

The Salvation Army

International Development Office Annual Report 2012



**International
development**

Australia Eastern Territory



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Message from the Territorial Commander



I am encouraged by the continuing support from Salvationists and friends for projects in International Development throughout the world.

I also want to commend the staff in our office at Territorial Headquarters for their dedication, planning and new

strategies that will help us be more effective in providing support to those in need overseas.

People in developing countries face huge challenges including limited access to adequate health care and education, insufficient clean water and sanitation facilities – things that we sometimes take for granted.

Life for them is a daily struggle to survive and the financial support we are able to provide brings hope and joy in the midst of despair and hopelessness.

Through our financial support we want to break the poverty cycle and empower people through education and training – providing life skills and resources to help them improve their way of life.

As a Christian organisation – “the love of Christ compels us” (2 Corinthians 5:14) to make a difference in the lives of individuals and nations.

The tough economic times adds pressures and challenges in discovering opportunities to raise necessary finances but we must not allow this to dampen our enthusiasm and compassion to help serve the poor and marginalised.

We are most grateful to our donors, supporters and volunteers who continue to entrust their financial support to us. We pray for continued wisdom and guidance for the best disbursement of these funds to reach the areas of greatest need in our world.

This is our mission – to serve the poor and marginalised – and together we will move forward to achieve our mission.

James Condon
Commissioner
The Salvation Army Australia Eastern Territory

Message from the Director

“While women weep, as they do now, I’ll fight;
while little children go hungry, as they do now, I’ll fight;
while men go to prison, in and out, in and out, as they do now, I’ll fight;
while there is a drunkard left, while there is a poor lost girl upon the streets,
while there remains one dark soul without the light of God, I’ll fight-I’ll fight to the very end”!
William Booth - “I’ll fight”



One hundred years since the Founder of The Salvation Army gave this last message, just prior to his death in 1912, these words are the foundation of all that The Salvation Army International Development Office stands for: “Address injustice, poverty and its roots within developing communities internationally without discrimination”.

The values first espoused by the Salvos in 1890 still remain the same: Transformation, Integrity, Compassion, Partnership, Cultural Sensitivity and Hope.

My arrival to this office dates back to January 2012, and I want to publicly acknowledge the contribution made by my predecessor Lt. Colonel Pamela Hodge during the first half of this review year, to whom much of the credit of any success belongs.

I also want to acknowledge our small team of tireless staff whose dedication and commitment is well known. They are a source of great joy to many!

This year we have gone through a challenging process of restructure and innovation. Hopefully by the time this Annual Report is in your hands, our restructure will be complete and our administrative systems fully operational. 2012 has also seen an intentional increase in our project monitoring visits. As a result, we realise how much more still needs to be done to ensure the integral nature of partnership with supporters and developing countries.

I look forward to the coming months, grateful that the International Development Office is a mirror of the Salvos working in partnership between 124 countries right across the globe.

I am constantly amazed by generous hearts and humble spirits of the people who partner financially with us to make a significant difference in the lives of so many others. To all who make our work possible, I extend my sincere and grateful thanks!

On behalf of those who still weep, who are still hungry, who still live in darkness, whose cry is for justice and mercy,

Major John W. Rees
Director
International Development Office



JESUS CHRIST

Our organisation

The Salvation Army International Development Office (SAID) is a department of The Salvation Army Australia Eastern Territory, working within the field of international aid and development. It takes its values and governance from The Salvation Army which is a worldwide, Christian-faith based, not-for-profit organisation.

We are prompted by the acknowledgement that all people have the same innate value, so we place dignity upon humanity.

Our Mission

The Salvation Army International Development Office exists to address injustice, poverty and its roots, within developing communities internationally without discrimination.

We do this by working in partnership with women, men and children to meet their physical, economic, social, emotional and spiritual needs in a culturally sensitive manner.

Our Vision

“A world, restored by the love of Christ, living in dignity and filled with hope”

Our Values

Transformation – A continuing process of positive change, which we foster by responding to human need primarily through development programs. However, we understand at times this may necessitate short-term relief and assistance.

Integrity – We endeavour to be transparent and encourage a spirit of mutual accountability in all dealings with donors, communities and individuals.

Compassion and dignity – We see each person as having inherent value with rights and responsibilities. Therefore we seek to invest in the potential of all people, treating them with respect, valuing them as equals and restoring their sense of self-worth.

Partnership – We believe that respectfully working alongside communities and other stakeholders will result in the development and implementation of relevant and effective strategies to meet identified needs.

We believe it is important to provide a bridge between the Australian people/organisations with overseas partners so that they have the opportunity to enhance each other's lives.

Cultural sensitivity – We acknowledge and recognise that all cultures are unique and have innate worth. Therefore our programs are developed jointly with the community in the context of their culture.

Government partnerships

The Australian Government provides grants to the SAID Office to implement our own aid and development programs through two channels:

AusAID NGO Cooperation Program (ANCP)

ANCP supports us with funding on a ratio basis. During the financial year of 2011-2012, the ANCP's contribution of \$150,000 went towards strengthening education in Kenya and projects in China.

AusAID Church Partnership Program (CPP) in Papua New Guinea

The Church Partnership Program helps to improve The Salvation Army's services to local communities in PNG, particularly in rural and remote areas.

During the last financial year, we received \$900,000 for the support of a wide range of activities including:

- Training village health volunteers and a full evaluation of this program
- Training health workers in immunisation
- Upgrading a maternity and labour ward in a remote rural centre
- Community health workers outreach program
- Training teachers
- Leadership training for students at Koki Secondary school
- Community-based literacy programs
- Youth leadership and empowerment training
- Small business training
- Awareness training on HIV/Aids in selected settlements in Port Moresby and Rigo
- Training two villages on home-based care programs
- Capacity building of finance staff
- Restorative Justice awareness and training
- Social justice training

Accreditations



**ACFID
CODE**

ACFID Signatory member

The Australian Council for International Development (ACFID) is the peak Council for Australian not-for-profit aid and development organisations. The Salvation Army (NSW) Property Trust is a signatory to the ACFID Code of Conduct, which is a voluntary, self - regulatory sector code of good practice.

As a signatory we are committed and fully adhere to the ACFID Code of Conduct, conducting our work with transparency, accountability and integrity. Information about how to make a complaint can be found at www.acfid.asn.au.

At the time of this report we are applying for ACFID full membership and anticipate becoming full members in October 2012.



Australian Government

AusAID

AusAID – Base Accreditation

The Australian Agency for International Development (AusAID) is the Australian Government agency responsible for managing Australia's overseas aid program.

The AusAID accreditation provides assurance that our organisation is well-managed, capable of delivering quality development outcomes. AusAID provides funds to the International Development Office for approved development projects on a ratio basis of 5 to 1.



Our executive board



Major John Rees - Director SAID

Over the course of thirty eight years as a Salvation Army Officer, John has worked in Papua New Guinea and Russia, before becoming the Divisional Commander in Regional NSW and Sydney. In January 2012 he started his current role as Director of the International Development Office of the Australia Eastern Territory. As the Director, John is the team leader and key networker with other NGOs and funding agencies. He provides technical and project management support to in-country partners when necessary and is the point of contact with our International Projects Office in the UK.



Ian Minnett

In 2000, Ian Minnett became the first employee Chief Financial Officer (CFO) of The Salvation Army's Australia Eastern Territory, covering NSW, QLD and the ACT. Prior to this, the role had always been filled by a Salvation Army Officer.

The CFO role has focused on the primary needs of reporting and budgeting, to assist the Territorial leadership in allocating funds to programs and projects. Ian's main focus is getting out to the front line to ensure the resources are going where they are needed. Ian's role is fundamental to protecting the name of The Salvation Army in all areas of corporate governance, to ensure that government and donors remain confident with the organisation.



Dr. Leonard Warren Drury

Len has a bachelor degree in Geology/Chemistry and a PhD in Water Resources and Environmental Management. Additionally, he holds a Diploma in Hydrology and Certificate in Contaminated Water Treatment. He has broad sector experience, working 14 years for the Department of Water Conservation and Irrigation Commission NSW, as well as 23 years as an international consultant across 38 countries. During this time, Dr. Drury has served as a company director and an international project manager, amongst other roles. He speaks English, Bahasa, Burmese and French.



Doug Everett

Doug has been a member of The Salvation Army all his life, with most of his working career spent at Woolworths in various financial roles. Between 2002 and 2005 Doug and his wife lived in Bangladesh, where he managed Sally Ann, The Salvation Army's global fair trade initiative. Upon his departure, Sally Ann was operating profitably, employing approximately 500 women. Since 2005 he has been registered with Australian Business Volunteers (ABV), an arm of AusAID, and has undertaken ten short-term assignments for them in Tonga, East Timor, Vietnam, Papua New Guinea and Cambodia. Through his work at ABV, Doug has developed a continuing relationship with the Blue Dragon Children's Foundation in Hanoi, Vietnam.



