

Company number: SC197327
Charity number: SC012302

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

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

**SCOTTISH CATHOLIC INTERNATIONAL AID FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

CONTENTS	Page
Directors' Strategic Report	2
Independent Auditor's Report	13
Statement of Financial Activities	17
Balance Sheet	19
Statement of Cash Flows	20
Notes to the financial statements	21

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

Directors' Strategic Report for the year ended 31 December 2023

The Directors present their annual Directors' Strategic Report and the audited financial statements of the charity for the year ended 31 December 2023, 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.

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

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 handout. 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.

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

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:

013D592DE5C54A1...

Rt. Rev. Brian McGee
President
20th June 2024

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

ACTIVITIES AND ACHIEVEMENTS

1) Delivering Development & Humanitarian Programmes

In 2023, we continued to implement our 2021-2025 Strategic Plan successfully. Our overseas development and humanitarian programmes continued to be implemented through our local partner organisations in line with the Caritas Internationalis partnership principles, functioning as a multi-level network of aid and development support, serving immediate needs and tackling the root causes of poverty.

In total in 2023, we implemented 87 projects across 25 countries. This covers our 8 focus countries (Cambodia, Colombia, DRC and Rwanda, Ethiopia, Malawi, South Sudan, and Zambia) as well as a further 12 countries which received humanitarian/emergency aid and/or exit grants to finalise our exit process.

We reached 448,026 Direct Participants and almost double that amount in Indirect Participants (829,793). 59% of Direct Participants were female.

This work was implemented through SCIAF's own funds and institutional funds (IF). In 2023, SCIAF secure £3.4 million in IF from 8 grants covering development, emergency response and Loss and Damage projects.

Throughout 2023, we also supported capacity strengthening of our partners, in line with our commitments to localization. We completed extensive minimum standards checks throughout 2023 and provided bespoke capacity support in areas such as safeguarding, gender equality, strategic planning and advocacy. The development of advocacy capacity amongst our partners and partnerships with them on joint initiatives continued to be a significant area of growth in 2023. We developed new advocacy initiatives together with partners on food justice and climate governance in Zambia and Malawi respectively to further enhance the effective implementation of our country strategies in both countries.

Further summaries, detailed by Strategic Objective, are provided below:

Strategic Objective 1: A Just and Green World

1A. Peaceful and Just Communities: programming in this area reached 8,644 direct participants, and 424,055 indirect participants, reflecting the strong advocacy focus of our peacebuilding work which indirectly benefits large portions of conflict affected societies. Projects were implemented in Colombia, DRC, Ethiopia, Malawi, Rwanda, and South Sudan.

1B. Sustainable, resilient livelihoods and a flourishing environment for all: The majority of our development programming falls into this category, which covers all of our agroecology and sustainable farming work, as well as our technical and vocational training (TEVET) and village savings and loans (VSL) work. In 2023 we reached 279,829 direct participants, and 266,419 indirect participants, with projects in Cambodia, Colombia, DRC, Malawi, Rwanda, South Sudan, and Zambia.

Strategic Objective 2: Emergencies: SCIAF aims to respond to emergencies in our focus countries and major emergencies elsewhere when there is unmet need, we have the ability to respond, and funding is available. We do this through the Caritas Internationalis network. SCIAF responded to a range of emergencies in 2023 including conflict-related emergencies, food insecurity, earthquakes, floods and cyclones. With a mixture of our own, and Scottish Government funds, we supported emergency responses in Afghanistan, Eritrea, Ethiopia, Libya, Malawi, Morocco, the Occupied Palestinian Territories (OPT), Syria, South Sudan, Turkey, Ukraine, Zambia and Yemen. We supported 159,533 participants with humanitarian support and reached a further 139,319 indirectly.

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

2) Educating for Change

Our development education in Scotland focuses on increasing supporters' understanding of Catholic Social Teaching, the model of Integral Human Development and the realities of life in the countries we work in. Our objective is to inspire people in Scotland to understand our mission and work to build a better world through prayer, campaigning and the giving of time and money to help others.

In 2023, we worked closely with the Scottish Catholic Education Service (SCES) and individual schools across Scotland to bring our work to the classroom. We continued to strengthen our relationship with SCES by co-leading a conference for teachers on Laudato Si' in connection with the Laudato Si' Schools Scotland programme. By developing material to be delivered in school assemblies and class workshops, linked with the curriculum, we reached thousands of children across Scotland with our educational resources. Whilst continuing to roll our existing resources produced in previous years including climate change and emergencies, we updated and refreshed our Laudato Si' online resource, created a Rugby for Peace resource to go alongside our documentary and created our annual resources for WEE BOX and Real Gifts.

