

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



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

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2017**

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
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**Report of the Directors for the year ended 31 December 2017**

The Directors present their annual Directors' report and the audited financial statements of the charity for the year ended 31 December 2017 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 meet quarterly together with the senior management team and are responsible for overseeing the alignment of SCIAF's vision, mission and values with its operational activities. They approve organisational strategy, structure, corporate plans and budgets to ensure SCIAF is accountable and effective.

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

**Recruitment and appointment of Directors**

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

**Induction and training of directors**

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

**Finance and Audit Committee**

The members of the committee are detailed below. The key responsibilities of the committee are to advise the Board on the financial implications of the Board's strategic and financial decisions and to monitor the integrity of SCIAF's internal and external financial statements. This committee was set up in 2013 and the Chair of the committee is on the Board of Directors.

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**Report of the Directors for the year ended 31 December 2017 (continued)**

**Outreach and Fundraising Committee**

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

**Integral Human Development Committee**

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

**Pay policy for senior staff**

The Directors consider that the Board of Directors and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All Directors give their time free of charge and no Director received remuneration in the year. Details of Directors' expenses and related party transactions are disclosed in notes 8 and 20 to the financial statements.

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

**Related parties**

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

**Reference and administrative details**

Company Name: Scottish Catholic International Aid Fund  
Charity registration number: SC012302  
Company registration number: SC197327 (Scotland)  
Registered Office and operational address: 19 Park Circus, Glasgow, G3 6BE  
Website: [www.sciaf.org.uk](http://www.sciaf.org.uk)

**Our advisors:**

**Auditors:** Wylie + Bisset LLP, 168 Bath Street, Glasgow G2 4TP

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

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

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**Report of the Directors for the year ended 31 December 2017 (continued)**

**Reference and administrative details (continued)**

**Bankers:** Royal Bank of Scotland, Glasgow Charing Cross Branch,  
9 Clifton Place, Glasgow, G3 7JU  
Bank of Scotland, PO Box 1000, BX2 1LB  
Santander, 9 Nelson Street, Bradford, West Yorkshire, BD1 5AN  
Clydesdale Bank, 1 Woodside Crescent, Glasgow, G3 7UL  
Barclays Bank, 120 Bothwell Street, Glasgow, G2 7JT  
Co-operative Bank, 1, Balloon Street, Manchester, M60 4RP

**Key management personnel: Board of Directors**

Right Rev J. A. Toal (President)  
Right Rev B McGee  
Most Rev L. Cushley  
Right Rev J Keenan (from 16 March 2017)  
Prof M. Mannion  
Duncan MaLaren  
Most Rev P. Tartaglia (to 16 March 2017)  
Right Rev S. Robson (to 21 September 2017)  
Right Rev W. Nolan (from 15 December 2017)  
Prof J Gallagher

**Secretary**

McSparran McCormick, Solicitors

**Key management personnel: Senior Management Team**

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

**Finance & Audit Committee**

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

**Outreach & Fundraising Committee**

Prof. Mike Mannion (Chair)  
Liz Mallinson  
Jeremy Prall (from 21 September 2017)

**Integral Human Development Committee**

Duncan MaLaren (Chair)  
Jane Salmonson  
Alison O'Connell  
Fr. Leonard Chitty

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**Report of the Directors for the year ended 31 December 2017 (continued)**

**OBJECTIVES AND ACTIVITIES**

**Our mission**

Inspired by the Gospel, we help the poorest free themselves from poverty by equipping them with the tools they need to survive and thrive. We pressurise governments and big business to change the political and social systems that keep people in poverty.

**Our objectives**

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

Our work focuses on producing positive change around four key themes: Sustainable livelihoods - helping people provide for themselves and their families, creating hope for the future; Peaceful and just communities – standing side by side with communities to build peace and promote justice, so they have power over their own lives; Education - helping people get an education and learn new skills so they can realise their full human potential; and Emergencies - when disasters strike, responding immediately, as part the Caritas family, by feeding the hungry, sheltering the homeless, healing the wounded and rebuilding lives and communities in the long term.

We raise money in Scotland for long term development projects in 15 countries in Africa, Asia and Latin America, and emergencies all over the world.

We work with the Scottish public, parishes and schools, to build a better future for all, and put pressure on governments and big business to create a fairer, more peaceful world. We inspire Scottish youngsters to build the world they want to live in, where everyone is equal and free from poverty.

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 has 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.

SCIAF works with partner organisations in some of the poorest countries in the world. We follow the Caritas principles which guide our choice of partners, and prioritise work with the poorest and most vulnerable communities. Our integrated human development approach to programming mean we focus on the needs of the whole person - their emotional and spiritual wellbeing, political voice, cultural and community life, as well as the way they support themselves. We also provide grants to organisations in the UK and overseas which help to educate the Scottish public, raise awareness of the underlying causes of poverty, and advocate for change.

We have professional project management systems. We monitor and evaluate our programmes to help us learn and improve. The senior team monitors progress and reports to the Board of Directors.

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**Report of the Directors for the year ended 31 December 2017 (continued)**

**Grants Policy**

Grants are made to approved Partners in the countries in which we work, for projects developed with input from SCIAF which fall within the three strategic aims in the Strategic Plan 2016 – 2020: Peaceful and Just Communities, Sustainable Livelihoods and Environments; and Access to Education for Marginalised Groups. Additional grants are made in response to emergencies which are brought to our attention by the Caritas network.

**Use of volunteers**

Volunteers are vital in SCIAF's work, at headquarters, in communities around Scotland, and overseas. Volunteers are involved in most of our activities and we are lucky to have over 200 people who gave over five thousand hours of energy and expertise to SCIAF in Scotland alone in 2017.

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

**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.

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**Report of the Directors for the year ended 31 December 2017 (continued)**

The Directors confirm that:

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

Approved by the Directors and signed on their behalf by:

Rt. Rev. J.A. Toal  
President  
Date:



**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
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**Strategic Report for the year ended 31 December 2017**

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

**ACTIVITIES AND ACHIEVEMENTS**

**Major Activities and Achievements in 2017**

**Development**

During 2017 SCIAF supported 162 projects implemented by 85 partner organisations (2016: 78). The projects were implemented in 29 countries (2016: 26), spanning four regions: Africa, Asia, the Middle East, and Latin America. In total SCIAF disbursed £6,286,015 (2016: £5,252,884) in grants to development and emergency projects.

