

**THE SALVATION ARMY (AUSTRALIA)
SELF DENIAL FUND FOR OVERSEAS AID
CONSOLIDATED INTER - TERRITORIAL
Financial report - 30 June 2011**

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**THE SALVATION ARMY (AUSTRALIA)
 SELF DENIAL FUND FOR OVERSEAS AID
 CONSOLIDATED INTER - TERRITORIAL
 Income statement
 for the year ended 30 June 2011**

	2011	2010
	\$	\$
REVENUE		
Donations and gifts		
Monetary	7,061,764	4,976,797
Non-monetary	-	-
Bequests and legacies	-	-
Grants	-	-
AusAID	1,050,000	1,049,725
Other Australian	-	-
Other overseas	-	-
Investment income	416,709	302,328
Other income	52,765	187,564
Revenue for international political or religious proselytisation programs	2,127,177	2,127,472
Total Revenue	<u>10,708,415</u>	<u>8,643,886</u>
Expenditure		
International aid and development programs expenditure		
International programs		
Funds to international programs	5,484,737	5,273,724
Program support costs	-	-
Community education	-	-
Fundraising costs		
Public	64,169	98,818
Government, multilateral and private	-	-
Accountability and administration	699,568	544,639
Non monetary expenses	-	-
Total international aid and development programs expenditure	<u>6,248,474</u>	<u>5,917,181</u>
Expenditure for international political or religious proselytisation programs	2,666,058	2,286,456
Domestic programs expenditure	-	-
Total expenditure	<u>8,914,532</u>	<u>8,203,637</u>
Excess / (Shortfall) of revenue over expenditure	<u>1,793,883</u>	<u>440,248</u>

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

**THE SALVATION ARMY (AUSTRALIA)
 SELF DENIAL FUND FOR OVERSEAS AID
 CONSOLIDATED INTER - TERRITORIAL
 Balance Sheet
 as at 30 June 2011**

	2011 \$	2010 \$
ASSETS		
Current Assets		
Cash and Cash Equivalents	4,154,245	1,961,895
Trade and other receivables	75,943	75,564
Inventories	-	-
Assets held for sale	-	-
Other financial assets	2,167,173	2,085,430
Total current assets	<u>6,397,361</u>	<u>4,122,889</u>
Non Current Assets		
Trade and other receivables	-	-
Other financial assets	-	-
Property, Plant and Equipment	-	-
Investment property	-	-
Intangibles	-	-
Other non-current	3,160,627	3,633,394
Total non current	<u>3,160,627</u>	<u>3,633,394</u>
Total Assets	<u>9,557,988</u>	<u>7,756,283</u>
LIABILITIES		
Current Liabilities		
Trade and Other Payables	8,572	750
Borrowings	-	-
Current tax liabilities	-	-
Other financial liabilities	-	-
Provisions	-	-
Other	-	-
Total current liabilities	<u>8,572</u>	<u>750</u>
Non Current Liabilities		
Borrowings	-	-
Other financial liabilities	-	-
Provisions	-	-
Other	-	-
Total non current liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>8,572</u>	<u>750</u>
Net Assets	<u>9,549,416</u>	<u>7,755,533</u>
EQUITY		
Reserves	9,549,416	7,755,533
Retained earnings	-	-
Total Equity	<u>9,549,416</u>	<u>7,755,533</u>

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

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

	Retained Earnings \$	Reserves \$	Total \$
Balance at 2010	-	7,755,533	7,755,533
Excess of revenue over expenses	1,793,883	-	1,793,883
Amount transferred to reserves	(1,793,883)	1,793,883	-
Balance at 2011	<u>-</u>	<u>9,549,416</u>	<u>9,549,416</u>

1. Segment Note (Eastern Territory)

**THE SALVATION ARMY AUSTRALIA
EASTERN TERRITORY
Income statement
for the year ended 30 June 2011**

	2011 \$	2010 \$
REVENUE		
Donations and gifts		
Monetary	5,839,136	3,853,445
Non-monetary	-	-
Bequests and legacies	-	-
Grants	-	-
AusAID	1,050,000	1,049,725
Other Australian	-	-
Other overseas	-	-
Investment income	281,901	193,394
Other income	52,765	187,564
Revenue for international political or religious proselytisation programs	-	-
	300,000	300,000
Total Revenue	<u>7,523,802</u>	<u>5,584,128</u>
Expenditure		
International aid and development programs expenditure		
International programs		
Funds to international programs	4,001,940	3,507,129
Program support costs	-	-
Community education	-	-
Fundraising costs	-	-
Public	64,169	98,818
Government, multilateral and private	-	-
Accountability and administration	630,012	475,126
Non monetary expenses	-	-
Total international aid and development programs expenditure	<u>4,696,121</u>	<u>4,081,073</u>
Expenditure for international political or religious proselytisation programs	748,986	812,401
Domestic programs expenditure	-	-
Total expenditure	<u>5,445,107</u>	<u>4,893,474</u>
Excess / (Shortfall) of revenue over expenditure	<u>2,078,695</u>	<u>690,654</u>