Throughout 2023 we invested in growing our education offering to parishes. We created and rolled out new materials including our Integral Human Development workshop and expanded our relationships with parish priests across the country.

We also developed multiple prayer and reflection resources for Lent and Advent, drawing our lessons from the campaign's material for our supporters at home, in schools and in parishes.

3) Campaigning for a Just World

Based on our Integral Human Development model and informed by Catholic Social Teaching, SCIAF views advocacy and campaigns work as one of our key tools to achieving our mission and charitable objectives.

In 2023, SCIAF's advocacy team further deepened its expertise and global reputation on the issue of Loss & Damage, begun a new stream of work on the issue of Food Justice, further expanded our work with partner organisations on joint advocacy initiatives and engaged in numerous domestic advocacy issues relating to our core policy positions on international development and climate.

On Loss & Damage, SCIAF played a leading role in building momentum and mobilising new voices to speak out on this issue on the global stage. SCIAF developed and led on a faith leaders' statement on the issue, which was signed by more than 600 faith leaders from more than 50 countries across each continent and submitted to COP28. SCIAF also developed and led on the production of pledge for Parliamentarians from across the world to endorse to show their support for action on Loss & Damage at COP28, which was signed by more than 100 Parliamentarians from more than 30 countries. Alongside advocacy work, SCIAF took its learning from delivering Loss & Damage programmes to the UN Transitional Committee on Loss & Damage and worked closely with the Holy See delegation who continue to be a key champion of this work on the global stage. Our Partner Advocacy Officer travelled to Malawi in 2023 and worked together with partners there to develop a new advocacy strategy on climate resilience & good governance in the country, accompanied by a start-up grant from SCIAF.

On the issue of Food Justice, SCIAF engaged in a multi-month process of consultation with partners and literature review, culminating in a series of recommendations to inform a new global strategy on this issue, to be started in 2024. Alongside this, working with our global networks, we supported engagements and lobbying at the UNFCCC Bonn conference on the issue of agroecology, and launched a campaign towards the UK Government on the food crisis in Autumn 2023; bringing the petition and names of signatories to 10 Downing Street in November.

In early 2023, to accompany the election of a new First Minister in Scotland, we launched a campaign towards him, calling for 4 key demands for his first year in office on climate, food justice, and international development. Towards the end of 2023, we launched another petition to the UK

SCOTTISH CATHOLIC INTERNATIONAL AID FUND (COMPANY LIMITED BY GUARANTEE)

Government calling on the Prime Minister and Foreign Secretary to do all they can to secure an immediate ceasefire and work towards lasting peace in the Holy Land.

Throughout the year, we engaged in multiple advocacy activities around the Scottish Government and Parliament, drafted a new Public Affairs strategy which aims to deepen our political relationships at Holyrood and Westminster, and continued to support the work of our key coalitions in Scotland, Stop Climate Chaos Scotland (SCCS) and Scotland's International Development Alliance (SIDA). In Autumn 2023, informed by the priorities of our partners overseas, we submitted written evidence and recommendations to the Scottish Parliament committee responsible for climate change on the new Circular Economy Bill. We delivered oral evidence to the committee and are engaging closely with committee members and the Scottish Government to secure amendments to this legislation.

FINANCIAL REVIEW

Results for the year

The result for the year before gains on assets was net expenditure of £561,000 (2022 £893,000).

Principal funding sources

The charity's main source of income is voluntary income from individuals. Donations and legacy income totalled £4,912,000 (2022: £5,284,000). General Donations were a little lower than 2022, but this is distorted by the Summer Appeal this year being a Restricted Appeal when normally it is for General Funds. Restricted donations (given for a particular purpose or appeal) in the year totalled £1,190,000 (2022 £1,707,000). This is lower than last year, which included our very large Appeal for Ukraine. There were also appeals for earthquakes in Syria, Turkey, and Morocco; at the end of the year, we launched an appeal for humanitarian assistance in Israel and the Occupied Palestinian Territories, largely in response to the situation in Gaza.