Sharon Walker

Sharon currently works as a short term technical advisor, strengthening the rollout of the Papua New Guinea's National Health Department HIV Counselling and Testing program, by developing training materials, national policies, guidelines and implementation. In recent years she has done short-term consultancies for AusAID, World Health Organisation and other NGOs and churches. Sharon's interest in international development has taken her to Africa on two occasions to learn about the management of HIV programs. She has also attended the last two international AIDS conferences in Mexico and Vienna. She holds a Bachelor of Arts (Welfare Studies), M. Counselling and M. Education (Adult Education).

Dawn Beeson

In her current role as a Projects Coordinator in the SAID Office, Dawn focuses mainly on the Church Partnership Program (CPP) in Papua New Guinea and some other development projects in Africa. In her previous role, she was a projects secretary in Papua New Guinea and the secretary to the projects council, ensuring that both written reports and financial acquittals were completed within the appropriate timeframe. In this role, she was on the Church Partnership Program expenditure board and attended the bi-annual CPP forums. Dawn holds a Bachelor of Arts (Human Geography) and has attended the Community Project Management Systems Training and Faith-Based Facilitation Training.



Major Karan Ross

Karan is a Salvation Army Officer, currently appointed as the Child Sponsorship Coordinator for the Australia Eastern Territory. She entered the training college in 1979, and her subsequent appointments have included the Stanmore Children's Home, Recovery Services, emergency accommodation for women, Pacific Lodge and Weeroona Village aged care facilities. She has fifteen years of experience in Salvation Army churches. From 1991 to 1995 she participated in an exchange with New Zealand. Karan holds a Bachelor of Social Science.



Julie Archer

Julie Archer has been in the IT industry for 28 years. Over this period her roles have varied across programming, analysis, project management, client liaison, consultancy and management.

In 2002, Julie and her family spent two years in Port Moresby in Papua New Guinea as lay workers for The Salvation Army. This experience was the start of the passion Julie and her husband have for indigenous people and developing countries.

Since returning from Papua New Guinea, Julie has been working part-time in IT for The Salvation Army. She is endeavouring to be involved in international development work in the future.



Lt. Colonel Merv Rowland (retired)

Merv Rowland, Lieut-Colonel (retired) served as a Salvation Army Officer for 43 years, finishing his tenure as Officer Commanding for The Salvation Army Hong Kong & Macau Command. Merv has extensive experience in disaster relief and development work in China, Indonesia and Sri Lanka. He participated in Tsunami rehabilitation work, earthquake and flood relief through reconstruction of irrigation channels, construction of medical clinics, provision of food and basic essentials, as well as poverty alleviation through water and school projects.

He holds a Diploma of Theology, a Bachelor of Administrative Leadership and a Graduate Diploma in Conflict Resolution.



Lessons learnt

Monitoring and Evaluation are crucial to assess the effectiveness and results of development projects, and to ensure greater transparency and accountability.

Our annual monitoring visits are carried out in countries where we are funding major projects, and can be conducted on our own or with a joint funding partner; evaluations however are usually carried out by an external consultant.

Over the last financial year, our eleven monitoring visits done in seven countries, provided an invaluable source of knowledge. Here is a brief summary of what we have learnt and recorded throughout these exercises:

- Effective projects are those that are identified and driven by the community. This approach empowers the local people to take ownership of the project and increase sustainability.
- An “assets and needs” analysis is the best start for any community project.
- It is important that community projects are aligned with the strategic priorities of The Salvation Army and the local Government. This alignment enables a great platform for mutual learning.
- It is paramount to be flexible and adaptable to changes in project design.
- Partnerships with parties that have no previous experience in a required field, usually carry the most risk.
- Prioritising funding for large projects that have a large number of beneficiaries ensures a greater value for money.
- Training community members to record project outcomes is a component of capacity building. Implementing this process, will greatly assist in-country project officers with project monitoring.
- It is important to establish a formal volunteer recognition program on projects that involve volunteers; with the aim to acknowledge their contribution and maintain their motivation.
- Vulnerable people such as children, the elderly and people with disabilities should always be included as project beneficiaries.
- Monitoring visits are fundamental to strengthen good relationships with local partners and communities.
- Stories of transformation are powerful! These are the very reason for our work.

Highlights of our year

Active projects during 2011-12. Including funds sent in previous years



Funds sent overseas during 2011-12 only

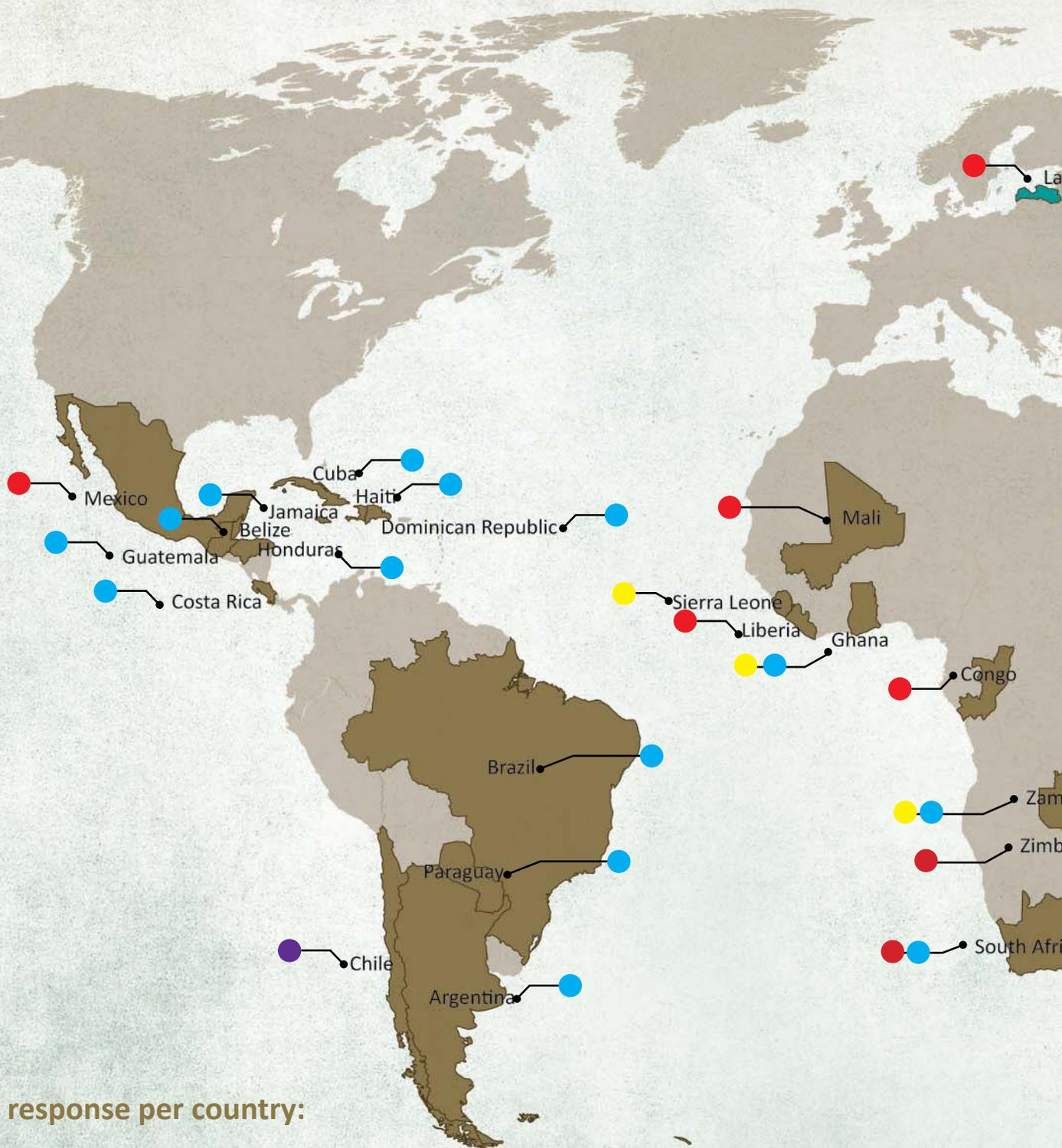


* **Countries that received funds for Emergency Relief projects:** East Africa (Kenya, Tanzania, Uganda), Japan, New Zealand, Pakistan and South America (Chile).

† **Countries that received funds for Mission Support projects:** Congo, India Eastern, Latvia, Liberia (and Mali), Malawi, Mexico, Papua New Guinea, Sri Lanka, Philippines and Zimbabwe.

