

Company number: SC197327
Charity number: SC012302

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

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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**SCOTTISH CATHOLIC INTERNATIONAL AID FUND
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Directors' Strategic Report for the year ended 31 December 2022

The Directors present their annual Directors' Strategic Report and the audited financial statements of the charity for the year ended 31 December 2022, which are prepared in accordance with the requirements for a Directors' report and accounts for Companies Act purposes and with the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013.

SCIAF'S OBJECTIVES AND ACTIVITIES

Our Mission

We want a just world, free of poverty, where we flourish and live in harmony with each other and all creation. Compelled by Christ's love, we work with those in the world's poorest places to end poverty, protect our common home, and help people recover from disaster. We inspire loving action in the Scottish Catholic community to sustain our work.

Our Objectives

We are compelled by love

SCIAF is the official relief and development agency of the Catholic Church in Scotland. Compelled by Christ's love, we help people in the world's poorest places to lift themselves out of poverty, work together to protect our common home, and help people recover from disaster. For five decades we've reached out to our global neighbours in need, irrespective of their race, religion or background, sustained by the generosity and love of Catholics in Scotland. We work in partnership with local and church organisations, supporting communities across Africa, Asia and Latin America, to bring about lasting change. We put pressure on governments to care for the planet and create a fairer, more peaceful world.

We stand side by side with communities

As part of Caritas, a global Church network with a presence in more than 160 countries, we're already there when emergencies strike, and will be there long after others have left. Together with local communities we develop local solutions that will make a real and lasting difference. We help people provide for themselves and their families, start businesses, and learn new skills, creating hope for the future. We stand side by side with communities to build peace and promote justice, so they have power over their own lives.

We are present in the most difficult places

We are building God's Kingdom here on earth so that we can all live in His love and justice, free from fear and persecution. We work with people in the hardest circumstances, so they can overcome their daily struggles and the structures of injustice that make and keep them poor. We actively serve those forced to the fringes of society and deprived of opportunity. For decades we've walked with people whose entire livelihood can wither in a drought or be washed away in a flood. We work to prevent disasters and, when disaster does strike, we respond immediately by feeding the hungry, sheltering the homeless and rebuilding lives and communities in the long term. We know that the poorest suffer the most: we will not forsake them.

We are a global community

The SCIAF family is a global community. We believe that a just and green world is possible, if we all come together in love and kindness. We seek to inspire people to live their faith and build a world where everyone is equal and free from poverty.

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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 two of the 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.

Statement of Directors' Responsibilities

The financial statements contained herein comply with the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006 and the Memorandum and Articles of Association. They also comply 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 the UK and Republic of Ireland (FRS102)" (effective 1 January 2019) (Charities SORP (FRS102)).

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). Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. 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 company and of its income and expenditure 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 company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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.

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The Directors confirm that:

- so far as each of the Directors is aware there is no relevant audit information of which the 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. Brian McGee
President
22nd June 2023

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ACTIVITIES AND ACHIEVEMENTS

1 REDUCING POVERTY & INJUSTICE OVERSEAS

- 1.1 Strategic Change
- 1.2 Advocating for Change
- 1.3 Working in Partnership
- 1.4 Institutional Funding
- 1.5 Best Practice & Accountability

2 EDUCATING FOR CHANGE

- 2.1 Reflect
- 2.2 Act
- 2.3 Give

1. REDUCING POVERTY & INJUSTICE OVERSEAS

1.1 Strategic Change

In line with our Strategic Focus 2021 – 2025, we maintained our long-term development work, alongside supporting communities to adapt to and avoid emergencies, and be better prepared when they hit. In all, we supported 101 projects with 68 direct partners (and a larger number of ‘sub-grantees’) during the year, with a total of 247,619 direct participants and 1,032,505 indirect beneficiaries.

For our long-term development programmes, we continued our work with partners in seven programme countries to support development interventions, while exiting responsibly from partnerships in the remaining seven countries. We supported 71 development projects during the year, with a total of 156,073 direct participants. This represented 63% of all project participants. In addition, 958,238 individuals indirectly benefitted from these projects.

The development of Country Strategies for our seven programme countries was largely completed in 2022. This provided an opportunity to deepen our relationships with partners and strengthen service delivery and advocacy work. We have continued to strengthen our Monitoring Evaluation and Learning, and safeguarding capacity in support of programme teams.

1.2 Advocating for Change

In 2022, SCIAF’s advocacy team built on the outcomes of COP26 and continued efforts to work together more effectively with our global partners on international advocacy activities. Whilst COP26 had not delivered the progress we had hoped, the commitment from the Scottish Government to pledge money for the issue of ‘loss and damage’ stood out as a major political outcome of the conference. In June 2022 we secured a portion of the Scottish Government’s financial commitment to loss and damage to deliver programmes in Malawi. The successful implementation of these loss and damage programmes and the promotion of its successes became another priority for the team.

We also turned our attention towards the UK Government, mobilising SCIAF supporters to call on Westminster to champion the issue of loss and damage at COP27. And in Scotland, we pushed the Scottish Government further, calling on them to be even more progressive. Alongside harnessing the Scottish example, we targeted global church leaders to speak out on the issue of loss and damage and co-organised the African Climate Dialogues with CIDSE to build understanding of key issues at COP27 amongst faith leaders in Africa.

