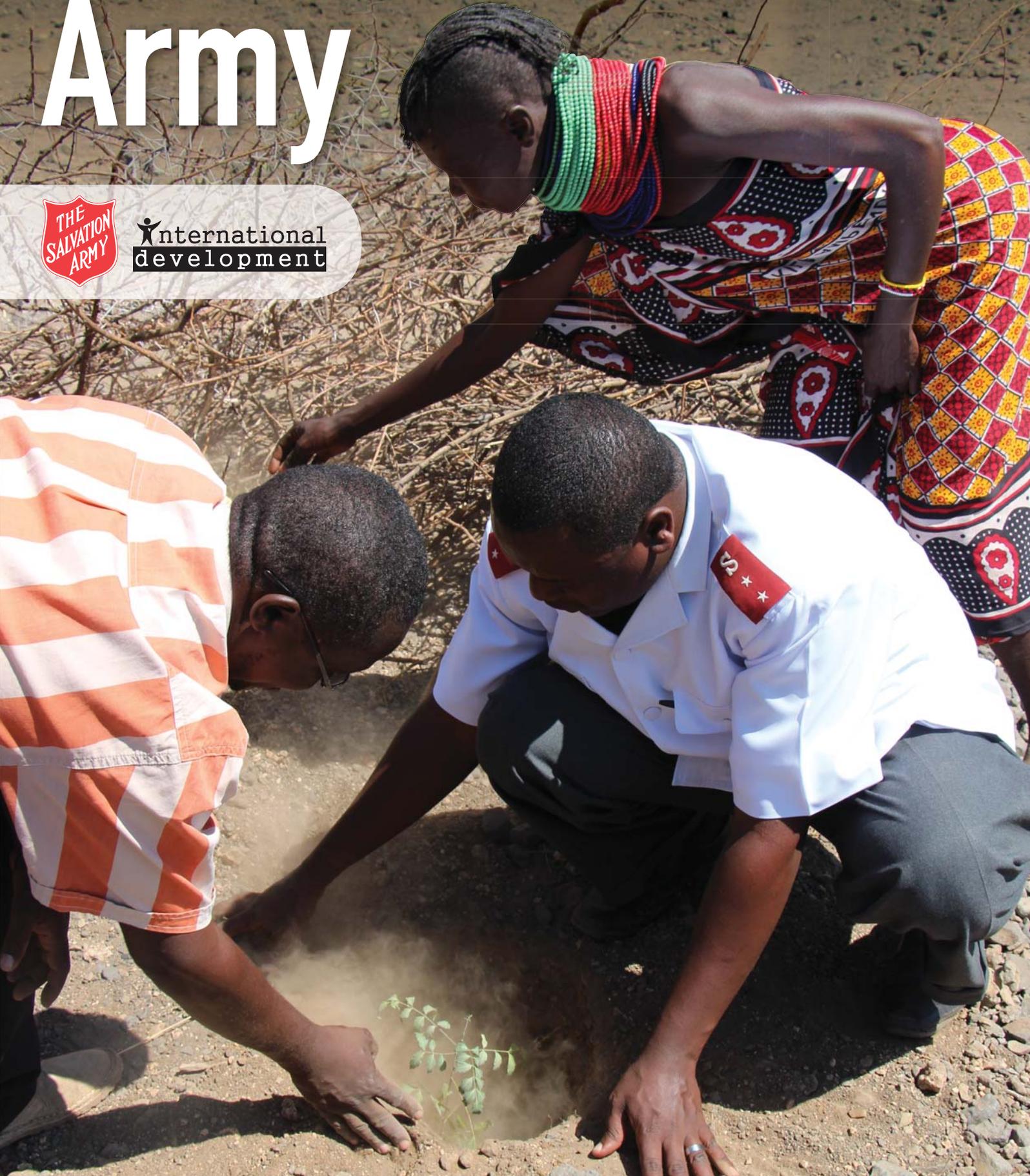


The Salvation Army



International
development



About this Annual Report

This annual report is for The Salvation Army (Australia) Self Denial Fund (for Overseas Aid) ABN 52 609 689 893.

It has been prepared to satisfy specific reporting requirements of the ACFID Code of Conduct. The provision of information on our activities, our performance and our operations in this Annual Report is one of the ways in which we seek to satisfy our accountability obligations.

The financial figures in this report have been audited by KPMG.

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

Charitable status and tax concessions

The trustee for The Salvation Army (NSW) is a property trust; a charitable institution which is endorsed by the Australian Taxation Office (ATO) as an Income Tax Exempt Charity and receives certain other tax concessions and exemptions consistent with its status, which relate to income, goods and services, and fringe benefits taxes.

The Salvation Army has been endorsed by the ATO as a Deductible Gift Recipient (DGR) and also operates a Self Denial Fund for overseas aid which is also endorsed as DGR.

Feedback and complaints

We welcome feedback on this report and on our general operations and conduct.

Please send any feedback or complaints to InternationalDevelopment@aue.salvationarmy.org or write to: The Director, PO Box A435 Sydney South NSW 1235. Acknowledgement and response to the feedback will be given.

Complaints and inquiries relating to a breach of the ACFID Code of Conduct can be made to the Code Manager, ACFID Code of Conduct Committee, C/- ACFID Private Bag 3 Deakin ACT 2600 or email it to:

complaints@acfid.asn.au.

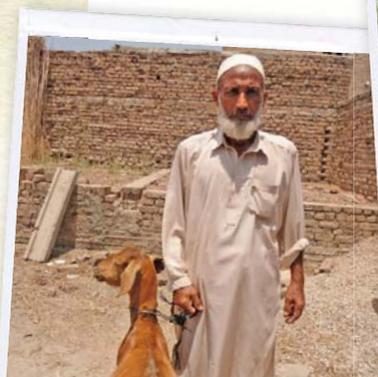
For further information about the ACFID Code of Conduct visit:

www.acfid.asn.au/code-of-conduct



Contents

| | |
|--|--------------|
| Message from the Territorial Commander | 4 |
| Message from the Director | 5 |
| Our organisation | 6-7 |
| Government partnerships | 8 |
| Accreditations | 9 |
| Our Executive Board | 10-11 |
| Lessons learnt | 12 |
| Highlights of our year | 13 |
| How we work with partner countries | 14-15 |
| Our global response | 16-17 |
| OUR WORK | 18-19 |
| Empowerment of women | 20-21 |
| Health education and combating of disease | 22-23 |
| Facilitate education for children and adults | 24-25 |
| Child-centred development | 26-27 |
| Improving access to clean water and sanitation | 28-29 |
| Livelihood and income-generating projects | 30-31 |
| Emergency relief | 32-33 |
| Evangelism and mission support | 34-35 |
| Our supporters | 36-39 |
| Financial position and performance | 40-46 |





Message from the Territorial Commander

At the heart of work of The Salvation Army International Development (SAID) office are the words of Jesus...

‘Whenever you did one of these things to someone overlooked or ignored, that was me—you did it to me.’ (Matthew 25:40, The Message)

As I read the stories of the work of SAID around the world, outlined in this annual report, I see men, women and children who are not overlooked, but seen; not ignored but given a voice, a hope and a future.

What a privilege it is for us to be able to support our brothers and sisters in developing countries as they take up the challenge to address the issues of injustice and poverty.

It is difficult for us to comprehend the daily challenge they face - poor sanitation, the lack of good nutrition, inadequate education, unsafe drinking water and the diseases linked to that – and we are profoundly moved by the tireless and sacrificial commitment of local leaders and local communities who press forward in the face of such challenges to administer the funds and projects.

And so our mission opportunities continue

to be great and thankfully, so is the commitment and work of all those who support our work.

Thank you for releasing and entrusting to us funds that provide deep encouragement to our overseas partners.

Thank you to our Australia Eastern International Development office staff who work in partnership with other Salvation Army territories to bring hope, empowerment and relief to those who are poor and marginalised.

Thank you to so many volunteers who give of their time, wisdom and guidance.

Thank you to those who pray for the children and communities who benefit from the projects that are undertaken in their area and for the staff who administer them.

May Jesus’ words continue to motivate us to make the unseen visible and give the ignored, their voice.

Thank you and God Bless you.

James Condon
Commissioner
The Salvation Army
Australia Eastern Territory



Message from the Director

Salvation is freedom from those influences which crush the human spirit.

The biography of Jesus records the first public statement He made concerning those who live on the fringes in poverty and disadvantage. It is a mission statement which reflects the heart and mind of The Salvation Army and its International Development Office.

“...commissioned to share good news with the poor - freedom for prisoners - recovery of sight to the blind - release for the oppressed ... announcing new beginnings of hope and joy.”

Earlier this year I found myself in Tanzania - at a place called Tabora. It was here that slaves were bought and sold and transported by slave merchants to all parts of the globe. It is a place where thousands lost their freedom. Today in that community The Salvation Army runs the SAMIDE Project which includes literacy and numeracy, training in livelihood skills and the development of business plans. A small group of like-minded women provide support for those who are given a micro-credit loan. To date 400 women have participated in this venture. In Tabora the locals say that “this is the only hope a woman has to escape from poverty.” It is planned that another 300 women will participate over the next two years. To date no one has defaulted on their loan. On the day I was there, 61 women were completing their business plans and loan applications.

