

**THE SALVATION ARMY (AUSTRALIA)
SELF DENIAL FUND FOR OVERSEAS AID
CONSOLIDATED INTER - TERRITORIAL
Financial report - 30 June 2012**

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**THE SALVATION ARMY (AUSTRALIA)
 SELF DENIAL FUND FOR OVERSEAS AID
 CONSOLIDATED INTER - TERRITORIAL
 Income statement
 for the year ended 30 June 2012**

	2012	2011
	\$	\$
REVENUE		
Donations and gifts		
Monetary	5,088,211	7,061,764
Non-monetary	-	-
Bequests and legacies	-	-
Grants		
AusAID	1,050,000	1,050,000
Other Australian	-	-
Other overseas	-	-
Investment income	415,439	416,709
Other income	67,070	52,765
Revenue for international political or religious proselytisation programs	2,079,595	2,127,177
Total Revenue	<u>8,700,315</u>	<u>10,708,415</u>
Expenditure		
International aid and development programs expenditure		
International programs		
Funds to international programs	4,518,207	5,484,737
Program support costs	-	-
Community education	-	-
Fundraising costs		
Public	49,654	64,169
Government, multilateral and private	-	-
Accountability and administration	814,577	699,568
Non monetary expenses	-	-
Total international aid and development programs expenditure	<u>5,382,438</u>	<u>6,248,474</u>
Expenditure for international political or religious proselytisation programs	2,367,117	2,666,058
Domestic programs expenditure	-	-
Total expenditure	<u>7,749,555</u>	<u>8,914,532</u>
Excess / (Shortfall) of revenue over expenditure	<u>950,760</u>	<u>1,793,883</u>

See segment notes 1 and 2 which split these combined figures into each Salvation Army Territory.



**THE SALVATION ARMY (AUSTRALIA)
 SELF DENIAL FUND FOR OVERSEAS AID
 CONSOLIDATED INTER - TERRITORIAL
 Balance Sheet
 as at 30 June 2012**

	2012	2011
	\$	\$
ASSETS		
Current Assets		
Cash and Cash Equivalents	4,770,142	4,154,245
Trade and other receivables	150,747	75,943
Inventories	-	-
Assets held for sale	-	-
Other financial assets	2,033,226	2,167,173
Total current assets	<u>6,954,115</u>	<u>6,397,361</u>
Non Current Assets		
Trade and other receivables	-	-
Other financial assets	-	-
Property, Plant and Equipment	-	-
Investment property	-	-
Intangibles	-	-
Other non-current	3,546,061	3,160,627
Total non current assets	<u>3,546,061</u>	<u>3,160,627</u>
Total Assets	<u><u>10,500,176</u></u>	<u><u>9,557,988</u></u>
LIABILITIES		
Current Liabilities		
Trade and Other Payables	-	8,572
Borrowings	-	-
Current tax liabilities	-	-
Other financial liabilities	-	-
Provisions	-	-
Other	-	-
Total current liabilities	<u>-</u>	<u>8,572</u>
Non Current Liabilities		
Borrowings	-	-
Other financial liabilities	-	-
Provisions	-	-
Other	-	-
Total non current liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>8,572</u>
Net Assets	<u><u>10,500,176</u></u>	<u><u>9,549,416</u></u>
EQUITY		
Reserves	10,500,176	9,549,416
Retained earnings	-	-
Total Equity	<u><u>10,500,176</u></u>	<u><u>9,549,416</u></u>

See segment notes 1 and 2 which split these combined figures into each Salvation Army Territory.



**THE SALVATION ARMY (AUSTRALIA)
 SELF DENIAL FUND FOR OVERSEAS AID
 CONSOLIDATED INTER - TERRITORIAL
 Statements of changes in capital reserves and accumulated funds**

	Retained Earnings \$	Reserves \$	Other	Total \$
Balance at 2011	-	9,549,416	-	9,549,416
Adjustments or Changes in equity	-	-	-	-
Items of other comprehensive income	-	-	-	-
Excess of revenue over expenses	950,760	-	-	950,760
Amount transferred to reserves	(950,760)	950,760	-	-
Balance at 2012	-	10,500,176	-	10,500,176



1. Segment Note (Eastern Territory)

**THE SALVATION ARMY AUSTRALIA
EASTERN TERRITORY
Income statement
for the year ended 30 June 2012**

	2012 \$	2011 \$
REVENUE		
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	<u>5,721,719</u>	<u>7,523,802</u>
Expenditure		
International aid and development programs 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, multilateral and private	-	-
Accountability and administration	744,987	630,012
Non monetary expenses	-	-
Total international aid and development programs expenditure	<u>4,116,623</u>	<u>4,696,121</u>
Expenditure for international political or religious proselytisation programs	857,620	748,986
Domestic programs expenditure	-	-
Total expenditure	<u>4,974,243</u>	<u>5,445,107</u>
Excess / (Shortfall) of revenue over expenditure	<u>747,476</u>	<u>2,078,695</u>