Through each of these priorities, we sought to deepen our collaboration with SCIAF’s partners. We introduced the Advocacy Community of Practice (a forum to share learning on advocacy across the

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SCIAF family) and the Global Advocacy Priority model, whereby a joint steering group of SCIAF staff and partners develop a shared global advocacy strategic and make decisions on implementation together.

Ultimately our advocacy on loss and damage in 2022 was a huge success, culminating in agreement at COP27 to establish a fund for loss and damage under the UNFCCC. In 2023, we will continue some of our work on loss and damage to influence the design of that fund, whilst developing a new Global Advocacy Priority on the issue of food justice with our partners.

1.3 Working in Partnership

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 work 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.

In our emergency work, Ukraine dominated the year. The huge response from the Scottish public, and immediate support from the Scottish Government allowed us to support Caritas and Depaul in Ukraine, Poland and Romania to assist people affected by the Russian invasion. The President of Caritas Ukraine visited SCIAF in October and met with the Scottish Government Minister for International Development. In addition to the Ukraine response, we responded to major humanitarian crises across the globe as part of Caritas Internationalis, as well as localised emergencies in our programme countries.

Overall, we supported 30 emergency projects in 2022, with a total of 91,546 direct participants and an additional 74,267 indirect beneficiaries. These projects included work with CAFOD on our Joint Programme on Syria, responding to ongoing crises in Syria and surrounding countries. We continued our joint programme with CAFOD and Trocaire to provide ongoing support to thousands displaced and affected by the violence in northern Ethiopia, and the drought in southern Ethiopia. We supported responses to crises in Afghanistan, Colombia, Eritrea, India, Indonesia, Lebanon, Malawi, Pakistan, Palestine, Poland, Romania, South Sudan, Syria, Ukraine, and Yemen.

We maintained our position on the Scottish Government's Humanitarian Emergency Fund (HEF) panel and secured support for emergency responses in Afghanistan and Pakistan. We actively participated in the panel and presented our work to Scottish parliamentarians in October 2022 at Holyrood.

We have continued to build on the very positive Strategic Plan evaluation in 2021, emphasising innovation and adaptation. SCIAF joined the Caritas Europa Innovation Task Force in 2022. In February 2022 a project with Caritas partners in Zambia was proposed and selected for the Caritas Europa Innovation Festival, and in November the Loss and Damage campaign for COP27 was selected for the 2023 Festival. This is providing a valuable impetus for innovate thinking and practice in SCIAF, as did COVID-19 in terms of e-communications with overseas partners following the pandemic.

1.4 Institutional Funding

In 2021 we saw the start of new, major IF projects and the successful completion of existing grants. Our new UK Aid Match programme in South Sudan began in April. It is being implemented by partner SEM and helps children with disabilities get into and learn at school.

In terms of existing grants, the evaluation of our UKAM programme in Cambodia with DPA was very positive, highlighting how a large and complex programme had delivered real and significant change in people's lives. The JOA Dairy Project in Ethiopia has suffered problems due to the fifth successive drought in the country – however the project team have successfully adapted the project to the

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changing context. The CCPM project came to an end with two positive evaluations, and left SCIAF well positioned to secure further climate change funding. SCIAF secured innovative loss and damage funding for Malawi and submitted three proposals for climate justice funding from the Scottish Government at the end of the year.

Our institutional funders remain important allies in our work, and we aim to develop and maintain effective partnerships with them. We hosted two virtual project visits for institutional funders in 2021: to the UK Aid Match Cambodia project, and the Scottish Government funded CCPM.

1.5 Best Practice and Accountability

During 2022 we continued efforts to shift power and resources to organisations in the 'Global South' for development and emergency work. Notable in this was the collaboration with partner organisations in the African Climate Dialogues for COP27. We continued as a signatory of the Charter4Change alliance and provided funding for the C4C Secretariat.

Safeguarding has been a major focus during the year. We maintained our commitment to meeting sector 'best practice' standards, implementing the actions required for 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 procedures within SCIAF.

We continue to play an active role in the Caritas family through 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. SCIAF also provides financial support to regional Caritas bodies in the areas we work.

2. EDUCATING FOR CHANGE

Our development education in Scotland increases supporters' understanding of Catholic Social Teaching and the realities of life in the overseas countries we work. We also explain why we believe our way of doing things – namely integral human development – is the best way to permanently improve lives in some of the poorest parts of the world. 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.

2.1 Reflect

Our Development Education team's primary focus has traditionally been on schools. The team of two works with volunteers to develop topics that can be delivered in school assemblies or as part of the curriculum. They work closely with the Scottish Catholic Education Service (SCES) and primary and secondary teachers to deliver appropriate materials as part of the curriculum.

Having updated several new resources and created workshops in 2021, we focused on making sure these were being used, rather than on creating new resources. We increased our production of prayer and reflection resources for individual supporters too and continued our daily advent reflections and Lenten prayer material for schools and Parishes.

We continued to strengthen our relationship with SCES by co-leading two large conferences, one for pupils focusing on Catholic Social Teaching and one for teachers on Laudato Si' in connection with the Laudato Si' Schools Scotland programme.

