



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

**ABN 52 609 689 893**

**Annual Financial Report 2017**

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

**Financial Report - 30 June 2017**

**Contents**

<b>Statement of Comprehensive Income</b>	<b>2</b>
<b>Statement of Financial Position</b>	<b>3</b>
<b>Statement of Changes In Equity</b>	<b>4</b>
<b>Statement of Cash Flows</b>	<b>5</b>
<b>International Aid Project by Country</b>	<b>6</b>
<b>Notes to the Financial Statements</b>	<b>7</b>
<b>Trustees' Declaration</b>	<b>11</b>
<b>Auditor's Independence Declaration</b>	<b>12</b>
<b>Independent Audit Report to the Trustees</b>	<b>13-15</b>

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

**Statement of Comprehensive Income  
for the year ended 30 June 2017**

	Notes	2017 \$	2016 \$
<b>Revenue</b>			
Donations and Gifts			
Monetary	3	2,778,982	3,237,511
Non-monetary	4	16,718	6,828
Bequests and Legacies		-	288,552
Grants			
Department of Foreign Affairs and Trade		850,520	1,005,828
Other Australian		-	-
Other Overseas		-	-
Investment Income		128,529	118,081
Commercial Activities Income		-	-
Other Income *		524,623	579,350
Revenue for International Political or Religious Adherence Programs		300,000	300,000
<b>Total revenue</b>		<u>4,599,372</u>	<u>5,536,130</u>
<b>Expenditure</b>			
<b>International Aid and Development Programs Expenditure</b>			
International Programs:			
Funds to International Programs		2,232,399	4,697,052
Program Support Costs		420,308	198,777
Community Education		-	-
Fundraising Costs:			
Public		368,189	85,573
Government, Multilateral and Private		-	-
Accountability and Administration		449,434	882,502
Commercial Activities Expenditure		-	-
Non-monetary Expenditure	4	16,718	6,828
Other Expenditure		-	-
<b>Total International Aid and Development Programs Expenditure</b>		<u>3,487,048</u>	<u>5,870,732</u>
Expenditure for International Political or Religious Adherence Programs		818,942	837,619
Domestic Programs Expenditure		-	-
<b>Total Expenditure</b>		<u>4,305,990</u>	<u>6,708,351</u>
<b>Excess / (Shortfall) of Revenue over Expenditure</b>		<u>293,382</u>	<u>(1,172,221)</u>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income / (Loss) for the year</b>		<u>293,382</u>	<u>(1,172,221)</u>

**Note:**

\* 2017 Includes \$170,098 Support Funding (2016: \$23,618) from The Salvation Army Australia Eastern Territory to cover the shortfall of The Salvation Army International Development Office (SAID).

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

**Statement of Financial Position**  
**as at 30 June 2017**

	Notes	2017 \$	2016 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	5	3,232,864	2,845,331
Trade and Other Receivables	6	67,987	109,832
Other Financial Assets	7	2,693,872	2,676,456
<b>Total Current Assets</b>		5,994,523	5,631,619
<b>Non-Current Assets</b>			
Plant and Equipment	8	1,598	-
<b>Total Non-Current Assets</b>		1,598	-
<b>Total Assets</b>		5,996,121	5,631,619
<b>Current Liabilities</b>			
Trade and Other Payables	9	29,720	14,820
Provisions	10	52,055	11,314
<b>Total Current Liabilities</b>		81,775	26,134
<b>Non-Current Liabilities</b>			
Provisions	10	27,445	11,966
<b>Total Non-Current Liabilities</b>		27,445	11,966
<b>Total Liabilities</b>		109,220	38,100
<b>Net Assets</b>		5,886,901	5,593,519
<b>Equity</b>			
Reserves		5,886,901	5,593,519
<b>Total Equity</b>		5,886,901	5,593,519

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

**Statement of Changes in Equity  
For the year ended 30 June 2017**

	Reserves
	\$
Balance as at 1 July 2016	5,593,519
Amount transferred to Reserves	293,382
Balance as at 30 June 2017	<u>5,886,901</u>