**THE SALVATION ARMY AUSTRALIA
EASTERN TERRITORY
Balance Sheet
as at 30 June 2012**

	2012	2011
	\$	\$
ASSETS		
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	<u>6,757,045</u>	<u>6,014,083</u>
Non Current Assets		
Trade and other receivables	-	-
Other financial assets	-	-
Property, Plant and Equipment	-	-
Investment property	-	-
Intangibles	-	-
Other non-current	-	-
Total non current assets	<u>-</u>	<u>-</u>
Total Assets	<u><u>6,757,045</u></u>	<u><u>6,014,083</u></u>
LIABILITIES		
Current Liabilities		
Trade and Other Payables	-	4,515
Borrowings	-	-
Current tax liabilities	-	-
Other financial liabilities	-	-
Provisions	-	-
Other	-	-
Total current liabilities	<u>-</u>	<u>4,515</u>
Non Current Liabilities		
Borrowings	-	-
Other financial liabilities	-	-
Provisions	-	-
Other	-	-
Total non current liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>4,515</u>
Net Assets	<u><u>6,757,045</u></u>	<u><u>6,009,568</u></u>
EQUITY		
Reserves	6,757,045	6,009,568
Retained earnings	-	-
Total Equity	<u><u>6,757,045</u></u>	<u><u>6,009,568</u></u>



2. Segment Note (Southern Territory)

**THE SALVATION ARMY AUSTRALIA
SOUTHERN TERRITORY
Income statement
for the year ended 30 June 2012**

	2012 \$	2011 \$
REVENUE		
Donations and gifts		
Monetary	1,078,222	1,222,628
Non-monetary	-	-
Bequests and legacies	-	-
Grants		
AusAID	-	-
Other Australian	-	-
Other overseas	-	-
Investment income	120,779	134,808
Other income	-	-
Revenue for international political or religious proselytisation programs	1,779,595	1,827,177
Total Revenue	<u>2,978,596</u>	<u>3,184,613</u>
Expenditure		
International aid and development programs expenditure		
International programs		
Funds to international programs	1,196,225	1,482,797
Program support costs	-	-
Community education	-	-
Fundraising costs		
Public	-	-
Government, multilateral and private	-	-
Accountability and administration	69,590	69,556
Non monetary expenses	-	-
Total international aid and development programs expenditure	<u>1,265,815</u>	<u>1,552,353</u>
Expenditure for international political or religious proselytisation programs	1,509,497	1,917,072
Domestic programs expenditure	-	-
Total expenditure	<u>2,775,312</u>	<u>3,469,425</u>
Excess / (Shortfall) of revenue over expenditure	<u>203,284</u>	<u>(284,812)</u>



**THE SALVATION ARMY AUSTRALIA
SOUTHERN TERRITORY
Balance Sheet
as at 30 June 2012**

	2012	2011
	\$	\$
ASSETS		
Current Assets		
Cash and Cash Equivalents	139,957	307,335
Trade and other receivables	57,113	75,943
Inventories	-	-
Assets held for sale	-	-
Other financial assets	-	-
Total current assets	<u>197,070</u>	<u>383,278</u>
Non Current Assets		
Trade and other receivables	-	-
Other financial assets	-	-
Property, Plant and Equipment	-	-
Investment property	-	-
Intangibles	-	-
Other non-current assets	3,546,061	3,160,627
Total non current assets	<u>3,546,061</u>	<u>3,160,627</u>
Total Assets	<u><u>3,743,131</u></u>	<u><u>3,543,905</u></u>
LIABILITIES		
Current Liabilities		
Trade and Other Payables	-	4,057
Borrowings	-	-
Current tax liabilities	-	-
Other financial liabilities	-	-
Provisions	-	-
Other	-	-
Total current liabilities	<u>-</u>	<u>4,057</u>
Non Current Liabilities		
Borrowings	-	-
Other financial liabilities	-	-
Provisions	-	-
Other	-	-
Total non current liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>4,057</u>
Net Assets	<u><u>3,743,131</u></u>	<u><u>3,539,848</u></u>
EQUITY		
Reserves	3,743,131	3,539,848
Retained earnings	-	-
Total Equity	<u><u>3,743,131</u></u>	<u><u>3,539,848</u></u>

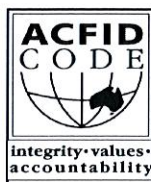


**THE SALVATION ARMY (AUSTRALIA)
SELF DENIAL FUND FOR OVERSEAS AID
CONSOLIDATED INTER - TERRITORIAL
Table of cash movements for designated purposes
for the year ended 30 June 2012**

	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	2,987	4,272	3,725	3,534
Child sponsorship appeal	18	1,441	1,470 -	11
New Zealand earthquake Appeal	170	30	170	30
Australian NGO Cooperation program	325	1,128	1,084	369
Total for other non- designated purposes	654	1,459	1,265	848
Total	4,154	8,330	7,714	4,770

There are two Salvation Army Territories in Australia which include The Salvation Army Australia Eastern Territory and The Salvation Army Southern Territory. Both Territories operate independently and issue separate annual accounts for their Territory. However, both Territories jointly run The Salvation Army (Australia) Self Denial Fund for Overseas Aid Program. The audited Self Denial Fund statements (page 2 to 4) include both revenue and disbursements, assets, liabilities and equity for both Territories. Segment notes 1 and 2 (Pages 5 to 8) show each Territory's results.