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2.2 Act

Prayer is a key form of action, and we developed several prayer and reflection materials for Lent, Advent and – notably this year – introduced printed reflection booklets for individual mailings during Lent and Advent.

We ran a 'Time to Pay Up' campaign ahead of COP27 in Egypt. We asked our supporters to write to the Prime Minister to demand that the UK Government take seriously the call to help establish and contribute to an international loss and damage fund. 1,875 Time to Pay Up campaign actions were taken.

3.3 Give

2022 was highly unusual in regard to our fundraising. Two days before the launch of our Lenten WEE BOX appeal, Russia invaded Ukraine and the world's attention was totally focused on the appalling situation there.

We launched an emergency fund for Ukraine alongside Lent and our supporters gave an extraordinary £1.2m to help. This allowed our Caritas partners across the region to react immediately with emergency shelter, medical supplies, food and water, remaining there in the longer term to reach those most vulnerable and in need. Supporters also gave generously to a number of other emergencies over the year, including over £90,000 for the floods in Pakistan.

Our Summer Appeal, which focused on hunger in the Horn of Africa brought in a little more than expected, but our Advent Appeal fell well short. The Real Gifts element of Advent was broadly in line with previous years, but the Christmas Appeal clearly suffered from the cost-of-living crisis.

In addition to financial giving, we have eight volunteers who give their time regularly to help deliver our work in schools. 92 people are signed up as Parish Representatives, supporting the Community Engagement team across all eight dioceses. Persuading more people to volunteer for SCIAF is a key activity for the strategic period 2021-25.

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FINANCIAL REVIEW

Results for the year

The result for the year before gains on assets was net expenditure of £860,000 (2021 £25,000).

Principal funding sources

The charity's main source of income is voluntary income from individuals. Total donations and legacy income totalled £5,284,000 (2021: £4,785,000). General Donations were very similar to 2021, but our Lent Appeal was badly affected by coinciding with the Russian invasion of Ukraine, and the necessary Emergency Appeal. Supporters responded to Ukraine with great generosity, giving well over one million pounds, but the Lent Appeal for general funds was only 2/3 of the last few years' total. Legacies were within our normal range. Restricted donations (given for a particular purpose or appeal) in the year totalled £1,707,000 (2021 £768,000). This was much higher than normal, mainly because of Ukraine. There were also appeals for Afghanistan and the floods in Pakistan.

SCIAF received £2,037,000 (2021: £2,976,000) 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 a small grant from Rockefeller Philanthropies for work in Scotland.

Principal expenditure

The charity's main expenditure is on international programmes. Total expenditure was £8,301,000 (2021: £7,910,000) with international programmes making up £6,010,000 (2021: £5,731,000).

Reserves policy

The Board set the current Reserves 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 2023, the general operations target is £2,773,000 (2021 £3,194,000) and the government-funding target is £380,000 (2021 £543,000). This is a total of £3,153,000 (2021 £3,737,000), which is £384,000 higher (2021 £3,000 lower) than the General Fund of £2,802,000. While 2023 is expected to be another difficult year financially, our medium-term plan indicates that we will once again meet the Reserves target by the end of 2025.

Free Reserves excludes the value of the fixed assets and the unrealised increase in value of our investments.

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Financial risk

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 do 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.
- 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 relief 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.

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: maintenance of our general fundraising income in the current economic climate and the fall in attendance at Mass; the generation of institutional income in the context of Government cuts, and the subsequent costs of compliance and governance.

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.

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 abrdn Investments are required to meet strict ethical guidelines, consistent with the work and beliefs of SCIAF. At the end of 2022, the funds invested had a market value of £2,559,000 (2021: £3,047,000). This substantial drop reflects the more general fall in the investment markets in 2022, exacerbated by our ethical exclusion of fossil fuel and mining stocks, which were the only sectors that did well.

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 a composite of the following indices: FTSE Government All Stocks Index (20%), FTSE All Share Index (30%) FTSE World excluding UK (30%), and Merrill Lynch Sterling Bonds (20%). Over the year the portfolio underperformed its benchmark by 4% and the portfolio return for the year to 31 December 2022 was -16%.

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Partners Overseas

In 2022 SCIAF worked with and provided funding for the following partners:

Cambodia

Development & Partnership in Action
Caritas Cambodia

Colombia

Caritas Colombiana (SNPS)
Siembra
Pastoral Social Diocesis de Quibdó
Secretariado Diocesano de Pastoral Social,
Diócesis de Apartadó
Fundacion Buen Punto

Democratic Republic of the Congo

Bureau Diocesain des Oeuvres Medicales
Commission Diocesan Justice et Paix Bukavu
Commission Diocesan Justice et Paix Uvira
Judicial Support Association for Victims of
Violence
Popoli Fratelli
Centre Olame

Ethiopia

CAFOD, SCIAF & Trocaire Working Together
(joint office)

Haiti

Centre D'Appui Pedagogique

Italy

Association Terra Sancta

Lebanon

Caritas Lebanon

Malawi

CADECOM Malawi
CADECOM Mangochi
CCJP Malawi
Trocaire Malawi
CISONECC

Pakistan

Caritas Pakistan

Rwanda

CDJP Cyangugu
CDJP Kigali
CDJP Kabgayi
CEJP Rwanda

South Sudan

Caritas South Sudan
Mundri Relief & Development Association
Sudan Evangelical Mission
Sisters of our Lady of Peace