The next day I visited a rescue house in Dar Es

Salaam for children aged between six and 12. All the children had been rescued from the streets. All had been in danger of being embroiled in terrible slavery. Not far away is another rescue home where older children live. Despite the obvious stories which could be told of degradation and despair - the sound of laughter and children playing could be heard. It was a reminder of how beautiful the work of restoration and liberation is - especially for those who are the last, the least, and the lost, the overlooked, the weak and the most vulnerable.

Salvation is freedom from those influences which crush the human spirit.

It is a great privilege to be involved in the transformational work of restoration - the recovery of hope, the gift of joy and fulfilment, the purpose of self worth and dignity and freedom from conditions which crush the human spirit. No wonder “Salvation” is included in our name.

Then what about the term “Army” - if it is not the mobilisation of people whose lives are marked by compassion and grace?

To those who partner with us - who help contribute to our “fighting fund” - which enables us to do what we do around the globe...

Thank you and may God bless you.

Major John W. Rees
Director
International Development Office



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, 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 Vision

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

Our Mission

The SAID 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 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 and Australian 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 International Development office to implement our own aid and development programs through two channels:

NGO Cooperation Program (ANCP)

ANCP supports us with funding on a ratio basis. During the financial year 2012-2013, the ANCP's contribution of \$150,000 went towards Indonesia Rural Water and Sanitation and Kenya East Early Childhood and Vocational Training project year 3.

Church Partnership Program (CPP) in Papua New Guinea

During the 2012-2013 financial year, The Salvation Army received \$924,573.94 from The Australian Government for the CPP.

The program's primary goal is to "improve services delivered by the PNG churches to local communities". This has been achieved by The Salvation Army through:

Education:

- ➔ Improving the management capacity of teachers and conducting practical skills workshops at The Salvation Army Secondary School

Health services:

- ➔ Upgrading qualifications of health staff
- ➔ Village Health Volunteers being trained
- ➔ HIV/AIDS services – life skills training for people living with HIV and AIDS

Community Development:

- ➔ Women's skills training in agriculture and environmental sustainability
- ➔ Teenage girls' empowerment training – gender equality, violence against women, peer pressure, drug and alcohol abuse, HIV/AIDS and environmental sustainability
- ➔ Training for men on status in the society – men's health issues, gender, violence against women
- ➔ Teenage boys' pilot project – HIV/AIDS, environmental damage
- ➔ Restorative justice program and family victims support program
- ➔ Community based literacy programs
- ➔ Conducting Community Development Enhancement Training in the Popondetta area
- ➔ Drug and alcohol awareness to four communities
- ➔ CARE Coffee Program

The secondary goal of the CPP is "to strengthen institutional capacity for PNG churches to deliver improved services to local communities".

During the year, The Salvation Army worked on:

Church governance:

- ➔ Developing leadership for improved governance and reinforce the need for policies and procedures
- ➔ Child protection policy training
- ➔ Competency based leadership training

Management:

- ➔ Upgrading of systems and communication strategies
- ➔ Conducting trainings in relation to IT service delivery

Human resources:

- ➔ Enabling eligible employees to undergo further studies in local institutions for certificates, diplomas and degrees
- ➔ Up-skilling of staff in finance and administration
- ➔ Attending AusAID Fraud presentation and "identifying fraud" policies

Accreditations

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 an ACFID member and 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. More information about the Code of Conduct can be found at www.acfid.asn.au/code-of-conduct.

Australian Government Base Accreditation

The Australian Government accreditation provides assurance that our organisation is well-managed and capable of delivering quality development outcomes.

The International Development Office receives funding for approved development projects on a ratio basis of 5 to 1.



Australian Government

Department of Foreign Affairs and Trade



Our executive board

Major John Rees

Director



Over the course of 39 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. John became SAID Director in 2012.

John is the team leader and key networker with other Non-Government Organisations 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.

Dr. Leonard Warren Drury

Environmental consultant



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.

Lt. Colonel Merv Rowland

(retired) - Advisor



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.

Doug Everett

Business advisor



Doug, a life-long member of The Salvation Army, has spent most of his working career 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 The Australian Government, 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.

Ian Minnett

Chief Financial Officer (CFO)



As the CFO for The Salvation Army, Ian is focused on the primary needs of reporting and budgeting, to assist the Territorial leadership in allocating funds to programs and projects. To do this, Ian seeks to get 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, ensuring that government and donors remain confident with the organisation.

Major Karan Ross

Child Sponsorship coordinator



During her 35 years as a Salvation Army Officer, Karan's appointments have included the Stanmore Children's Home, Recovery Services, emergency accommodation for women, Pacific Lodge and Weeroona Village aged-care facilities. She has 15 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.

Dawn Beeson

Projects coordinator



Dawn focuses mainly on the Church Partnership Program (CPP) in Papua New Guinea and development projects in Africa. Formerly, 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).

Sharon Walker

Health program advisor



As a technical advisor in the rollout of the Papua New Guinea's National Health Department HIV Counselling and Testing program, Sharon works to develop training materials, national policies, guidelines and implementation. In recent years she has done

short-term consultancies for AusAID, the World Health Organisation, other Non-Government Organisations and churches. Sharon's interest in international development has taken her to Africa to learn about the management of HIV programs and she has also attended international AIDS conferences in Mexico and Vienna. She holds a Bachelor of Arts (Welfare Studies), M. Counselling and M. Education (Adult Education).

Julie Archer

IT Consultant



Julie Archer has been in the IT industry for 29 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.

Lessons learnt

The best development work is a two-way transformation process. In the past year we have continued to grow in understanding, vision and practice from the communities in which we serve. Here's a brief summary of what we have learnt in the last year:

- ➔ The inclusiveness of local men in women's empowerment programs leads to a greater opportunity for advocacy and education of the husbands, increasing their effectiveness.
- ➔ The involvement of local community members from different faiths in projects is a great demonstration to the community of unity and the impartiality of the programs we run.
- ➔ Networking with other agencies provides the opportunity to share resources, saving time and money for the community.
- ➔ Careful attention to cultural barriers ensures that our projects provide basic needs to ALL people in the community.
- ➔ Incorporating community feedback in the implementation of a project encourages community ownership of that project.
- ➔ Understanding the priorities of the local Government provides the opportunity to invite their contribution and ownership of projects.
- ➔ Engaging people with disabilities in the design of facilities they will use should be part of the planning stage of any construction project.
- ➔ Community feedback helps create new and improved outcomes for skill-based programs.



Highlights of our year

This Annual Report covers our activities and performance for the period 1 July 2012 to 30 June 2013.

Summary of projects and funding

| Program | Number of projects supported | Number of countries supported | Funds sent |
|---|------------------------------|-------------------------------|---------------|
| Development Projects | 85 | 12 | AU\$2,397,735 |
| Mission Support Projects (for the Advancement of The Salvation Army's mission) | 38 | 18 | AU\$1,359,331 |
| Overseas Emergency Relief Projects | 6 | 6 | AU\$174,889 |
| Sponsorships | 2124 | 29 | AU\$694,044 |



How we work with partner countries

To maximise effectiveness The Salvation Army International Development office focuses on countries that are or have been The International Salvation Army's Partners in Mission.

A Partner in Mission is a term given to Salvation Army Territories that have been linked together by The International Salvation Army to support each other financially and in ministry. The funding which supporting territories provide to the implementing territories is essential for the ongoing ministry of The Salvation Army in these countries.

The Salvation Army international Development office supports the ministry of these countries by funding mission and evangelical projects through non tax-deductible funds.

The current Partners in Mission for The Salvation Army Australia Eastern Territory are **Hong Kong, India North, Tanzania, PNG and Solomon Islands, Latvia.**

At times it may be necessary to expand or limit our geographical focus, based on the countries' capacity to undertake new projects.

In addition, The International Development office works with countries where the following applies:

- ▶ The country's Salvation Army administration has a good track record of communication and accountability
- ▶ The country is declared a developing country by the Australian Minister of Foreign Affairs
- ▶ The country is within Australia's region and fits one or more of the other criteria





We asked our partner countries how they have experienced our support in the past year. Here's what they said:

Kenya East

The best thing about our relationship is that it feels like a partnership. SAID offers technical expertise and financial resources but also recognises that there are many strengths and skills within Kenyan communities. SAID has listened to the community and support us in a way that empowers at every level. The team has provided resources for projects, training and technical support at the request of what we have needed and requested. This has been really refreshing and mirrors the principles of strong community development. We have been challenged, encouraged and assisted to look at issue of sustainability. We are now crafting and implementing inclusive projects that build local capacity and skills which looks for long-term solutions while offering human dignity and improving the living conditions and opportunities of individuals, communities and institutions.

