

THE SALVATION ARMY
INTERNATIONAL DEVELOPMENT

ANNUAL REPORT

2017





Thank you
for partnering with us
as we strive towards a
world restored.

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A few words from us

Last year, I came across a quote from a fellow Salvation Army officer (minister) – “The splendour of God is reflected in his people,” Major Grant Sandercock-Brown said.

When I think about our ministry with people around the world, I can see how true this is. A love for Christ compels our partners in places such as Kenya, Papua New Guinea, India and Pakistan to bring hope and new beginnings to people in need. Their actions are God at work in the world. God reflected in his people.

This good work has seen thousands upon thousands of lives transformed. Thank you to our local and international partners, our supporters, and The Salvation Army International Development (SAID) team and SAID Executive Board for your diligence and commitment.

Because of you, children have clean water to drink, women are empowered and communities are self-sustainable. I see God reflected in these people and situations, too.

Thank you for your contribution – whether it’s been a financial gift, prayerful support, time given, wisdom shared or a program facilitated. Your actions have enabled life-transforming change. Your actions display the splendour of God.

May God bless you,



Kelvin Pethybridge
(Lieutenant-Colonel)
Territorial Chief Secretary
Australia Eastern Territory



Mark Campbell
(Colonel)
National Chief Secretary
SAID Board Chair

In March 2016, it was announced that the two Salvation Army territories in Australia (Eastern and Southern) would become one. Since then, we have been working towards a fully implemented national territory by January 2019.

As part of this transition, The Salvation Army International Development (SAID) department has progressed through discussions and learnings with our Southern counterparts to create a national team. We have ensured continued compliance with the Department of Foreign Affairs and Trade while achieving our mission of reaching the most vulnerable people around the world. The national SAID department is effective from 1 July 2017 and is now managing international giving funds from across Australia.

Having served as a Salvation Army officer for 31 years, I am passionate about seeing transformation in people’s lives, and have been privileged to witness this countless times. I believe, with God, everything is possible, and I hope to bring my pragmatic leadership skills to the SAID Board to help us transform many more lives across the globe. Together – as donors, partners, fellow board members or other supporters – we can make an impact on people in need.

Every blessing,

The theme of this year’s annual report is our Salvation Army International Development (SAID) vision and mission. The stories reflect our vision to see a world, restored by the love of Christ, living in dignity and filled with hope.

This is because our vision drives us. It influences our decisions and our practices.

Achieving our vision, however, requires perseverance and patience. Our projects focus on sustainability and empowering communities to be agents of change. We partner with them, and we partner with you – our local and overseas partners, our Salvation Army stakeholders, our government and non-government supporters, and our donors.

We value your partnership and know you share our vision. Partnership is our greatest strength and allows us to have shared confidence in our goal.

The calling of the Apostle Paul motivates us to have “unity of mind, sympathy, brotherly love, a tender heart, and a humble mind” (1 Peter 3:8, ESV). Thank you for embodying these characteristics, believing in the mission and partnering with us to see a world restored.



Simone Robertson
(Lieutenant-Colonel)
Director
Salvation Army International
Development (SAID)

Who we are

Our vision, mission and values

The Salvation Army International Development (SAID) team is a department of The Salvation Army Australia Eastern Territory, working within the field of international aid and development.

SAID takes its values and governance from The Salvation Army, which is a worldwide, faith-based, not-for-profit organisation.

SAID is responsible for the management of funds donated for international development through The Salvation Army Australia Eastern Territory, and any other monies entrusted to The Salvation Army by the Australian public, the Australian government and by corporations to use for the purposes of international development.

SAID also manages internal funds provided by The Salvation Army for international aid and mission.

Vision

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

Mission

Empowering vulnerable communities to prosper in their economic, social and spiritual lives.

Values

The following values are central to the operation of SAID and successful delivery of aid to communities:

Stewardship

We will 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 working with them to restore their sense of self-worth, in a culturally sensitive manner.

Partnership

We respectfully work alongside communities and other stakeholders to improve identified social, economic and spiritual needs.



Participant in Kenya WASH program which provides skills and resources for communities to access clean water and safe hygiene practices

A global picture

As part of our vision to see a world restored, The Salvation Army International Development (SAID) is working in 13 countries. With the valuable support of our global partners, we are empowering men, women and children to realise their potential and become agents of change in their communities.

Together, we have equipped communities with access to clean water, enabled adults to develop income-generating skills, provided children with educational opportunities and advocated for a fairer world.