In total there were an estimated 207,240 direct project participants from these projects. This is a slight increase in the number of participants over 2016 (202,292). Approximately 57% of all direct participants were women. Direct project participants are those that SCIAF-supported projects work directly with, e.g. those who participate in trainings, or who receiving agricultural inputs or support. A significant number of additional people benefit indirectly – for example, they are family members who benefit from increased agricultural production or income when the household head is supported to improve agricultural practices or increase their income from sales of agricultural produce.

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. Overseas we primarily work with local partners, and usually the national or diocesan Caritas, other Church bodies and faith-based organisations. If these are found not to have the capacity or expertise to undertake our programmes we look for other suitable local partners.

During 2017 our development programme continued to focus on 15 programme countries in Africa, Asia and Latin America. These countries have been selected on the basis of need, SCIAF's history of involvement and our potential for supporting positive change, and the presence of Caritas and CIDSE sister agencies and the strength of local partners. The choice of countries was confirmed as part of the strategic planning process in 2015. The planned phase-out from Burma, which began in 2016, was completed in 2017.

Our development programme focused on three strategic aims in the Strategic Plan 2016 – 2020: Peaceful and Just Communities, Sustainable Livelihoods and Environments; and Access to Education for Marginalised Groups. In addition, we focused on the development and testing of Gender mainstreaming tools, in order to support SCIAF's commitment to ensure that the interventions we support take account of and respond to the needs and interests of both women and men, and promote equality between men and women.

During the year we worked on our new Partnership Strategy, to be completed in 2018. We continued to support our partners to identify improvement areas, and to address them. During 2016 we continued to focus our support on general themes of child protection and safeguarding. We paid particular attention to our own security management. Significant work continued on developing an Integral Human Development framework and tool for the design and evaluation of projects, a programme quality framework, and an Inward and Outward Accountability Action Plan. We will continue the implementation of these in 2018.

During 2017 eight projects in Ethiopia, India, Malawi (3), Uganda, Zambia and Zimbabwe were supported with grants from the missionary grant budget.

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**Strategic Report for the year ended 31 December 2017 (continued)**

**Advocacy**

This year the advocacy team has focused primarily on gaining a better understanding of partner advocacy needs, and making sure that climate justice remains at the top of the agenda in Scotland.

On partner advocacy we carried out a comprehensive mapping of partner needs and we now have a much better idea of where we might be of help to partners. Two main recommendations came out of the mapping: that SCIAF develop a manual with basic advocacy training; and that we develop a methodology on how to develop advocacy strategies. We developed this manual in the second half of the year, and the draft version was very well received by both partners and programme officers. The manual will be translated into Spanish and French and we will pilot its use with a small number of partners in 2018.

Lent 2017 saw the launch of our Clean Energy campaign and our report “Powering our Common Home.” 5,748 supporters signed up to our clean energy campaign. Later in the year, we launched a policy paper on the Scottish Government’s Climate Bill. We held lobby meetings with MSPs from all parties, including the Cabinet Secretary for the Environment, Land Reform and Climate Change, and the Minister for International Development, and participated in round table meetings with political parties. In the second half of the year we celebrated four important wins on our climate work: a target to phase out new fossil fuel cars by 2032 was set (8 years earlier than the UK Government’s target); a commitment was made to establish a Just Transition Commission to move towards a more resource efficient and sustainable economic model; the Government announced that it would double annual investment in active travel, and what is effectively a ban on fracking was announced. These were all asks in our climate campaign.

Away from climate we fed into ongoing discussions about how development aid can be most effective, at UK level and in Scotland. At one meeting to discuss aid at the Scottish Parliament’s Committee on External Relations SCIAF’s advocacy manager was told “SCIAF’s work shows the very best practice in how funding can be used because the outcomes are not just for one country, but can be repeated in others. With those outcomes, gaining future funding becomes a much more likely prospect.”

**Emergency Response**

Responding to emergencies continues to be a significant part of SCIAF’s work, and is one of the four aims in the 2016-20 Strategic Plan. Given the nature of emergencies, the proportion of SCIAF’s grants which are spent on emergency response varies year-on-year. In line with our commitment to a partnership approach, and our place within the Caritas family, most of our responses to major humanitarian crises is provided through Caritas Internationalis’ appeals for national Caritas. SCIAF also supports sister agencies such as CAFOD and Trocaire, who have emergency teams that are deployed to respond to emergencies. We also provide support to our existing partners in our 15 programme countries if they face small-scale (or large-scale) emergencies. In addition, joint programme for the Syrian Crisis with CAFOD continues, joint programming allowing us to increase the support and supervision of projects in a volatile and difficult part of the world. During 2017 we increased our support to projects inside Syria, working with Caritas Syria.

In 2017 SCIAF supported 26 emergency projects (2016: 33) in 20 countries (2016: 19). 12 of these emergency projects were in Africa (2016: 16), 5 in Asia (2016: 5), 2 in the Middle East (2016: 6), 1 in Latin America (2016: 6), and 1 in Europe (the Ukraine) (2016:0). It should be noted that one of the projects in the Middle East, the Syria Programme, is an umbrella programme that includes a number of projects in Jordan, Syria and Lebanon.

SCIAF’s principle emergency responses during the year were for the East Africa Food Crisis, the Nepal Earthquake Recovery, the South Asian Floods, the Syria Crisis, and the Rohingya Refugee Crisis. Due

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**Strategic Report for the year ended 31 December 2017 (continued)**

**Emergency Response (continued)**

to the generosity of the Scottish public SCIAF was able to support the follow-on earthquake recovery appeal with significant funding, and continues to hold funds in reserve to support the reconstruction in 2017. In addition, SCIAF increased its role in the work of Caritas Internationalis (CI), joining the CI Accountability Working Group. SCIAF was also an inaugural member of the Scottish Government's Humanitarian Emergency Fund (HEF) panel.

**Building support within the Scottish community**

Following approval from the board at the end of 2016, the COMED department was restructured to maximise opportunities for fundraising, and increase the importance of the Outreach Team in achieving fundraising objectives, as well as to create a new separate Communications Team.

The creation of extra communications capacity enabled us to deliver two major communications projects including the development and launch of a new SCIAF brand, and a new website. We were also able to dedicate more staff time to collecting case studies of our work overseas and visual content for future appeals, and conducted content gathering trips to India, Cambodia, Nicaragua and El Salvador. Over the year, 546 media articles were placed, covering television, radio and the press which generated 32,568,355 opportunities to view and an advertising/editorial equivalent value of £1,518,187.