Ukraine

Caritas Europa
Caritas Poland
Caritas Romania
Caritas SPES
Caritas Ukraine
DePaul International

United Kingdom

Catholic Agency for Overseas Development
(CAFOD)
ABColumbia
Survive Miva

United States of America

Catholic Relief Services (for Afghanistan)

Zambia

Caritas Livingstone
Caritas Mongu
Caritas Zambia
Caritas Kabwe
Caritas Solwezi
Jesuit Centre for Theological Reflection
Kasisi Agricultural Training Centre

International

Caritas Internationalis
Caritas Asia
Caritas Africa

PLANS FOR THE FUTURE

If SCIAF is to continue its work with people living in the poorest parts of the world, we need to continue investing in fundraising. Despite the decline in mass-going Catholics, we believe we can increase the number of people in Scotland who support us by being more active in the community. We also aim to persuade more of them to do so on a regular basis, if they can, although the current cost-of-living crisis is a concern.

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Whilst there is increased economic uncertainty here, after many decades which saw a decline in global poverty, world events are now pushing millions more people into hunger. The causes include changes to the weather caused by the climate emergency, which severely impact small-scale farmers, and an increase in conflict, both local and the war in Ukraine which impacts the supplies of food onto the world market. Hunger will, therefore, be a priority theme for fundraising appeals in the near future.

We also need to persuade more people to volunteer for SCIAF, and this will be a key activity in the strategic period 2021-25. We have a number of volunteers who help in the office, and several who help with our schools' programme. But we need to focus on increasing support in parishes.

Our overseas programme team have continued to work on the Country Strategies for SCIAF's eight programme countries. This offers an opportunity to build on the successes of the period 2016-2020, deepen our relationships with partners, and work to breakdown the bigger systems and causes that keep people poor.

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 (who are also the Trustees) 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

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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.

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.

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.

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 Directors of SCIAF.

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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

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: abrdn, 1 George Street, Edinburgh, EH2; Flagstone, Clareville House, 26-27 Oxendon Street, London SW1Y 4EL

Bankers: Royal Bank of Scotland, Glasgow Charing Cross Branch, 9 Clifton Place, Glasgow, G3 7JU

KEY MANAGEMENT PERSONNEL

Board of Directors

Most Rev William Nolan
Right Rev Brian McGee (President)
Right Rev Joseph A. Toal
Thérèse Mapenzi
Lorraine McMillan
Joseph Hughes (from 16 June 2022)

Prof Jim Gallagher (until 16 June 2022)
Most Rev Leo Cushley (until 27 September 2022)
Prof Mike. Mannion (until 16 June 2022)
Right Rev John Keenan (until 27 September 2022)
Diane Burke (from 16 June 2022)

Secretary

McSparran McCormick, Solicitors

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

Joseph Hughes (Chair)
Prof Jim Gallagher (until 16 June 22)
Iain Marley (until 29 November 22)
Lorraine McMillan

Rae Connolly (from 27 September 22)
Mark Shields (from 27 September 22)

Public Engagement Committee

Diane Burke (Chair) (from 16 June 22)
Rt Rev John Keenan (until 27 Sept 22)
Eric Grounds
Philippa Bonella
Prof Mike Mannion (until 16 June 22)
Marie Hendry (from 16 May 22)
Lisa McGraith (from 16 May 22)

**Integral Human Development
Committee**

Therese Mapenzi (Chair)
Jane Salmonson (until 23 February 22)
Alison O'Connell
Fr. Leonard Chiti (until 24 August 22)

**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 2022**

Opinion

We have audited the financial statements of The Scottish Catholic International Aid Fund (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities (incorporating and Income & Expenditure Account), Balance Sheet, the Cash Flow Statement 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 charitable company's affairs as at 31 December 2022, and of its 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)**

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.

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 Trustees' Report incorporating the Strategic Report and the Director's Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's 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 Strategic Report and the Directors' Report.

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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Directors' responsibilities statement set out on page 3-4, 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 Directors 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)**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

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

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

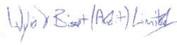
from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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. 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.

DocuSigned by:

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Scott Gillon BA(Hons) , FCCA, CA
For and on behalf of Wylie & Bisset (Audit) Limited, Statutory Auditor
168 Bath Street
Glasgow
G2 4TP

22nd June 2023

Wylie & Bisset (Audit) Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted Funds £'000	2022 Restricted Funds £'000	Total Funds £'000	Unrestricted Funds £'000	2021 Restricted Funds £'000	Total Funds £'000
Income							
<i>Donations and legacies</i>							
Lenten donations		904	-	904	1,547	-	1,547
Other donations		1,750	1,707	3,457	1,649	768	2,417
Legacies		923	-	923	821	-	821
Total donations and legacy income		3,577	1,707	5,284	4,017	768	4,785
<i>Income from charitable activities</i>							
Institutional funding – international programmes	1	95	1,942	2,037	180	2,796	2,976
Institutional funding – UK staffing	1	-	2	2	-	36	36
<i>Income from trading activities</i>							
Sale of goods & resources		0	-	0	10	-	10
<i>Investment income – dividends and interest received</i>							
		85	-	85	78	-	78
Total income		3,757	3,651	7,408	4,285	3,600	7,885
Expenditure							
<i>Total Expenditure on raising funds</i>	2	1,394	140	1,534	1,227	63	1,340
<i>Expenditure on charitable activities</i>							
International programmes	4a	2,474	3,536	6,010	2,481	3,250	5,731
Advocacy	4c	277	-	277	249	-	249
Information & education	4b	478	2	480	560	30	590