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

**Statement of Cash Flows  
For the year ended 30 June 2017**

	Notes	2017 \$	2016 \$
<b>Cash flows from operating activities</b>			
Donations received		2,894,526	4,116,861
Other Income		824,623	-
Bequests and legacies received		-	288,552
Government grants received		850,520	1,005,828
Interest received		100,212	107,219
Payment to suppliers and employees		(1,235,398)	(1,169,782)
Distribution to overseas partners		(3,046,950)	(5,534,671)
Net cash provided by / (used in) operating activities		<u>387,533</u>	<u>(1,185,993)</u>
<b>Cash flows from Investing activities</b>			
Purchase of long term deposits - other financial assets		-	-
Net cash provided by / (used in) investing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		387,533	(1,185,993)
Cash and cash equivalents at the beginning of year		2,845,331	4,031,324
Cash and cash equivalents at the end of year	5	<u>3,232,864</u>	<u>2,845,331</u>

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

**International Aid Project Expenditure by Country  
30 June 2017**

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	Qualifications
Commissioner F Tidd	November 2016 to June 2017	B Science, M Theological Studies
Colonel M Campbell	July 2016 to June 2017	BA Leadership (UNE), MA Theological Studies (SCD)
Lt-Colonel J Hodge	February 2017 to June 2017	B Admin, MBA, Dip in Theology, GAICD
Mr IC Minnett	July 2016 to January 2017	B Com UNSW, FCA, GAICD
Lt-Colonel K Pethybridge	July 2016 to June 2017	B Professional Studies, MA Admin Leadership

The countries which received overseas aid during 2016/17 financial year are summarised as follows:

DFAT Projects	\$	
Kenya	125,520	Kenyan Integrated Schools and Communities, Water, Sanitation and Hygiene Project
Papua New Guinea	637,000	The Church Partnership Program - This funding is for 30 projects throughout PNG - under the headings of: Governance of Churches, Management, Human Resource, Physical Resource, Program Planning, Monitoring & Evaluation, Education, Health, HIV/AIDS, Community Development
	762,520	

Sponsorship Projects	
Haiti	38,411
India	200,995
Kenya East	29,230
Pakistan	31,240
	299,876

**Overseas Projects funded by Self Denial Appeal and other donations**

Fiji	10,425
Ghana	5,000
Haiti	15,863
IHQ International Projects	839,340
India	57,640
Indonesia	39,346
Kenya East	133,959
Latvia	133,725
Malawi	276,396
Moldova	4,400
Papua New Guinea	54,010
Philippines	5,590
Sierra Leone	323,690
South Africa	77,662
Vanuatu	2,899
	1,988,945

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

**Notes to the Financial Statements  
30 June 2017**

**1 General Information and Statement of Compliance**

The financial report includes the financial statements and notes of The Salvation Army (Australia) Self Denial Fund (For Overseas Aid). The Fund has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements).

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, ACFID Code of Conduct and the Australian Charities and Not-for-profits Commission Act 2012. The Fund is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements for the year ended 30 June 2017 were approved and authorised for issue by the board of Trustees on 31 October 2017.

**2 Summary of Accounting Policies**

**a) Overall Considerations**

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

**b) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to The Salvation Army Australia Self Denial Fund (For Overseas Aid) and the revenue can be reliably measured.

*i) Donations and fundraising*

The Fund recognises amounts donated or raised on behalf of the fund as income only when they are received.

*ii) Grants*

Grant revenue is recognised in the statement of profit or loss when the Fund obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Fund and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received where the Fund incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

*iii) Interest*

Interest is recognised when received/receivable.

All revenue is stated net of the amount of goods and services tax (GST).

**c) Cash and Cash Equivalents**

Cash includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments.

**d) Plant and Equipment**

Plant and equipment are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Fund's management.

Plant and equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings, plant and other equipment. The following useful lives are applied:

- Plant & Equipment: 5 years

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.



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

**Notes to the Financial Statements  
30 June 2017**

**e) Employee Benefits**

*i) Wages and Salaries*

Liabilities for wages and salaries, including non-monetary benefits, expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

*ii) Long Service Leave*

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

*iii) Annual Leave*

Short-term employee benefits are current liabilities included in employee benefits, measured at the undiscounted amount that the Fund expects to pay as a result of the unused entitlement. Annual leave is included in 'other long-term benefit' and discounted when calculating the leave liability as the Fund does not expect all annual leave for all employees to be used wholly within twelve (12) months of the end of reporting period. Annual leave liability is still presented as current liability for presentation purposes under AASB 101 Presentation of Financial Statements.

*iv) Superannuation*

The Fund provides post-employment benefits through defined contribution plans. Amounts charged to the income statement in respect of superannuation represent the contributions paid or payable by the Fund to the employees' superannuation funds.