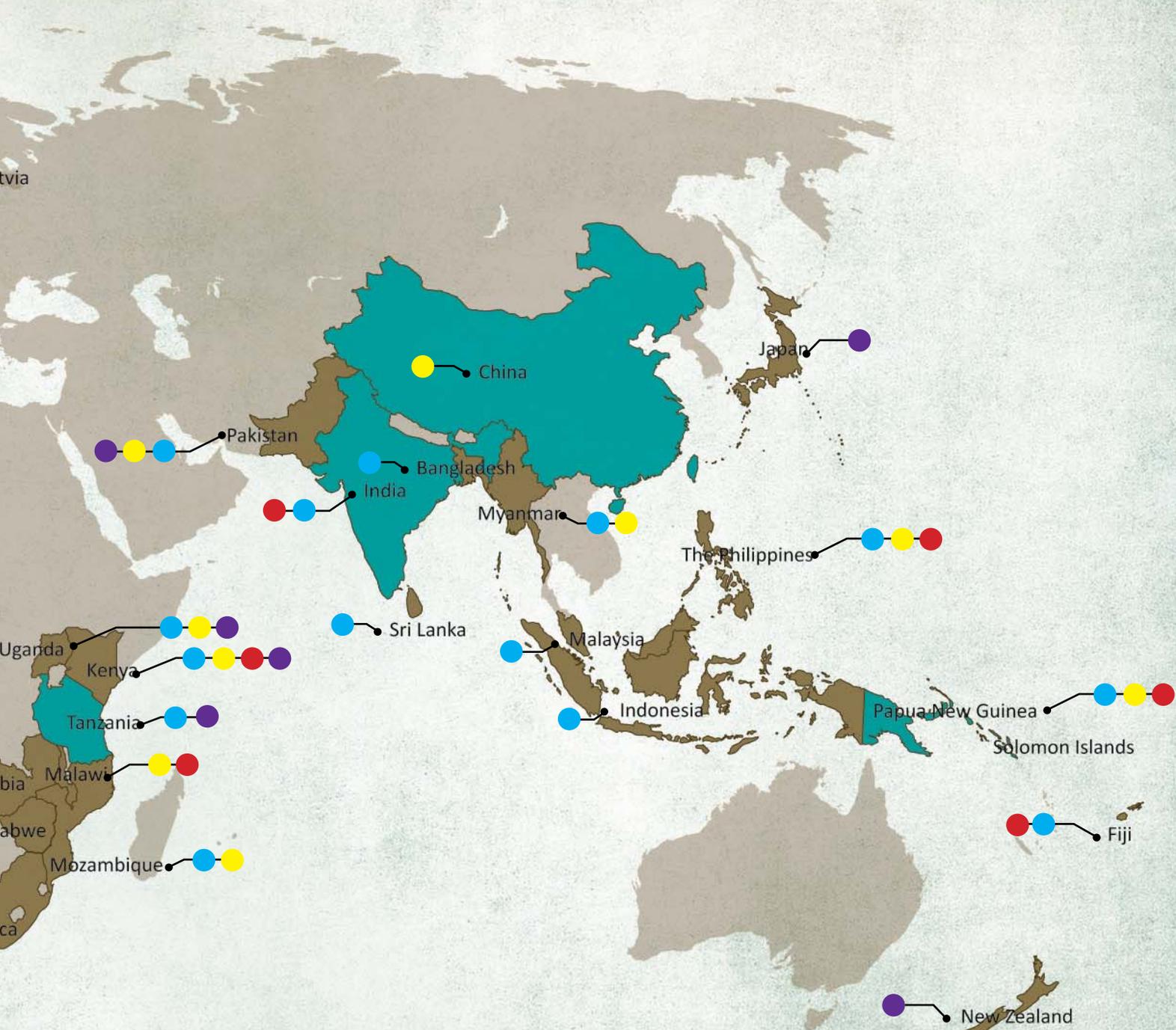
^ **Countries that received funds for Development Projects:** Ghana, Uganda, Malawi, Mozambique, Pakistan, Myanmar, Philippines, Zambia. China, Kenya and Papua New Guinea received funding also through AusAID.

Our global response



Our response per country:

- Community Development Projects
- Mission Support / Evangelical Projects
- Child / Centre Sponsorship
- Emergency Relief



The Salvation Army is unique in its nature. A **worldwide network of 124 countries** allows us to establish partnerships to share knowledge, combine resources and finances and establish initiatives that maximise benefits for developing countries.

Partners in Mission: the relationship between financially dependent territories matched with ONE financially independent territory. This allocation is made by The Salvation Army International Headquarters for a fair distribution of funds. Financially dependent territories like The Australia Eastern Territory have the responsibility to support its partners in mission for the advancement of the evangelical mission of The Salvation Army.

Countries where we had open activity during 2011-2012

Our work

As a Christian-faith based organisation, we take a holistic approach to poverty and development, considering the physical, emotional and spiritual needs of people, as well as the continuing involvement of women and men, girls and boys.

Our goal is the alleviation of poverty in developing communities, with a focus in Asia, Africa and The Pacific through the provision of effective programs that align with the Millennium Development Goals.

We focus strategically on **sustainable community projects**; however we also provide **welfare assistance and emergency relief as well as supporting the evangelistic mission of The Salvation Army worldwide.**

To achieve this, we mainly work in the following areas:

- Access to clean water and sanitation
- Empowerment of women through skills development and literacy training
- Access to health care facilities, health education and prevention
- Child and centre sponsorship
- Mission trips
- Partnerships between Australian Salvation Army and overseas Salvation Army churches

Our office is also responsible for the management of:

- Tax deductible funds donated for international development through The Salvation Army internal appeal, government funding, corporate and public donations;
- Non-tax deductible funds donated through internal Salvation Army appeals. These funds support welfare initiatives, as well as the international The Salvation Army church through buildings, vehicles and other activities such as trainings and conferences for Salvation Army members.



Water and sanitation

The world has met the Millennium Development Goal (MDG) target of halving the number of people without sustainable access to safe drinking water, according to a report issued by UNICEF and the World Health Organisation (WHO). This is well in advance of the 2015 MDG deadline. Between 1990 and 2010, over two billion people gained access to improved drinking water sources e.g. piped supplies and protected wells.

However, there is still a long way to go. At least 11% of the world's population, that is 783 million people, are still without access to safe drinking water, and billions without sanitation facilities.

Poor sanitation, water and hygiene have many other serious repercussions. Children – and particularly girls – are denied their right to education because schools lack private and decent sanitation facilities. Women are forced to spend large parts of their day fetching water. Poor farmers and wage earners are less productive due to illness. Health systems are overwhelmed and national economies suffer. Adequate water, sanitation and hygiene must be made available for communities to assist and maintain sustained development.

Toilets and water supply for early childhood centres and polytechnics in Kenya

As part of a three-year project to strengthen Kenya's child and youth education, six early childhood centres and one youth polytechnic received improved water and sanitation facilities.

