399,633</u>

**18. Commitments**

At the year end, forward commitments in respect of signed grant funding agreements with overseas partner organisations amounted to £543,226 (2019:£913,737). These grants are conditional on receipt of satisfactory reports, and are subject to SCIAF having the appropriate funds available at the time when the grants fall due for payment. Because of these conditions, the grants have not been treated as creditors.

Forward Commitments at 31/12/19	913,737
Commitments expended in 2020	(813,737)
Forward commitments entered into 2020	443,226
	<u>543,226</u>
Forward Commitments at 31/12/20	
Commitments relate to the following years:	
2021	443,226
2022	50,000
2023	50,000
	<u>543,226</u>

There are no capital commitments at the year end (2019: £Nil).

**19. Trustees and Related parties**

No Director (Trustee) or Committee Member received remuneration for their services, and they do not claim expenses except for international travel. No Directors claimed expenses in the year (2019: £260). No Expenses were paid directly by SCIAF in relation to travel by board members in the year (2019: £4,192).

Donations totalling £22,925 (2019 £8,546) were received from Directors and Senior Management. No other transactions were made with Related Parties.

SCIAF is an agency of the Bishops Conference of Scotland which has a controlling interest in SCIAF. The Bishops Conference has the power to appoint or remove the charity trustees of SCIAF. There are no financial transactions between the Bishops Conference of Scotland and SCIAF in the year (2019: £Nil).

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**20. Accounting Policies**

**Basis of preparation**

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

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

**Going concern**

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

**Fund structure**

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

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

**Income**

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

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

**Accounting Policies (continued)**

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

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

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

**Grant expenditure**

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

**Expenditure**

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

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

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

**Allocation of support and governance costs**

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

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

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

**Operating lease agreements**

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

**Pensions**

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

**Tangible fixed assets**

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

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

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**Accounting Policies (continued)**

**Financial Instruments (investments)**

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

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

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

**Stock**

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

**Debtors**

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

**Cash at bank and in hand**

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

**Creditors and provisions**

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

**Foreign currency**

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

**Employee Benefits**

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

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

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**21. Judgements and key sources of estimation uncertainty**

In preparing the financial statements, management is required to make estimates and assumptions which affect the reported income, expenditure, assets and liabilities. Use of available information and application of judgment are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from each estimate.

The Trustees are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

**Depreciation of fixed assets** – fixed assets are depreciated over the useful life of the asset. The useful lives of fixed assets are based on the knowledge of senior management, with reference to assets expected life cycle.

**Allocation of expenditure between activities** – Support costs are allocated between charitable activities and governance based on the time spent by senior management on undertaking the charity's activities.