**THE SALVATION ARMY AUSTRALIA
EASTERN TERRITORY
Balance Sheet
as at 30 June 2011**

	2011 \$	2010 \$
ASSETS		
Current Assets		
Cash and Cash Equivalents	3,846,910	1,846,193
Trade and other receivables	-	-
Inventories	-	-
Assets held for sale	-	-
Other financial assets	2,167,173	2,085,430
Total current assets	<u>6,014,083</u>	<u>3,931,623</u>
Non Current Assets		
Trade and other receivables	-	-
Other financial assets	-	-
Property, Plant and Equipment	-	-
Investment property	-	-
Intangibles	-	-
Other non-current assets	-	-
Total non current assets	<u>-</u>	<u>-</u>
Total Assets	<u><u>6,014,083</u></u>	<u><u>3,931,623</u></u>
LIABILITIES		
Current Liabilities		
Trade and Other Payables	4,515	750
Borrowings	-	-
Current tax liabilities	-	-
Other financial liabilities	-	-
Provisions	-	-
Other	-	-
Total current liabilities	<u>4,515</u>	<u>750</u>
Non Current Liabilities		
Borrowings	-	-
Other financial liabilities	-	-
Provisions	-	-
Other	-	-
Total non current liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>4,515</u>	<u>750</u>
Net Assets	<u><u>6,009,568</u></u>	<u><u>3,930,873</u></u>
EQUITY		
Reserves	6,009,568	3,930,873
Retained earnings	-	-
Total Equity	<u>6,009,568</u>	<u>3,930,873</u>

2. Segment Note (Southern Territory)

**THE SALVATION ARMY AUSTRALIA
SOUTHERN TERRITORY
Income statement
for the year ended 30 June 2011**

	2011	2010
	\$	\$
REVENUE		
Donations and gifts		
Monetary	1,222,628	1,123,352
Non-monetary	-	-
Bequests and legacies	-	-
Grants	-	-
AusAID	-	-
Other Australian	-	-
Other overseas	-	-
Investment income	134,808	108,934
Other income	-	-
Revenue for international political or religious proselytisation programs	1,827,177	1,827,472
Total Revenue	<u>3,184,613</u>	<u>3,059,758</u>
Expenditure		
International aid and development programs expenditure		
International programs		
Funds to international programs	1,482,797	1,766,595
Program support costs	-	-
Community education	-	-
Fundraising costs	-	-
Public	-	-
Government, multilateral and private	-	-
Accountability and administration	69,556	69,513
Non monetary expenses	-	-
Total international aid and development programs expenditure	<u>1,552,353</u>	<u>1,836,108</u>
Expenditure for international political or religious proselytisation programs	1,917,072	1,474,055
Domestic programs expenditure	-	-
Total expenditure	<u>3,469,425</u>	<u>3,310,163</u>
Excess / (Shortfall) of revenue over expenditure	<u>(284,812)</u>	<u>(250,405)</u>

**THE SALVATION ARMY AUSTRALIA
SOUTHERN TERRITORY**

**Balance Sheet
as at 30 June 2011**

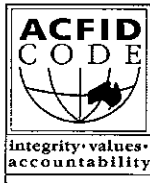
	2011	2010
	\$	\$
ASSETS		
Current Assets		
Cash and Cash Equivalents	307,335	115,702
Trade and other receivables	75,943	75,564
Inventories	-	-
Assets held for sale	-	-
Other financial assets	-	-
Total current assets	<u>383,278</u>	<u>191,266</u>
Non Current Assets		
Trade and other receivables	-	-
Other financial assets	-	-
Property, Plant and Equipment	-	-
Investment property	-	-
Intangibles	-	-
Other non-current assets	3,160,627	3,633,394
Total non current assets	<u>3,160,627</u>	<u>3,633,394</u>
Total Assets	<u><u>3,543,905</u></u>	<u><u>3,824,660</u></u>
LIABILITIES		
Current Liabilities		
Trade and Other Payables	4,057	-
Borrowings	-	-
Current tax liabilities	-	-
Other financial liabilities	-	-
Provisions	-	-
Other	-	-
Total current liabilities	<u>4,057</u>	<u>-</u>
Non Current Liabilities		
Borrowings	-	-
Other financial liabilities	-	-
Provisions	-	-
Other	-	-
Total non current liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>4,057</u>	<u>-</u>
Net Assets	<u><u>3,539,848</u></u>	<u><u>3,824,660</u></u>
EQUITY		
Reserves	3,539,848	3,824,660
Retained earnings	-	-
Total Equity	<u><u>3,539,848</u></u>	<u><u>3,824,660</u></u>

**THE SALVATION ARMY (AUSTRALIA)
SELF DENIAL FUND FOR OVERSEAS AID
CONSOLIDATED INTER - TERRITORIAL
Table of cash movements for designated purposes
for the year ended 30 June 2011**

	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	1,605	4,149	2,767	2,987
Child sponsorship appeal	-	1,555	1,537	18
New Zealand earthquake Appeal	-	1,871	1,701	170
Australian NGO Cooperation program	357	1,146	1,178	325
Total for other non- designated purposes	-	1,909	1,255	654
Total	1,962	10,630	8,436	4,154

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

Code of conduct



We are a signatory to the Australian Council for International Development's Code of Conduct. Further information on the Code and its complaints handling procedure is available at www.acfid.asn.au.