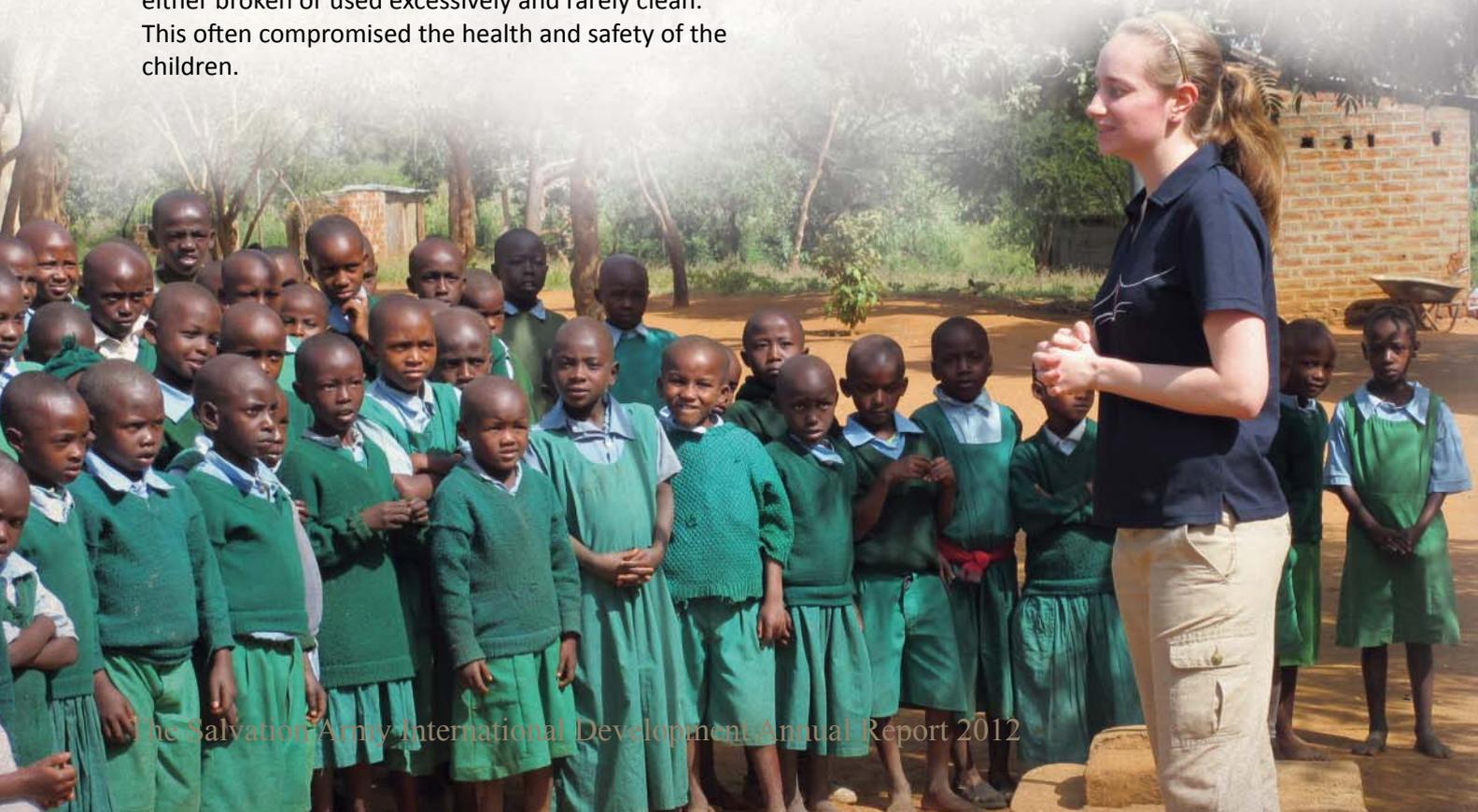
All the participating pre-schools lacked a reliable source of clean water, forcing students to take containers of water to school, or collect water from a nearby river for use during the day.

Additionally, the few public toilets available were either broken or used excessively and rarely clean. This often compromised the health and safety of the children.

Rhoda Mwikya, a pre-school teacher at Mukuyuni Primary School in the Mwala District, advised that through the intervention of this project, “we have seen a decrease in infection rates and water-borne diseases, which in turn has had an impact in the form of higher attendance at school.”

Mr. Alphonse Wambua, the Head teacher of Mukuyuni Primary School expressed his gratitude to the Australian people for helping his school.

He says “the provision of water and toilet facilities in my school had a positive impact on the children, and is taking better care of their health and hygiene, which has also led to a cleaner and healthier school.”



Myanmar Integrated Community Development

70% of Myanmar's poor live in rural areas and earn their income from small-plot agriculture. Many families are landless and survive mainly as seasonal agricultural labourers. Credit is expensive and hard to obtain: many families do not qualify for a formal credit programme, and are forced to borrow through informal channels at exorbitant interest rates.

Villagers get their water from open wells, rivers or ponds which are often the cause of dysentery, diarrhoea and other water-borne diseases that kill many and make many others ill.

Bathrooms are still uncommon in many rural areas, and knowledge of basic hygiene and sanitation is rare.

The Salvation Army in Myanmar is using a community-driven approach to fighting poverty, focusing its efforts on the most densely populated areas of lower and upper Myanmar,

where small rural farm households earn less than US \$2 a day.

The programme is focused on:

- the provision of agricultural land and livestock to landless people
- the construction of water wells and potable water supply systems
- the facilitation of Self Help Groups which provide interest-free loans to groups of women to start small project initiatives

The programme now operates in 24 communities and it achieved several of the milestones set for 2011:

- 20 Self Help Groups for tube well construction were established
- 7 tube wells were constructed
- 1 plot of land was purchased, and 1 plot of land is under negotiation
- 7 small livelihood initiatives were started
- 75 out of 120 officers and employees were trained in the Community Development Capacity and Integrated Mission Approach
- this training was subsequently replicated in 21 communities



Community development and empowerment

Aiding communities in their economic empowerment is an essential part of the Salvation Army's work, in line with the UN's Millennium Development Goal No. 1: Eradicate extreme poverty and hunger. Poverty can have substantial effects on the wider circumstances of the community, particularly in regards to conflict, health and access to education. The Salvation Army works in a large number of communities worldwide to encourage economic empowerment while reducing the effects of poverty.

PNG Restorative Juvenile Justice Program (CPP)

Since 2003, The Salvation Army has been pioneering a form of preventative juvenile justice program in Papua New Guinea. The program is aimed at rehabilitating juvenile offenders, encouraging them to understand the consequences of their crime within the community and subsequently make amends.

In recent years, **the program has begun to incorporate low-risk convicted criminals who are currently serving time in prison.** In conjunction with the facilitator, they visit villages and encourage youth to avoid illegal activities. Gini Kevin, the co-ordinator of the project, feels that these men add greater strength to the

education that The Salvation Army is providing: "The effectiveness of the awareness & training program on Restorative Justice did in fact have the most positive results when prisoners shared their experience about prison, police and the justice system..."

More than sixteen communities have currently received training and awareness relating to the Restorative Juvenile Justice Program. The funds **provided through the CPP** for the 2011/2012 financial year were **AU \$58,300.**

The scope of the program will be expanded over the next several years, adding new features gradually.

Variety Village poultry project Kenya

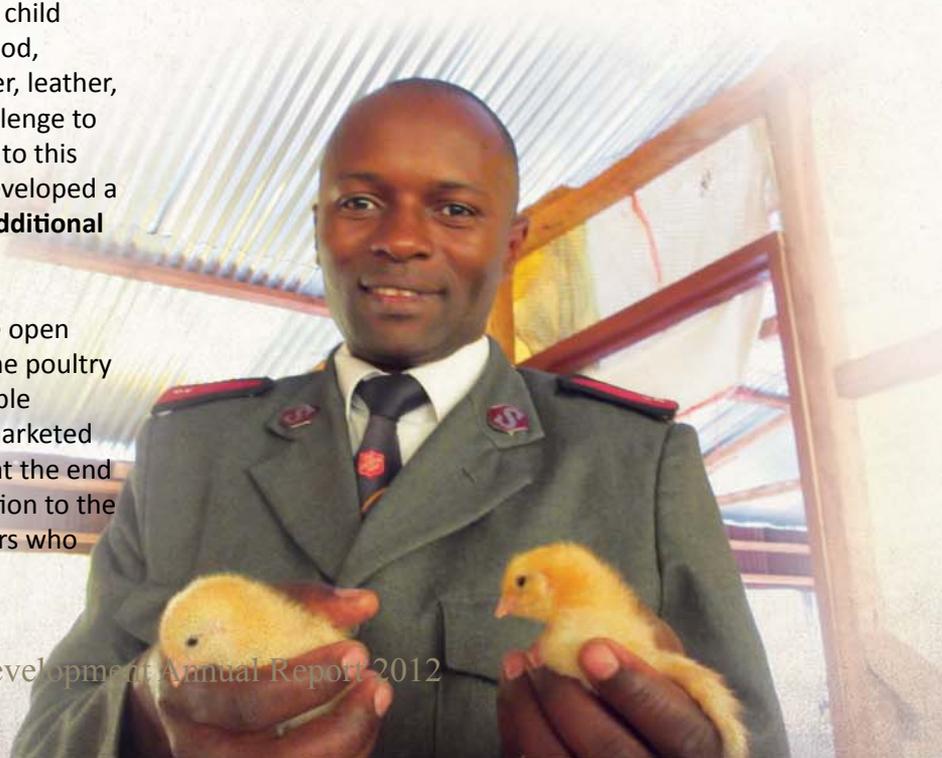
Variety Village is a Salvation Army vocational training centre for young people with disabilities. It currently offers courses in tailoring and dressmaking, carpentry, metalwork, leather work, hairdressing and sign writing. It has a student population of 69, all of whom are boarders.

The centre receives income from student fees, sale of products and a small amount from child sponsorship. However the rising cost of food, water, electricity and raw materials (timber, leather, metal etc.) means it faces an ongoing challenge to meet its operating expenses. In response to this challenge, the centre management has developed a plan for a **poultry project to provide an additional source of income for the centre.**

A poultry house was constructed on some open space on the compound, and experts in the poultry industry were consulted to establish a viable poultry-keeping enterprise. Eggs will be marketed locally, and the chickens will also be sold at the end of their productive egg-laying life. In addition to the 69 students, there are also 6 staff members who will benefit from the project.