SCIAF received £3,636,000 (2022: £2,037,000) of institutional funding for overseas relief and development. Our largest institutional donors were the Scottish Government and UK Foreign Commonwealth and Development Office (formerly Department for International Development), and Jersey Overseas Aid, with smaller amounts from Guernsey Overseas Aid and Development Commission.

Principal expenditure

The charity's main expenditure is on international programmes. Total expenditure was £9,204,000 (2022: £8,301,000) with international programmes making up £6,956,000 (2022: £6,010,000).

Reserves policy

The Board revised the Reserves Policy in March 2024. 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. Free Reserves excludes the value of the fixed assets and the unrealised increase in value of our investments.

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 work is calculated by examining the budget for the subsequent year and calculating the peak net cumulative outflow of cash at a month end.

SCOTTISH CATHOLIC INTERNATIONAL AID FUND (COMPANY LIMITED BY GUARANTEE)

The reserves target therefore based on this calculation is £3,153,000 (2022 £3,305,000), which is £517,000 higher (2022 £384,000 higher) than the General Fund of £2,788,000. While 2024 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 2026.

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 Liechtenstein General Trust (who purchased the portfolio from abrdn in the course of the year) Investments are required to meet strict ethical guidelines, consistent with the work and beliefs of SCIAF. At the end of 2023, the funds invested had a market value of £2,698,000 (2022: £2,559,000). This small increase masks a larger increase as we withdrew £150,000 in the year to assist in managing our cashflow. IT largely reflects wider stock market performances.

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 2% and the portfolio return for the year to 31 December 2023 was 8%.

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

Partners Overseas

In 2023 SCIAF worked with and provided funding for the following partners:

Cambodia

Development & Partnership in Action

Colombia

Caritas Colombiana (SNPS)

Siembra

Pastoral Social, Diócesis de Quibdó

Pastoral Social, Diócesis de Apartadó

Pastoral Social, Diócesis de Istmina

Fundacion Buen Punto

Democratic Republic of the Congo

Bureau Diocesain des Ouevres 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

Adigrat Diocese

Nekemte Catholic Secretariat

Israel and Occupied Palestinian Territories

Caritas Jerusalem

Lebanon

Caritas Lebanon

Malawi

CADECOM Malawi

CADECOM Mangochi

CCJP Malawi

Trocaire Malawi

CISONECC

Morocco

Caritas Morocco

Myanmar

Jesuit Region for Myanmar

PIME

Pakistan

Caritas Pakistan

Rwanda

CDJP Cyangugu

CDJP Kigali

CDJP Kabgayi

CEJP Rwanda

Trocaire Rwanda

Somalia

Trocaire Somalia

South Sudan

Caritas South Sudan

Mundri Relief & Development Association

Sudan Evangelical Mission

Turkey

Caritas Turkey

Ukraine

Caritas Poland

Caritas SPES

Caritas Ukraine

DePaul International

United Kingdom

Catholic Agency for Overseas Development

Islamic Relief Worldwide (for Libya)

ABColumbia

Christian Blind Mission

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

International

Caritas Internationalis

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

SCOTTISH CATHOLIC INTERNATIONAL AID FUND (COMPANY LIMITED BY GUARANTEE)

increase the number of people in Scotland who support us in schools, parishes, universities and in the wider community, recognizing that many will support SCIAF's mission who are not regular mass-goers. By strengthening our existing relationships, rekindling others and reaching out to make new connections, we hope to grow in our ability to raise funds and campaign for long-term change.

In the current challenging economic and fundraising environment, we are taking steps to reduce our overheads, with a slight decrease in staffing, a rigorous review of all expenditure, and a move to a cheaper office which we will rent from the Archdiocese of Glasgow.

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.

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.

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

Finance and Audit Committee

The members of the committee are detailed below. The key responsibilities of the committee are to ensure that SCIAF operates within appropriate financial guidelines as set out in its Memorandum and Articles, determined by current charity legislation and by the Board and that SCIAF can meet its financial obligations.

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 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. The remuneration for senior management was freshly benchmarked in 2023 and has been reduced.

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.