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

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

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

4. The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) exists for the purpose of providing aid to developing countries and support funding for Salvation Army Grant Aided Territories. The following persons were Trustees of The Salvation Army (Australia) Self Denial Fund for Overseas Aid during the whole of the financial year and to the date of this report:

Commissioner J Condon
 Commissioner L Bond (Bre, MTS)
 Commissioner RA Finger (Diploma of Business)
 Colonel P Walker (NBA Sociology & Politics)
 Lieutenant-Colonel P Laws (MAL, BAL)
 Lieutenant-Colonel R Barnard
 Mr IC Minnett (Bcom, FCA, GAICD)
 Mr G Stowe (B.Bus, FCPA)

5. The countries which received overseas aid during 2010/11 financial year are summarised as follows:

AusAID Projects	\$	
China	94,794	Wangzhu Village Water Supply
Kenya	100,175	Strengthening Vocational Training & Early Childhood Education
		The Church Partnership Program-This funding is for 59 projects throughout PNG – under the headings of:
Papua New Guinea	892,882	Governance of Churches, Management, Human Resource, Physical Resource, Planning, Monitoring & Evaluation, Education, Health, HIV/AIDS, Community Development
	<u>1,087,851</u>	

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

Child Sponsorship	\$
Argentina	19,515
Bali	15,016
Bangladesh	66,712
Belize	5,312
Bolivia	11,858
Brazil	57,856
Caribbean	37,960
Chile	7,301
Congo/Angola	25,119
Ecuador	3,604
Dominican Republic	1,856
Fiji	11,815
Ghana	23,269
Haiti	66,042
Hong Kong/China	5,493
India Central	45,645
India Eastern	16,186
India Northern	2,330
Indonesia	83,006
Kenya-East	216,144
Kenya-West	69,447
Korea	6,733
Latin America	29,744
Malaysia	5,544
Mexico	5,776
Mozambique	55,637
Myanmar	43,247
Pakistan	38,683
Paraguay	24,289
Peru	9,925
Philippines	83,639
PNG	46,197
Rwanda	6,429
Singapore	50,919
South Africa	34,395
Sri Lanka	35,071
Tanzania	45,396
Uganda	87,815
Zambia	37,585
Zimbabwe	29,369
	1,467,873

SELF DENIAL FUND FOR OVERSEAS AID

Overseas Projects funded by Self Denial Appeal and other donations

	\$
Brazil	5,935
Caribbean	31,266
China	144,525
Congo	53,473
Fiji	3,600
Ghana	12,907
Haiti	11,997
India	59,800
Indonesia	46,231
Jamaica	1,585
Kenya	600
Kenya-East	2,889
Liberia	5,022
Malawi	6,014
Malaysia	4,640
Mexico	13,586
Mozambique	89,251
Myanmar	30,634
New Zealand	1,713,900
Nigeria	10,243
Pakistan	330,451
Philippines	74,021
PNG	135,480
Portugal	1,921
Rwanda	2,650
Singapore	9,149
South Pacific	17,932
South Africa	1,575
South America West	4,500
Sri Lanka	1,600
Sweden	3,900
Taiwan	3,206
Tanzania	14,537
Tonga	4,603
Uganda	4,520
Zambia	17,407
Zimbabwe	50,787
Other	2,678
	<hr/>
	2,929,013
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Total	5,484,737
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**THE SALVATION ARMY (AUSTRALIA)
SELF DENIAL FUND FOR OVERSEAS AID
CONSOLIDATED INTER - TERRITORIAL
Trustees' declaration
30 June 2011**

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

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

(i) comply with Australian Accounting Standards; and

(ii) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of The Salvation Army's Self Denial for Overseas Aid;

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

Signed in accordance with a resolution of the Trustees.

 28/11/11

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

 28/11/11

Lieutenant-Colonel P Laws (MAL, BAL)
Secretary for Business Administration
Trustee

Sydney,



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

We have audited the Salvation Army (Australia)'s consolidated inter-territorial Income Statement and Table of Cash Movements for Designated Purposes for the year ended 30 June 2011 and the Balance Sheet and Statement of Changes in Equity as at 30 June 2011 ("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 2011 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 describes 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

Sydney

28 November 2011

Notes to the statements

Note 1. Basis of preparation of the statements

The income statement, balance sheet, table of cash movements for designated purposes, and statement of changes in equity (“the Statements”) have been prepared for the sole purpose of complying with the reporting requirements of the Code and must not be used for any other purpose.

The statements have been prepared applying the recognition and measurement rules in Australian Accounting Standards. The Trustees of the Salvation Army have determined that the accounting policies adopted are appropriate to meet the needs of the Trustees of the Salvation Army and ACFID and have determined that it is not necessary to include all the detailed disclosures, including a statement of cash flows, required by Accounting Standards and other mandatory professional reporting requirements in Australia.

The financial report is prepared in accordance with the historical cost convention.