Lent 2017 focussed on livelihoods case studies in Zambia. It proved to be a highly successful appeal, achieving over £1 million for the first time ever without Aid Match. The appeal was supported by Deacon Blue singer Ricky Ross, who accompanied us on a media trip to Zambia, which generated huge Scottish/UK media coverage for the WEE BOX appeal. Staff and volunteers, delivered over 300 talks in 127 parishes. The summer appeal focussed on child trafficking in India, and was complemented by a high level of media coverage. Our 2017 advent appeal was then focussed on a project in El Salvador which works with disabled adults helping them stand up for their rights and access work opportunities. This was supported by new reflection materials and helped us to continue to tell the story of SCIAF's work to promote peaceful and just communities across the world.

During the course of the year we responded to a number of emergencies including the East Africa Food Crisis, the Caribbean hurricanes, and the Rohingya crisis in Bangladesh. We developed our emergencies guidelines to ensure that we are able to launch an appeal as swiftly and effectively as possible.

We continued to be remembered generously in supporters' wills and through in memory gifts. In October we celebrated the lives and generosity of these supporters and those gone before them through a special Mass at St Francis Xavier Church in Carfin.

We were delighted to adopt Blessed Archbishop Romero of El Salvador as our patron in September. This was marked by showings of an inspiring documentary film about his life and martyrdom, and a special mass.

The year saw the piloting of a new events strategy. In June we held our first ever 5K fun run with 120 participants. A gala dinner was held in November, raising vital funds through ticket sales, an auction including prints of artwork by John Bellany and Alistair Gray and a raffle. Both events were successful in terms of engaging with a new audience as well as raising vital funds. It is hoped that, in future, years we can build on their success.

SCIAF supporters played an important role in engaging with government policy with over 6,000 supporters signed up to our climate campaign, by signing postcards addressed to their MSPs and, in some cases, by meeting with their MSPs.

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**Strategic Report for the year ended 31 December 2017 (continued)**

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

We reached out to schools in the autumn through a promotional leaflet outlining SCIAF's schools' development education resources and engagement opportunities. Schools Officers, with the help of volunteers delivered 200 inputs i.e. talks, lessons, assemblies etc. in 127 schools throughout 2017.

Providing a high standard of service to our supporters remained a core priority, with 83,108 individual transactions swiftly processed (up from 78,978 in 2016) and 42,184 actions added. Whilst feedback levels remained high we received only five complaints (down from eight in 2016), all of which were successfully resolved. A new Supporter Care Promise was approved and we also introduced a new communications preference section in advance of the General Data Protection Regulation (GDPR) deadline of 25th May 2018.

**FINANCIAL REVIEW**

**Results for the year**

There was net expenditure for the year of £1,651,839 (2016: £827,750) reflecting considerable progress in our strategic aim of reducing surplus reserves, both Restricted and Unrestricted.

**Principal funding sources**

The charity's main source of income is voluntary income from individuals. Total donations and legacy income was £5,346,385 (2016: £5,213,810). This represents a small increase from 2017, as a fall in Lent income (expected as we did not have UK Aid Match for the first time in three years) was offset by an increase in legacy income and several Emergency Appeals. Emergency income in the year totalled £1,262,225; our main appeals in the year were for Africa and for Syrian refugees. SCIAF also received £2,386,372 (2016: £2,030,629) of institutional funding for overseas relief and development.

**Principal expenditure**

The charity's main expenditure is on international programmes. Total expenditure was £9,549,653 (2016: £8,239,488) with international programmes making up £7,613,055 (2016: £6,404,788). This represents a significant increase on the previous year, almost entirely within the Grants programme.

**Reserves policy**

The Directors review SCIAF's reserves policy annually and monitor the level of reserves and the financial position each quarter. Restricted reserves are generated when the supporter or donor organisation stipulates the area of activity in which the income has to be spent (for example where funds are received in response to a particular emergency or for a particular project overseas). SCIAF regularly pre-finances programme costs that will be covered by government and other institutional programme grants, approving and paying out funds to local partners, in advance of receiving funds from the donor. As a result, negative balances arise on particular restricted funds. At the end of 2017 the restricted funds held amounted to £462,767 (2016: £786,846).

At the end of 2017, SCIAF had £5,213,447 (2016: £6,288,204) in unrestricted funds of which designated funds amounted to £2,292,376 (2016: £4,847,576). As detailed in note 16, the Board has a policy to set aside contingency reserves based on its assessment of the likelihood and impact of financial risks. These funds are to ensure that, in the wake of significant unexpected events, SCIAF can continue to respond rapidly to emergencies, can meet its planned future commitments to current projects, and continue its operations. SCIAF aims to hold an operational reserve level of 30% of voluntary income. In accordance

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**Strategic Report for the year ended 31 December 2017 (continued)**

**Reserves policy (continued)**

with this policy the Board has set the intended level of the General Funds at £1,464,660 (2016: £1,352,921). This reserve was £3,694 short of target at the end of the year.

The funds tied up in tangible fixed assets is set at the net book value at the balance sheet date of tangible fixed assets. This fund is not available for current expenditure, as the assets are used in the day to day operation of SCIAF.

The designated strategic investment reserve has been established based on the five year forecast and the funds will be spent down over the next four years in furtherance of SCIAF's aims. The strategic contingency fund has been established for any additional agreed and approved spend to meet SCIAF's strategic objectives. Details of other specific reserves appear in note 16 to the accounts.

**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 Standard Life Wealth, and investments are required to meet strict ethical guidelines, consistent with the work and beliefs of SCIAF. At the end of 2017, the funds invested had a market value of £4,222,226 (2016: £4,889,764). During 2017 a net amount of £1,050,000 was withdrawn from Standard Life for planned spending requirements. The investment objective is to achieve a balanced return from income and capital growth over the long term.

The Board compare the performance of the fund against cash – the LIBID 7- day Index +3% and a composite of the following indices: FTA Government All Stocks Index (49%), FTSE All Share Index (49%) and Cash (2%). Over the year the portfolio outperformed its benchmark by 1.0% and the portfolio return for the year to 31 December 2017 was 8.2%.