India North Territory

We appreciate SAID's technical support in preparing aims, objectives and goals in project planning. The online communication has proved useful in working together to improve project outcomes, both at the time of preparing and implementing projects. The SAID team's visits to our territory has brought clearer understanding to each other

emotionally and practically. We value their sacrificial and adjustable minds.

China

Heart and Hand to the people in need is what SAID is doing. Their comprehensive understanding and long-term point of view on the needs in China is highly appreciated. Most of the projects supported by SAID are Integrated Community Development Programs implemented in very poor villages. The local people are benefiting from the enhancement of their capacity, and their living conditions have improved through the income-generation project activities.

Indonesia

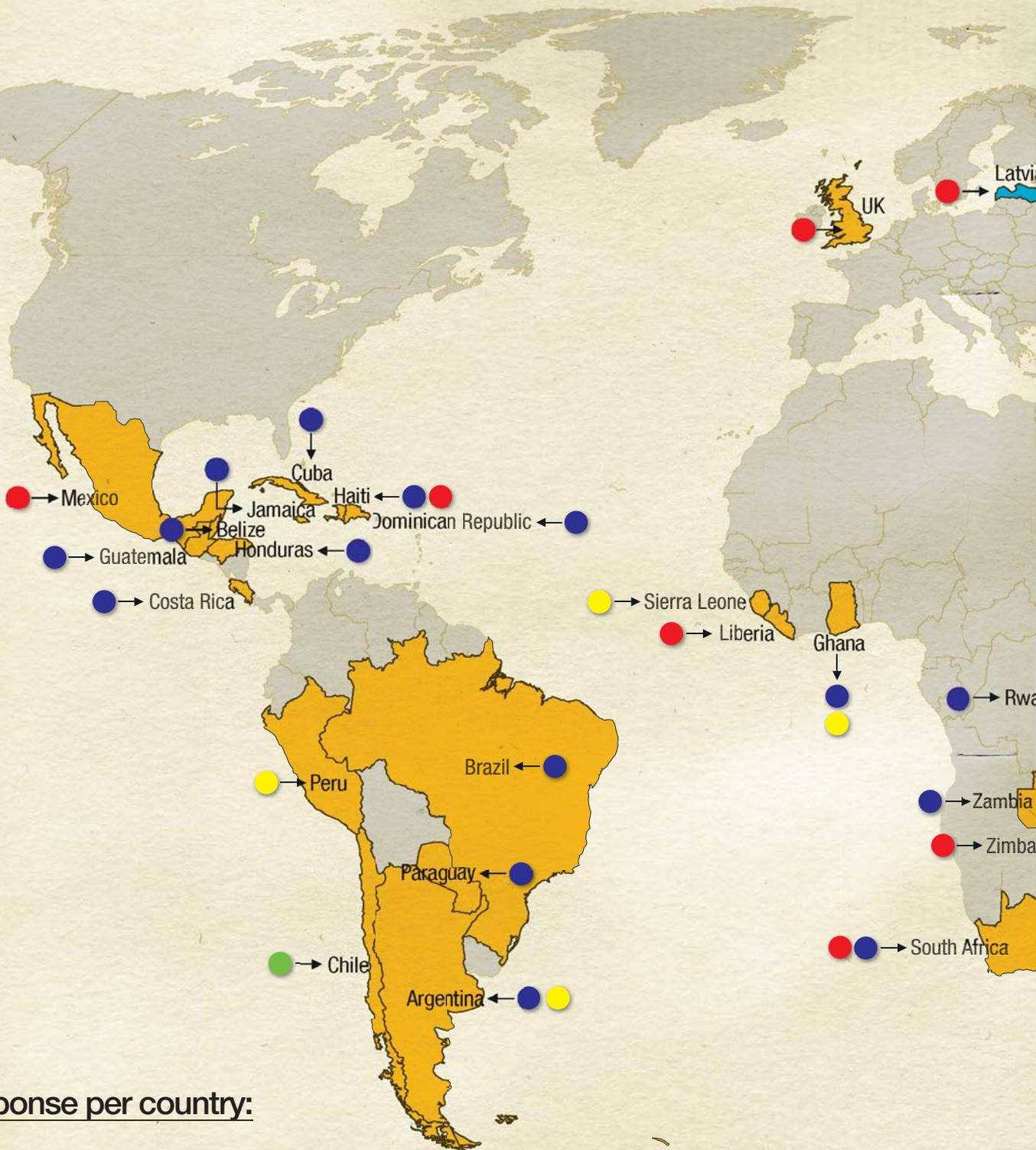
The best thing is that SAID does not try to be superior. You support us at the level of being equal; you treat us like we are capable of doing our work. The conditions that you put on the project and your many questions help us to review our project and we learn many lessons from your questions.

Pakistan

It has been great support and value for The Salvation Army Pakistan to have good donors and partners, joining hands with us for the community development and mission work in Pakistan. It has been great relationship so far for uplifting the marginalised communities of Pakistan. SAID is always ready to listen and support interventions and changes.



Our global response



Our response per country:

- Development
- Mission Support
- Sponsorship
- Emergency Relief



The Salvation Army is unique in its nature. A **worldwide network of 126 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

 Countries where we distributed funding during 2012-2013

Our work

The overall goal of The Salvation Army International Development Office is to contribute towards the alleviation of poverty with quality interventions. We are committed to addressing the UN Millennium Development Goals within the projects and programs we support, aiming to improve the conditions of communities in a sustainable way, working to bring about positive long-

term outcomes.

As a development organisation, our main effort is on community development projects. However, evangelical and welfare activities are also undertaken, in line with tax deductibility and policy compliance.

In addition, we support relief work in emergency situations where assistance



is provided to ensure basic human needs are met.

We undertake advocacy activities aimed at changing systemic causes of poverty and disadvantage. We liaise with the International Social Justice Department of The Salvation Army based in New York and work with other Salvation Army international development offices.

Key Development Principles

The Salvation Army international Development office abides by the following development principles when selecting projects to support.

SUSTAINABILITY:

The project will provide long term benefit to the community long after The Salvation Army project is completed.

COMMUNITY INVOLVEMENT:

The intervention is appropriate to the setting and sympathetic to the situation. The project has involved the community in the design stage and has community support. In projects that involve the building of facilities the community has contributed in kind, either materials or time.

INCLUSIVENESS:

The project does not exclude any person based on race, religion, disability gender or age.

EMPOWERMENT:

The community has ownership over the project and builds the capacity of the community to become more empowered and seek solutions for themselves.

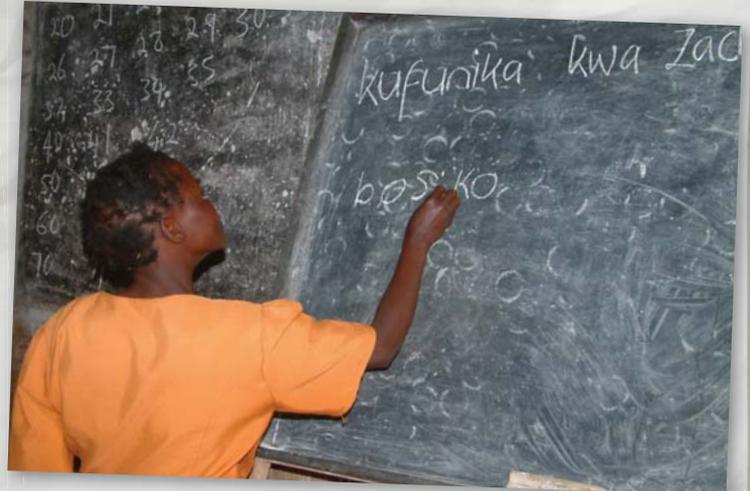
Our priorities

We have a commitment to holistic community development programs through:

- ➔ The empowerment of women
- ➔ Health education and combating of disease
- ➔ Facilitation of education for children and adults
- ➔ Child-centred development
- ➔ Improved access to clean water and sanitation
- ➔ Livelihood and income-generation activities

Empowerment of women

The empowerment of women is a key objective of our work. We recognise that women are central to economic and social life and must have equal participation and access to employment resources, opportunities and services if sustainable development is to be achieved.



WORTH Malawi

Funding Source: The Salvation Army Women's Ministries AU\$112,827

Total Beneficiaries: 3,800 people

WORTH is a women's empowerment program that combines business, village banking and literacy. It is an innovative, sustainable and low cost program of women helping women that fosters grassroots development, increased family income, and local control of resources. Members of the community are managing the project with support from Salvation Army staff and the Malawi Ministry of Gender and Community Services.

"The income-generating activities are a component of the literacy projects," explains Narelle Gurney, Director of Development, Service and Projects for The Salvation Army in Malawi. "For this project there are three groups; some have chosen to raise and sell chickens, some are raising goats and the others have chosen vegetable gardens. The idea is that they use their literacy and numeracy skills to run a small business. This knowledge not only gives them important skills, but also confidence which they previously lacked."