The project has now been underway for more than a year, beginning in January 2011.

500 egg-laying chickens have been purchased for the first 80 week cycle, and a poultry-keeping house has also been constructed. Additionally, a number of workers with knowledge of poultry-keeping and capacity to maintain the project have been employed.



Malawi Literacy and Savings

The team in Malawi is currently operating projects with the aim of empowering women through literacy and small business opportunities. **In rural Malawi, women and girls are often excluded from education and subsequently play a limited role in community development.**

By integrating literacy, community banking and small business development (WORTH approach), **The Salvation Army is working** in conjunction with community leaders **to help create small business opportunities and promote literacy amongst the community.**

155 women and 33 men have already attended literacy and Village Savings Loan classes.

Between December 2011 and November 2013, there are projected to be 300 direct beneficiaries. Additionally, **up to 2000 community members will benefit** as a result of their contact with the women who have been involved in this project. The area in which the project is being run has a high incidence of HIV/AIDS—however, the increased literacy of the women in the area will assist in introducing preventative education and disease management procedures. **The total contributions to this project were AU \$112,828.**

Xinghong community development phase 2 China

Xinghong is a small rural village in Yunnan province, with a population of 353 people. The village is primarily populated by the Jingpo people, an ethnic minority group in China. The community previously experienced extremely poor living and hygiene conditions. Every day women had to walk two hours up a mountain to collect firewood for daily needs.

The aim of the programme was to change this, through a multifaceted community-driven development approach that involved **income generation, health, the environment, culture and women's empowerment.** The goals have been gradually achieved through the engagement of villagers in **pig-raising and sugar cane planting, access to sanitation facilities and environmentally sustainable heating and cooking practices (bio-gas).** A unique aspect of this project was to promote the culture of the Jingpo ethnic group by equipping the women's performance team, which generates

income to aid the most vulnerable families and children in the community.

During the financial year, the Xinghong community received 36 bio-gas tanks, household toilets, pig-pens and energy-saving stoves.

The contributions towards this project totalled AU \$46,683, with AusAID contributing AU \$37,080 of this amount.

Before The Salvation Army entered the Xinghong village, pigs walked freely in the village scattering waste everywhere, and because of the unsanitary environment they became easily infected with diseases. Since the implementation of the bio-gas program, the situation is completely different. 73 out of 83 families have clean pig pens and toilets, and are using bio-gas for cooking. Mr. Zhang is a great example; after his new pig pen was built in April 2012, he raised a female pig, which has produced 6 piglets, giving him a profit of AU \$367.



Health and Rehabilitation

“The biggest enemy of health in the developing world is poverty.”

Kofi Annan, former Secretary-General of the United Nations

Ghana: Begoro Rehabilitation Centre

Starting in November 2010, a partnership was established with Begoro for the course of three years, to provide institutional support. This includes covering the running costs and building the capacity and capabilities of the staff members. **During the 2011-2012 financial year AU\$39,207 was provided.**

Begoro Rehabilitation Centre functions as a 35 bed inpatient unit, which provides therapy for children with physical disabilities.

It also provides community outpatient services to children and adults with disabilities such as cerebral palsy, epilepsy, bone disorders, effects of paralysis, hearing and visual impairments.

900 children and adults will benefit from this partnership, including inpatients and outpatients.

Zanabu is a 10 year old girl from Ghana who has benefited greatly from The Salvation Army's Rehabilitation centre in Begoro. She was born with spina bifida – a form of nerve damage which causes paralysis in the legs. As a baby she could not crawl, sit or walk.

Through the centre, she had 9 operations, including the amputation of her right leg.

Zanabu regained movement in her limb and she is now able to walk with the assistance of a calliper and crutches provided by Begoro.

Zanabu is now in Grade 4 at The Salvation Army's primary school at Begoro, and is first in her class for mathematics. When asked what job she would like when she grows up, she confidently replied that she wants to be the President of Ghana.

“As a President, I want to make sure that all things are going right and I will tell the people of Ghana to stop killing people who have disabilities like me and that instead they must help them...I am so grateful to The Salvation Army for all their help”.



Africa Flip charts

According to the 2009 Annual Millennium Development Goals report, nearly a million people die each year of malaria. Nearly half of all births in sub-Saharan Africa take place without adequate antenatal care and 22.5 million HIV infected people live in Africa.

Salvation Army leaders in Kenya, Tanzania and Uganda have responded to this need through a project based on Health Education.

This program is helping to save and improve the lives of children and adults by sharing via simple language and pictures, essential knowledge about good health practices.

This set of education resources, based on the UN/WHO resource 'Facts for Life', provides the best current understanding on 10 health issues including:

HIV/AIDS, Malaria, Nutrition and Growth, Diarrhoea and Hygiene, Coughs and Chest Infections, Injury Prevention, Safe Motherhood, Breastfeeding, Immunisation, Birth Spacing and Contraception.

The facilitators are Salvation Army church-based qualified nurses who are able to answer technical questions.

The classes work as a conversation, with questions leading the participants to the healthy conclusion. This is not only best practice educationally, but also means the programme can be easily replicated by communities.

It is a conservative expectation that each set of flip charts will be used with a minimum of 300 women per year, over their expected 10 year usage (i.e. 2012-2022). This means a **predicted 300,000 direct beneficiaries**. However, if each woman represents the average family of 5 members, it is reasonable to conclude that the 1,000 sets of flipcharts have **the potential to impact the lives of 1,500,000 people**.

It is also expected that these practices will naturally be transferred from generation to generation, increasing the impact on secondary beneficiaries.

The total funding provided during 2011-2012 for printing and distribution of these resources was AU \$168,467.



Education and vocational training

Education is one of the most powerful tools to help end generational cycles of poverty and disease. It provides a strong platform for sustainable development and gender equality. Basic education prepares children with literacy skills and elementary life abilities.

However, secondary education and vocational training play an increasingly important role in creating healthy and cohesive societies and spur economic growth. When the level of education is high among youth, they are better equipped to take an active role in society, are more educated about disease prevention (particularly HIV/AIDS) and have smaller, healthier families.

Education access through centre sponsorship

Our Child Sponsorship program in 2011-12 had an increased focus on working with Salvation Army centres such as homes, crèches, orphanages, vocational training centres and schools for physically disabled children; to offer care and access to education for children.

Through the support of our 1,744 sponsors we were able to financially support 93 centres and 1,737 individual children around the world.



“Both my parents are completely blind and I grew up assisting them through begging in the streets. Every-day I guided my mother to various places where we would beg and the money that we collected was our only source of income. My parents were never able to take me to school.

One day a Salvation Army Officer visited our home and spoke to us about the Mombasa Children’s Home and requested that my parents allow me to go to the home. Once joining the home, I was able to start my education and am now in class 2 and I am 9 years old.”

Mary from Mombasa Children’s Home, Kenya

My name is Merriam and I am from Sheikhpura. I am in 8th class. We are three sisters and two brothers. I lost my father in my childhood. I am studying in Joyland and I am happy and feel honored to be here. We have a very caring staff and they really love all of us.

When I joined the home I was in the third class. I love to play basketball and I love the color pink. My best friend at the hostel is Sonica. She really helps me in my studies.

**Merriam from Joyland Girls’ Home
Lahore, Pakistan**





Strengthening childhood education and vocational training in Kenya

This three year project commenced in July 2010 and will end in June 2013.

Historically, the Kenyan government favours funding primary, secondary and tertiary education. Vocational and early childhood education centres, by contrast, rely mainly on the contributions of parents and communities to sustain them.

Many **Salvation Army Youth Polytechnics and Early Childhood centres operate in poor rural communities and urban slums**. As a result, they are generally under-resourced, with inadequate facilities and untrained teachers. Educational outcomes suffer as a result.

The combination of AU \$85,920 from AusAID ANCP and AU \$21,480 from The International Development Office provided **a total of AU \$107,400 during the Financial Year, to benefit 855 children, 208 women and 138 men in this project.**

This partnership with selected youth polytechnics and early childhood centres in Kenya East is providing the following:

- training and professional development for teachers
- improving the physical learning environment of the centres
- building the capacity of communities to better manage the centres and
- building the organisational capacity of The Salvation Army to promote quality standards in education.

Miini pre-school is one of the 26 pre-schools that are being upgraded through this project in Kenya East. Before 2010, classes took place in the open-air and its facilities could not even have been described as “basic”.

Since the implementation of the project, the school has a new classroom and toilet block, new play equipment, educational resources and mattresses.

Titus Muli, the head-teacher of Miini pre-school, has noticed that **the students are showing more interest in their education because they are now learning in a child-friendly environment**. He believes that the provision of new facilities will translate into improved academic performance, referring to the new facilities as the “best in the region.”