Europe

- LATVIA**
- 2 mission support projects
 - 2 corps repairs and renovations

Africa

- TANZANIA**
- 5 community development projects
 - 1 education
 - 1 anti-human trafficking
 - 3 livelihood
 - 3 mission support projects
 - 3 territorial headquarters operational costs

- KENYA**
- 5 community development projects
 - 1 Water, Sanitation and Hygiene (WASH)
 - 2 education
 - 1 livelihood
 - 1 anti-human trafficking
 - 2 mission support projects
 - 2 children's centres

- MALAWI**
- 1 community development project
 - 1 Water, Sanitation and Hygiene (WASH)

- SOUTH AFRICA**
- 1 community development project
 - 1 health
 - 1 mission support project
 - 1 divisional evangelism training and Bible camp

South Asia

- NEPAL**
- 1 community development project
 - 1 livelihood
 - 1 mission support project
 - 1 emergency

- INDIA**
- 4 community development projects
 - 4 livelihood
 - 2 mission support projects
 - 1 infrastructure
 - 1 solar power for hospital

- PAKISTAN**
- 2 community development projects
 - 1 livelihood
 - 1 education
 - 2 mission support projects
 - 2 children's centres

South Pacific & East Asia

- MYANMAR**
- 1 community development project
 - 1 livelihood

- INDONESIA**
- 3 community development projects
 - 2 health
 - 1 education

- PAPUA NEW GUINEA**
- 1 community development project
 - 1 Church Partnership Program
 - 2 mission support projects
 - 1 new hall
 - 1 childcare facilities in both the Officer Training College and Salvation Army Leadership Training College

- FIJI**
- 1 community development project
 - 1 livelihood

Caribbean

- HAITI**
- 1 community development project
 - 1 education
 - 1 mission support project
 - 1 divisional headquarters officers' quarters

A world restored

We believe in a world where there is peace and justice for all

Kenya is a source, transit and destination country for men, women and children subjected to forced labour and sex trafficking¹.

In response, a project based in Kenya East was established to prevent trafficking and gender-based violence. It focuses on coalition building, advocacy and research, community awareness and preventative work.

In late 2015, The Salvation Army and the United Nations Office on Drugs and Crime (UNODC) hosted an anti-trafficking stakeholders' conference. The first event was held at the UN headquarters in Gigiri, Nairobi.

The aim of the conference was to encourage government officials, non-government organisations and churches to work together against trafficking.

Community awareness

On 30 July 2016, the World Day Against Trafficking in Persons, The Salvation Army in Kenya coordinated a series of events designed to educate the community about trafficking and, ultimately, work to prevent it.

The events were attended by religious leaders, members of the police, government officials, the area chief and other community members from along the Mombasa Highway. It included a skit presentation by school students of the various ways children can become victims of trafficking.

The Salvation Army addressed religious leaders on the need to work together to educate their congregants about human trafficking. The police reassured the public of their commitment to counter trafficking. They also reinforced the need for correct reporting of trafficking cases so action could be taken.

Other objectives for this anti-trafficking project include exploring protection services for victims of human trafficking and for at-risk children, and research for use in advocacy campaigns to ensure better services, protection of victims and persecution of perpetrators.



33 CHURCH DENOMINATIONS

in Kenya are receiving anti-human trafficking training through a joint initiative between The Salvation Army and the National Coordinating Council of Churches.

10 SCHOOLS

in Kenya participated in a sensitisation workshop for head teachers and club patrons about children's rights and human trafficking, including how to detect it and respond.

30 JULY WORLD DAY AGAINST TRAFFICKING IN PERSONS,

a significant opportunity for The Salvation Army to coordinate awareness-raising events.

70 per cent of trafficking victims are women and girls*

*UNODC (2016). *Global Report on Trafficking in Persons 2016*. [online] p.23. Available at: www.unodc.org/documents/data-and-analysis/glotip/2016_Global_Report_on_Trafficking_in_Persons.pdf [Accessed 2 Nov. 2017].

Living in dignity

As Jesus taught, we believe everyone deserves to be treated equally and recognised for their sense of self-worth.

Every day was a struggle for MD Faizan. Unable to walk without support, he relied on his parents to help him move around, even to the toilet.

“I think I am a burden,” the Year 6 school student says. “It’s really not good for me. When my father and mother go to work, it is not possible for me to go to school. And I was facing problems going to the toilet outside.”

The Salvation Army’s program to help people with disabilities saw the construction of 21 accessible toilets and the supply of 11 wheelchairs to those in need. Beneficiaries were from eight communities and included people of various faiths. In each community, awareness programs taught people how to keep the toilets clean, how the community could contribute towards a hygienic environment and other sanitation education.

MD Faizan was one of the two children to benefit from this initiative and, through the gift of a toilet and wheelchair, have his right to dignity realised.