The ability to read and write has also given the women access to information about HIV/AIDS,

healthcare and nutrition in their own language, which has enabled them to improve the overall health and wellbeing of their communities. It has also increased their sense of security and self-esteem, and raised their position in society.

"As a result of the training, women and girls can now effectively engage in social and income generating activities, supplement their incomes and support their families. They are also able to participate in community life with the respect of village elders, and confidently make their voices heard."

Although the project targets women, the program has also attracted and included a small group of men," said Mr Mozeo Malekezo, Project Manager. "The men have been involved in helping construct pig pens and other manual labour to assist the women."

Beneficiaries

Before I could not write my name, but now I can calculate and write my name. I can also pick out the different parts of a word, and write words. I hope by the end of school I will know everything. I am happy that now when my children are reading, I can help them. My children even brag about me saying, 'my mother can read now!' - Fannie John

Literacy Training, Skill and Human Capacity Development Training and Livelihood - India

Funding Source: Salvos Gifts AU\$16,188

Total Beneficiaries: 500 families - Men: 285

Women: 300 Children: 900

A group of 100 women from the three villages participated in literacy and economic skills training. The program includes literacy classes and a Self Help Group (SHG) which aims to create a community-based banking and loans co-operative. Each woman saves 100 rupees per month which is a pool for low-interest loans to the families.

Of the participants 60% are Christian and 40% Hindu. The project officer explained that this project is assisting to bring harmony back to

these villages, as the Christians and Hindus meet together, train in literacy together and are working in self-help groups together. After a religious conflict in 2009, they lost all their belongings and income, all livestock was taken and anything inside the home was burned. "If we live in brotherhood and in peace this will assist us to grow economically. Our religion is different, but we need to work together in brotherhood."

In February 2013 each member of the literacy program received two female goats. In each village a male goat is provided for breeding. The community provides the first kid goat back to the co-operative when it reaches eight months of age, which is then provided to another family.

Beneficiaries

"There are big changes. We are happy the Christians and Hindus are coming together. When the self-help group started, we became unified in our groups and started saving. Now if a family member is sick, they can easily take them to hospital and pay for the medicine. When we have borrowed money from a money lender, the interest was very high. Now we can borrow from the Self Help Groups, the interest is very low, and the repayments are easy. The Self Help group can assist us to meet our children's education expenses. This opportunity to meet together helps to reconstruct harmony between us."

- Ustarani Dugal

"Things are good. Women were illiterate, now they can read and write. Our wives are learning, sometimes they are showing us too. Now as a community we are united. Due to the project there is no animosity between us. I expect our wives to learn more and get more knowledge."

- Mokteso

"Because of this project, we can learn to read and write. Each night we are now training our children to read continuously, even if it is dark. We use kerosene lamps at night so they can still see the pages. Our children are very happy now. They see their mother is learning and helping them to study. My children now say 'Do

we still have to go to school mum if you are now teaching us every night?' The Salvation Army leaders have given us this opportunity and we are very grateful to them"

- Merela

"I have three grandchildren. Now that I have learnt to read, I read books to them each night. My grandchildren ask 'Grandma, are you a teacher? Because you are teaching us. Did you teach my father in this way too?' Being able to read to my grandchildren means we are getting more love from each other. So I am expecting to learn more and more."

-Talm



Health education and combating of disease

One of the most effective preventions and interventions for the reversal of cycles of poverty is health education. When effective health education is provided, particularly to children, adolescents and pregnant women, there is a much smaller risk of poverty being transferred to the next generation. In addition, infrastructure for healthcare produces much higher outcomes in community health. This year we have given priority to a number of healthcare initiatives.

Malawi Bush Ambulances

Funding Source: Aged Care Plus, Corps Donations and Gift Catalogue AU\$66,817
Total Beneficiaries: 5000

A needs assessment conducted in rural areas of Malawi found that Government ambulance vehicles are often not able to reach people in these communities. Without transport, the 15-30 kilometre journey to the nearest clinic or hospital can result in death, especially in the case of chronic illness.

The provision of a bush ambulance (bicycle) in communities, previously, had seen the prevention of about 80% of these deaths, as medical assistance was more quickly received.

This project not only provided the bush ambulances but also assisted in training local volunteers in the areas of leadership, group dynamics and fund-raising to provide sustainable ways of servicing and repairing the bush bicycles.





Mental Health Promotion for Left Behind Children - China

Funding Source: Disaster funds
AU\$40,940.75
Total Beneficiaries: 3000

Millions of China's rural residents have been making their way to big cities in search of jobs to improve their lives. Their children are left in the care of relatives or grandparents.

Some children see their parents once a year or a few times each year. Others may not be able to see their parents for years or may never be reunited. For the children, this separation often results in a lack of intimate family and they are at great risk of developing psychological problems.

This project promotes mental and emotional health for these children by publishing a

Counselling Drawing Book and giving training for 75 teachers to provide counselling services to students.

The Drawing Book is designed to invite the children to express their hardships and distress due to the separation of parents who work miles away. The content of the book includes art work exercise, emotional education and story-telling that attracts and invites children to express their inner feelings with the support of trusted adults. The books will be given to children free of charge.

This project is being run in selected schools in Sichuan, Hubei and Yunnan Provinces of China.



Facilitate education for children and adults

Our investment in education has provided more than teaching literacy and numeracy. Through a number of key programs it has created access and opportunities for education to take place for the most disadvantaged. Access to education creates the possibility for children and adults to have a self-sustaining future.

Braille Paper project – Thika School for the blind - Kenya

Funding Source: Salvos Gifts AU\$10,037
Total Beneficiaries: 720 students

In Kenya, children who are blind not only have the disadvantage of not being able to see, but they often do not have the right tools and resources for education due to their family's lack of financial resources. Therefore, children with no or low visibility can miss out on the very fundamental parts of early and advanced education.

The project was the donation of a year's supply of braille paper for The Salvation Army's Thika School for the blind, which operates both primary and secondary schools. The braille paper is used to record notes and write assignments. In the high school, the braille paper ensured that the exams were not delayed or problematic due to lack of material. The supply of the braille paper meant money from school fees could be spent elsewhere, including teachers' salaries.

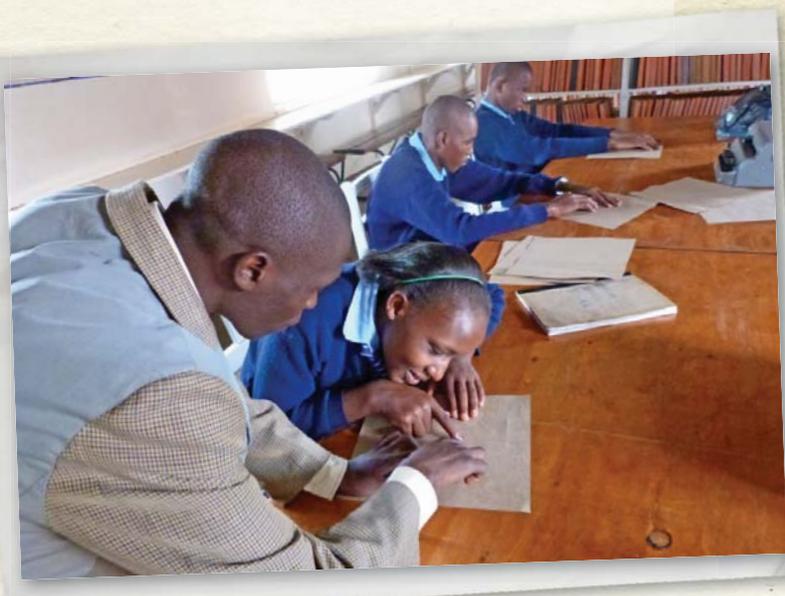
Beneficiaries: Brian

Brian is a pupil at Thika Primary School for the Blind. It is a far cry from the scrawling, urban slum of Kibera in Nairobi, where Brian lives. Over 1.25 million people live in Kibera, most in small shacks with extremely limited access to water and sanitation facilities. Brian says coming to Thika School for the Blind has literally been a real breath of fresh air, where he has enjoyed the open spaces and life is generally much easier.

Brian is totally blind. Both his parents died when he was very young as a result of HIV/AIDS. Before going to Thika, Brian and his brother lived with his aunt, who also has eight children of her own. Brian believes a proper education will help him to be self-reliant in the future.

'Often the teachers give the lessons and the students write the information down,' says Brian. 'That way I can check things and revise. Braille paper really, really helps me to learn.'

Without Braille paper there would be no learning because these are our books. Braille paper is like food, without it we can't grow!'





Computers for Institutions - India

Funding Source: Donation from The Salvation Army Sydney East & Illawarra Division AU\$5,983.61

Total Beneficiaries: 1024 - 1000 students and 24 program administrators across 12 social programs/centres

This project provided new computers and printers for 12 social institutions in the India North Territory - five boys' homes, three girls' homes, three schools and a Home for the Aged – none of which had a working computer for official work.

Computers have reduced time in administration tasks and facilitated prompt

correspondence.