Penninah Kithuka, a teacher at Miini pre-school is one of the 27 pre-school teachers who has been sponsored to join government-recognised colleges for further training. Initially, she had a certificate in early childhood education, but she is currently undertaking a diploma, due to be completed in December 2012.

Penninah highlights that she now has a better understanding of children and therefore is in a better position to nurture and teach them.

The increased enrolment from 35 to 60 students also enables her to receive a salary each month, something which was not guaranteed before. **The benefits of further education do not end in the classroom.** Penninah says that the diploma training has not only made her a better teacher at Miini, but also a better mother and a better role model for her siblings. She reports that **the training is equipping her with a rich knowledge and skills which she did not previously possess.**

Funds to run the early childhood education programs have also increased and this is benefitting the community greatly.

Youth polytechnics cater for young people in Kenya who have not completed secondary education, largely as a result of financial difficulties or the loss of their parents.

Miseleni Salvation Army Youth Polytechnic is situated in the lower eastern part of Kenya and is one of the five Vocational Training Centres selected to benefit from this project.

Mr. Phillip Kitonyi, the vice-chair of the Board of Governors, was delighted to announce that his training facility is formally registered and accredited by the Kenyan government. As a result the polytechnic's future is secure, with funding now available to employ a trained manager. He believes "this is a dream come true" which will have great benefits for current and future students and staff.

The manager Petronillah Mutua, also expressed her delight at joining the institution.

Ephantus Nwiga is one of the polytechnic's instructors who has completed the training course at the Kenya Technical Teachers College. He has been an instructor at Karurumo Salvation Army Youth Polytechnic for the last 10 years. He says that the training course has given him a new impetus and motivation to continue learning and advancing his teaching career further. At the college, he was exposed to modern machinery and technology, as well as modern methods of teaching.

He thanks The Australia Eastern Territory and AusAID for sponsoring his training, which will not only help his students at Karurumo, but also his own economic security.



Emergency Relief

East Africa famine relief

(Funds for this emergency were distributed through Kenya, Uganda and Tanzania)

Kenya is one of the most severely drought affected areas.

During 2011 The Salvation Army provided short term emergency relief to 15 secondary schools, located in the north-west of Kenya. **The value of this food was then used by schools to supplement fees owed by students who were unable to pay, therefore allowing them to return to school.** Additionally, the funds allowed the schools to purchase necessary school supplies.

Approximately 4,000 students across the 15 schools benefited from the project. Absent students were encouraged to return to school, with their fees and debts being covered from a bursary fund—this was calculated by the schools in relation to the value of food provided.

Additionally, school students were provided with food during a period where it was scarce, due to the drought. **The AU \$81,897 provided has had long-term benefits for the education sector in Kenya.**

Japan post-disaster recovery project

On 11th March 2011, an earthquake measuring 9 on the Richter scale occurred on the eastern coast of Japan. **The earthquake created a devastating tsunami which hit the eastern coast and northern region of Japan. There were over 20,000 deaths reported and over 3,000 persons missing.** Many of the coastal communities in this region were totally destroyed.

The fishing industry suffered greatly, with all fishing suspended in many regions. The tsunami that affected the coastline of Northern Japan destroyed all but 160 boats out of a fishing fleet of 1030 boats.

The Salvation Army Australia Eastern Territory provided AU \$ 207,038 to purchase a large 6-ton boat, to be used as a patrol/monitoring boat, as well as an emergency vehicle to the fleet. As the fishing industry in this region is family-based, this project has directly aided the safety and security of fishing families that do not currently have an income.



Sindh redevelopment program (SRP) Pakistan

In both 2010 and 2011, the Sindh Province of Pakistan was heavily affected by flooding. Millions of people were driven from their homes, with their crops, animals and livelihoods destroyed. In the following months many families returned to their home villages to start all over again.

SRP is a program that aids survivors of the floods who are now attempting to return to normal life. It has been strategically linked to a number of existing Salvation Army development programs that have been operating in the region over the last 5 years.

Overall, the Redevelopment Program aims to empower over 900 families through small-scale community projects, skills development, health and education.

Additionally, the program aims to put in place a disaster mitigation plan to help minimise the effects of any natural disasters, both during and after one has taken place.

With a contribution of **AU \$90,606** the program has achieved the following milestones in four communities, including:

- 5 community leadership meetings
- 20 hand pumps were installed [7 in Ahmed Shoro, 3 in Hindu Goth, 10 in Sheresh Nagar]
- 106 goats were given to selected families in the communities
- 3 donkey carts were delivered
- One informal children's literacy class was opened in Hindu Goth
- 4 "Mother and Child Health Clubs" were opened, including more than 100 female participants



Evangelism and Mission Support

The Salvation Army is a worldwide evangelical Christian church with its own distinctive governance and practice. Its religious and charitable objectives are the advancement of the Christian faith and the advancement of education, the relief of poverty and other charitable activities beneficial to society or the community of mankind as a whole.

For administrative purposes, The Salvation Army has divided the world in Territories and regions, which may consist of a country, a part of a country or several countries combined.

As a financially independent territory, we have the responsibility of allocating funds to support the evangelical mission of The Salvation Army in financially dependent territories or regions, with monies collected through internal appeals.



Malawi vehicle

The Salvation Army Australia Eastern donated **AU \$78,484** in 2012 to the Malawi territory project and development department to purchase a vehicle suitable for their work.

Local project manager Ibrahim Thawani relates the story in his own words:

“I am responsible for the mosquito net project in Shire Valley, which is about 3 hours’ drive south of the Development Office in Malawi. To distribute 600 mosquito nets, 1,000 exercise books and 1,000 school uniforms to the area, I would have to hire a vehicle, then use a motorbike to take the materials to the communities.

Since it is not possible to carry too much on a motorbike, I would have to do several trips to deliver all the materials. This would take at least 5 days, meaning extra costs in fuel, accommodation, meals and other unforeseen expenses.

In addition to my own costs, I would be accompanied by a driver who also needed expenses for accommodation and food.

All of the above listed materials now fit into the projects vehicle. This will allow me and the driver to travel to the area and distribute materials to the two different schools, staying only one night. It not only saves money, but also time that can be spent doing other work. Having a vehicle has enabled our work to be done more efficiently; this means that more money is spent on the provision of services for needy people.”



Looking ahead

Our Priorities

The International Development Office has a commitment to holistic community development programs through:

- Empowerment of women
- Health education, illness prevention and improving access to health services
- Facilitating education for children and adults
- Child-centred development projects
- Improving access to clean water and sanitation

Geographical Focus

To maximise effectiveness the International Development Office has identified a limited number of countries that it is committed to working with, based on the following criteria:

- A country that is 'Partner in Mission' (assigned by The International Salvation Army)
- A country that is designated by AusAID as a recipient of donor funding
- A country that has a good track record of communication and accountability
- A country that is within Australia's region

The focus countries for the new financial year 2012-2013 are:

- China
- Fiji
- India
- Indonesia
- Kenya East
- Malawi
- Myanmar
- Pakistan
- PNG and The Solomon Islands
- Tanzania

Our Strategy Forward

The International Development Office will focus on four key areas to meet its goals:

- **Client focus:** We aim to work with individuals and communities to provide quality outcomes. Foremost in our strategy is the goal of the alleviation of poverty and empowerment of people.
- **Partners:** Working with in-country partners to strengthen relationships and capacity will lead to improved outcomes for program beneficiaries and long-term benefits for the individuals involved.
- **Audience/stakeholders/donors:** We have a commitment to Australian and international partners who entrust us with the responsibility to manage international aid programs. Financial and program accountability is a major focus.
- **Administration/process:** Ensuring the program management process is efficient and effective.



Our supporters

We thank our generous supporters who are the driving force behind our vision. It is because of their prayers and finances that we are able to serve many communities in need.

We also appreciate our volunteers for their serving hearts and willingness to contribute their time and skills to our cause.

There are times when passion motivates people to do things, and there are times when a passion becomes their life. David's life quite literally revolves around supporting overseas communities in need.

In the early 80's David was a lay worker for The Salvation Army in two developing countries. He lived long enough with the locals to understand and experience their struggles and everyday challenges. At the same time he was also a receiver of people's generosity.

As a man of faith, and now a successful business man, he believes with all his heart that his calling and purpose in life is to resource the work of God worldwide. "I should make a contribution because I saw the need first hand. Providing for people in need through the sharing of the blessings I have received is part of my commitment to God".

"Sharing my finances gives me a lot of fulfilment.

Receiving feedback from each project highlighting the lives that have been changed, is my biggest motivation!