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

Total Charitable expenditure	3,229	3,538	6,767	3,290	3,280	6,570
Total expenditure	4,623	3,678	8,301	4,567	3,343	7,910
<i>Net (expenditure)/income for the year before transfers and other gains and losses</i>	(866)	(27)	(893)	(282)	257	(25)
Net (loss)/gain on investments	(547)	-	(547)	236	-	236
<i>Net (expenditure)/income</i>	(1,413)	(27)	(1,440)	(46)	257	211
Transfer between funds	2	(2)	-	47	(47)	-
<i>Net movement in funds</i>	(1,411)	(29)	(1,440)	1	210	211
<i>Reconciliation of funds</i>						
Total funds brought forward	4,864	881	5,745	4,863	671	5,534
Total funds carried forward	16	3,453	852	4,305	4,864	5,745

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 2022

	Note	2022 £'000	2021 £'000
Fixed Assets			
Tangible assets	9	208	243
Investments	10	2,559	3,047
		<u>2,767</u>	<u>3,290</u>
Current Assets			
Stock	11	23	5
Debtors	12	731	395
Cash on deposit and on hand		1,079	3,368
		<u>1,833</u>	<u>3,768</u>
Current liabilities: amounts falling due within one year	13	<u>(255)</u>	<u>(1,286)</u>
Net Current Assets		1,578	2,482
Provisions for liabilities	14	<u>(40)</u>	<u>(27)</u>
Net Assets		<u>4,305</u>	<u>5,745</u>
Reserves			
Unrestricted Reserves	16	2,977	3,977
Restricted Reserves	16	852	881
Investment Revaluation Reserve	16	476	887
		<u>4,305</u>	<u>5,745</u>

Approved and authorised for issue by the Board of Directors on 22nd June 2023 and signed on its behalf by

DocuSigned by:

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Rt Rev Brian McGee (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 2022**

	Notes	2022 £'000	2021 £'000
Net cash (used)/ released by operating activities	1	(1,302)	188
Cash flows from investing activities			
Dividends and interest from investments		85	78
Purchase of property, plant and equipment		(13)	(18)
Loan (repayment)/advance		(1,000)	1,000
Purchase of investments		(611)	(430)
(Increase)/decrease in investment cash deposits		(92)	177
Proceeds from sale of investments		644	200
Net cash released by investing activities		(987)	1,007
(Decrease)/Increase in cash and cash equivalents in the reporting period		(2,289)	1,195
Cash and cash equivalents at the beginning of the reporting period		3,368	2,173
Cash and cash equivalents at the end of the reporting period	2	1,079	3,368

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

	2022 £'000	2021 £'000
Net movement in funds	(1,440)	211
Depreciation charges	48	44
Loss/(Gain) on investment assets	547	(236)
Investment income	(85)	(78)
(Increase)/Decrease in stock	(18)	15
(Increase)/Decrease in debtors	(336)	203
(Decrease)/Increase in creditors	(31)	2
Increase in provisions	13	27
Net cash released by operating activities	(1,302)	188

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

2. Analysis of cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank and in hand	1,079	3,368
	1,079	3,368

3. Changes in Net Debt

	At start of year £'000	Cashflows £'000	Non-cash changes £'000	At end of year £'000
Cash	3,368	(2,289)	-	1,079
Loans falling due within one year	(1,000)	1,000	-	-
TOTAL	2,368	(1,289)	-	1,079

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Incoming resources from charitable activities

	Unrestricted £'000	Restricted £'000	2022 Total £'000	2021 Total £'000
Government Grants				
Foreign Commonwealth and Development Office				
South Sudan – Aid Match	19	261	280	-
Cambodia – Aid Match	5	11	16	374
DR Congo – Aid Match	32	398	430	345
HM Revenue & Customs. Furlough	-	-	-	9
Scottish Government				
Zambia	6	140	146	300
Malawi Contract	-	100	100	1,264
Malawi Loss & Damage	18	175	193	-
Humanitarian Emergency Fund	-	598	598	233
Guernsey Overseas Aid Commission				
Rwanda	-	50	50	23
Cambodia	-	23	23	-
States of Jersey				
Ethiopia	8	172	180	292
Government Grants Total	88	1,928	2,016	2,840
European Commission Malawi	7	14	21	85
Glasgow University Colombia	-	-	-	60
Rockefeller Philanthropies	-	2	2	27
Total	95	1,944	2,039	3,012

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 £'000	Support Costs £'000	Total 2022 £'000	Total 2021 £'000
Fundraising appeals	300	-	300	435
Salaries and other staff costs	650	165	815	727
Travel	34	7	41	5
Professional fees	67	1	68	2
Office costs	-	79	79	72
Administration costs	134	61	195	66
Governance costs	-	20	20	15
Total cost of fundraising	1,185	333	1,518	1,322
Investment management	16	-	16	18
	1,201	333	1,534	1,340