Some of the centres have also been able to connect their computers to the internet. A computer teacher has been employed in the homes for the children and the wider community for two hours each day.

Beneficiaries

“At school the children have a computer subject where they learn computer theory, but there are 1000 students and only seven computers. Now at home they will be able to learn the practical application of that theory.”

– Officer In Charge, Kolkata Boys Home, Kolkata.

Child Sponsorship

Children are among the most vulnerable members in any society. They are also pivotal to bringing community transformation. If they are provided with basic nutrition, literacy and health education, both the child and their family are more equipped to build a sustainable future for themselves and their community.

During 2012-13 our Sponsorship program had an increased focus on working with Salvation Army centres such as homes, crèches,

vocational training centres and schools for physically disabled children to offer care and access to education. This program is currently being redefined in line with ACFID and The Australian Government development standards.

Through the support of over 1,600 sponsors we were able to financially support 93 centres and 2,031 children around the world.

Child-centred development

Tackling childhood poverty and its roots is a powerful way to impact a whole community. When children have a good start in life, it significantly reduces the risk they will continue the cycle of poverty with their own children.

For many years our office has invested significantly in the nurture, education and healthcare of children. Through centre sponsorship and child-centred development projects, it continues to work with global best practices to ensure that vulnerable children are provided with these core aspects of childhood well-being.

Anti-child trafficking centre - Malawi

Funding Source:

Self Denial appeal AU\$41,976

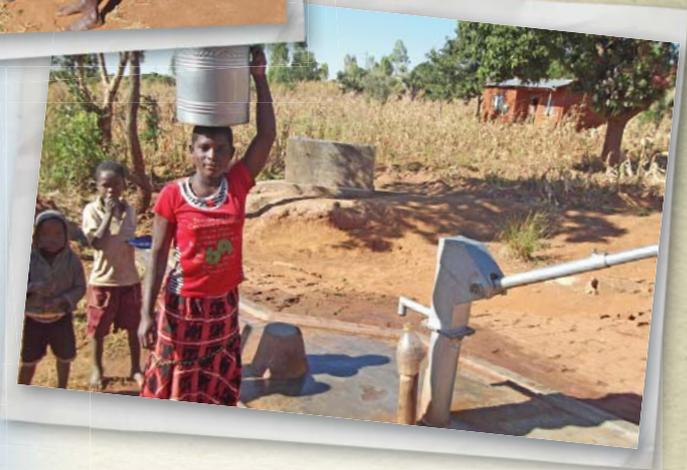
Total Beneficiaries: 124 children over a year

The Anti-Child Trafficking Centre, established in 2006, rescues children from child trafficking, contributes to the prevention of child trafficking and improves the physical, economic and psycho-social wellbeing of survivors of child trafficking and their families/caretakers. The

centre is located in one of the major receiving districts of trafficked children because of its close proximity to the country borders.

The centre can accommodate up to 40 children at a time where they are cared for, counselled and given access to education and vocational training. Eventually, where appropriate, children are re-united with their family, carers or community.





Beneficiaries: Dorothy - six years old

Dorothy was living with her mother in Mchinji; they were staying behind a bar in some brothel rooms. Her mother was a prostitute and was also engaging Dorothy in prostitution. The mother ran away when others realised that she had forced Dorothy into prostitution. The mother's clients continued sleeping with Dorothy after her mother deserted her. When Dorothy became critically ill, the community informed the police of her situation. The police brought her to the Mchinji Centre when her mother could not be located.*

The police referred the girl to the Victim Support Unit and the Criminal Investigation Division (CID). Two men (18 and 28 years old) were arrested, convicted and sentenced to 12 years each in jail for their part in her abuse.

**Name changed for privacy purposes*

Kera Orphans and vulnerable children – Malawi

Funding Source:
Self Denial Appeal AU\$187,137
Total Beneficiaries: 4500 students and parents

Children living along the shores of Lake Malawi face multiple challenges to their schooling. Many drop out of school to support their family's livelihood through fishing. Others are unable to continue in their schooling due to the cost of school uniforms, exercise books and sometimes food.

Hygiene conditions at school also hamper students' attendance. In many schools there is only one or two toilets for up to 800 children. Children go into the nearest bush rather than waiting at the toilet and therefore are not washing their hands. This increases contagious diseases, making children sick and unable to attend school. In addition, the lack of adequate toilets results in many teenage girls not coming to school.

For these reasons The Salvation Army in Malawi has run a one-year health and sanitation program in five schools. The program promotes and improves school attendance by providing scholastic materials, nutritious food and facilities for hygienic sanitation. It also provides training to "school Health and Sanitation committees" at each school.



Improving access to clean water and sanitation

Providing access to clean water, building toilets and teaching good hygiene practices make an enormous difference in a community's health outcomes. It can mean the difference between sickness and health, equal educational opportunities for boys and girls and even life and death. A number of communities have experienced this life-transforming opportunity.

Manepur Community Latrines and Sanitation - India

Funding Source: Salvos Gifts and USA Western Territory AU\$5,268.23
Total Beneficiaries: 620 people, Men 250, Women 220, Children 150.

The Manepur Community in Punjab, Northern India, had no toilet facilities. Using the open fields and village roadside as "natural toilets" promoted a bad smell around the village and created the threat of various diseases. In particular, it was unsafe for women, children and elderly to access the nearby fields at night. In some cases, landlords prohibited toileting in their fields so the community members had to

travel further away, being exposed to additional safety risks.

This project built 79 latrines in the community for Christian, Hindu and Sikh families living below the poverty line. An additional latrine was constructed for the community hall. The community contributed to the project by assisting in the construction of the latrines. This project improved the hygienic facilities in the village and provided a cleaner local environment and farming land. It also increased the health and safety of the community.

Beneficiaries

We used to face a lot of problems when going out for latrine during rainy seasons. Since the dedication of this toilet project in our village there have been three rains but we have not faced any problem as we now have this facility in our house. This is just like Moses who freed the people of Israel from Egyptian bondage – today The Salvation Army has freed us from the bondage that we used to suffer with abusing and scolding of the landlords – we will be free from this kind of bondage.

RAJAN MASIH

I am very thankful for having a toilet unit in my house. My young daughters used to go out for latrines in the fields. I will

never forget this goodness. I am grateful to the leaders of The Salvation Army for working hard to get this facility for us.

BHEER MASIH

I am a widow. My children and old mother-in-law used to go out in the fields for latrine. Sometimes, my mother-in-law used to slip from the slippery field divider – there was always a risk of her being hurt. We have been set free from all these kinds of accidents. Now the women need not to feel shameful like when they used to go out in the open fields for latrine and the males walked past them to get through the same fields.

We are free now. We are thankful to The Salvation Army.

MRS. GOGAN





Strengthening Early Childhood and Vocational Training - Year 3

Funding Source: The Australian Government AU\$103,500 and Self Denial Appeal AU\$87,750
Total Beneficiaries: 826 direct, 720 Indirect

The Strengthening Vocational Training and Early Childhood Education project has been running since 2010 and is now in its final year. This project provided new school buildings and equipment for early childhood education and vocational training centres, an area of need in Kenya.

The project enabled these institutions to gain registration with the government, to receive financial support and improve the standard of

teaching through Early Childhood Education training.

Muthunthini Primary School, Mwala.

The improvements made to the school included a new water tank, toilet block, hand-washing facility and basic learning materials. The teacher was also trained in Early Childhood to diploma level.

The children come to school early to play with the additional resources provided through this project. The facilities have also improved the school's reputation in the community and enrolments in the school have increased.

Rural Water and Sanitation Project – Indonesia

Funding Source: The Australian Government AU\$16,500 and Self Denial Appeal AU\$14,606
Total Beneficiaries: 460 people

This project supported two villages on Buru, a remote island in East Indonesia. Due to the difficulty in getting to a clean water source, the community sourced their water from the river. Diarrhoea was common in the community because they used the same water for many purposes; washing clothes, bathing, toilets and drinking.

The people did not have access to health services or knowledge on how to reduce disease in the community.

This project has provided a safe source of drinking water and adequate sanitation facilities for both communities. In addition, it has provided health education on proper

sanitation and hygiene to all families. So far, they have been taught about malaria, tuberculosis, diarrhoea, reproduction and family planning.

There have been many changes in behaviour since these health education classes have started. After learning about malaria, they have started to sleep with mosquito nets at night and are now clothing babies and children to protect them from mosquito bites during the day.

They also throw out stagnant water to avoid malaria mosquitoes breeding.

With their new knowledge, community members have started to boil the water from the river before consumption, reducing dramatically the incidence of diarrhoea amongst children and adults.

Beneficiaries: Cornelius

Cornelius, has a wife and young baby. Already he has seen the benefits of health education in Buru. His wife attended the classes on malaria.

Now that the community has the knowledge about this disease, he is hoping it will be reduced.

Also learning about reproductive health, he and his wife have learnt the benefit of giving space in between pregnancies.

