

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

**Financial report - 30 June 2016**

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

**Statement of Comprehensive Income**  
**for the year ended 30 June 2016**

	Notes	2016 \$	2015 \$
<b>Revenue</b>			
Donations and gifts			
Monetary		3,237,511	3,377,380
Non-monetary	3	6,828	-
Bequests and legacies		288,552	-
Grants			
Department of Foreign Affairs and Trade		1,005,828	1,150,743
Other Australian		-	-
Other overseas		-	-
Investment income		118,061	169,845
Other income *		579,350	2,639,304
Revenue for international political or religious adherence programs		300,000	300,000
<b>Total revenue</b>		<u>5,536,130</u>	<u>7,637,272</u>
<b>Expenditure</b>			
<b>International aid and development programs expenditure</b>			
International programs:			
Funds to international programs		4,697,052	5,124,266
Program support costs		198,777	-
Community education		-	-
Fundraising costs:			
Public		85,573	126,907
Government, multilateral and private		-	-
Accountability and administration		882,502	1,007,263
Non monetary expenditure	3	6,828	-
<b>Total international aid and development programs expenditure</b>		<u>5,870,732</u>	<u>6,258,436</u>
Expenditure for international political or religious adherence programs		837,619	819,939
Domestic programs expenditure		-	-
<b>Total expenditure</b>		<u>6,708,351</u>	<u>7,078,375</u>
<b>Excess / (shortfall) of revenue over expenditure</b>		<u>(1,172,221)</u>	<u>558,897</u>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income / (loss) for the year</b>		<u>(1,172,221)</u>	<u>558,897</u>

**Note:**

\* 2016 Includes \$23,618 Support Funding from The Salvation Army Eastern Territory to cover the shortfall of The Salvation Army Internation Development Office (SAID).

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

**Statement of Financial Position**  
**as at 30 June 2016**

	Notes	2016 \$	2015 \$
<b>Current Assets</b>			
Cash and cash equivalents	4	2,845,331	4,031,324
Trade and other receivables	5	109,832	118,398
Other financial assets	6	2,676,456	2,683,726
Total current assets		<u>5,631,619</u>	<u>6,833,448</u>
<b>Non Current Assets</b>			
Plant and Equipment	7	<u>-</u>	2,885
Total non current assets		<u>-</u>	<u>2,885</u>
<b>Total Assets</b>		<u>5,631,619</u>	<u>6,836,333</u>
<b>Current Liabilities</b>			
Trade and other payables	8	14,820	14,794
Provisions	9	11,314	26,748
Total current liabilities		<u>26,134</u>	<u>41,542</u>
<b>Non Current Liabilities</b>			
Provisions	9	11,966	29,051
Total non current liabilities		<u>11,966</u>	<u>29,051</u>
<b>Total Liabilities</b>		<u>38,100</u>	<u>70,593</u>
<b>Net Assets</b>		<u>5,593,519</u>	<u>6,765,740</u>
<b>Equity</b>			
Reserves		5,593,519	6,765,740
<b>Total Equity</b>		<u>5,593,519</u>	<u>6,765,740</u>

The following accounts had a zero balance as at 30 June 2016: inventories, assets held for sale, investment property, intangibles, borrowings, current tax liabilities, retained earnings.

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

Statement of Changes in Equity  
For the year ended 30 June 2016

	<b>Reserves</b>
	<b>\$</b>
<b>Balance as at 1 July 2015</b>	6,765,740
Amount transferred to / (from) reserves	(1,172,221)
<b>Balance as at 30 June 2016</b>	<u><u>5,593,519</u></u>

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

**Statement of Cash Flows**  
**For the year ended 30 June 2016**

	Notes	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Donations received		4,116,861	6,205,088
Bequests and legacies received		288,552	111,596
Government grants received		1,005,828	1,150,743
Interest received		107,219	158,754
Payment to suppliers and employees		(1,169,782)	(1,020,192)
Distribution to overseas partners		(5,534,671)	(5,944,205)
Net cash provided by / (used in) operating activities		<u>(1,185,993)</u>	<u>661,783</u>
<b>Cash flows from investing activities</b>			
Purchase of long term deposits - other financial assets		-	(622,500)
Net cash provided by / (used in) investing activities		<u>-</u>	<u>(622,500)</u>
<b>Net increase/(decrease) in cash held</b>		(1,185,993)	39,283
<b>Cash and cash equivalents at the beginning of year</b>		4,031,324	3,992,041
<b>Cash and cash equivalents at the end of year</b>	<b>4</b>	<u><u>2,845,331</u></u>	<u><u>4,031,324</u></u>

**The Salvation Army (Australia)**  
**Self Denial Fund (For Overseas Aid) Eastern Territory**  
**Table of cash movements for designated purposes**  
**for the year ended 30 June 2016**

	Cash available at beginning of year	Cash raised during year	Cash disbursed during year	Cash available at end of year
	\$'000	\$'000	\$'000	\$'000
Self Denial Appeal	2,461	2,477	3,668	1,270
Gift Catalogue	463	169	521	111
Sponsorship appeal	49	410	196	263
Australian NGO Cooperation program	57	1,276	1,333	-
Total for other non- designated purposes	1,001	653	453	1,201
<b>Total</b>	<b>4,031</b>	<b>4,985</b>	<b>6,171</b>	<b>2,845</b>

**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](http://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](http://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](http://www.salvos.org.au/said).