“My family and I are thankful to The Salvation Army that they have constructed a toilet for me and provided me with a wheelchair,” he says. “Now I do not need to disturb my parents or need their support to go to the toilet and get to school. I can go to school without delay or absence every day. My parents are happy and I am grateful.”

MD Faizan can now live in dignity with hope for the future.

With your support,  The Salvation Army is empowering people with disabilities to fully engage with their community.



21 TOILETS constructed for people living with disabilities.

15 MEN four women, two children – and their families – now have access to a hygienic, accessible toilet.

8 COMMUNITIES experience reduced disease and are educated about the importance of sanitation.



Filled with hope

Breaking the cycle of poverty fills families with hope for a positive future

Sunita, a mother of two, faced tremendous financial pressure following the death of her husband. She worked at her landlord's house, but still struggled to meet her children's educational expenses.

"The situation of my life was not in my favour," she says. "I had to do something for my children."

After discussing new programs with her local Salvation Army officer, Sunita learned that cows were being given to families in her community, helping them with their livelihoods and providing a stable income through the sale of milk, calves and manure. In return, beneficiaries were requested to give their first-born calf to the program committee, who passed it on to another family to start their journey of self-sustainability.

"I felt that, as a woman, this program may not suit, but The Salvation Army officer encouraged me and selected me for this program," she says. "I was given a very healthy cow, which had already conceived. The next day, the cow gave a calf at my home. It was a big surprise for me and my family!"

Sunita was taught about caring for cows and is rewarded with up to 10 litres of milk every day. She keeps two litres for her family and the rest she sells. Some beneficiaries also sell excess manure.

"I don't need to work at my landlord's house [much anymore]," says Sunita. "I can meet my children's educational expenses. And I've increased my monthly support toward corps work. I thank God and The Salvation Army for this program; it's allowed me to overcome the circumstances of my family."

200-300

RUPEES
per day earned by families from the sale of milk.

10
COWS

given to families in Mukerian, India, benefit 10 men, 10 women and 30 children.

4
CALVES -

born of the original 10 cows - distributed to other struggling families within the community.

Self-help groups
teach men and women in India income-generating skills.

Empowering vulnerable communities

Breaking the cycle of poverty fills families with hope for a positive future

For many young women in Pakistan, studying to learn a skill such as sewing is too expensive. Shabnam was one of these young women, eager to learn but unable to afford tuition.

Then she heard about The Salvation Army's affordable stitching classes.

"I learned how to stitch," Shabnam says. "I can stitch my children's clothes, my own clothes and those of other families. Now I am getting some money from the community when people ask for clothes."

The classes are also empowering women like Shamim, a sewing teacher who received basic literacy training through The Salvation Army, to be a better teacher.

"[At first] I didn't know how to read or write, but now I can," she says. "Now I am able to register the names of our students, record measurements and do calculations for fees. When I am teaching them, I feel happy because before they didn't know how to stitch. We are very thankful to The Salvation Army for the opportunities they have provided."

These stitching and literacy classes are part of The Salvation Army's BASSIC Project: Building Advanced Strong Sustainable Independent Communities. Other skills training classes include fancy-dress making, mobile-phone repairing and cushion making – all services that can be offered at local marketplaces.

The BASSIC Project also aims to improve the health and safety of communities through mother-and-child health clubs.



2607 PEOPLE equipped with vital skills for everyday life through literacy classes.

2385 PEOPLE able to generate a sustainable income hanks to skills workshops.

3266 MOTHER-AND-CHILD health clubs helping to ensure a healthy future for the community.

With basic literacy training, Shamim can share her sewing skills with others.

Ismera (top) and Nazia (bottom) demonstrate their sewing skills.



"[Previously], pregnant women weren't aware of what they had to do," shares Nazia, a participant of the BASSIC Project in Padri, Pakistan. "They would have their babies delivered in their own home and they were facing many issues. They wouldn't go to the hospital, but now they are going."

Mothers are also much more aware of what food they need to provide to their young children.

"There was no awareness about health issues and we were all very unhygienic. As you can see now, we are all clean and beautiful," Nazia laughs.

Theory of change

COMPASSION & 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 working with them to restore their sense of self-worth, in a culturally sensitive manner.

PARTNERSHIP

We respectfully work alongside communities and other stakeholders to improve identified social, economic and spiritual needs.

STEWARDSHIP

We will be transparent and encourage a spirit of mutual accountability in all dealings with donors, communities and individuals.