He is currently assisting to build the sanitation blocks for the community.

Livelihood and income generating projects

Developing livelihood projects in disadvantaged communities not only provides families with an income to meet their daily needs, it creates access to health, education, provides food security and a sustainable future for the whole community.

Livestock Keeping – Income Generating Activity - Tanzania

Funding source: Commissioning offering and Easter Appeal 2012 AU\$79,222
Total beneficiaries: 450 households over two years.

The goal of this project was to provide three regions in Tanzania (Mwanza, Tarime and Serengeti) the opportunity for training in livestock-keeping. Initially, 12 project management committees were trained in the three regions. Then, each region was host to six awareness-raising meetings on methods of keeping animals profitably.

The training was completed by 200 community members (150 households) who

then constructed animal huts using local resources and implemented new techniques to care for their livestock. The project encourages “zero grazing” methods, where animals are kept in adequate shelter and food is brought to them. This approach makes better use of the land and helps with disease control. An additional animal hut was constructed within The Salvation Army Corps premises in order to provide more opportunities for more people to learn various modern methods of keeping animals.

The project team works closely with local government officials, government extension officers and local leaders.

Rural and inner city support enterprise (PRAISE) Goats - Pakistan

Funding Source: Salvos Gifts AU\$19,924.29
Total Beneficiaries: 180 men, 190 women and 790 children. (The numbers continue to increase as the first offspring is provided to other families)

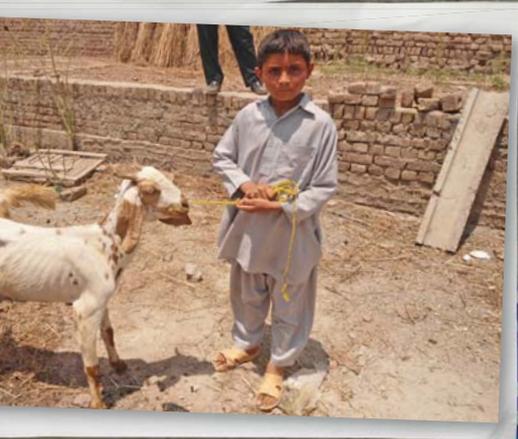
The Salvation Army Pakistan was involved in Disaster Response in all three major areas of the 2010 Pakistan flood. As a result, 22 million people were driven from their homes. Crops, animals and livelihoods were all destroyed.

By 2011 the emergency relief phase was over and the recovery phase had begun. This project's focus was to provide goats to families to replace livestock lost in the

floods. 130 goats have been given to families, chosen as the neediest by a community committee. As part of their contribution to the project, each family contributed the first born kid (baby goat) back to the community committee. The kids were then given to other needy families.

Families who were unemployed, both prior to and as a result of the flood, now have the opportunity of generating income. They are reporting good income from sale of goat's milk as well as enjoying the provision of milk for themselves. On average, most goats have produced 3 additional kids, so the herd has increased. Some have already sold the kids at the animal market. Goat-rearing has become a sustainable business for these families and they look after their goats well.





Beneficiaries

My name is Zubaida, I live in Jhang in Pakistan. My husband is crippled and we are very poor. There is no one in our house to earn and that's why we were struggling very hard to live. With the support of The Salvation Army livestock program I am able to earn for my family with the goat I've received. I sell milk every day. I am taking good care of the goat, and it has now delivered two kids. I'm happy, so is my family as we raise these kid goats. It will be a good income and better future for our family. I'm thankful to The Salvation Army who encouraged people like me to be self-supportive and earn for their families.

Emergency relief

Droughts and other natural disasters can affect a community in numerous and devastating ways. The International Development office supports the relief of persons in emergency situations to ensure basic human needs are met. Where appropriate, we commit to long-term post-emergency assistance, working hand in hand with the affected communities during the recovery and redevelopment stages.

Manila floods - Philippines

Funding Source: Overseas disaster relief fund AUE Contribution: AU\$100,000
Total Beneficiaries: 50,000 people

On July 30 2012, Manila and the nearby provinces suffered torrents of rain leaving a devastating damage on crops and infrastructures and a death toll of fifty people. By August 7, after a week of non stop rain, much of the Philippines' capital and surrounding areas were submerged, forcing nearly 270,000 people to flee their homes, and adding another fifty one people to the death count.

The first response of The Salvation Army was to distribute cooked foods in the evacuation areas. When the water started to subside and many of the people went back to their houses, The Salvation Army Central Division started a month long relief operation in eleven areas distributing mats, blankets, food and water to 10,000 families, approximately 50,000 people.

Aside from the distribution of relief items Salvation Army officers and volunteers offered comfort and support to the afflicted individuals and families.



Sindh Redevelopment Project - Pakistan

Funding Source: Flood Appeal
AU\$150,375.67

Total Beneficiaries: 6655 people
(1200 families, 1467 men, 2007 women,
3181 children)

This three-year project protected and improved the livelihoods of families recovering from the 2010 floods. Six communities in the Sindh province received skills development, health, education, advocacy, disaster risk management and clean energy activities.

Women in the “Mother and Child Health groups” were provided with hygiene education and awareness-raising events were organised regularly for sharing and disseminating information. Capacity-building training was organised for community development committees and 20 members from the community were trained in the disaster management and preparedness.

Vocational training groups learnt sewing and stitching skills.

In Shersh Nagar, a small entrepreneurship programme funded a loan for donkeys and donkey carts for marginalised families. In Pakistan donkey carts are used by a large number of people engaged in small scale agriculture and transportation of goods.

Beneficiaries

Phathan Jamalee used to work as a labourer and could not meet the daily expenses needed to care for his family. He was so broken-hearted and hopeless that he had to send his children and wife to his in-laws' home and his children had to discontinue their education. He received the donkey cart from The Salvation Army, contributing a portion of the cost. Soon, he was able to earn enough to support his family and he was able to bring his children and wife home. Now his children are going to school again. He and his family are very happy.





Evangelism and mission support

The Salvation Army is part of the worldwide Christian church. Its commitment to serve suffering humanity is grounded in a passionate desire to communicate Jesus' love for those they serve. Funds raised through internal appeals in the Australia Eastern Territory are released to advance the evangelical mission of The Salvation Army in our Partner in Mission territories.

Liberia Motor Cycles AU\$5,000

Travelling between corps (Churches) for supervision and visitation is done in this region by motorcycle. It is work important to the spiritual growth of the corps. Recently, two of the corps' motor bikes were stolen and a third was old and needed repair work. Through mission support funding, the corps was able to purchase two new motor bikes and repair the old one.

India North - Buildings and Vehicles AU\$104,805

Pakho Ke Tahli Corps is a growing corps of 900 soldiers and 200 junior soldiers, but their current building is inadequate. It can only hold 150 people and as there is no public toilet for the congregation, they use the bathroom in the officers' quarters. In both the corps building and the officers quarters, the roof leaks. In addition, the building was built below the level of the road, so during rainy season, it floods. The mission support funding will enable

renovations to make better use of the space and to repair the property.

Vehicle for Amritsar DHQ AU\$7,582

A vehicle was provided for the Divisional Commander and staff to enable them to visit corps in various areas. In addition, the vehicle will be used for the benefit of the community, in the case of a medical emergency.

Hall And Quarters - Rania Corps

Rania is a city corps, which reaches many young people doing university through sport and spiritual teaching. The current building is too small for the congregation of 200 members and 700 adherents. The roof leaks and the corps building floods when it rains. The toilets and living facilities of the corps officers are inadequate. Mission support funding will enable the corps to construct a new building, enabling even more outreach activities.



Our supporters

Aged Care Plus

**'For Christ's love compels us'
2 Corinthians 5:14**

Aged Care Plus is dedicated to transforming lives and making a positive difference across a large area of ministry. In addition to our aged care mandate, we support the general mission of The Salvation Army and through our Walkathon we are able to directly contribute to its wider work.

The Aged Care Plus Walkathon aims to raise funds to support local and international community programs for those in need. In the past four years, the Walkathon has provided

bush ambulances to rural communities of Malawi and contributed to the education of students in Papua New Guinea and orphaned children in South Africa.

Through the Aged Care Plus partnership with the International Development office, we are able to extend our reach and stay connected to the work of The Salvation Army globally. We are incredibly proud of the relationship we have built with the International Development office and the contribution we have been able to make to support the wider mission work of The Salvation Army.



Salvos Stores

Salvos Stores seeks to engage staff, volunteers, donors and customers in tangible and direct ways towards the many goals of The Salvation Army.

The community engagement has been outstanding in supporting International Development projects and child sponsorship.

Our partnership with the International Development Office has been going from strength to strength and we hope to continue building the support for overseas communities in the years to come.



Sponsors

For as long as I can remember I dreamed of going to Africa.

My only "bucket list" item! And this year I promised myself I would go and live this adventure.

Unrelated to this dream of seeing Africa, I have been sponsoring a young boy in Kenya (named Brian) for a number of years. Brian lives with his parents and sibling in Nairobi, but his father is in a wheelchair so he cannot financially support his family as he wishes.