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

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

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

Trustee	Period	Qualifications
Commissioner J Condon	1 Jul 15 to 31 May 16	
Colonel M Campbell	1 Jul 15 to 30 Jun 16	BA Leadership (UNE), MA Theological Studies (SCD)
Mr IC Minnett	1 Jul 15 to 30 Jun 16	B Com UNSW, FCA, GAICD

The countries which received overseas aid during 2015/16 financial year are summarised as follows:

DFAT Projects	\$	
Kenya	508,985	Kenyan Integrated Schools and Communities Water, Sanitation and Hygiene Project
Papua New Guinea	824,894	The Church Partnership Program - This funding is for 30 projects throughout PNG - under the headings of: Governance of Churches, Management, Human Resource, Physical Resource, Planning, Monitoring & Evaluation, Education, Health, HIV/AIDS, Community Development
	1,333,879	

Sponsorship Projects	
Caribbean	115,047
India	68,501
Kenya East	4,680
Pakistan	7,240
	195,468

Overseas Projects funded by Self Denial Appeal and other donations	
China	54,411
Fiji	28,800
Ghana	1,622
Haiti	27,309
IHQ International Projects	977,430
India	424,985
Kenya East	149,027
Kenya West	336,321
Malawi	378,005
Mozambique	1,337
Myanmar	33,372
Other	11,627
Pakistan	200,441
Philippines	26,494
PNG	352,674
Russia	29,084
Sierre Leone	13,369
Singapore	1,595
South Africa	59,958
Swaziland	59,209
Taiwan	46,805
Tanzania	648,741
	3,862,614

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

**Notes to the financial statements  
30 June 2016**

**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 2016 were approved and authorised for issue by the board of Trustees on 2 November 2016

**2 Summary of accounting policies**

**a) Overall considerations**

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

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 2016**

**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) Loans and receivables*

*ii) Financial assets at fair value through profit or loss ('FVTPL')*

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

*i) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Fund's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

*ii) 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 2016**

**i) 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.

**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 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).

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

**Notes to the financial statements**  
**30 June 2016**

- 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 2016.

**3 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 2016, 108 volunteer hours were provided to the Fund by 3 volunteers at a commercial value of \$6,828.

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

**Notes to the financial statements**  
**30 June 2016**

	2016	2015
	\$	\$
<b>4 Cash and cash equivalents</b>		
Cash at bank	2,844,881	4,031,324
Cash on hand	450	-
	2,845,331	4,031,324
<b>5 Trade &amp; other receivables</b>		
Sundry debtors	109,832	116,665
Deposits & advances	-	1,733
	109,832	118,398
<b>6 Other financial assets</b>		
Term deposits	622,500	622,500
Diversified investment fund	2,053,956	2,061,226
	2,676,456	2,683,726
<b>7 Plant &amp; equipment</b>		
Computer equipment	-	2,885
<b>8 Trade &amp; other payables</b>		
Sundry Creditors	7,955	11,472
Accruals	6,864	3,322
	14,820	14,794
<b>9 Provisions</b>		
Current		
Annual Leave	10,523	26,748
Long Service leave	791	-
	11,314	26,748
Non-current		
Long Service Leave	11,966	29,051

**10 Contingent liabilities**

There are no contingent liabilities that have been incurred by the Fund in relation to 2016 or 2015.

**11 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.

**12 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.

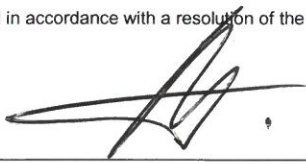
**The Salvation Army (Australia)  
Self Denial Fund (For Overseas Aid) Eastern Territory**

**Trustees' declaration  
30 June 2016**

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 12 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 2016 and of the performance for the financial year ended on that date.

Signed in accordance with a resolution of the Trustees.

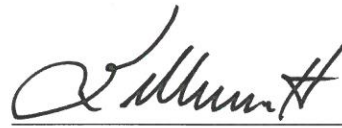


Colonel Mark TS Campbell (BA Leadership (UNE), MA Theological Studies (SCD))

Chief Secretary-In-Charge  
Trustee

Sydney,

2 November 2016



Ian C Minnett (B Com UNSW, FCA, GAICD)

Chief Financial Officer  
Trustee

Sydney,

2 November 2016



***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 (the Company)

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016 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.

A handwritten signature of 'KPMG' in black ink, written in a cursive, stylized font.

KPMG

A handwritten signature of 'Daniel Robinson' in black ink, written in a cursive, stylized font.

Daniel Robinson  
*Partner*

Sydney

2 November 2016



## **Independent auditor's report to the Trustees of The Salvation Army (Australia) Self Denial Fund for Overseas Aid Eastern Territory**

### **Report on the financial report**

We have audited the accompanying financial report of The Salvation Army (Australia) Self Denial Fund for Overseas Aid Eastern Territory (the Entity), which comprises the statement of financial position as at 30 June 2016, and statement of comprehensive income, statement of changes in equity, statement of cash flows and table of cash movements for designated purposes for the year ended on that date, notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information and the trustees' declaration of the Entity.

This audit report has also been prepared for the Trustees of the Entity in pursuant to *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC) and have been prepared based on Australian Council for International Development's (ACFID) code of conduct (the "Code").

#### *Trustees' responsibility for the financial report*

The Trustees of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the ACNC and the Code. The Trustees' responsibility also includes such internal control as the Trustees determine necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of the financial report that gives a true and fair view 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 directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report gives a true and fair view, in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the ACNC and the Code, which is consistent with our understanding of the Entity's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Independence*

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

*Auditor's opinion*

In our opinion, the financial report of The Salvation Army (Australia) Self Denial Fund for Overseas Aid Eastern Territory is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the Code including:

- (a) giving a true and fair view of the Entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013* and the Code.

KPMG

Daniel Robinson  
*Partner*  
*Chartered Accountant*  
*Auditor Registration Number: 471131*  
*E-mail: dsrobinson@kpmg.com.au*

Sydney  
2 November 2016