Code of conduct



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 Financial Reports have been prepared in accordance with the requirements set out in the ACFID Code of Conduct. For further information on the Code please refer to the ACFID Code of Conduct Guidance Document available at www.acfid.asn.au.

The annual report for The Salvation Army Australia Eastern International Development Office (SAID) is available at www.salvos.org.au/said. This is referenced to the financial information displayed in the segment note on pages 5 and 6



**THE SALVATION ARMY (AUSTRALIA)
SELF DENIAL FUND FOR OVERSEAS AID**

4. The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) exists for the purpose of providing aid to developing countries and support funding for Salvation Army Grant Aided Territories. The following persons were Trustees of 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
- Commissioner RA Finger (Diploma of Business)
- Colonel W Maxwell (DipMin, Bmin, MAdminLead)
- Colonel P Walker (NBA Sociology & Politics)
- Lieutenant-Colonel P Laws (MAL, BAL)
- Lieutenant-Colonel K Haggar (Bcom, ThA, MAdminLead)
- Lieutenant-Colonel R Barnard
- Mr IC Minnett (BCom, FCA, GAICD)
- Mr G Stowe (B.Bus, FCPA)

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

AusAID Projects	\$	
China	46,684	Bio-Gas Project in Xinghong Village
Kenya	107,400	Strengthening Vocational Training & Early Childhood Education
		The Church Partnership Program-This funding is for 49 projects throughout PNG – under the headings of:
Papua New Guinea	858,864	Governance of Churches, Management, Human Resource, Physical Resource, Planning, Monitoring & Evaluation, Education, Health, HIV/AIDS, Community Development
	<u>1,012,948</u>	



**THE SALVATION ARMY (AUSTRALIA)
SELF DENIAL FUND FOR OVERSEAS AID**

Child Sponsorship	\$
Argentina	16,003
Bali	12,242
Bangladesh	48,549
Belize	5,323
Bolivia	11,347
Brazil	57,128
Caribbean	37,842
Chile	7,594
Ecuador	3,000
Dominican Republic	1,804
Fiji	10,977
Ghana	23,596
Haiti	59,208
Hong Kong/China	5,257
India Central	39,091
India Eastern	14,792
Indonesia	82,916
Kenya-East	236,414
Kenya-West	73,139
Latin America	28,771
Malaysia	7,799
Mexico	5,480
Mozambique	52,007
Myanmar	45,135
Pakistan	31,507
Paraguay	12,111
Peru	9,937
Philippines	83,720
PNG	47,126
Rwanda	1,633
Singapore	46,258
South Africa	31,580
Sri Lanka	35,983
Tanzania	68,525
Uganda	100,513
Zambia	35,686
Zimbabwe	10,499
	1,400,492



SELF DENIAL FUND FOR OVERSEAS AID

Overseas Projects funded by Self Denial Appeal and other donations

	\$
Caribbean	12,914
Chile	19,135
Congo	51,167
East Africa	214,783
Fiji	19,535
Ghana	76,513
Haiti	23,270
India	16,796
Indonesia	47,267
India Eastern	38,088
Japan	207,038
Kenya	8,775
Kenya-East	195,047
Kenya-West	31,687
Leuhan	18,209
Latvia	8,656
Liberia	67,320
Malawi	294,672
Mexico	10,000
Moldova	14,403
Mozambique	17,868
Myanmar	65,010
New Zealand	88,014
Nigeria	5,545
Pakistan	114,075
Philippines	81,169
PNG	234,575
Rwanda	1,000
Sierra Leone	2,396
South Africa	6,300
Sri Lanka	8,534
South America	54,873
Sweden	100
Tanzania	3,000
Uganda	30,057
Zambia	7,150
Zimbabwe	9,100
Other	725
	<u>2,104,767</u>
Total	<u><u>4,518,207</u></u>



**THE SALVATION ARMY (AUSTRALIA)
SELF DENIAL FUND FOR OVERSEAS AID
CONSOLIDATED INTER - TERRITORIAL
Trustees' declaration
30 June 2012**

In the opinion of the Trustees of The Salvation Army's Self Denial Fund for Overseas Aid:

(a) the financial statements and notes as set out on pages 2 to 12:

(i) comply with Australian Accounting Standards; and

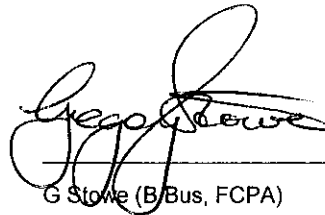
(ii) give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of The Salvation Army's Self Denial for Overseas Aid;

(b) in the Trustees opinion there are reasonable grounds to believe that The Salvation Army's Self Denial Fund for Overseas Aid will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Trustees.



IC Minnett (B Com, FCA, GAICD)
Chief Financial Officer
Trustee



G Stowe (B Bus, FCPA)
Chief Financial Officer
Trustee

Sydney,



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

KPMG

Kathy Ostin

Kathy Ostin

Sydney

11 October 2012

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