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

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: 196 Clyde Street, Glasgow, G1 4JY
Website: www.sciaf.org.uk

OUR ADVISORS:

Auditors: Wbg (Audit) Limited, 168 Bath Street, Glasgow G2 4TP
Solicitors: McSparran McCormick, Waterloo Chambers, 19 Waterloo Street, Glasgow, G2 6AH
Investment advisors: Liechtenstein General Trust, 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

Right Rev Brian McGee (President)	Most Rev William Nolan
Right Rev Joseph A. Toal	Joseph Hughes
Thérèse Mapenzi (until September 2023)	Diane Burke
Lorraine McMillan	Fr Michael Hutson (from March 2023)

Secretary

McSparran McCormick, Solicitors

Senior Management Team

Lorraine Currie, Chief Executive
Mark Camburn, Director of Integral Human Development
Robert Swinfen, Director of Central Services
Penelope Blackwell, Director of Public Engagement

Finance & Audit Committee

Joseph Hughes (Chair)	Rae Connolly
Mark Shields	Lorraine McMillan

Public Engagement Committee

Diane Burke (Chair)	Fr Michael Hutson (from May 2023)
Eric Grounds	Marie Hendry
Philippa Bonella (until May 2023)	Lisa McGraith

Integral Human Development Committee

Therese Mapenzi (Chair) (until September 2023)	Alison O'Connell
Mo Hume (from March 2023)	Musamba Mubanga (from May 2023)

**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 2023

Opinion

We have audited the financial statements of The Scottish Catholic International Aid Fund (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities (incorporating an 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 2023, 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 Companies Act 2006, 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 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

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 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.

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

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

course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or 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, which includes the Strategic Report and 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 Strategic Report and the Directors' 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 or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and 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 pages 3 & 4, the Directors 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 under the Companies Act 2006 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

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

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 Companies Act 2006, 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 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.

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

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


A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/library/standards-codes-policy/audit-assurance-and-ethics/auditors-responsibilities-for-the-audit>. 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:

D8E957F6F4D9465...

168 Bath Street
Glasgow
G2,4TP

*Scott Gillon BA(Hons), FCCA
(Senior Statutory Auditor)*

For and on behalf of Wbg (Audit) Limited, Statutory Auditor

Date: 20th June 2024

Wbg (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 2023

	Note	Unrestricted Funds £'000	2023 Restricted Funds £'000	Total Funds £'000	Unrestricted Funds £'000	2022 Restricted Funds £'000	Total Funds £'000
Income							
<i>Donations and legacies</i>							
Lenten donations		1,042	-	1,042	904	-	904
Other donations		1,543	1,190	2,733	1,750	1,707	3,457
Legacies		1,137	-	1,137	923	-	923
Total donations and legacy income		3,722	1,190	4,912	3,577	1,707	5,284
<i>Income from charitable activities</i>							
Institutional funding – international programmes	1	203	3,433	3,636	95	1,942	2,037
Institutional funding – UK staffing	1	-	-	-	-	2	2
<i>Income from trading activities</i>							
Sale of goods & resources		2	-	2	0	-	0
<i>Investment income – dividends and interest received</i>							
		93	-	93	85	-	85
Total income		4,020	4,623	8,643	3,757	3,651	7,408
Expenditure							
<i>Total Expenditure on raising funds</i>	2	1,381	95	1,476	1,394	140	1,534
<i>Expenditure on charitable activities</i>							
International programmes	4a	2,171	4,785	6,956	2,474	3,536	6,010
Advocacy	4c	252	5	257	277	-	277
Information & education	4b	515	-	515	478	2	480

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

Total Charitable expenditure	2,938	4,790	7,728	3,229	3,538	6,767
Total expenditure	4,319	4,885	9,204	4,623	3,678	8,301
<i>Net (expenditure)/income for the year before transfers and other gains and losses</i>	(299)	(262)	(561)	(866)	(27)	(893)
Net gain/(loss) on investments	143	-	143	(547)	-	(547)
<i>Net (expenditure)/income</i>	(156)	(262)	(418)	(1,413)	(27)	(1,440)
Transfer between funds	-	-	-	2	(2)	-
<i>Net movement in funds</i>	(156)	(262)	(418)	(1,411)	(29)	(1,440)
<i>Reconciliation of funds</i>						
Total funds brought forward	3,453	852	4,305	4,864	881	5,745
Total funds carried forward	16	3,297	590	3,887	852	4,305

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 2023

	Note	2023 £'000	2022 £'000
Fixed Assets			
Tangible assets	9	46	208
Investments	10	2,612	2,559
		<u>2,658</u>	<u>2,767</u>
Current Assets			
Stock	11	21	23
Debtors	12	823	731
Cash on deposit and on hand		877	1,079
		<u>1,721</u>	<u>1,833</u>
Current liabilities: amounts falling due within one year	13	<u>(492)</u>	<u>(255)</u>
Net Current Assets		1,229	1,578
Provisions for liabilities	14	<u>-</u>	<u>(40)</u>
Net Assets		<u>3,887</u>	<u>4,305</u>
Reserves			
Unrestricted Reserves	16	2,834	2,977
Restricted Reserves	16	590	852
Investment Revaluation Reserve	16	463	476
		<u>3,887</u>	<u>4,305</u>

Approved and authorised for issue by the Board of Directors on 20th June 2024 and signed on its behalf by

DocuSigned by:

 013D592DE5C54A1...