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

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

**Risk Management**

SCIAF's risk register identifies the major risks by area of activity, the nature of those risks, the likelihood of the risks happening and the measures taken to manage them. The directors review this risk register at least annually at their meetings. The aim of this review is to ensure directors are satisfied that systems are in place, or arrangements are in hand, to mitigate all significant risks. SCIAF's current key risks include the generation of institutional income and the subsequent compliance and governance, and the impact of a loss of reputation on general fundraising income. These areas are being actively managed.

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

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**Strategic Report for the year ended 31 December 2017 (continued)**

**PLANS FOR THE FUTURE**

In 2018 we face the new challenge of ensuring that we are compliant with General Data Protection Regulations which come into force in May 2018. This will mean ensuring that all supporters and stakeholders that wish us to contact them in the future are informed that they need to give their consent. We will maximise visibility and opportunities for supporters to opt in. Although there is the risk of a dramatic fall in the number of supporters to whom we can contact, we see this as an opportunity to re-engage and focus in on supporter experience and tailoring contact and content to their preferences

Lent 2018 will benefit from the additional of Aid Match from the Department of International Development. This means that all eligible income received for the Lent appeal between agreed dates will be matched by the British Government. We expect this to provide additional inspiration to supporters to give generously.

We will continue to build strong relationships with supporters providing a variety of engagement opportunities, including events, talks, and fun community fundraising opportunities for all ages. We will further develop our fundraising strategy to ensure that we are not only providing an excellent service to current supporters but we are attracting new supporters. We will continue to promote a range of opportunities to give, act and reflect with SCIAF at different stages of life. We will place greater emphasis on data analysis to inform all our communications with supporters and increase the use of data insights in decision making, monitoring, evaluation and learning.

We will continue to build a strong media profile, positioning ourselves as the go-to organisation on development and humanitarian issues, as well as providing high quality and uplifting stories from our work overseas. We will continue our focus on challenging public policies and behaviour in Scotland that contributes to climate change, with a focus on the expected Climate Change Bill. We expect to expand the number of volunteers and active parish contacts supporting SCIAF's work through giving talks, fundraising in their parishes and schools, sharing information, helping with emergency mailings and helping in the office.

Approved by the Directors and signed on their behalf by:

Rt. Rev. J.A. Toal  
President

**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 2017**

**Opinion**

We have audited the financial statements of Scottish Catholic International Aid Fund for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including a summary of 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 charitable company's affairs as at 31 December 2017, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2016; Charities and Trustee 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 charitable company 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The other information comprises the information included in the report and 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 audit or otherwise appears to be materially misstated.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF SCOTTISH CATHOLIC  
INTERNATIONAL AID FUND FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)**

**Other information (continued)**

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors and the Strategic Report, which include the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and strategic report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 charity or to cease operations, or have no realistic alternative but to do so.



**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 2017 (continued)**

**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 under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

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 company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Jenny Simpson (Senior Statutory Auditor)  
For and on behalf of Wylie & Bisset LLP, Statutory Auditor  
168 Bath Street  
Glasgow  
G2 4TP

*Date:*

SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
(COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Unrestricted Funds £	2017 Restricted Funds £	Total Funds £	Unrestricted Funds £	2016 Restricted Funds £	Total Funds £
<b>Income</b>							
Donations and legacies							
Lenten donations		1,134,817	-	1,134,817	1,635,162	-	1,635,162
Other donations		1,948,660	1,261,225	3,209,885	1,590,685	1,087,016	2,677,701
Legacies		1,000,683	1,000	1,001,683	900,947	-	900,947
<b>Total donations and legacy income</b>		<b>4,084,160</b>	<b>1,262,225</b>	<b>5,346,385</b>	<b>4,126,794</b>	<b>1,087,016</b>	<b>5,213,810</b>
<b>Income from charitable activities</b>							
Institutional funding – international programmes	<b>2</b>	206,875	2,179,497	2,386,372	225,415	1,805,214	2,030,629
<b>Income from trading activities</b>							
Sale of goods & resources		5,894	-	5,894	6,969	-	6,969
<b>Investment income – dividends and interest received</b>							
		159,138	1,025	160,163	156,847	3,483	160,330
<b>Total income</b>		<b>4,455,067</b>	<b>3,442,747</b>	<b>7,897,814</b>	<b>4,516,025</b>	<b>2,895,713</b>	<b>7,411,738</b>
<b>Expenditure</b>							
<b>Total Expenditure on raising funds</b>	<b>3</b>	1,011,177	-	1,011,177	993,701	-	993,701
<b>Expenditure on charitable activities</b>							
International programmes	<b>5a</b>	3,867,336	3,745,719	7,613,055	3,630,447	2,774,341	6,404,788
Advocacy	<b>5c</b>	253,153	-	253,153	261,693	-	261,693
Communication & education	<b>5b</b>	651,161	21,107	672,268	520,706	58,600	579,306
<b>Total Charitable expenditure</b>		<b>4,771,650</b>	<b>3,766,826</b>	<b>8,538,676</b>	<b>4,412,846</b>	<b>2,832,941</b>	<b>7,245,787</b>

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

<b>Total expenditure</b>		<b>5,782,827</b>	<b>3,766,826</b>	<b>9,549,653</b>	<b>5,406,547</b>	<b>2,832,941</b>	<b>8,239,488</b>
<b><i>Net expenditure for the year before transfers and other gains and losses</i></b>		(1,327,760)	(324,079)	(1,651,839)	(890,522)	62,772	(827,750)
Net gains on investments	<b>11</b>	253,003	-	253,003	337,287	-	337,287
<b><i>Net expenditure</i></b>		(1,074,757)	(324,079)	(1,398,836)	(553,235)	62,772	(490,463)
Transfer between funds		-	-	-	241,200	(241,200)	-
<b><i>Net movement in funds</i></b>		(1,074,757)	(324,079)	(1,398,836)	(312,035)	(178,428)	(490,463)
<b><i>Reconciliation of funds:</i></b>							
Total funds brought forward		6,288,204	786,846	7,075,050	6,600,239	965,274	7,565,513
<b>Total funds carried forward</b>	<b>16</b>	<b>5,213,447</b>	<b>462,767</b>	<b>5,676,214</b>	<b>6,288,204</b>	<b>786,846</b>	<b>7,075,050</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 2017**