The sponsorship secretary arranged for me to meet Brian and his family. Although I had never considered that I could meet my sponsor child on this holiday, God opened the doors.

There I was being hugged by this beautiful child! We laughed and hugged, whilst I was shown Brian's school certificates and told about his progress. It was a precious time and unexpectedly moving as Brian's dad gripped my hand and with tear-filled eyes thanked me again and again for my support.

My trip to Kenya and Tanzania showed me how little these people have, but that my small contribution is being used and blessed for God's kingdom.

Recently I received a letter from Brian and he ended his greetings with the following;

"My parents and I pray that you and your family will be covered with the Holy Spirit". That is my continued prayer for him as well.

Robyn G.

Our supporters

Salvos Gifts

Our interest and support of International Development as a couple began in 2009. We were planning for our wedding and realising we had multiples of various items decided we really didn't 'need' anything more. Knowing that people usually like to give gifts at a wedding we decided to ask them to give a gift that will keep giving. Our wedding invitation included a poem as well as a 'Salvos Gifts' catalogue, giving our guests an opportunity to buy something to benefit others. On our wedding day we received cards containing information on what people had purchased. I (Cathryn) like to tell people we have chooks and pigs and goats all over the world.

At that time we had seven nieces and nephews between us with two more on the way. We had seen the amount of toys they had and knew they didn't need any more. We decided that we would purchase them something each for Christmas from the Salvos Gifts catalogue. We make sure that what we give them is age and interest appropriate. For example, our now 13 year old niece got a "Women's Literacy Course" and the

younger school kids got "School Goodies" or an animal. One of the mothers thinks it is a wonderful idea and has been able to explain to her boys (aged five and two) that they are helping people overseas.

Each of the (now 11) nieces and nephews also get a chicken for Easter – they are much easier to post than chocolate eggs!! Our eldest niece remarked to her grandmother this year that the ladies have to do a literacy course before they can get a chicken. Our fathers each got a 'Buffalo Bike' for Father's Day. Mark's dad was so taken with the idea that he decided to buy another one himself. We have also purchased a donkey and a goat for wedding gifts. The couple who received the goat sent an email saying how much they appreciated the gift knowing that it would provide an income for a family in India. We have found there is such a variety of items in the catalogue to suit the recipients of our gifts. We love the idea of being able to give gifts that will indeed keep on giving, providing so much for those in other countries.

Cathryn and Mark W.





Salvos Gifts

When God's Kingdom comes in its fullness there will be no hunger, no thirst, no pain, no despair, no injustice, no death. I believe that our mission as Christians is to work towards seeing God's Kingdom come to earth and doing whatever we can to align the world as it is now with what it will one day be. For this reason I try to make it my business to seek out and support people and organisations who are working towards a more just world.

One of these organisations is The Salvation Army International Development office. I try to keep a close eye on what they are working on, as well as looking for opportunities in my life and work to make the world a more just place. I make it a point to try to give generously to God's work (wherever that may be) out of the abundance God has given me.

One of the simplest and most effective ways I have found to do this has been through Salvos Gifts. I know people who have done

International Development Work with The Army and they have seen, with their own eyes, these gifts transform families and lives – a small step towards transforming the world!

To me it's simple: a family can use a chicken or two to start a small business and provide for themselves, I have enough money to provide for myself AND pay for a few chickens.

Children are dying because communities don't have proper sewage systems, I have a working toilet AND enough money to contribute towards one for someone else. It just makes sense and the SAID office makes it easy to participate in this kind of God-honouring, Kingdom-hailing wealth distribution.

I have enough. Others don't. That means it is my responsibility to share.

Myf E.

Sponsors

Choosing to be a contributor to The Salvation Army's Child Sponsorship program was an easy decision.

Having been born in Africa and seen first hand the poverty and hunger that exists on that continent I wanted to contribute in some small way because I had been fortunate to be have been born into a family which could afford to send me to school, feed me 3 meals a day and provide me with a safe home and a bed to sleep in every night. Unlike Western economies, there is no social security in Africa and education is not free. Unfortunately the cycle of poverty and illiteracy is never ending for a large proportion of the population. This is a similar situation in South America and Asia.

My strong belief is that 'education is freedom'. 1 child in a family with an education will free its siblings and the generations ahead from lifelong misery. Poverty means hunger,

sickness, not having a warm, safe place to sleep. These children don't choose to be in this situation. Being able to read and write will give these human beings the ability to escape the cycle of poverty as well as an opportunity to contribute more to society; most importantly it will give them personal pride; a trait every human being desires and surely is entitled to.

The cost of sponsoring a child is 5 cappuccino's a month. What does the child get? An education, at least 1 nutritious meal a day and the chance for a better future. Do I miss my cappuccino's – NO. I DO smile from ear to ear each time I receive a letter from one of my sponsored children telling me how they are progressing in school, what they've achieved and what my contribution (from my perspective it is so minimal) has done for them and their families. That's priceless!

Judy D.

Financial position and performance

Funds 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.

Our office is 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 Salvation Army churches through buildings, vehicles and other activities such as training and conferences for Salvation Army members.

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 SAID 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 2012-13 are available at:
www.salvos.org.au/said

At a glance financial health in 2013

- ➔ Total revenue increased by \$270,587 to \$5,992,306
- ➔ Total funds to international development programs and religious programs increased by \$446,397 to \$4,625,999



Income Statement for the year ended 30 June 2013

The Salvation Army (Australia) Self denial fund (for Overseas Aid) Eastern Territory

| Revenue | 2013 \$ | 2012 \$ |
|--|------------------|------------------|
| Donations and gifts | | |
| Monetary | 3,585,331 | 4,009,989 |
| Non-monetary | - | - |
| Bequests and legacies | - | - |
| Grants | | |
| AusAID | 1,049,081 | 1,050,000 |
| Other Australian | - | - |
| Other overseas | - | - |
| Investment income | 250,327 | 294,660 |
| Other income | 807,567** | 67,070 |
| Revenue for international political or religious proselytisation programs | 300,000*** | 300,000 |
| Total Revenue | 5,992,306 | 5,721,719 |

| Expenditure | | |
|---|------------------|------------------|
| International aid and development program expenditure | | |
| International programs | | |
| Funds to international programs | 3,787,406 | 3,321,982 |
| Program support costs | - | - |
| Community education | - | - |
| Fundraising costs | | |
| Public | 182,416 | 49,654 |
| Government, multicultural and private | - | - |
| Accountability and administration | 1,291,007* | 729,645 |
| Non monetary expenses | - | 15,341 |
| Total international aid and development programs expenditure | 5,260,829 | 4,116,623 |

| | | |
|---|------------------|------------------|
| Expenditure for international political or religious proselytisation programs | 838,593 | 857,620 |
| Domestic programs expenditure | - | - |
| Total expenditure | 6,099,422 | 4,974,243 |
| Excess / (Shortfall) of revenue over expenditure | (107,116) | 747,476 |

Note:

* All costs for The Salvation Army International Development Office (SAID) were included in accountability and administration, in order to reflect the true cost of running the Self Denial Fund (for Overseas Aid) program.

**2013 includes \$370,216 Support Funding from The Salvation Army Australia Eastern Territory to cover the shortfall of SAID.

***\$300,000 funded from The Salvation Army Eastern Territory.

Balance Sheet as at 30 June 2013

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

| Assets | | 2013 \$ | 2012 \$ |
|---------------------------------|--|------------------|------------------|
| Current assets | | | |
| Cash and cash equivalents | | 4,569,023 | 4,630,185 |
| Trade and other receivables | | 45,537 | 93,634 |
| Inventories | | - | - |
| Assets held for sale | | - | - |
| Other financial assets | | 2,068,492 | 2,033,226 |
| Total current assets | | 6,683,052 | 6,757,045 |
| Non Current assets | | | |
| Trade and other receivables | | - | - |
| Other financial assets | | - | - |
| Property, Plant and equipment | | 6,810 | - |
| Investment property | | - | - |
| Intangibles | | - | - |
| Other non-current | | - | - |
| Total non-current assets | | 6,810 | - |
| Total Assets | | 6,689,862 | 6,757,045 |

| Liabilities | | | |
|--------------------------------------|--|------------------|------------------|
| Current liabilities | | | |
| Trade and other payables | | 10,619 | - |
| Borrowings current tax liabilities | | - | - |
| Other financial liabilities | | - | - |
| Provisions | | 23,889 | - |
| Other | | - | - |
| Total current liabilities | | 34,508 | - |
| Non-Current liabilities | | | |
| Borrowings | | - | - |
| Other financial liabilities | | - | - |
| Provisions | | 5,425 | - |
| Other | | - | - |
| Total non-current liabilities | | 5,425 | - |
| Total Liabilities | | 39,933 | - |
| Net Assets | | 6,649,929 | 6,757,045 |

| Equity | | | |
|---------------------|--|------------------|------------------|
| Reserves | | 6,649,929 | 6,757,045 |
| Retained earnings | | - | - |
| Total equity | | 6,649,929 | 6,757,045 |

Statement 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 2012 | - | 6,757,045 | - | 6,757,045 |
| Adjustments or Changes in equity | - | - | - | - |
| Items of other comprehensive income | - | - | - | - |
| Excess of revenue over expenses | - | - | - | - |
| Amount transferred from reserves | - | (107,116) | - | (107,116) |
| Balance at 2013 | - | 6,649,929 | - | 6,649,929 |

Table of cash movements for designated purposes for the year ended 30 June 2013

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 | 3,302 | 1,344 | 2,345 | 2,301 |
| Child sponsorship appeal | (5) | 648 | 595 | 48 |
| New Zealand Earthquake appeal | 30 | 1 | 31 | - |
| Australian NGO Cooperation Program | 369 | 1,090 | 1,237 | 222 |
| Total for other non-designated purposes | 934 | 1,418 | 354 | 1,998 |
| Total | 4,630 | 4,501 | 4,562 | 4,569 |



ACFID
MEMBER

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) can be obtained from www.salvos.org.au/said.