I know that through The Salvation Army, my money is reaching its destination and that people in need always appreciate each opportunity given to them.

Whether it is providing fees for children's education, funding spiritual retreats, building a compound fence or supporting Salvation Army officers, I have seen how God has blessed what I have provided and this gives me the impetus to keep going"

David from Queensland.

When we were young we had a clear calling to the 'back rows' – those who had never heard the good news of the gospel and who suffered disadvantaged socio-economic conditions. We endeavoured to fulfil our calling while it remained possible. Subsequently we maintained a connection with the underprivileged whenever and wherever we could.

In our senior years, age and our health status has precluded physical connection but we are able still to fulfil our calling by regular prayer and giving so that others may be enabled to continue this ministry.

Our calling is based in Jesus' miracle with the loaves and fishes. When Jesus blessed and broke the bread, he had his disciples feed all the people. He did not have them feed the front rows only and have the back rows go hungry. Thus we have always had a heart for those who occupy the 'back rows'.

The SAID office provides a good opportunity for us to fulfil the desire of our hearts and channel financial resources to the 'back rows'.

May God continue to bless the work of The Salvation Army International Development Office.
Major Dr. Donald Gates and Major Isabel Gates.



Visiting my sponsored child was a journey that I promised myself when I started sponsoring. The Salvation Army representatives from Kampala drove us 6 hours to reach one of my sponsored children named Lonah. I can't describe the emotions that pulsed through me when we went inside the house, I was completely overwhelmed. The darling human being who was my only thought when I was working long hours to pay the way, was in front of me. She was healthy, happy and she had friends. Her guardian told me she often struggles with depression, and I begged him to pray with her in these times and to remind her that she is always in my thoughts.

This journey alone was enough to satisfy my thirst for knowledge that the smallest thing, like sponsorship, can make a difference. Whenever I think of children carrying buckets, bags of maize or their siblings, it brings tears to my eyes.

We are so blessed in Australia. Whether our parents are together or not, whether we have had to forgo things because of financial hardship, there is no hardship in Australia that can equate to a 10km walk to fetch water every day, or losing your family to HIV.

I'm so grateful I can help make a small difference.

We all deserve a chance at something better

and I'm so grateful that organisations such as The Salvation Army exist.

Monique Ledger.

My desire to expand my service to include many more children under the child sponsorship scheme, comes from my call to missionary service as a child, long before I had any idea how this would eventuate. I learnt the chorus: "Jesus loves all the little children of the world" as a child. I have a missionary heart, yet had never served outside Australia.

In my autumn years, I realise now I am in a position to be able to finance this work through the International Development office.

The verse in James 1:27 inspires me: "True religion is to "visit and help and care for the orphans and widows in their affliction and need". This is what God requires of me. **Women and children in developing nations are the world's most vulnerable victims of corruption and neglect.**

It is never too late to see your heart's desire, as the Psalm says: "Delight yourself in the Lord and He will give you the desires of your heart". My dreams are fulfilled, even if the path I took was totally different from my childhood dreams...

This is my heart's desire: to see children grow in grace and the knowledge of God, through my support for this very vital Kingdom of God work.

We live in a global village; it takes a village to raise a child.

Eloise Rowe.



Where the money comes from

Funds received for International Development Projects and Child Sponsorship are received by The Salvation Army International Development Office and then transferred to Salvation Army partner territories for distribution to developing communities.

How do we ensure that our funds are used appropriately?

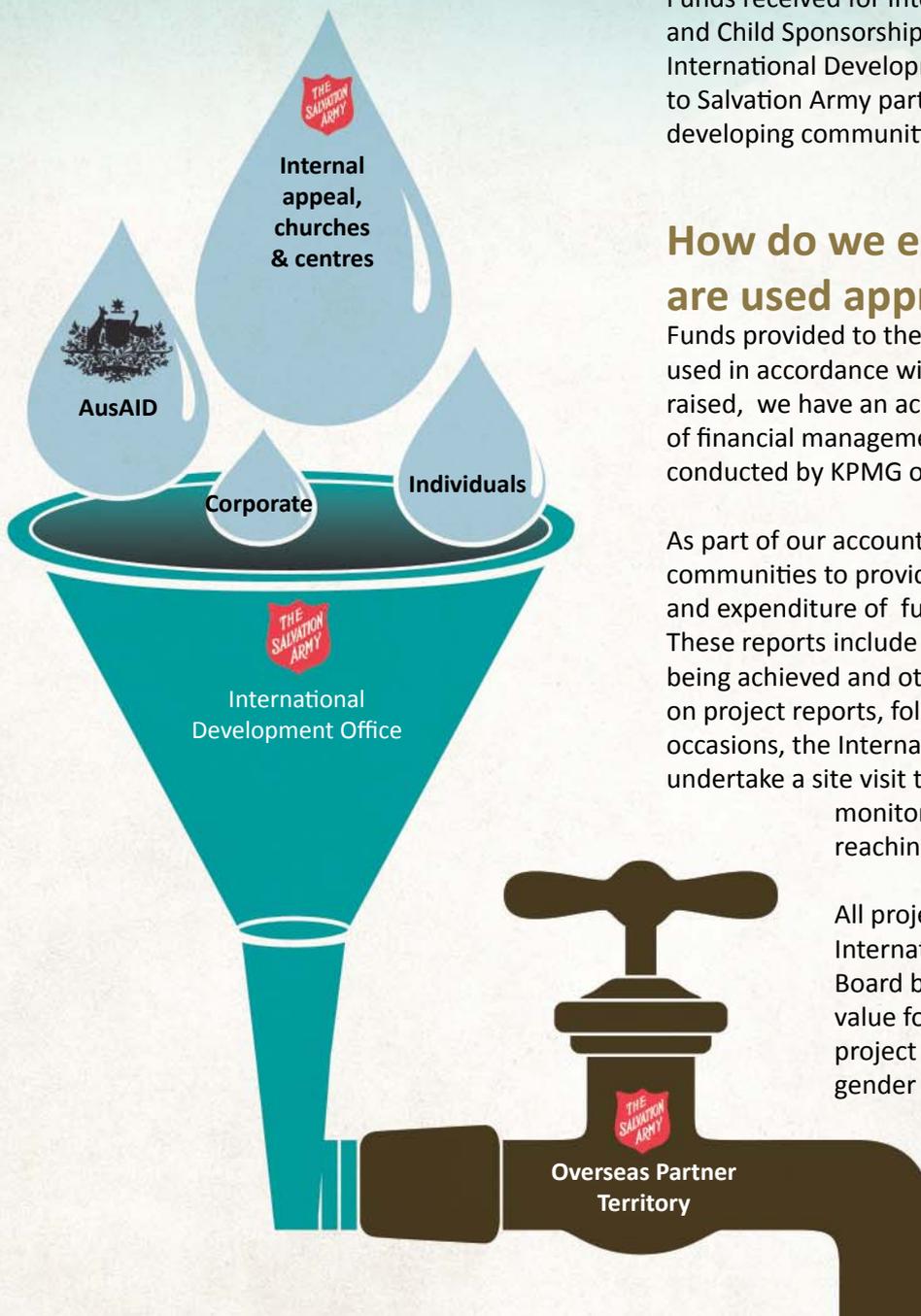
Funds provided to the International Development Office are used in accordance with the purpose for which they were raised, we have an accountable and transparent method of financial management which include external audits conducted by KPMG on an annual basis.

As part of our accountability, we also require overseas communities to provide regular reports detailing the income and expenditure of funded projects.

These reports include how the objectives of the project are being achieved and other relevant success factors. Based on project reports, follow up may become necessary and on occasions, the International Development Office staff may undertake a site visit to overseas communities to perform monitoring, evaluation and training to assist in reaching the overall objectives of the project.

All projects must be approved by the International Development Office Executive Board based on criteria such as: value for money, strategic fit, appropriate project design, community engagement, gender issues being addressed, sustainability and risk assessment.

The fully audited financial statements for 2011-2012 are available at www.salvos.org.au/said



Income Statement for the year ended 30 June 2012.

The Salvation Army (Australia) Self Denial Fund (for Overseas Aid). Eastern Territory.

Revenue	2012 \$	2011 \$
Donations and gifts		
Monetary	4,009,989*	5,839,136*
Non-monetary	-	-
Bequests and legacies	-	-
Grants		
AusAID	1,050,000	1,050,000
Other Australian	-	-
Other overseas	-	-
Investment income	294,660	281,901
Other income	67,070	52,765
Revenue for international political or religious proselytisation programs	300,000	300,000
Total Revenue	5,721,719	7,523,802

Expenditure

International aid and development program expenditure

International programs		
Funds to international programs	3,321,982	4,001,940
Program support costs	-	-
Community education	-	-
Fundraising costs		
Public	49,654	64,169
Government, multicultural and private	-	-
Accountability and administration	744,986	630,012
Non monetary expenses	-	-
Total international aid and development programs expenditure	4,116,622	4,696,121

Expenditure for international political or religious proselytisation programs	857,620	748,986
Domestic programs expenditure	-	-
Total expenditure	4,974,242	5,445,107
Excess / (Shortfall) of revenue over expenditure	747,477	2,078,695

*In 2012 we saw a decrease in monetary donations towards emergency relief appeals.