	<b>Note</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
<b>Fixed Assets</b>			
Tangible assets	<b>10</b>	363,626	362,441
Investments	<b>11</b>	4,222,226	4,889,764
		<u>4,585,852</u>	<u>5,252,205</u>
<b>Current Assets</b>			
Stock	<b>12</b>	19,561	30,217
Debtors	<b>13</b>	843,569	704,599
Cash on deposit and on hand		444,131	1,227,793
		<u>1,307,261</u>	<u>1,962,609</u>
<b>Current liabilities:</b> amounts falling due within one year	<b>14</b>	<u>(216,899)</u>	<u>(139,764)</u>
<b>Net Current Assets</b>		<u>1,090,362</u>	<u>1,822,845</u>
<b>Net Assets</b>		<u>5,676,214</u>	<u>7,075,050</u>
<b>Reserves:</b>			
Unrestricted Reserves	<b>16</b>	4,390,342	5,408,787
Restricted Reserves	<b>16</b>	462,767	786,846
Investment Revaluation Reserve	<b>16</b>	823,105	879,417
		<u>5,676,214</u>	<u>7,075,050</u>

Approved and authorised for issue by the Board of Directors on 22<sup>nd</sup> March 2018 and signed on its behalf by

Rt Rev J A Toal (President)  
Director

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

Company registration number: SC197327

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
<b>Net cash used in operating activities</b>	<b>1</b>	(1,848,168)	(1,159,890)
<b>Cash flows from investing activities</b>			
Dividends and interest from investments		160,163	160,330
Purchase of property, plant and equipment		(16,198)	(11,044)
Purchase of investments		(578,366)	(422,884)
Decrease/(increase) in investment cash deposits		314,546	(7,270)
Proceeds from sale of investments		1,184,361	1,147,320
<b>Net cash released by investing activities</b>		<u>1,064,506</u>	<u>866,452</u>
Decrease in cash and cash equivalents in the reporting period		(783,662)	(293,438)
Cash and cash equivalents at the beginning of the reporting period		1,227,793	1,521,231
Cash and cash equivalents at the end of the reporting period	<b>2</b>	<u>444,131</u>	<u>1,227,793</u>

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

	2017 £	2016 £
Net movement in funds	(1,398,836)	(490,463)
Depreciation charges	15,013	13,548
(Gain) on investment assets	(253,003)	(337,287)
Investment income	(160,163)	(160,330)
Decrease in stock	10,656	(9,715)
(Increase) in debtors	(138,969)	(222,060)
Increase in creditors	77,134	46,416
<b>Net cash used in operating activities</b>	<u>(1,848,168)</u>	<u>(1,159,890)</u>

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

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

	2017 £	2016 £
Cash at bank and in hand	444,131	972,665
Short Term Deposits	-	255,128
	<u>444,131</u>	<u>1,227,793</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. Accounting Policies**

**Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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).

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 probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the

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

**Accounting Policies (continued)**

charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Grant 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.

Sale of goods and resources:

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

**Grant expenditure**

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

**Expenditure**

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

Expenditure 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 note 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

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
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**Accounting Policies (continued)**

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.

Heritable property	2% straight line
Furniture	10% straight line
Computer & electronic equipment	25% straight line

**Investments (financial instruments)**

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.

**Liquid resources**

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



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

**2. Incoming resources from charitable activities**

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
<b>Government Grants:</b>				
<b>Department for International Development</b>				
Africa – Aid Match, Round 2	60,582	616,230	676,812	556,541
Ethopia – Aid Match, Round 5	12,341	445,227	457,568	45,000
Great Lakes	-	-	-	10,686
<b>Scottish Government</b>				
Zambia	23,037	206,963	230,000	300,000
Malawi	-	-	-	140,000
Rwanda	10,850	100,204	111,054	88,946
Ethiopia	-	15,666	15,666	-
<b>The Big Lottery</b>				
Latin America	21,352	65,660	87,012	244,018
<b>Government Grants Total</b>	<b>128,162</b>	<b>1,449,950</b>	<b>1,578,112</b>	<b>1,385,191</b>
<b>Guernsey Overseas Aid Commission</b>				
Malawi	-	39,830	39,830	-
<b>European Commission</b>				
Sudan	21,851	189,597	211,448	227,835
Colombia	2,057	42,829	44,886	240,952
Nicaragua	26,974	171,070	198,044	176,651
Malawi	27,831	286,221	314,052	-
<b>Total</b>	<b>206,875</b>	<b>2,179,497</b>	<b>2,386,372</b>	<b>2,030,629</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 listed above, and the statutory tax reliefs for charities including Gift Aid and Business Rates Relief.

**3. Expenditure on Raising Funds**

	Direct Costs £	Support Costs £	Total 2017 £	Total 2016 £
Fundraising campaigns	305,733	-	305,733	332,089
Branding	77,476	-	77,476	67,494
Salaries and other staff costs	339,438	127,696	467,134	426,574
Merchandise and Materials	13,793	-	13,793	23,172
Travel	25,970	4,048	30,018	17,203
Professional fees	-	3,479	3,479	14,584
Building and Admin Costs	-	68,265	68,265	81,421
Governance costs	-	9,455	9,455	9,388
<b>Total Cost of Fundraising</b>	<b>762,410</b>	<b>212,943</b>	<b>975,353</b>	<b>971,924</b>
Investment Management	35,824	-	35,824	21,777
	<b>798,234</b>	<b>212,943</b>	<b>1,011,177</b>	<b>993,701</b>

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

**4. Grant expenditure**

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

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
<b>AFRICA</b>				
<b>Ethiopia</b>				
Joint office with CAFOD and Trocaire – for distribution to partners	303,362	718,632	1,021,994	407,674
<b>Burundi</b>				
Agakura	42,500	7,500	50,000	60,000
<b>Democratic Republic of Congo</b>				
Commission Diocesaine Justice et Paiz/Bukavu Diocese	12,667	77,024	89,691	223,047
Caritas Bukavu	48,253	142,443	190,696	-
<b>Malawi</b>				
Cadecom Mangochi	60,000	39,830	99,830	106,500
Cadecom Chikwawa	-	139,821	139,821	163,659
Cadecom Dedza	29,877	138,181	168,058	177,544
National Cadecom	82,053	308,790	390,843	351,989
Trocaire	-	173,737	173,737	-
<b>Rwanda</b>				
Commission Diocesaine Justice et Paix, Kigali	10,938	153,111	164,049	175,890
Trocaire	-	100,204	100,204	125,932
Caritas Rwanda	-	-	-	50,000
<b>South Sudan</b>				
Sudan Evangelical Mission	70,724	246,299	317,023	194,051
MRDA	28,965	6,035	35,000	70,000
CAFOD/Trocaire	65,000	150,000	215,000	160,000
<b>Uganda</b>				
Radio Wa	48,750	1,250	50,000	50,000
Comboni Samaritans	90,127	9,873	100,000	50,000
<b>Zambia</b>				
KATC Kasisi	-	93,000	93,000	121,440
Caritas Zambia	133,562	45,000	178,562	15,360
Caritas Solwezi	-	-	-	60,000
<b>ASIA</b>				
<b>Bangladesh</b>				
Caritas Bangladesh	-	100,000	100,000	-
<b>Burma</b>				
Jesuit Refugee Service Thailand	-	-	-	70,000