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 2023**

	Notes	2023 £'000	2022 £'000
Net cash (used)/ released by operating activities	1	(376)	(1,302)
Cash flows from investing activities			
Dividends and interest from investments		93	85
Purchase of property, plant and equipment		(9)	(13)
Loan (repayment)/advance		-	(1,000)
Purchase of investments		(646)	(611)
Decrease/(increase) in investment cash deposits		83	(92)
Proceeds from sale of investments		653	644
Net cash released by investing activities		174	(987)
 (Decrease)/Increase in cash and cash equivalents in the reporting period		 (202)	 (2,289)
 Cash and cash equivalents at the beginning of the reporting period		 1,079	 3,368
 Cash and cash equivalents at the end of the reporting period	2	 877	 1,079

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

	2023 £'000	2022 £'000
Net movement in funds	(418)	(1,440)
Depreciation charges	171	48
(Gain)/Loss on investment assets	(143)	547
Investment income	(93)	(85)
Decrease/(increase) in stock	2	(18)
(Increase) in debtors	(92)	(336)
Increase/(decrease) in creditors	237	(31)
(decrease)/increase in provisions	(40)	13
Net cash released by operating activities	(376)	(1,302)

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

2. Analysis of cash and cash equivalents

	2023 £'000	2022 £'000
Cash at bank and in hand	877	1,079
	877	1,079

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. Incoming resources from charitable activities

	Unrestricted £'000	Restricted £'000	2023 Total £'000	2022 Total £'000
Government Grants				
Foreign Commonwealth and Development Office				
South Sudan – Aid Match	27	482	509	280
Cambodia – Aid Match	-	-	-	16
DR Congo – Aid Match	39	352	391	430
Scottish Government				
Zambia	-	300	300	146
Malawi Loss & Damage	25	357	382	193
Zambia Loss & Damage	-	239	239	-
Humanitarian Emergency Fund	13	812	825	598
Guernsey Overseas Aid Commission				
Rwanda	-	45	45	50
Cambodia	-	28	28	23
States of Jersey				
Ethiopia	-	43	43	180
Malawi	26	382	408	-
Government Grants Total	130	3,040	3,170	1,916
Scottish Government Contracts	73	389	462	100
European Commission Malawi	-	-	-	21
Caritas Europa	-	4	4	-
Rockefeller Philanthropies	-	-	-	2
Total	203	3,433	3,636	2,039

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 2023 £'000	Total 2022 £'000
Fundraising appeals	323	-	323	300
Salaries and other staff costs	649	145	794	815
Travel	22	3	25	41
Professional fees	5	3	8	68
Office costs	-	115	115	79
Administration costs	136	46	182	195
Governance costs	-	14	14	20
Total cost of fundraising	1,135	326	1,461	1,518
Investment management	15	-	15	16
	1,150	326	1,476	1,534

**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 2023 £'000	Total 2022 £'000
AFRICA				
Ethiopia				
Joint office with CAFOD and Trocaire – for distribution to partners	39	428	467	790
Democratic Republic of Congo				
Justice et Paiz Bukavu				
Diocese	47	70	117	160
Centre Olame	-	117	117	132
AJV	2	45	47	86
BDOM	38	43	81	109
Malawi				
Cadecom Mangochi	-	60	60	60
CCJP Malawi	7	53	60	60
National Cadecom	51	230	281	70
Trocaire	30	800	830	154
Rwanda				
Justice et Paix, Kigali	50	40	90	91
Trocaire – Contract	-	331	331	-
South Sudan				
Sudan Evangelical Mission	21	366	387	532
Caritas South Sudan	37	23	60	-
Zambia				
Caritas Zambia	11	53	64	281
Caritas Kabwe	82	298	380	-
Caritas Mongu	35	104	139	-
ASIA				
Cambodia				
DPA	2	57	59	111
Pakistan				
Caritas Pakistan	-	50	50	100
Afghanistan				
Catholic Relief Services	-	141	141	92
Israel & Occupied Palestinian Territories				
Caritas Jerusalem	-	50	50	-
Syria				
CAFOD/SCIAF	-	307	307	50