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

3. Grant expenditure

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

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
AFRICA				
Ethiopia				
Joint office with CAFOD and Trocaire – for distribution to partners	183	607	790	443
Democratic Republic of Congo				
Justice et Paiz Bukavu				
Diocese	21	139	160	132
Centre Olame	24	108	132	110
AJV	10	76	86	116
BDOM	-	109	109	124
Malawi				
Cadecom Mangochi	-	60	60	-
CCJP Malawi	60	-	60	121
National Cadecom	60	10	70	60
Trocaire	65	89	154	1,138
Rwanda				
Justice et Paix, Kigali	39	52	91	110
South Sudan				
Sudan Evangelical Mission	125	407	532	126
Zambia				
Caritas Zambia	8	273	281	268
ASIA				
Cambodia				
DPA	39	72	111	249
Pakistan				
Caritas Pakistan	-	100	100	-
Afghanistan				
Catholic Relief Services	-	92	92	-
Indonesia				
Caritas Karina	-	-	-	107
Syria				
CAFOD/SCIAF	-	50	50	120
Gaza				
Caritas Jerusalem	-	-	-	74

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

Grant expenditure (continued)

LATIN AMERICA

Colombia

Diocese of Quibdo	5	60	65	120
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UKRAINE CRISIS

Caritas Romania	-	100	100	-
Caritas SPES	-	180	180	-
Caritas Ukraine	-	500	500	-
DePaul International	-	300	300	-

Other grants less than £50,000 paid in the year	599	131	730	859
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Total Grant Expenditure	1,238	3,515	4,753	4,387
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Represented by:

International development grants	1,203	3,515	4,718	4,387
Advocacy grants	35	-	35	-
	1,238	3,515	4,753	4,387

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 £404,039 for FCDO Aid Match South Sudan and £432,241 for FCDO Aid Match DR Congo are included within the figures above.

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:

	Direct Costs £'000	Support Costs £'000	Total 2022 £'000	Total 2021 £'000
International programmes (4a)	5,658	352	6,010	5,731
Information and education (4b)	335	145	480	590
Advocacy (4c)	210	67	277	249
	6,203	564	6,767	6,570

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

4a) International programmes

	Direct Costs £'000	Support Costs £'000	Total 2022 £'000	Total 2021 £'000
Grant expenditure	4,718	-	4,718	4,387
Salaries and other staff costs	725	170	895	953
Travel	60	8	68	21
Professional fees	104	1	105	89
Office costs	-	86	86	95
Administration costs	51	66	117	166
Governance costs	-	21	21	20
	<u>5,658</u>	<u>352</u>	<u>6,010</u>	<u>5,731</u>

b) Information and education

	Direct Costs £'000	Support Costs £'000	Total 2022 £'000	Total 2021 £'000
Materials and activities	43	-	43	57
Salaries and other staff costs	291	71	362	440
Office costs	-	35	35	44
Administration costs	1	30	31	40
Governance costs	-	9	9	9
	<u>335</u>	<u>145</u>	<u>480</u>	<u>590</u>

c) Advocacy

	Direct Costs £'000	Support Costs £'000	Total 2022 £'000	Total 2021 £'000
Grant expenditure	35	-	35	-
Events & publication	16	-	16	52
Salaries and other staff costs	147	31	178	163
Travel	12	2	14	
Office costs	-	17	17	16
Administration costs	-	13	13	15
Governance costs	-	4	4	3
	<u>210</u>	<u>67</u>	<u>277</u>	<u>249</u>

5. Governance costs

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

	2022 £'000	2021 £'000
Costs of Board meetings and overseas travel	11	-
Professional fees	32	35
Auditor's remuneration	11	12
	<u>54</u>	<u>47</u>

6. Net expenditure for the year

This is stated after charging:	2022 £'000	2021 £'000
Depreciation	48	44
Realised (gain)/loss on foreign exchange	2	1
Auditor's remuneration	11	12

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

7. Staff costs

	2022	2021
	£'000	£'000
Wages and salaries	1,822	1,866
Social security costs	197	183
Pension costs	162	151
	<u>2,181</u>	<u>2,200</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 £21,500 (2021 £83,000).

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

	2022	2021
	No	No
Integral Human Development	18	19
Education and information	7	8
Cost of generating funds	15	15
Support costs & governance	11	11
	<u>51</u>	<u>53</u>
Full time equivalent	<u>48</u>	<u>48</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 £326,000 (2021: £313,000). One employee's total employee benefits were between £100,000 and £110,000 and two were between £60,000 and £70,000 (2021: one employee between £90,000 and £100,000 and two 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 salary to the scheme. 50 staff are members of the scheme (2021: 53 staff). Included in staff costs are contributions paid or payable by SCIAF to the fund which amounted to £162,000 (2021: £151,000).

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.