Programs are delivered efficiently and effectively

TSA staff and support services are professional

Practices and policies are reviewed in line with Best Practice

Stakeholder engagement and partnership-building is improved

Ensure continued financial viability

Programs are developed through inclusive consultation with the partner communities

Long-term relationships are developed

Capacity is built and knowledge transferred between SAID and Partners

Self-assessments are undertaken by SAID and Partners

Those with disabilities or HIV/AIDS feel a sense of inclusion

Partner communities feel included

Gender equality and child protection are strengthened

Sustainability of resources and environment are practiced

Internal and external evaluations undertaken

Women are empowered

Livelihood & income generation increases

Causes of disease are combated

Improved access to clean water & sanitation

Education for children & adults facilitated

Health promotion is facilitated

Earning greater weekly wages

Healthier living conditions

Empowerment of people with disabilities

More women leading communities

Children educated & healthy

TSA Core Values

TSA Framework to enable change

TSA Development Effectiveness

Sectoral Focus

Impact/Outcomes

Vision:

A world, restored by the love of Christ, living in dignity and filled with hope. Demonstrated through vulnerable communities prospering in their economic, social and spiritual lives.



Working in partnership

We recognise that in partnership with others, we can effect greater change than when working alone.

The Salvation Army works in cooperation with seven other churches as part of the Church Partnership Program in Papua New Guinea. Funded by the Australian Government, this program serves to build local capacity and improve livelihoods.