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

Grant expenditure (continued)

LATIN AMERICA

Colombia

Diocese of Quibdo	49	11	60	65
Istmina	39	11	50	

UKRAINE CRISIS

Caritas Romania	-	-	-	100
Caritas SPES	-	200	200	180
Caritas Ukraine	-	199	199	500
DePaul International	-	367	367	300

Other grants less than £50,000 paid in the year	284	335	619	730
--	-----	-----	-----	-----

Total Grant Expenditure	824	4,789	5,613	4,753
--------------------------------	------------	--------------	--------------	--------------

Represented by:

International development grants	795	4,785	5,580	4,718
Advocacy grants	29	4	33	35
	824	4,789	5,613	4,753

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 £324,438 for FCDO Aid Match South Sudan and £235,848 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 2023 £'000	Total 2022 £'000
International programmes (4a)	6,576	380	6,956	6,010
Information and education (4b)	368	147	515	480
Advocacy (4c)	192	65	257	277
	7,136	592	7,728	6,767

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

4a) International programmes

	Direct Costs £'000	Support Costs £'000	Total 2023 £'000	Total 2022 £'000
Grant expenditure	5,580	-	5,580	4,718
Salaries and other staff costs	782	165	947	895
Travel	48	3	51	68
Professional fees	84	4	88	105
Office costs	-	137	137	86
Administration costs	82	55	137	117
Governance costs	-	16	16	21
	<u>6,576</u>	<u>380</u>	<u>6,956</u>	<u>6,010</u>

b) Information and education

	Direct Costs £'000	Support Costs £'000	Total 2023 £'000	Total 2022 £'000
Materials and activities	53	-	53	43
Salaries and other staff costs	313	62	375	362
Office costs	-	54	54	35
Administration costs	2	25	27	31
Governance costs	-	6	6	9
	<u>368</u>	<u>147</u>	<u>515</u>	<u>480</u>

c) Advocacy

	Direct Costs £'000	Support Costs £'000	Total 2023 £'000	Total 2022 £'000
Grant expenditure	33	-	33	35
Events & publication	13	-	13	16
Salaries and other staff costs	139	27	166	178
Travel	7	1	8	14
Office costs	-	24	24	17
Administration costs	-	10	10	13
Governance costs	-	3	3	4
	<u>192</u>	<u>65</u>	<u>257</u>	<u>277</u>

5. Governance costs

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

	2023 £'000	2022 £'000
Costs of Board meetings and overseas travel	3	11
Professional fees	23	32
Auditor's remuneration	13	11
	<u>39</u>	<u>54</u>

6. Net expenditure for the year

	2023 £'000	2022 £'000
This is stated after charging:		
Depreciation	171	48
Realised (gain)/loss on foreign exchange	(7)	2
Auditor's remuneration	13	11

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

7. Staff costs

	2023	2022
	£'000	£'000
Wages and salaries	1,879	1,822
Social security costs	189	197
Pension costs	163	162
	<u>2,231</u>	<u>2,181</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 £83,000 (2022 £21,500).

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

	2022	2022
	No	No
Integral Human Development	19	18
Education and information	6	7
Cost of generating funds	15	15
Support costs & governance	10	11
	<u>50</u>	<u>51</u>
Full time equivalent	<u>45</u>	<u>48</u>

The key management personnel of the charity comprise the Board, the Chief Executive, 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 £311,000 (2022: £326,000). One employee's total employee benefits were between £80,000 and £90,000, one was between £70,000 and £80,000 and two were between £60,000 and £70,000 (2022: one employee between £100,000 and £110,000 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 (2022: 50 staff). Included in staff costs are contributions paid or payable by SCIAF to the fund which amounted to £163,000 (2022: £162,000).

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 2023 £,000
Cost:				
At 1 January 2023	208	33	113	354
Additions	-	-	9	9
Disposals	-	-	(29)	(29)
At 31 December 2023	208	33	93	334
Depreciation:				
At 1 January 2023	62	10	74	146
Disposals	-	-	(29)	(29)
Charge for the year	146	4	21	171
At 31 December 2023	208	14	66	288
Net book value				
At 31 December 2023	-	19	27	46
At 31 December 2022	146	23	39	208

There are no capital commitments at the year-end (2022: £Nil)

10. Investments

	2023 £'000	2022 £'000
Valuation at 1 January	2,559	3,047
Acquisitions	646	611
Disposals	(558)	(687)
Market valuation movement in year	48	(504)
	2,695	2,467
Cash deposits movement in year	(83)	92
	2,612	2,559

Net cash released during the year was £145,000 (2022: net cash released £33,000).