Balance Sheet as at 30 June 2012.

The Salvation Army (Australia) Self Denial Fund (for Overseas Aid). Eastern Territory.

Assets	2012 \$	2011 \$
Current assets		
Cash and cash equivalents	4,630,185	3,846,910
Trade and other receivables	93,634	-
Inventories	-	-
Assets held for sale	-	-
Other financial assets	2,033,226	2,167,173
Total current assets	6,757,045	6,014,083
Non Current assets		
Trade and other receivables	-	-
Other financial assets	-	-
Property, Plant and equipment	-	-
Investment property	-	-
Intangibles	-	-
Other non-current	-	-
Total non-current assets	-	-
Total Assets	6,757,045	6,014,083
Liabilities		
Current liabilities		
Trade and other payables	-	4,515
Borrowings current tax liabilities	-	-
Other financial liabilities	-	-
Provisions	-	-
Other	-	-
Total current liabilities	-	4,515
Non-Current liabilities		
Borrowings	-	-
Other financial liabilities	-	-
Provisions	-	-
Other	-	-
Total non-current liabilities	-	-
Total Liabilities	-	4,575
Net Assets	6,757,045	6,009,568
Equity		
Reserves	6,757,045	6,009,568
Retained earnings	-	-
Total equity	6,757,045	6,009,568

Statements of changes in capital reserves and accumulated funds.

The Salvation Army (Australia) Self Denial Fund (for Overseas Aid). Eastern Territory.

	Retained earnings \$	Reserves \$	Other \$	Total \$
Balance at 2011	-	6,009,568	-	6,009,568
Adjustments or Changes in equity	-	-	-	-
Items of other comprehensive income	-	-	-	-
Excess of revenue over expenses	747,477	-	-	747,477
Amount transferred to reserves	(747,477)	747,477	-	-
Balance at 2012	-	6,757,045	-	6,757,045

Table of cash movements for designated purposes for the year ended 30 June 2012

The Salvation Army (Australia) Self Denial Fund (for Overseas Aid). Eastern Territory.

	Cash available at beginning of year \$'000	Cash raised during year \$'000	Cash disbursed during year \$'000	Cash available at end of year \$'000
Self Denial appeal	2,431	2,763	1,892	3,302
Child sponsorship appeal	28	655	687	(4)
New Zealand Earthquake appeal	170	30	170	30
Australian NGO Cooperation Program	325	1,128	1,084	369
Total for other non-designated purposes	893	1,146	1,106	933
Total	3,847	5,722	4,939	4,630



**ACFID
CODE**

We are a signatory to the Australian Council for International Development's Code of Conduct.

Further information on the Code and its complaints handling procedure is available at www.acfid.asn.au

The Salvation Army (Australia) Self Denial Fund (for Overseas Aid). Eastern Territory.

The Salvation Army (Australia) Self Denial Fund (for Overseas Aid) exists for the purpose of providing aid to developing countries and support for Salvation Army Grant Aided Territories. The trustees of The Salvation Army Australia Eastern and Southern Territories are the members of the Governing Body for the Self Denial Fund for Overseas Aid.

The following persons were Trustees for both:

The Salvation Army (NSW) Property Trust and The Salvation Army (Australia) Self Denial Fund (for Overseas Aid) during the whole of the financial year and to the date of this report:

- Commissioner J. Condon
- Colonel W. Maxwell
- Mr I.C. Minnett (Bcom, FCA, GAICD)

All funds under the management of The International Development Office are accounted for in The Self Denial Fund for Overseas Aid.

The countries which received overseas aid during 2011/12 financial year are summarised as follows:

AusAID Projects (Development)	\$	
China	46,683	Bio-Gas Project in Xinghong Village
Kenya	107,400	Strengthening vocational training & early childhood education
Papua New Guinea	858,864	The Church partnership program – This funding is for 49 projects throughout PNG under the headings of: Governance of churches, Management, Human Resource, Physical Resource, Planning, Monitoring and Evaluation, Education, Health, HIV/AIDs, Community Development
Total	1,012,947	

Overseas Projects funded by Self Denial Appeal and other donations.

The Salvation Army (Australia) Self Denial Fund (for Overseas Aid). Eastern Territory.

Child Sponsorship	\$	Other Projects per country	\$
Argentina	6,423	Congo	650 ●
Bangladesh	25,280	East Africa	81,897 ●
Belize	5,324	Fiji	19,535 ●
Brazil	30,770	Ghana	48,077 ●
Caribbean	16,424	India Eastern	38,088 ●
Dominican Republic	1,805	Japan	207,038 ●
Fiji	10,977	Kenya-East	195,047 ●●
Ghana	23,597	Kenya-West	31,687 ●
Haiti	31,796	Latvia	8,656 ●
India Central	14,567	Liberia	57,640 ●
India Eastern	14,792	Malawi	294,672 ●●
Indonesia	37,110	Mexico	10,000 ●
Kenya-East	115,132	Mozambique	3,789 ●
Kenya-West	25,553	Myanmar	56,791 ●
Latin America	12,304	New Zealand	88,014 ●
Mozambique	49,889	Pakistan	114,075 ●●
Pakistan	13,741	Philippines	63,749 ●●
Paraguay	12,111	Papua New Guinea	193,743 ●●
Philippines	30,845	Sierra Leone	2,396 ●
Papua New Guinea	26,474	South Africa	6,000 ●
Singapore	46,258	South America	45,498 ●
South Africa	31,580	Sri Lanka	8,534 ●
Sri Lanka	16,744	Uganda	30,057 ●
Tanzania	35,303	Zambia	7,050 ●
Uganda	42,007	Zimbabwe	8,100 ●
Zambia	10,720	Other	726 ●
Total	687,526	Total	1,621,509

AusAID	1,012,947
Child sponsorship	687,526
Other projects	1,621,509

Total funds to international programs \$3,321,982

- Type of project:**
- Community Development Project Mission
 - Support / Evangelical Project
 - Emergency Relief



Independent auditor's report to the Trustees of The Salvation Army (Australia) Self Denial Fund (For Overseas Aid)

We have audited the Salvation Army (Australia)'s consolidated inter-territorial Income Statement and Table of Cash Movements for Designated Purposes for the year ended 30 June 2012 and the Balance Sheet and Statements of changes in capital reserves and accumulated funds as at 30 June 2012 ("the Statements") of the Self Denial Fund for Overseas Aid. The Statements have been prepared by the Trustees based on the Australian Council for International Development's (ACFID) code of conduct (the "Code"), for the purpose of fulfilling The Salvation Army's reporting requirements to ACFID, using the basis of preparation described in Note 1 to the Statements.

Trustees' responsibilities for the Statements

The Trustees of The Salvation Army are responsible for the preparation of the Statements in accordance with the Code, and have determined that the accounting policies in Note 1 to the Statements are appropriate to meet the requirements of ACFID. This responsibility includes selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; ensuring the Statements are prepared and presented in accordance with the Code; and for such internal control as the Trustees determine is necessary to enable the preparation of the Statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the Statements to the Trustees of The Salvation Army based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the Statements.

Our procedures included the examination on a test basis, of evidence supporting the amounts disclosed in the Statements. These procedures have been undertaken to form an opinion whether, in all material respects, the attached Statements are prepared and presented in accordance with the Code, using the basis of preparation described in Note 1 to the Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's opinion

In our opinion the attached Statements for the year ended 30 June 2012 are prepared and presented, in all material respects, in accordance with the Code.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian Accounting Professional and Ethical Standards Board.

Basis of preparation and restriction on distribution and use

Without modifying our opinion, we draw attention to Note 1 to the Statements, which describe the basis of preparation. The Statements have been prepared as required by the Code for the purpose of reporting to ACFID. As a result, the Statements may not be suitable for another purpose.

KPMG

Kathy Ostin
Sydney

11 October 2012

Contact details:

Telephone: 02 9335 7000

ICAA: 92553

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Permission has been granted to use all images and stories in this report.

The Salvation Army International Development Office has a process for handling any complaints made against it.

Please direct your complaint or enquiry regarding complaints to Dawn Beeson at the International Development Office on 02 9266 9789.





**International
development**

The Salvation Army

International Development Office Annual Report 2012

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