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

**Grant expenditure (continued)**

**Cambodia**

DPA	132,072	14,952	147,024	120,000
Caritas Cambodia	34,860	26,741	61,601	56,244

**India**

Caritas India	143,600	45,962	189,562	126,000
IGSSS	63,479	-	63,479	80,947

**Syria**

CAFOD/SCIAF	23,000	280,000	303,000	140,000
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**Nepal**

Caritas Nepal	-	132,968	132,968	150,000
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**LATIN AMERICA**

**Columbia**

Diocese of Apartado	39,131	869	40,000	68,984
Diocese of Quibdo	66,534	-	66,534	149,203

**El Salvador**

CESTA	29,686	11,195	40,881	71,084
COMUS	19,120	-	19,120	67,038

**Nicaragua**

CANTERA	27,559	160,225	187,784	240,210
FEDICAMP	28,719	73,384	102,103	158,365

**Haiti**

Institute of Technology & Animation	65,250	19,750	85,000	-
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Other grants less than £50,000 paid in the year	840,508	328,943	1,169,451	1,191,723
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<b>Total Grant Expenditure</b>	<b>2,540,296</b>	<b>3,745,719</b>	<b>6,286,015</b>	<b>5,252,884</b>
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**Represented by:**

International development grants	2,521,030	3,745,719	6,266,749	5,213,472
Advocacy grants	19,266	-	19,266	39,412
	<b>2,540,296</b>	<b>3,745,719</b>	<b>6,286,015</b>	<b>5,252,884</b>

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: £640,749 for DFID Africa Aid Match, Round 2, £630,700 for DFID Aid Match, Round 5 and £2,534 for the Big Lottery Latin America project are included within the figures above.

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**5. 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 2017</b>	<b>Total 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
International programmes (5a)	7,224,930	388,125	7,613,055	6,404,788
Communication and education (5b)	474,974	197,294	672,268	579,306
Advocacy (5c)	182,289	70,864	253,153	261,693
	<u>7,882,193</u>	<u>656,283</u>	<u>8,538,476</u>	<u>7,245,787</u>

**a) International programmes**

	<b>Direct Costs</b>	<b>Support Costs</b>	<b>Total 2017</b>	<b>Total 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Grant expenditure	6,266,749	-	6,266,749	5,213,472
Salaries and other staff costs	699,368	220,297	919,665	776,240
Travel	88,210	7,969	96,179	72,456
Professional fees	150,696	6,850	157,546	230,089
Building & Admin costs	19,907	134,395	154,302	95,500
Governance costs	-	18,614	18,614	17,032
	<u>7,224,930</u>	<u>388,125</u>	<u>7,613,055</u>	<u>6,404,788</u>

**b) Communication and Education**

	<b>Direct Costs</b>	<b>Support Costs</b>	<b>Total 2017</b>	<b>Total 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Education	5,775	-	5,775	10,227
Information	95,026	-	95,026	25,747
Salaries and other staff costs	344,286	113,714	458,000	452,801
Travel	29,887	3,969	33,856	18,658
Building & Admin costs	-	70,341	70,341	61,756
Governance costs	-	9,270	9,270	10,117
	<u>474,974</u>	<u>197,294</u>	<u>672,268</u>	<u>579,306</u>

**c) Advocacy**

	<b>Direct Costs</b>	<b>Support Costs</b>	<b>Total 2017</b>	<b>Total 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Grant expenditure	19,266	-	19,266	39,412
Events & Publication	26,066	-	26,066	53,125
Salaries and other staff costs	110,310	42,904	153,214	139,652
Travel	4,531	1,328	5,859	7,075
Building & Admin costs	22,116	23,531	45,647	13,083
Governance costs	-	3,101	3,101	3,131
	<u>182,289</u>	<u>70,864</u>	<u>253,153</u>	<u>261,693</u>

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
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**6. Governance Costs**

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Costs of Board meetings and overseas travel	1,027	5,228
Professional fees	21,000	21,000
Auditor's remuneration – current year	9,594	-
Auditor's remuneration – prior year	8,819	13,440
	<u>40,440</u>	<u>39,668</u>

**7. Net expenditure for the year**

This is stated after charging:	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Depreciation	15,013	13,548
Realised (gain)/loss on foreign exchange	(22)	(23,166)
Auditor's remuneration	9,594	13,440

**8. Staff costs**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,599,902	1,439,790
Social security costs	159,776	142,880
Pension costs	121,819	110,701
	<u>1,881,497</u>	<u>1,693,371</u>

Included in the above staff costs are costs paid during the year relating to redundancy and compensation for loss of office of £4,669 (2016 £6,937).

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

	<b>2017</b>	<b>2016</b>
	<b>No</b>	<b>No</b>
Overseas project support	16	16
Education and information	9	10
Advocacy	3	3
Cost of generating funds	9	4
Support costs & governance	16	17
	<u>53</u>	<u>50</u>
Full time equivalent	<u>49</u>	<u>46</u>

The key management personnel of the charity comprise the Board, the Executive Director, Head of Communication and Education, Head of Integrated Human Development Department and Head of Central Services. The total employee benefits of the key management personnel of SCIAF were £285,357 (2016: £275,135). One employee's total employee benefits were between £90,000 and £100,000 and three employees' total benefits were between £60,000 and £70,000 in the year (2016: one employee between £90,000 and £100,000 and three between £60,000 and £70,000 in the year).