**f) Income Tax**

No provision for income tax has been raised as the Fund is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

**g) Financial Instruments**

*Recognition, initial measurement and derecognition*

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are initially measured at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

**h) Classification and Subsequent Measurement of Financial Assets**

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

*i) Financial Assets at FVTPL*

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

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

**Notes to the Financial Statements  
30 June 2017**

**l) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

**j) Significant Management Judgement In applying Accounting Policies**

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

*i) Estimation uncertainty*

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

*ii) Impairment*

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

*iii) Useful lives of depreciable assets*

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

*iv) Long Service Leave*

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

v) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

- the change attributable to changes in credit risk are presented in Other Comprehensive Income ('OCI')
- the remaining change is presented in profit or loss

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- classification and measurement of financial liabilities;
- derecognition requirements for financial assets and liabilities.

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.

Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.

Based on the Funds assessment, as the adoption of this new standard only occurs in 30 June 2019, there is no material impact on the transactions and balances recognised in the financial statements ending 30 June 2017.

**k) New standards and Interpretation not yet adopted**

At the date of authorisation of the financial statements, the following relevant Standards and Interpretations were issued but not yet effective:

- AASB 15 Revenue from Contracts with Customer, AASB 2014-15 Amendments to Australian Accounting Standards arising from AASB 15, and AASB 1058 Income of Not-for-Profit Entities (effective 1 January 2019).

- AASB 9 Financial Instruments, AASB 2009-11 Amendment to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2012-6 Amendments to Australian Accounting Standards-Mandatory Effective Date of AASB 9 and Transition Disclosures, AASB 2013-9 Amendments to Australian Accounting Standards-Conceptual Framework, Materiality and Financial Instrument, AASB 2014-1 Amendments to Australian Standards (Part E : Financial Instruments), AASB 2014-7 Amendments to Australian Standards arising from AASB 9 (December 2014), and AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) - Application of AASB 9 (December 2009) and AASB 9 (December 2010) (effective 1 January 2018).

- AASB 16 Leases (effective 1 January 2019).

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

**Notes to the Financial Statements  
30 June 2017**

**3 Monetary Gifts and Donations**

	2017	2016
	\$	\$
Tax Deductible Revenue	1,514,415	1,582,090
Non Tax Deductible Revenue	<u>1,264,587</u>	<u>1,655,421</u>
	<u>2,778,982</u>	<u>3,237,511</u>

**4 Non-monetary Gifts and Donations**

The work of the Fund is supported by a number of volunteers each year. The contributions from our volunteers mean that the Fund is able to deliver a greater proportion of cash donations directly to field projects. During the year ended 30 June 2017, 277 volunteer hours were provided to the Fund by 7 volunteers at a commercial value of \$16,718.

**5 Cash and Cash Equivalents**

Cash at Bank	3,231,678	2,844,881
Cash on Hand	<u>1,186</u>	<u>450</u>
	<u>3,232,864</u>	<u>2,845,331</u>

**6 Trade & Other Receivables**

Sundry Debtors	67,880	109,832
Deposits & Advances	<u>127</u>	<u>-</u>
	<u>67,987</u>	<u>109,832</u>

**7 Other financial assets**

Term Deposits	622,500	622,500
Diversified Investment Fund	<u>2,071,172</u>	<u>2,053,956</u>
	<u>2,693,672</u>	<u>2,676,456</u>

**8 Plant & Equipment**

	Office Equipment	
<b>Gross carrying amount</b>		
Balance at 1 July 2016	-	-
Additions	1,764	-
Disposals	-	-
Balance 30 June 2017	<u>1,764</u>	<u>-</u>
<b>Depreciation and impairment</b>		
Balance at 1 July 2016	-	-
Disposals	-	-
Depreciation	166	-
Balance 30 June 2017	<u>166</u>	<u>-</u>
Carrying amount 30 June 2017	<u>1,598</u>	<u>-</u>

**9 Trade & Other Payables**

Sundry Creditors	-	7,955
Accruals	<u>29,720</u>	<u>6,865</u>
	<u>29,720</u>	<u>14,820</u>

**10 Provisions**

<b>Current</b>		
Annual Leave	50,240	10,523
Long Service Leave	<u>1,815</u>	<u>791</u>
	<u>52,055</u>	<u>11,314</u>
<b>Non-Current</b>		
Long Service Leave	27,445	11,966

**11 Contingent Liabilities**

There are no contingent liabilities that have been incurred by the Fund in relation to 2017 or 2016.