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

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

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	2023	2022
	£'000	£'000
Listed investments	2,544	2,408
Cash deposits	68	151
	<u>2,612</u>	<u>2,559</u>
Historic cost	<u>2,149</u>	<u>1,932</u>

11. Stock

	2023	2022
	£'000	£'000
pPrinted fundraising materials	21	23
	<u>21</u>	<u>23</u>

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

12. Debtors

	2023	2022
	£'000	£'000
Gift Aid	90	30
Trade Debtors	105	-
Accrued Income	571	657
Prepayments	57	41
Other Debtors	-	3
	<u>823</u>	<u>731</u>

13. Current liabilities: amounts falling due within one year

	2023	2022
	£'000	£'000
Trade creditors	37	96
PAYE & NIC	51	46
VAT	11	-
Accrued expenses	393	113
	<u>492</u>	<u>255</u>

14 Provision for Liabilities

	2023	2022
	£'000	£'000
Provision for dilapidations:		
At 1 January 2023	40	27
(Used)/charged in the year	(40)	13
At 31 December 2023	<u>-</u>	<u>40</u>

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

The lease of the office at 7 West Nile Street requires us to pay the landlord on termination of the lease. We gave notice on our break clause to leave the office at the end of April 2024. The provision has therefore been released, and the actual cost included as a creditor.

15. Analysis of net assets between funds

Analysis of net assets between funds 2023

	Unrestricted £'000	Restricted £'000	Total £'000
Tangible fixed assets	46	-	46
Investments	2,612	-	2,612
Stock	21	-	21
Debtors	346	477	823
Cash	606	271	877
Current Liabilities	(334)	(158)	(492)
Net current assets	<u>639</u>	<u>590</u>	<u>1,229</u>
Provisions for liabilities	-	-	-
Total net assets	<u>3,297</u>	<u>590</u>	<u>3,887</u>

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>

16. Movement in funds

Fund Name	At 1 Jan 2023 £'000	Income £'000	Expenditure £'000	Transfer £'000	Gains/ Losses £'000	At 31 Dec 2023 £'000
Unrestricted:						
Fixed Assets Fund	208	-	(171)	9	-	46
Investment Revaluation Reserve	476	-	-	-	(13)	463
General Fund	<u>2,769</u>	<u>4,020</u>	<u>(4,148)</u>	<u>(9)</u>	<u>156</u>	<u>2,788</u>
Total unrestricted	<u>3,453</u>	<u>4,020</u>	<u>(4,319)</u>	<u>-</u>	<u>143</u>	<u>3,297</u>

Restricted Funds

Refugees (Syria)	44	364	(383)	-	-	25
Afghanistan	18	1	(19)	-	-	-
Ukraine	471	22	(425)	-	-	68
Pakistan Flood	42	2	(44)	-	-	-

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

Movement in Restricted Funds (continued)

Gaza	-	84	(58)	-	-	26
Emergency Response Fund	203	90	(162)	85	-	216
Other Emergencies	5	28	(29)	-	-	4
Development Projects	-	5	(5)	-	-	-
Michael & Joseph McCabe	57	-	(9)	-	-	48
Real Gifts Ethiopia	211	232	(358)	(85)	-	-
	-	361	(251)			110
<i>Institutional Funds</i>						
FCDO AM DR Congo	(128)	352	(236)	-	-	(12)
FCDO AM S Sudan	(144)	482	(324)	-	-	14
Guernsey Overseas Aid	(55)	73	(50)	-	-	(32)
States of Jersey Ethiopia	-	43	(43)	-	-	-
Jersey Malawi	-	382	(382)	-	-	-
SG Kabwe	-	300	(276)	-	-	24
SG CJC Rwanda	-	389	(358)	-	-	31
SG Loss & Damage	128	597	(657)	-	-	68
SG HEF	-	812	(812)	-	-	-
Innovation Prize	-	4	(4)	-	-	-
Total Restricted	852	4,623	(4,885)	-	-	590
Total funds	4,305	8,643	(9,204)	-	143	3,887