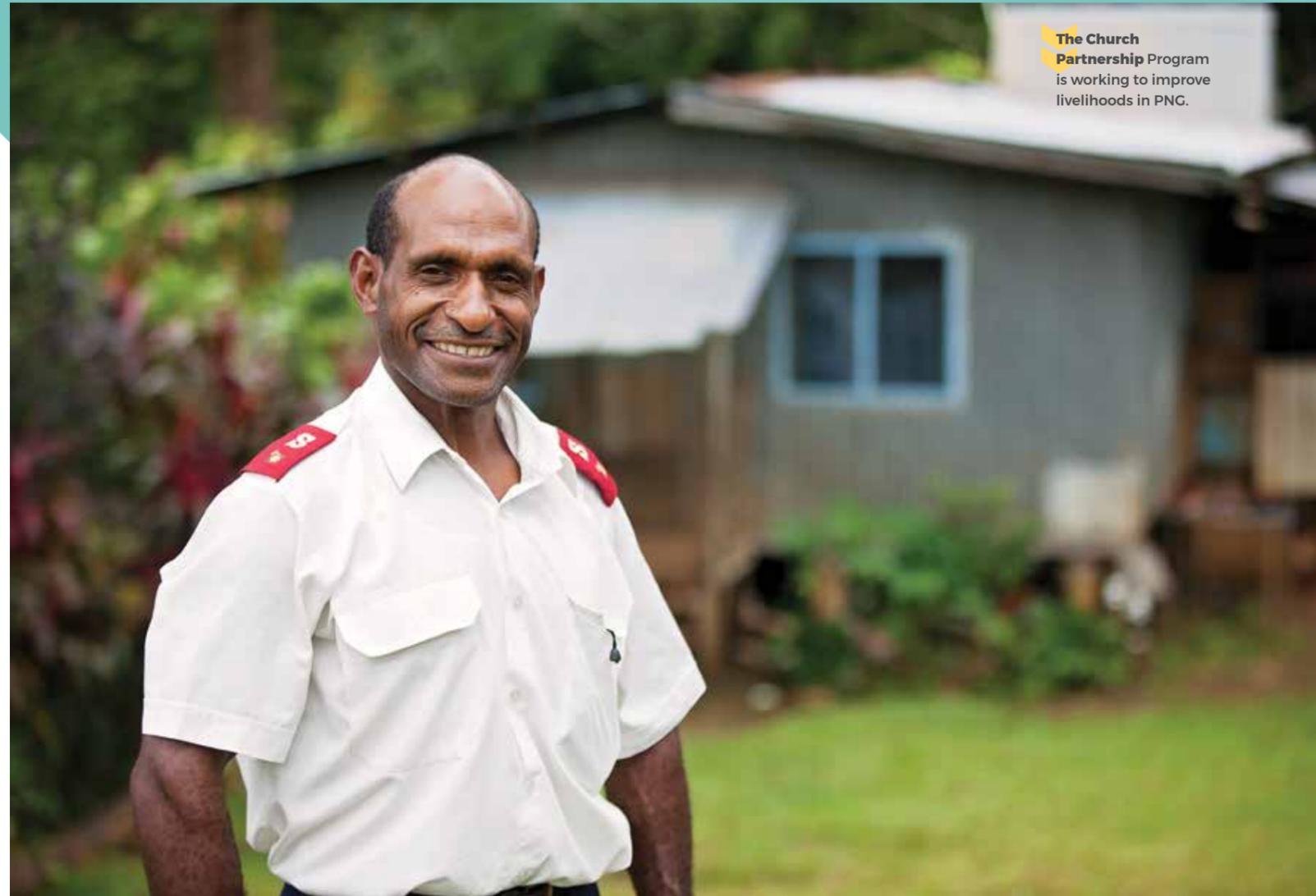
Promoting peace

In 2015–2016, The Salvation Army worked together with the Seventh Day Adventist, Lutheran and the Renewal Lutheran churches in Papua New Guinea to bring about peace in Onamuga. Frequent fighting had plagued the Tirananofi and Krefa clans since 2008. It had resulted in displacement and fear, and prevented many children from attending school.

In consultation with the partner churches, The Salvation Army coordinated peace agreement conversations with community leaders and the village court magistrate.

On 27 October 2016, the two warring clans put an end to their differences and signed a peace agreement. The Onamuga Primary School hosted the event in the presence of local and Australian government representatives, media, community members and church representatives. The signing ended with a traditional peace ceremony in which male members of each clan shared sugarcane. A feast and a service recognised the people who lost their lives during the warring years.

A community reconciliation program involving counselling was part of the peace agreement. It included law and justice training for the local government.



The Church Partnership Program is working to improve livelihoods in PNG.



EIGHT 2000 2500

YEARS

of fighting between the Tirananofi and Krefa clans in Onamuga, Kainantu, Papua New Guinea.

PEOPLE

displaced, 10 lives lost and numerous food gardens, coffee trees and houses destroyed.

PEOPLE

from surrounding villages and communities witnessed a peace agreement signing in October 2016.

Transparency

Lessons we've learned

All Salvation Army projects funded and coordinated by The Salvation Army International Development (SAID) undergo regular monitoring and evaluation to measure progress and impact. Through collaborative discussion with partners and in-depth reporting, we are able to identify the project strengths and challenges that help us to further improve our practices.

We regularly monitor and evaluate our projects in order to measure project success and learn from its experiences. We use both formal and informal mechanisms for gathering and interpreting information about projects. The use of regular reporting and external evaluations provide opportunities to measure progress and evaluate the achievement of our objectives. Informal settings such as community meetings and conversations with participants allow us to gain a qualitative understanding of our projects from those implementing and experiencing the project at the grassroots level. We act on the findings of our monitoring and evaluation activities to build on project strengths and address project challenges.

Ongoing reflection allows us the opportunity to deepen our understanding and continually refine our practices. In every project over the past year we have again been reminded of the importance of our stakeholders. The success of a project is often determined by the experience and influence of the people involved and our ability as partners to maximise their contributions and increase their capacity. For example, when our partners are designing new Water, Sanitation and Hygiene (WASH) projects, we encourage and enable them to collaborate with experts – both locally and internationally – which increases their confidence, and the shared knowledge assists them in establishing strong foundations and objectives for the project.

Reflecting on learnings has highlighted that our greatest challenge – and therefore opportunity for improvement – is communication. Being part of an international organisation has many benefits, including collaboration opportunities and blending an exciting diversity of cultures and approaches. However, time differences, faulty technology, language obstacles and differing



opinions can slow down project processes and sometimes the strength of a partnership. To compensate for this disharmony, we prioritise our relationship with our partners. Being patient, choosing to listen more than speak, encouraging openness and having a willingness to appreciate different perspectives are all vital components of our partnerships that we are learning to refine daily.

Reflection and refining serves a significant purpose in the work of SAID. The intent is to maximise our impact and expand the shared knowledge of ourselves and partners.

Students from the Safe and Sound Schools program in Haiti enjoy going to school.

SAID board & staff

The Salvation Army International Development (SAID) team is responsible for the coordination of international community development projects designed to alleviate poverty. Through building the capacity of our overseas partners, we work together towards a long-term sustainable impact.

SAID also provides support through non-tax deductible donations to our Partners in Mission – territories within The Salvation Army that require financial assistance to fund their evangelical ministry.

In addition to a strong foundation in international development, members of the SAID team also have diverse qualifications in disciplines including law, communications, international relations, theology, advocacy and social sciences. We seek to use our knowledge and skills wisely to ensure the funds and responsibilities entrusted to us are well-managed.

The Salvation Army International Development

Executive Board

Colonel Mark Campbell (Board Chair) has a Bachelor of Administrative Leadership and a Master of Arts in Theological Studies. He brings a wealth of leadership to the board and loves seeing transformation in people's lives around the globe through the work of The Salvation Army.