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

9. Tangible fixed assets

	Leasehold property £,000	Furniture £,000	Computer equipment £,000	Total 2022 £,000
Cost:				
At 1 January 2022	208	33	128	369
Additions	-	-	13	13
Disposals	-	-	(28)	(28)
At 31 December 2022	208	33	113	354
Depreciation:				
At 1 January 2022	38	7	81	126
Disposals	-	-	(28)	(28)
Charge for the year	24	3	21	48
At 31 December 2022	62	10	74	146
Net book value				
At 31 December 2022	146	23	39	208
At 31 December 2021	170	26	47	243

There are no capital commitments at the year-end (2021: £Nil)

10. Investments

	2022 £'000	2021 £'000
Valuation at 1 January	3,047	2,758
Acquisitions	611	430
Disposals	(687)	(205)
Market valuation movement in year	(504)	241
	2,467	3,224
Cash deposits movement in year	92	(177)
	2,559	3,047

Net cash released during the year was £33,000 (2021: net cash invested £230,000).

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).

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

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Investments (continued)

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.

Analysis of investments at market value	2022	2021
	£'000	£'000
Listed investments	2,408	2,988
Cash deposits	151	59
	<u>2,559</u>	<u>3,047</u>
Historic cost	<u>1,932</u>	<u>2,160</u>

11. Stock

	2022	2021
	£'000	£'000
Printed fundraising materials	23	5
	<u>23</u>	<u>5</u>

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

12. Debtors

	2022	2021
	£'000	£'000
Gift Aid	30	58
Accrued Income	657	242
Prepayments	41	70
Other Debtors	3	25
	<u>731</u>	<u>395</u>

13. Current liabilities: amounts falling due within one year

	2022	2021
	£'000	£'000
Trade creditors	96	58
PAYE & NIC	46	48
Accrued expenses	113	180
Coronavirus Business Interruption Loan	-	1,000
	<u>255</u>	<u>1,286</u>

14 Provision for Liabilities

	2022	2021
	£'000	£'000
Provision for dilapidations:		
At 1 January 2022	27	-
Charged in the year	13	27
At 31 December 2022	<u>40</u>	<u>27</u>

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The lease of the office at 7 West Nile Street requires us to pay the landlord on termination of the lease. The lease expires in 2029, and we are charging an estimate of the dilapidations cost on a straight-line basis over ten years.

15. Analysis of net assets between funds

Analysis of net assets between funds 2022

	Unrestricted £'000	Restricted £'000	Total £'000
Tangible fixed assets	208	-	208
Investments	2,559	-	2,559
Stock	23	-	23
Debtors	413	318	731
Cash	545	534	1,079
Current Liabilities	(255)	-	(255)
Net current assets	<u>726</u>	<u>852</u>	<u>1,578</u>
Provisions for liabilities	(40)	-	(40)
Total net assets	<u>3,453</u>	<u>852</u>	<u>4,305</u>

Analysis of net assets between funds 2021

	Unrestricted £'000	Restricted £'000	Total £'000
Tangible fixed assets	243	-	243
Investments	3,047	-	3,047
Stock	5	-	5
Debtors	259	136	395
Cash at bank	2,623	745	3,368
Current Liabilities	(1,313)	-	(1,313)
Net current assets	<u>1,574</u>	<u>881</u>	<u>2,455</u>
Total net assets	<u>4,864</u>	<u>881</u>	<u>5,745</u>

16. Movement in funds

Fund Name	At 1 Jan 2022 £'000	Income £'000	Expenditure £'000	Transfer £'000	Gains/ Losses £'000	At 31 Dec 2022 £'000
Unrestricted:						
Fixed Assets						
Fund	243	-	(48)	13	-	208
Investment						
Revaluation						
Reserve	887	-	-	-	(411)	476
General Fund	<u>3,734</u>	<u>3,757</u>	<u>(4,575)</u>	<u>(11)</u>	<u>(136)</u>	<u>2,769</u>
Total unrestricted	<u>4,864</u>	<u>3,757</u>	<u>(4,623)</u>	<u>2</u>	<u>(547)</u>	<u>3,453</u>
Restricted Funds						
Refugees	118	-	(74)	-	-	44
Afghanistan	18	50	(50)	-	-	18
Ukraine	-	1,233	(762)	-	-	471
Pakistan Flood	-	102	(60)	-	-	42

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Movement in Restricted Funds (continued)

Emergency Response Fund	148	20	(76)	111	-	203
Other Emergencies	29	24	(48)	-	-	5
Development Projects	1	7	(8)	-	-	-
Michael & Joseph McCabe	66	-	(9)	-	-	57
Real Gifts	294	271	(241)	(113)	-	211
<i>Institutional Funds</i>						
EU Albanism	(15)	15	-	-	-	-
FCDO AM DR Congo	(94)	398	(432)	-	-	(128)
FCDO AM Cambodia	(12)	12	-	-	-	-
FCDO AM S Sudan	-	260	(404)	-	-	(144)
Guernsey Overseas Aid	(27)	72	(100)	-	-	(55)
States of Jersey Ethiopia	282	172	(454)	-	-	-
SG Kabwe	130	140	(270)	-	-	-
SG CCP Malawi	(57)	100	(43)	-	-	-
SG Loss & Damage	-	175	(47)	-	-	128
SG HEF	-	598	(598)	-	-	-
Rockefeller	-	2	(2)	-	-	-
Total Restricted	881	3,651	(3,678)	(2)	-	852
Total funds	5,745	7,408	(8,301)	-	(547)	4,305

Movement in Funds (2021)