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**Staff costs (continued)**

SCIAF operates a Group Personal Pension Scheme, the assets of which are held separately in an independently administered fund. The charity's contribution is between 1 per cent and 10 per cent of salary with staff making contributions between 1 per cent and 4 per cent of salary to the scheme. 51 staff are members of the scheme (2016: 48 staff). Included in staff costs are contributions paid or payable by SCIAF to the fund which amounted to £121,819 (2016: £110,701).

**9. 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.

**10. Tangible fixed assets**

	<b>Heritable property</b>	<b>Furniture</b>	<b>Computer equipment</b>	<b>Total 2017</b>
<b>Cost:</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2017	484,450	26,110	152,856	663,416
Additions	-	-	16,198	16,198
Disposals	-	-	(40,984)	(40,984)
At 31 December 2017	<u>484,450</u>	<u>26,110</u>	<u>128,070</u>	<u>638,630</u>
<b>Depreciation:</b>				
At 1 January 2017	150,403	20,785	129,787	300,975
Disposals	-	-	(40,984)	(40,984)
Charge for the year	9,689	657	4,667	15,013
At 31 December 2017	<u>160,092</u>	<u>21,442</u>	<u>93,470</u>	<u>275,004</u>
<b>Net book value</b>				
At 31 December 2017	<u>324,358</u>	<u>4,668</u>	<u>34,600</u>	<u>363,626</u>
At 31 December 2016	<u>334,047</u>	<u>5,325</u>	<u>23,069</u>	<u>362,441</u>

There are no capital commitments at the year end (2016: £Nil)

**11. Investments**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Valuation at 1 January	4,889,764	4,861,085
Acquisitions	578,366	422,884
Disposals	(1,131,732)	(1,090,747)
Market valuation movement in year	200,374	280,714
	<u>4,536,772</u>	<u>4,474,936</u>
Cash deposits movement in year	(314,546)	415,828
Valuation at 31 December	<u>4,222,226</u>	<u>4,889,764</u>

Net cash released during the year was £605,996 (2016: £677,863).

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,

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
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**Investments (continued)**

using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

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>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Listed investments	4,120,944	4,473,936
Cash deposits	101,282	415,828
	<u>4,222,226</u>	<u>4,889,764</u>
Historic cost	<u>3,399,121</u>	<u>4,010,615</u>

**12. Stock**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Printed fundraising materials	19,561	30,217
	<u>19,561</u>	<u>30,217</u>

Fundraising material specific to the Lent campaign for the following year is taken into Stock at the year end

**13. Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Gift Aid	230,281	208,494
Accrued Income	556,908	421,633
Prepayment	51,092	69,027
Other Debtors	5,288	5,445
	<u>843,569</u>	<u>704,599</u>

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade creditors	70,140	55,832
PAYE & NIC	43,394	37,897
Accrued expenses	103,365	46,035
	<u>216,899</u>	<u>139,764</u>

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

**Analysis of net assets between funds 2017**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	363,626	-	363,626
Investments	4,222,226	-	4,222,226
Stock	19,561	-	19,561
Debtors	242,788	600,781	843,569
Cash	502,145	(58,014)	444,131
Current Liabilities	(136,899)	(80,000)	(216,899)
Net current assets	<u>627,595</u>	<u>462,767</u>	<u>1,090,362</u>
<b>Total net assets</b>	<u>5,213,447</u>	<u>462,767</u>	<u>5,676,214</u>

**Analysis of net assets between funds 2016**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	362,441	-	362,441
Investments	4,889,764	-	4,889,764
Stock	30,217	-	30,217
Debtors	238,971	465,628	704,599
Cash	906,575	321,218	1,227,793
Current Liabilities	(139,764)	-	(139,764)
Net current assets	<u>1,035,999</u>	<u>786,846</u>	<u>1,822,845</u>
<b>Total net assets</b>	<u>6,288,204</u>	<u>786,846</u>	<u>7,075,050</u>

**16. Movement in funds**

<b>Fund Name</b>	<b>At 1 Jan 2017</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfer</b>	<b>Gains/ Losses</b>	<b>At 31 Dec 2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted:</b>						
Operational Reserve Fund	1,352,921	-	-	(1,352,921)	-	-
Strategic Investment Reserve	2,633,244	-	(566,464)	-	-	2,066,780
Contingency Reserve	500,000	-	-	-	-	500,000
Fixed Assets Fund	361,411	-	(15,013)	16,198	-	362,596
<b>Designated Funds</b>	<u>4,847,576</u>	<u>-</u>	<u>(581,477)</u>	<u>(1,336,723)</u>	<u>-</u>	<u>2,292,376</u>



**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
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**Movement in funds 2017 (continued)**

Investment Revaluation Reserve	879,417	-	-	(56,312)	-	823,105
General Fund	561,211	4,455,067	(5,201,350)	1,393,035	253,003	1,460,966
<b>Total unrestricted</b>	<b>6,288,204</b>	<b>4,455,067</b>	<b>(5,782,827)</b>	<b>-</b>	<b>253,003</b>	<b>5,213,447</b>
<b>Restricted</b>						
Refugees	353,168	9,343	140,000	3,261	-	225,772
Syria	198,206	136,340	140,000	1,990	-	196,536
Africa Food	28,831	419,978	270,000	15,260	-	194,069
Nepal Quake	122,815	2,625	123,031	-	-	2,409
Haiti Hurricane	-	84,764	59,313	20,430	-	45,881
Rohingya	-	169,277	100,000	-	-	69,277
Emergency Response Fund	-	53,975	649	57,836	-	111,162
Other						
Emergencies	95,366	28,792	55,458	(54,550)	-	14,150
Development						
Projects	65,209	20,221	49,636	(20,342)	-	15,452
Real Gifts	326,576	337,933	302,691	(23,885)	-	337,933
<i>Institutional Funds</i>						
EU Nicaragua	(74,634)	171,070	166,960	-	-	(70,524)
EU Colombia	(42,829)	42,829	-	-	-	-
EU S Sudan	42,341	189,598	231,939	-	-	-
EU Malawi	-	286,221	289,060	-	-	(2,839)
DFID AM 2	(220,360)	616,230	640,749	-	-	(244,879)
DFID AM 5	(65,824)	445,227	630,700	-	-	(251,297)
SG Kabwe	-	135,626	133,562	-	-	2,064
SG KATC	-	71,338	80,000	-	-	(8,662)
SG CCP Malawi	-	-	173,737	-	-	(173,737)
SG Rwanda	-	100,204	100,204	-	-	-
Big Lottery						
Latin America	(63,126)	65,660	2,534	-	-	-
Other IF						
Grants	21,107	55,496	76,603	-	-	-
<b>Total Restricted</b>	<b>786,846</b>	<b>3,442,747</b>	<b>3,766,826</b>	<b>-</b>	<b>-</b>	<b>462,767</b>
<b>Total funds</b>	<b>7,075,050</b>	<b>7,897,814</b>	<b>9,549,653</b>	<b>-</b>	<b>253,003</b>	<b>5,676,214</b>