Leigh Cleave has over 20 years' experience leading successful fundraising programs in the social services and healthcare/ medical research sectors. She is the Communications and Fundraising Director for the Australia Eastern Territory and is passionate about international development, having seen the benefits first-hand during her time working in South-East Asia.

Duncan Cook holds a doctorate in geography and is the Deputy Head of School of Arts and National Coordinator of Global and International Studies for the Australian Catholic University. He assists the board with identifying the impact of climate change on development and ensuring The Salvation Army maintains environmentally sustainable approaches.

Sarah Foxe has a special interest in ensuring programs have a lasting and sustainable impact on those in need. She is pursuing her Master of Business Administration in the area of social impact and has local and international community engagement experience with other non-profit organisations.

Arbin Kumar holds a Master of Business Administration in finance and has more than 10 years of experience in financial accounting, reporting and taxation for non-profit organisations. His contribution to the board assists The Salvation Army's international arm with its goal of contributing to sustainable economic growth and poverty reduction.

Amanda Walsh holds a Bachelor of Arts in Comparative Development and International Studies, and is a member of the Australian Institute of Company Directors. She is passionate about enabling a sustainable approach to the eradication of poverty and creating equality.

Guy Winship brings financial, governance and international development expertise, coupled with his bachelor degrees in social science and commerce. He is passionate about making a positive and lasting change in the lives of vulnerable, low-income women in the poorest regions of the world.



Special thanks and appreciation for their contribution to the SAID Board is given to:

Salvation Army
International Development team members, clockwise from top left: Rachael, Lieut-Colonel Simone, Mark, Alana, Connor and Clinton.

Craig Margetson – board member – served until March 2017

Margaret Carmody – board member – served until February 2017

Ian Jones – board member – served until February 2017

Sharon Walker – board member – served until February 2017

Ian Minnett – board chair – served until January 2017

Bernadette McCormack – board member – served until December 2016

About this report

The Salvation Army (NSW) Property Trust is a signatory to The Australian Council for International Development (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.



About this Annual Report

This Annual Report is for The Salvation Army (Australia) Self Denial Fund for Overseas Aid Eastern Territory ABN 52 609 689 893.

The information included within 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 structure of 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 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

To lodge a complaint against our organisation, please email InternationalDevelopment@aue.salvationarmy.org. Our complaints handling policy can be found on our website: www.salvos.org.au/said. If you are not satisfied with the response and believe our organisation has breached the ACFID Code of Conduct, you can lodge a complaint with the ACFID Code of Conduct Committee at code@acfid.asn.au. Information about how to make a complaint can be found at www.acfid.asn.au

Australian Government - Base Accreditation

The Australian Government accreditation, through the Department of Foreign Affairs and Trade (DFAT), provides assurance that our organisation is well-managed and capable of delivering quality development outcomes.

The Australian Government provides grants to SAID to implement our own aid and development programs through two channels: the Australian NGO Cooperation Program and Church Partnership Program.



Our Australian Government Partnerships

Australian NGO Cooperation Program (ANCP)

During this financial year, ANCP's contribution of \$150,000 was used as part of the Kenya Integrated Schools and Communities Water, Sanitation and Hygiene (WASH) Project.



Church Partnership Program (CPP)

The Salvation Army is one of seven churches in Papua New Guinea (PNG) supported by the Church Partnership Program, which is funded by the Australian Government. In the past year we received \$700,000 to fund 19 projects under the Phase 3 Transition of this program.

The CPP program reflects an approach to development that:

- Protects the dignity of each person and empowers the poor to advocate for their rights.
- Prioritises people's physical, spiritual and psychological well-being within their community.
- Utilises the churches' long-term sustainable presence and influence to reach the poor, particularly in rural areas.
- Strengthens church and community capacity to deliver quality services, without which development processes are not sustainable.

The 19 projects are under the umbrella of four different program outcome areas:

- Improved services delivered by PNG churches to local communities: education, literacy, health, HIV/AIDS, community development – small business vocational training, restorative justices.
- Strengthening PNG churches' institutional capacity for a pro-poor focus on development: church governance including strategic planning and training; management including IT, capacity building and monitoring and evaluation; human resources including training and studies.
- Enhanced church involvement in improving public sector performance: engagement with PNG Government.
- Crosscutting issues mainstreamed throughout CPP Phase: gender, child protection, environment, good practice and compliance, disability inclusiveness, human rights, sustainability, conflict resolution and peace building.

Financial Summary



Financial Summary

For the year ended 30 June 2017

Public funds raised totalled \$2.78m and comprised 60% of operating revenue for 2017, compared with 62% in 2016. Public funds included donations and gifts received from Australian individuals and organisations, as well as non-monetary income such as volunteer service.