**12 Commitments**

The Fund does not have any material capital or other expenditure commitments at the reporting date which had been contracted for at that date but not recognised as liabilities.

**13 Events subsequent to Balance Date**

There has not arisen in the interval between the end of the financial year and the date of this financial report any item, transaction or event of a material and unusual nature likely in the opinion of the Trustees to affect significantly the operations of the company, the results of the operations or the state of the company in future financial years.

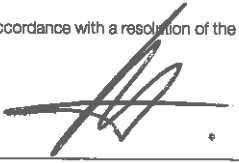
**The Salvation Army (Australia)  
Self Denial Fund (For Overseas Aid) Eastern Territory**

**Trustees' Declaration  
30 June 2017**

In the opinion of the Trustees of The Salvation Army's Self Denial Fund (For Overseas Aid) Eastern Territory:

- (a) there are reasonable grounds to believe that The Salvation Army's Self Denial Fund (For Overseas Aid) Eastern Territory is able to pay all of its debts, as and when they become due and payable; and
- (b) the financial statements and notes as set out on pages 2 to 10 satisfy the requirements of the Australian Charities and Not-for-Profits Commission Act 2012, including:
  - (i) Complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations); and the Australian Charities and Not-for-Profits Commission Regulation 2013.
  - (ii) giving a true and fair view of the financial position as at 30 June 2017 and of the performance for the financial year ended on that date.

Signed in accordance with a resolution of the Trustees.



Colonel Mark TS Campbell  
(BA Leadership (UNE), MA Theological Studies (SCD))  
National Chief Secretary  
Trustee  
Sydney,  
31 October 2017



Lt-Colonel Stuart R Evans  
(B Economics, MBA)  
National Secretary for Business Administration  
Trustee  
Sydney,  
31 October 2017



# Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the Trustees of The Salvation Army (Australia) Self Denial Fund for Overseas  
Aid Eastern Territory

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year  
ended 30 June 2017 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Australian  
Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

*KPMG*

KPMG

A handwritten signature in black ink, appearing to read 'Daniel Robinson'.

Daniel Robinson  
Partner

Sydney

31 October 2017



# Independent Auditor's Report

To the Trustees of The Salvation Army (Australia) Self Denial Fund  
(For Overseas Aid) Eastern Territory

Report on the audit of the Financial Report

## Opinion

We have audited the **Financial Report and Australian Council for International Development Financial Statements (ACFID Financial Statements)** of The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) Eastern Territory (the Entity).

In our opinion, the accompanying **Financial Report** of the Entity is in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* including:

- (i) giving a true and fair view of the Entity's financial position as at 30 June 2017, and of its financial performance and its cash flows for the year ended on that date; and
- (ii) complying with *Australian Accounting Standards – Reduced Disclosure Requirements* and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- (i) Statement of financial position as at 30 June 2017.
- (ii) Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- (iii) Notes including a summary of significant accounting policies.
- (iv) Trustees' declaration of the Entity.

## Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.



We are independent of the Entity in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

## Responsibilities of Management for the Financial Report

Management are responsible for:

- (i) Preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards - Reduced Disclosures Requirements* and the ACNC.
- (ii) Implementing necessary internal control to enable the preparation of a Financial Report that are free from material misstatement, whether due to fraud or error.
- (iii) Assessing the Entity's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- (i) to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- (ii) to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

Undertaking an audit in accordance with *Australian Auditing Standards*, means exercising professional judgment and maintaining professional skepticism.

Our responsibilities include:

- (i) Identifying and assessing the risks of material misstatement of the Financial Report, whether due to fraud or error.
- (ii) Designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error. This is because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (iii) Obtaining an understanding of internal control relevant to the Audit in order to



design audit procedures that are appropriate in the circumstances. This is not for the purpose of expressing an opinion on its effectiveness.

- (iv) Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- (v) Concluding on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- (vi) Evaluating the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

## Report on Other Legal and Regulatory Requirements

## Opinion pursuant to ACFID Code of Conduct

In our opinion, the Financial Statements of The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) Eastern Territory is presented fairly, in all material respects in accordance with the ACFID Code of Conduct.

*KPMG*

KPMG

Daniel Robinson

*Partner*  
*Chartered Accountant*  
*Auditor Registration Number: 471131*  
*Email: dsrobinson@kpmg.com.au*

Sydney  
31 October 2017