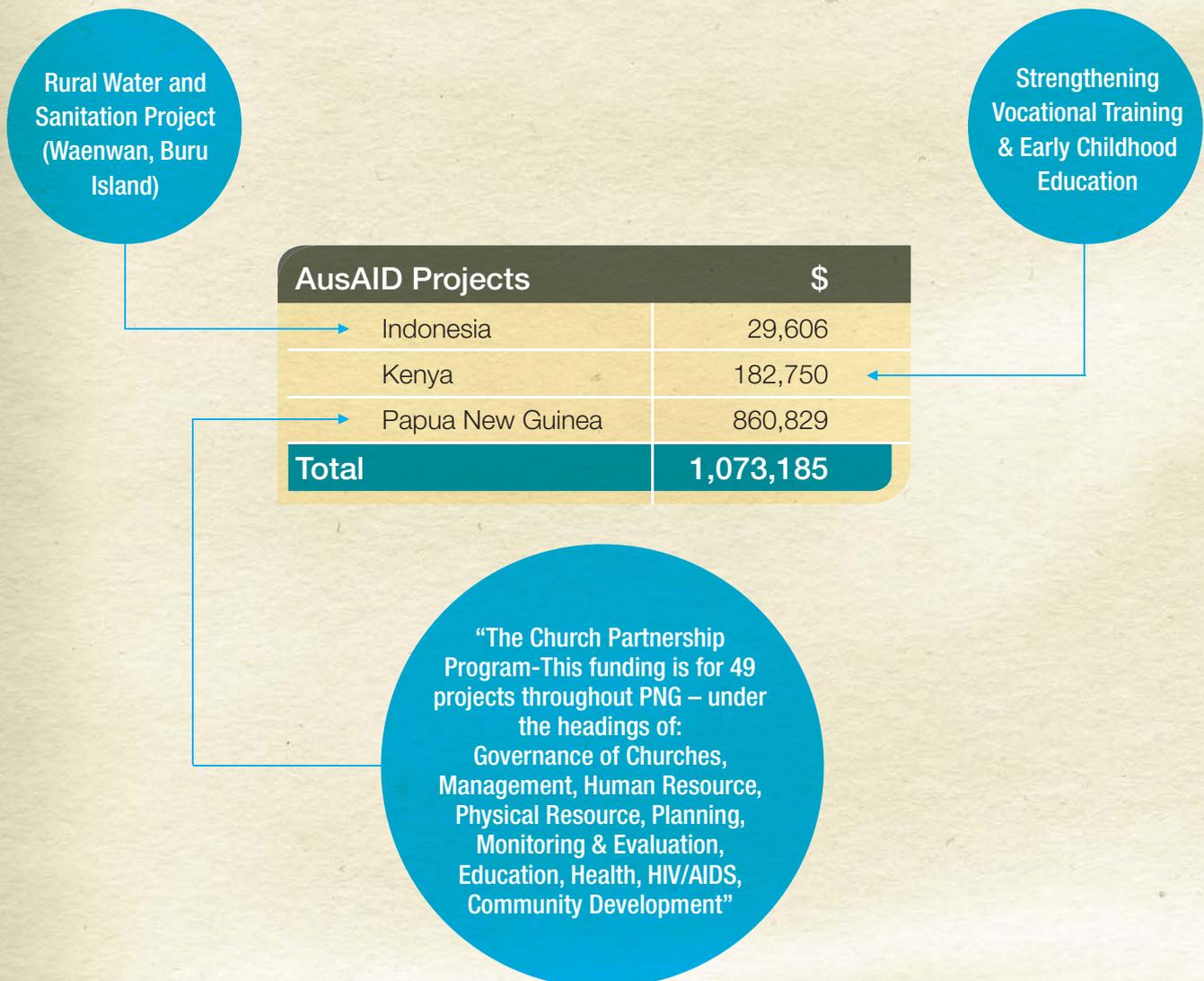
The Salvation Army (Australia) Self Denial Fund (for Overseas Aid) Eastern Territory

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

The following persons were Trustees of The Salvation Army (Australia) Eastern Territory Self Denial Fund for Overseas Aid during the financial year;

| Trustee | Period | |
|--------------------------|-------------------------------|---|
| ➔ Commissioner J. Condon | 1 July 2012 to 30 June 2013 | |
| ➔ Colonel W. Maxwell | 1 July 2012 to 5 March 2013 | DipMin, Bmin, MAdmin Lead |
| ➔ Colonel R. Munn | 29 April 2013 to 30 June 2013 | BA Edu, M.Div Theology, DMin Christian Leadership |
| ➔ Lt-Colonel K Haggar | 1 July 2012 to 30 June 2013 | BCom, ThA, MAdmin Lead |
| ➔ Mr I.C. Minnett | 1 July 2012 to 30 June 2013 | BCom, FCA, GAICD |

The countries which received overseas aid during 2012/13 financial year are summarised as follows:



Overseas Projects funded by Self Denial Fund and other donations

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

| Child Sponsorship | \$ |
|--------------------|----------------|
| Argentina | 5,999 |
| Bangladesh | 22,627 |
| Belize | 4,631 |
| Brazil | 22,726 |
| Caribbean | 15,711 |
| Dominican Republic | 1,652 |
| Fiji | 22,965 |
| Ghana | 24,098 |
| Haiti | 24,891 |
| India Central | 6,008 |
| India Eastern | 11,097 |
| Indonesia | 37,996 |
| Kenya-East | 120,860 |
| Kenya-West | 25,993 |
| Latin America | 10,669 |
| Mozambique | 46,361 |
| Myanmar | 4,700 |
| Pakistan | 13,986 |
| Paraguay | 9,074 |
| Philippines | 29,849 |
| Papua New Guinea | 29,106 |
| Rwanda | 17,530 |
| Singapore | 74,713 |
| South Africa | 30,302 |
| Sri Lanka | 13,817 |
| Taiwan | 1,835 |
| Tanzania | 16,135 |
| Uganda | 39,931 |
| Zambia | 8,782 |
| Total | 694,044 |

Jamaica

Guatemala, Costa Rica, Honduras, Cuba

Myanmar, Malaysia

| Other Projects per country | \$ |
|----------------------------|------------------|
| Bangladesh | 7,000 |
| China | 309,490 |
| Fiji | 24,489 |
| Ghana | 52,925 |
| Haiti | 43,311 |
| IHQ International Projects | 838,593 |
| India Eastern | 246,853 |
| Indonesia | 75,328 |
| Kenya-East | 28,610 |
| Latvia | 5,500 |
| Liberia | 50,693 |
| Malawi | 320,022 |
| New Zealand | 30,510 |
| Pakistan | 118,289 |
| Philippines | 162,907 |
| Papua New Guinea | 95,996 |
| Sierra Leone | 1,788 |
| South Africa | 14,342 |
| South America | 16,905 |
| Taiwan | 44,971 |
| Tanzania | 354,895 |
| Zimbabwe | 1,595 |
| Other | 13,758 |
| Total | 2,858,770 |

Chile

| | |
|--|------------------|
| Total funds to international programs | 4,625,999 |
|--|------------------|



Independent audit report to the Trustees of The Salvation Army (Australia) Eastern Territory Self Denial Fund (For Overseas Aid)

We have audited The Salvation Army (Australia) Eastern Territory's ("The Salvation Army") Income statement and Table of cash movements for designated purposes for the year ended 30 June 2013 and the Balance sheet and Statement of changes in capital reserves and accumulated funds as at 30 June 2013 ("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 2013 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

1 November 2013

Contact details:

Telephone: 02 9335 7000

ICAA: 92553

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.



dickie



nternational
development

The Salvation Army

INTERNATIONAL DEVELOPMENT OFFICE ANNUAL REPORT 2013

The Salvation Army Australia Eastern Territory | 140 Elizabeth Street Sydney NSW 2000

Ph 02 9266 9521 | Web salvos.org.au/said