DFAT Grant income valued at \$0.85m, contributed to 19% of operating revenue. Investment income received was \$0.13m, other income was \$0.52m, and Income for religious adherence programs was \$0.3m.

Program expenditure was 62% of operating expenditure for 2017, a decrease compared to 77% in 2016.

Fundraising costs accounted for 9% of total expenditure, an increase compared to 1% in 2016. Accountability and administration costs were 10% of expenditure in 2017, an increase compared to 7% in 2016. Expenditure for religious adherence programs was 19% in 2017, an increase compared to 13% in 2016.

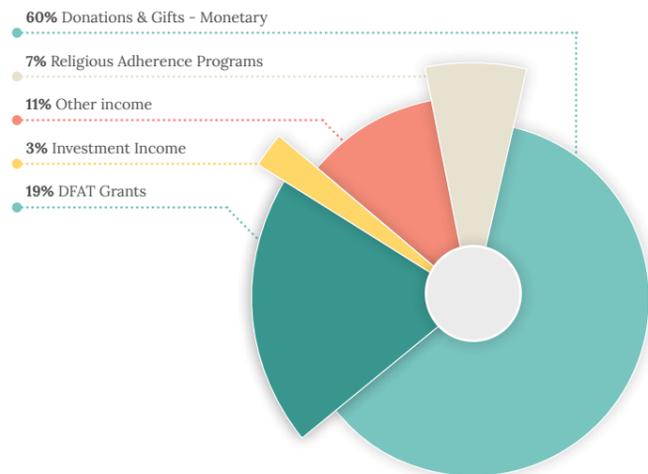
We are a signatory to the Australian Council for International Development's Code of Conduct

The full annual and financial reports for the year ended 30 June 2017 are available on The Salvation Army website at salvos.org.au/international-development/about/annual-reports-and-publications

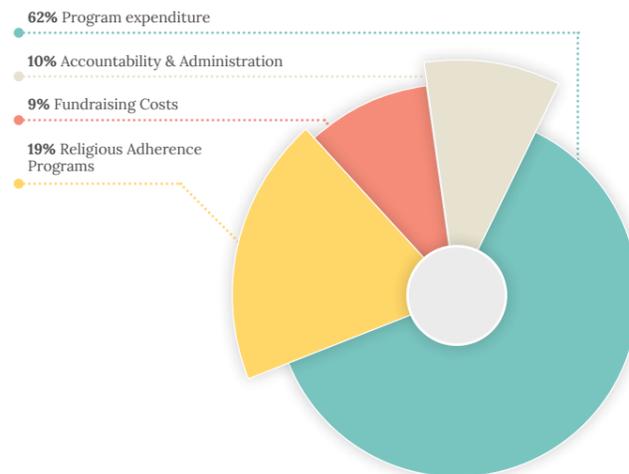
The Financial Report has been prepared in accordance with the requirements set out in the Australian Council for International Development (ACFID) Code of Conduct. The Salvation Army Australia Eastern Territory is committed to full adherence to this code.

For further information on the Code, please refer to the ACFID Code of Conduct website at www.acfid.asn.au/code-of-conduct.

% of total income in 2017



% of total expenditure in 2017



Statement of Comprehensive Income

For the year ended 30 June 2017

	2017 \$	2016 \$
Revenue		
Donations and Gifts		
Monetary	2,778,982	3,237,511
Non-monetary	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	118,061
Commercial Activities Income	-	-
Other Income *	524,623	579,350
Revenue for International Political or Religious Adherence Programs	300,000	300,000
Total revenue	4,599,372	5,536,130
Expenditure		
International Aid and Development Programs Expenditure		
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	16,718	6,828
Other Expenditure	-	-
Total International Aid and Development Programs Expenditure	3,487,048	5,870,732
Expenditure for International Political or Religious Adherence Programs	818,942	837,619
Domestic Programs Expenditure	-	-
Total Expenditure	4,305,990	6,708,351
Excess / (Shortfall) of Revenue over Expenditure	293,382	(1,172,221)
Other Comprehensive Income	-	-
Total Comprehensive Income / (Loss) for the year	293,382	(1,172,221)

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).