Movement in Funds (2022)

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	3,734	3,757	(4,575)	(11)	(136)	2,769
Total unrestricted	4,864	3,757	(4,623)	2	(547)	3,453

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

Restricted Funds						
Refugees	118	-	(74)	-	-	44
Afghanistan	18	50	(50)	-	-	18
Ukraine	-	1,233	(762)	-	-	471
Pakistan Flood Emergency Response Fund	-	102	(60)	-	-	42
Other Emergencies Development Projects	148	20	(76)	111	-	203
Michael & Joseph McCabe	29	24	(48)	-	-	5
Real Gifts	1	7	(8)	-	-	-
<i>Institutional Funds</i>	66	-	(9)	-	-	57
EU Albanism	294	271	(241)	(113)	-	211
FCDO AM DR Congo	(15)	15	-	-	-	-
FCDO AM Cambodia	(94)	398	(432)	-	-	(128)
FCDO AM S Sudan	(12)	12	-	-	-	-
Guernsey Overseas Aid	-	260	(404)	-	-	(144)
States of Jersey Ethiopia	(27)	72	(100)	-	-	(55)
SG Kabwe	282	172	(454)	-	-	-
SG CCP Malawi	130	140	(270)	-	-	-
SG Loss & Damage	(57)	100	(43)	-	-	-
SG HEF	-	175	(47)	-	-	128
Rockefellr	-	598	(598)	-	-	-
	-	2	(2)	-	-	-
Total Restricted	881	3,651	(3,678)	(2)	-	852
Total funds	5,745	7,408	(8,301)	-	(547)	4,305

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 2023.

The Reserves for Refugees (Syria), Ukraine, Gaza, Pakistan Floods and Afghanistan arose from specific appeals made to our supporters in 2016 to 2023. The funds are being applied in a planned manner to meet humanitarian needs.

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

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 UK Government (DFID), the Guernsey Overseas Aid Commission (GOAC), the States of Jersey, and the Scottish Government (SG).

FCDO funded two Aid Match projects:

- (i) in Democratic Republic of Congo assisting survivors of gender-based violence
- (ii) 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. They are funding a second project in Malawi, to assist communities around Lake Chilwa to become more climate-resilient and protect local biodiversity

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, Malawi, Afghanistan, and Ukraine. The Scottish Government funded a project in Kabwe, 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 Just Communities (CJC) programme in Rwanda supporting rural communities to identify and implement their own solutions for adapting to and building resilience against the worst effects of climate change. Two grants were awarded for action research to address loss and damage in Malawi and in Zambia caused by recent climate events.

SCIAF won a cash prize for innovation from Caritas Europa, which was applied for a small grant to continue to promote the innovations identified in local advocacy in Malawi.

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.

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

18. Operating lease agreements

At 31 December 2023 the minimum future payments under non-cancellable operating leases for leasehold property and office equipment is set out below:

	2023	2022
	£'000	£'000
In the next year	115	161
During years 2 to 5	172	296
In more than 5 years	-	-
	<u>287</u>	<u>457</u>

19. Commitments

At the year end, forward commitments in respect of signed grant funding agreements with overseas partner organisations amounted to £624,000 (2022: £685,000). 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 31/12/22	685
Commitments expended in 2023	(544)
Forward commitments entered into 2023	483
	<u>624</u>
Forward Commitments at 31/12/23	<u>624</u>
Commitments relate to the following years:	
2024	348
2025	276
	<u>624</u>

There are no capital commitments at the year end (2022: £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 (2022: £Nil). Expenses totalling £3,058 were paid directly by SCIAF in relation to travel by board members in the year (2022: £3,456).

Donations totalling £4,887 (2022 £10,000) were received from Directors and Senior Management. No other transactions were made with Related Parties.

SCIAF is an agency of the Bishops Conference of Scotland which has a controlling interest in SCIAF. The Bishops Conference has the power to appoint or remove the charity trustees of SCIAF. There are no financial transactions between the Bishops Conference of Scotland and SCIAF in the year (2022: £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

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

deemed to be unsatisfactory. No provision has been included in these financial statements for this amount.

SCIAF is in dispute with a third party supplier in relation to a contract entered into some years ago. The estimated value of this, is circa £250,000. The timing and crystallisation of said sum is uncertain and is pending any further legal recourse. 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.

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.

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

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 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.

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

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

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.

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

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.

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.