<b>Fund Name</b>	<b>At 1 Jan 2016</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfer</b>	<b>Gains/Losses</b>	<b>At 31 Dec 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted:</b>						
Operational Reserve Fund	1,203,228	-	-	149,693	-	1,352,921
Strategic Investment Reserve	2,972,938	-	-	(339,694)	-	2,633,244

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
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**Movement in funds 2016 (continued)**

Contingency Reserve	500,000	-	-	-	-	500,000
Fixed Assets Fund	364,946	-	-	(3,535)	-	361,411
<b>Designated Funds</b>	5,041,112	-	-	(193,536)	-	4,847,576
Investment Revaluation Reserve	990,864	-	-	(111,447)	-	879,417
General Fund	568,263	4,516,025	(5,406,547)	546,183	337,287	561,211
<b>Total unrestricted</b>	<b>6,600,239</b>	<b>4,516,025</b>	<b>(5,406,547)</b>	<b>241,200</b>	<b>337,287</b>	<b>6,288,204</b>
<b>Restricted</b>						
Refugees	333,509	89,659	(70,000)	-	-	353,168
Syria	6,669	191,537	-	-	-	198,206
Africa Food	-	318,831	(290,000)	-	-	28,831
Nepal Quake	261,826	10,989	(150,000)	-	-	122,815
Other						
Emergencies	72,639	102,923	(17,060)	(63,136)	-	95,366
Development						
Projects	60,512	49,983	(2,645)	(42,641)	-	65,209
Real Gifts	459,335	326,576	(329,757)	(129,578)	-	326,576
<i>Institutional Funds</i>						
EU Nicaragua	(43,710)	158,758	(189,682)	-	-	(74,634)
EU Colombia	(35,298)	190,790	(198,321)	-	-	(42,829)
EU S Sudan	(77,674)	206,318	(86,303)	-	-	42,341
DFID AM 2	(109,846)	507,377	(617,891)	-	-	(220,360)
DFID AM 5	-	41,850	(107,674)	-	-	(65,824)
SG Kulima	-	259,834	(259,834)	-	-	-
SG Malawi	-	140,000	(140,000)	-	-	-
SG Rwanda	18,939	84,094	(103,033)	-	-	-
Big Lottery Latin						
America	(67,156)	216,194	(212,164)	-	-	(63,126)
Other IF Grants	85,529	-	(58,577)	(5,845)	-	21,107
<b>Total Restricted</b>	<b>965,274</b>	<b>2,895,713</b>	<b>(2,832,941)</b>	<b>(241,200)</b>	<b>-</b>	<b>786,846</b>
<b>Total funds</b>	<b>7,565,513</b>	<b>7,411,738</b>	<b>(8,239,488)</b>	<b>-</b>	<b>337,287</b>	<b>7,075,050</b>

**a) Unrestricted Reserves**

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

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

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
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**Unrestricted Reserves (continued)**

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 General Fund represents unrestricted income carried forward. The target for this fund (our Operational Reserve) is set by the Board as 30% of budgeted general fundraising income for the following year which is enough to ensure that SCIAF is able to continue operations in the event of dramatic unforeseen events, or significant fluctuations in voluntary income of SCIAF from year to year. This year's target is £1,464,660 so we are £3,694 short of this target. The budget for 2018 indicates that we should make up this shortfall during the year.

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 2017.

The Reserves for Refugees, Syria, Africa Food Crisis, Nepal Quake, Haiti Hurricane, and Rohingya arose from specific appeals made to our supporters in 2015, 2016 and 2017. The funds are being applied in a planned manner to meet humanitarian needs.

The Other Emergencies and 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. In order to apply funds to relevant projects it is occasionally necessary to transfer funds from one Restricted Fund to a related one.

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 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.

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 Scottish Government (SG), The Guernsey Overseas Aid Commission, and the Big Lottery Fund.

The EU funded a project in Colombia to strengthen Afro-Colombian, Indigenous and Campesino Associations, one in Nicaragua to support young rural technicians, one in South Sudan to support people with disabilities, and one in Malawi to support women and vulnerable students to gain technical education or vocational skills training. DFID funded an Aid Match project in DR Congo, Malawi and Rwanda to support small-scale farmer households, and another aid Match project in Ethiopia to support community managed disaster risk reduction. The Scottish Government Kulima project in Burundi, Malawi and Zambia assisted in the development of sustainable farming practices; the Scottish Government also funded a project in Malawi which promoted food security, and a project in Rwanda which focused on integrated water resources management. The Big Lottery project supported local sustainable production of food in El Salvador and Nicaragua.

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND  
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**17. 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.

**18. Operating lease agreements**

At 31 December 2017 the minimum future payments under non-cancellable operating leases for computer equipment as set out below:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Less than one year	4,417	2,577
Within 1 to 2 years	2,808	1,200
Within 2 to 5 years	600	1,800
	<u>7,825</u>	<u>5,577</u>

**19. Commitments**

At the year end, forward commitments in respect of signed grant funding agreements with overseas partner organisations amounted to £1,601,633 (2016: £1,297,053). 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 31/12/16	1,297,053
Commitments expended in 2017	(1,297,053)
Forward commitments entered into 2017	1,601,633
	<u>1,601,633</u>
Forward Commitments at 31/12/17	
Commitments relate to the following years:	
2018	636,972
2019	536,810
2020	293,592
2021	134,259
	<u>1,601,633</u>

There are no capital commitments at the year end (2016: £Nil).

**20. Trustees and Related parties**

No Director (Trustee) or Committee Member received remuneration for their services, and they do not claim expense except in exceptional circumstances. One Director claimed expenses totalling £14 (2016: £NIL). No expenses were paid directly by SCIAF in relation to overseas trips undertaken by board members in the year (2016: £2,812).

Donations totalling £11,008 were received from Directors, Senior Management, and their Related Parties. 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 (2016: £Nil).