These summary 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 available at www.acfid.asn.au

This financial report is a summarised version of our full financial report. Copies of our 2016-17 audited financial report can be obtained by visiting www.salvos.org.au/said/about-us/annual-reports-and-policies

Statement of Financial Position

For the year ended 30 June 2017

	2017 \$	2016 \$
Current Assets		
Cash and Cash Equivalents	3,232,864	2,845,331
Trade and Other Receivables	67,987	109,832
Other Financial Assets	2,693,672	2,676,456
Total Current Assets	5,994,523	5,631,619
Non-Current Assets		
Plant and Equipment	1,598	-
Total Non-Current Assets	1,598	-
Total Assets	5,996,121	5,631,619
Current Liabilities		
Trade and Other Payables	29,720	14,820
Provisions	52,055	11,314
Total Current Liabilities	81,775	26,134
Non-Current Liabilities		
Provisions	27,445	11,966
Total Non-Current Liabilities	27,445	11,966
Total Liabilities	109,220	38,100
Net Assets	5,886,901	5,593,519
Equity		
Reserves	5,886,901	5,593,519
Total Equity	5,886,901	5,593,519

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	5,886,901

Statement of Cash Flows

For the year ended 30 June 2017

	2017 \$	2016 \$
Cash flows from operating activities		
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	387,533	(1,185,993)
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	3,232,864	2,845,331

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International Aid Project Expenditure by Country

For the year ended 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 ¹	125,520	1. Kenyan Integrated Schools and Communities, Water, Sanitation and Hygiene Project
Papua New Guinea ²	637,000	
	762,520	2. 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
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	19,425	
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	

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 This financial report is a summarised version of our full financial report. Copies of our 2016-17 audited financial report can be obtained by visiting www.salvos.org.au/said/about-us/annual-reports-and-policies

Trustees' Declaration

For the year ended 30 June 2017

The Statement present for The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) Eastern Territory, which comprises of statement of comprehensive income, statement of financial position, statement of changes in equity, and statement of cash flows for the year ended 30 June 2017 ("the Statements") have been prepared by the Trustees based on the Australian Council for International Development (ACFID) Code of Conduct, for the purpose of fulfilling The Salvation Army's reporting requirements to ACFID, 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, required by Accounting Standards and other mandatory professional reporting requirements in Australia.

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 as set out on pages 29 to 31 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

Daniel Robinson
Partner

Sydney

31 October 2017



"My family and I are thankful to The Salvation Army..."



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 Summary Financial Report

Opinion

The **Summary Financial Report** of The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) Eastern Territory (the Entity) is derived from the Audited Financial Report of the Entity as at and for the year ended 30 June 2017 (Audited Financial Report).

In our opinion, the accompanying Summary Financial Report is consistent, in all material respects, with the Audited Financial Report of The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) Eastern Territory, and has been prepared in accordance with the requirements set out in the *Australian Council for International Development (ACFID) Code of Conduct*.

The **Summary Financial Report** comprises:

- Statement of financial position as at 30 June 2017
- Statement of comprehensive income; Statement of changes in equity and Statement of cash flows for the year then ended.

Summary Financial Report

The Summary Financial Report does not contain all the disclosures required by *Australian Accounting Standards – Reduced Disclosure Requirements* applied in the preparation of the Audited Financial Report. Reading the Summary Financial Report and the auditor's report thereon, therefore, is not a substitute for reading the Audited Financial Report and the auditor's report thereon.

The Summary Financial Report and the Audited Financial Report do not reflect the effects of events that occurred subsequent to the date of our report on the Audited Financial Report.

The Audited Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the Audited Financial Report in our report dated 24 October 2017.



Emphasis of matter – basis of preparation and restriction on use and distribution

The Summary Financial Report has been prepared in accordance with the requirements of the ACFID Code of Conduct to assist the Trustees of The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) Eastern Territory meet its reporting requirements with ACFID.

As a result, the Summary Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Trustees of The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) Eastern Territory and should not be used by or distributed to parties other than the Trustees of The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) Eastern Territory. We disclaim any assumption of responsibility for any reliance on this report, or on the Summary Financial Statements to which it relates, to any person other than the Trustees of The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) Eastern Territory or for any other purpose than that for which it was prepared.

Responsibility of Management for the Summary Financial Report

Management are responsible for the preparation of the Summary Financial Report in accordance with the ACFID Code of Conduct.

Those charged with governance are responsible for overseeing the Agency's financial reporting process.

Auditor's responsibility for the audit of the Summary Financial Report

Our responsibility is to express an opinion on whether the Summary Financial Report is consistent, in all material respects, with the Audited Financial Report based on our procedures, which were conducted in accordance with *Australian Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements*.



KPMG

Daniel Robinson

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

Sydney
31 October 2017



**The Salvation Army
Australia Eastern Territory
International Development Annual Report 2017**

Post: **PO Box A435 Sydney South 1235**

Phone: **02 9466 3105**

Email: **InternationalDevelopment@ae.salvationarmy.org**

This Annual Report is also available online, along with the fully audited financial statements for 2016/17, at **salvos.org.au/international**