Fund Name	At 1 Jan 2021 £'000	Income £'000	Expenditure £'000	Transfer £'000	Gains/ Losses £'000	At 31 Dec 2021 £'000
Unrestricted:						
Fixed Assets Fund	269	-	-	(26)	-	243
Investment Revaluation Reserve	719	-	-	-	168	887
General Fund	3,875	4,285	(4,567)	73	68	3,734
Total unrestricted	4,863	4,285	(4,567)	47	236	4,864

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Restricted Funds (2021)

Refugees	210	8	(100)	-	-	118
Indonesia						
Tsunami	107	-	(107)	-	-	-
Afghanistan	-	42	(24)	-	-	18
Gaza	-	82	(82)	-	-	-
Beirut						
Explosion	10		(10)	-	-	-
Emergency						
Response Fund	104	38	(46)	52	-	148
Other						
Emergencies	11	41	(23)	-	-	29
Development						
Projects	-	113	(113)	1	-	1
Michael & Joseph McCabe Summer	76	-	(10)	-	-	66
Appeal	-	150	(150)	-	-	-
Real Gifts	315	294	(215)	(100)	-	294
<i>Institutional Funds</i>						
EU Albanism	(3)	70	(82)	-	-	(15)
HMRC						
Furlough	-	9	(9)	-	-	-
FCDO AM DR						
Congo	-	322	(416)	-	-	(94)
FCDO AM						
Cambodia	(162)	339	(189)	-	-	(12)
Guernsey						
Overseas Aid	-	23	(50)	-	-	(27)
States of						
Jersey Ethiopia	-	282	-	-	-	282
SG Kabwe	138	260	(268)	-	-	130
SG CCP Malawi	(135)	1,214	(1,136)	-	-	(57)
SG HEF	-	226	(226)	-	-	-
Glasgow						
University						
Colombia	-	60	(60)	-	-	-
Rockefeller	-	27	(27)	-	-	-
Total						
Restricted	671	3,600	(3,343)	(47)	-	881
Total funds	5,534	7,885	(7,910)	-	236	5,745

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 2022.

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The Reserves for Refugees, Ukraine, Pakistan Floods and Afghanistan arose from specific appeals made to our supporters in 2016 to 2022. The funds are being applied in a planned manner to meet humanitarian needs.

The Emergency Response Fund is credited when supporters 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.

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.

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 aimed at improving the lives of persons with albinism in Malawi by promoting and protecting their human rights to access healthcare and justice. This project is now completed.

FCDO funded three Aid Match projects:

- (i) in Cambodia, to increase household income, food and livelihood security; strengthen community response and resilience to disasters and improve access to water and sanitation.
- (ii) in Democratic Republic of Congo assisting survivors of gender-based violence
- (iii) in South Sudan increasing access to inclusive education for children with disabilities.

The Guernsey Overseas Aid Commission funded projects 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 are 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 address emergency needs in Ethiopia and South Sudan. 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 had 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

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and building resilience against the worst effects of climate change. A new grant was awarded for action research to address loss and damage in Malawi caused by recent climate events.

Rockefeller Philanthropies provided a grant to cover the costs of one member of staff working on civil society preparations for COP26 in Glasgow in 2021, who left at the end of January 2022.

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 2022 the minimum future payments under non-cancellable operating leases for leasehold property and office equipment is set out below:

	2022	2021
	£'000	£'000
In the next year	161	52
During years 2 to 5	296	171
In more than 5 years	-	-
	<u>457</u>	<u>223</u>

19. Commitments

At the year end, forward commitments in respect of signed grant funding agreements with overseas partner organisations amounted to £685,000 (2021:£144,000). 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 31/12/21	144
Commitments expended in 2022	(94)
Forward commitments entered into 2022	635
	<u>685</u>
Forward Commitments at 31/12/22	<u>685</u>
Commitments relate to the following years:	
2023	544
2024	106
2025	35
	<u>685</u>

There are no capital commitments at the year end (2021: £Nil).

20. 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 (2021: £Nil). Expenses totalling £3,456 were paid directly by SCIAF in relation to travel by board members in the year (2021: £Nil).

Donations totalling £10,000 (2021 £13,000) were received from Directors and Senior Management. No other transactions were made with Related Parties.

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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 (2021: £Nil).

21. Contingent Liabilities

We have been notified that one of our projects has been selected for a full review by the funder's auditors. This could take place at any time up until 2026. We have undertaken an exercise to review the project in question and believe that there is a possibility that funding of approximately £60,000 may be clawed back as a result of records supporting expenditure which might be deemed to be unsatisfactory. No provision has been included in these financial statements for this amount.

22. Securities over Assets

In February 2021 SCIAF took out a loan for £1 Million, under the Government-backed Coronavirus Business Interruption Scheme.

The Government provides the Royal Bank of Scotland with a guarantee covering 80% of the value of the loan. The remainder of the loan was covered by a fixed charge over our investment securities and a floating charge over the remainder of SCIAF's assets.

The loan was repaid in full in February 2022, with no interest due, but the charges over SCIAF's assets have not yet been discharged by the bank.

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23. 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)) (effective 1 January 2019), 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 thousand pounds. 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 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.

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

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

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Financial Instruments (investments)

All of SCIAF's financial assets and financial liabilities are 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 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 and/or to provide termination benefits.

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24. 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.