



The Salvation Army Australia Territory

Territorial Headquarters

95-99 Railway Road, Blackburn, Victoria, 3130
PO Box 479 Blackburn, Victoria, 3130

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

ABN 52 609 689 893

ABN 15 562 601 404

Aggregated Annual Financial Report 2021

**The Salvation Army (Australia)
Self Denial Fund (For Overseas Aid)
Aggregated Financial Report - 30 June 2021**

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The Salvation Army (Australia)
Self Denial Fund (For Overseas Aid)
Aggregated Financial Report
Aggregated Statement of Comprehensive Income
For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Revenue			
Donations and gifts			
Monetary	3	4,060,114	3,987,890
Non-monetary	4	5,155	12,320
Bequests and legacies		62,317	72,845
Grants			
Department of Foreign Affairs and Trade		150,120	651,500
Other Australian		-	-
Other overseas		-	-
Investment income		70,240	130,437
Commercial activities income		-	-
Other income *		874,605	1,071,083
Revenue for international religious adherence programs		200,000	300,000
Total revenue		<u>5,422,551</u>	<u>6,226,075</u>
Expenditure			
International aid and development programs expenditure			
International programs:			
Funds to international programs		2,280,213	2,139,957
Program support costs		645,370	725,936
Community education		-	-
Fundraising costs:			
Public		147,372	270,099
Government, multilateral and private		-	-
Accountability and administration		537,391	547,066
Commercial activities expenditure		-	-
Non-monetary expenditure	4	5,155	12,320
Other expenditure		-	-
Total international aid and development programs expenditure		<u>3,615,501</u>	<u>3,695,378</u>
Expenditure for international religious adherence programs		1,239,431	1,755,646
Domestic programs expenditure		-	-
Total expenditure		<u>4,854,932</u>	<u>5,451,024</u>
Excess of revenue over expenditure		<u>567,619</u>	<u>775,051</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>567,619</u>	<u>775,051</u>

Note:

* 2021 includes \$737,006 (2020: \$1,036,418) contribution from The Salvation Army Australia to cover the shortfall of The Salvation Army International Development Office (SAID) and International Fundraising Department.

The above aggregated Statement of Comprehensive Income should be read in conjunction with the accompanying notes on Pages 7 to 11.

The Salvation Army (Australia)
Self Denial Fund (For Overseas Aid)
Aggregated Financial Report
Aggregated Statement of Financial Position
As at 30 June 2021

	Notes	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	5	10,498,368	10,137,384
Trade and other receivables	6	80,709	169,029
Other financial assets	7	2,091,405	2,075,578
Total current assets		<u>12,670,482</u>	<u>12,381,991</u>
Non-current assets			
Right of use assets		1,936	-
Total Non-current assets		<u>1,936</u>	<u>-</u>
Total assets		<u>12,672,418</u>	<u>12,381,991</u>
Current liabilities			
Trade and other payables	8	147,996	395,238
Provisions	9	51,535	93,957
Lease Liabilities		1,590	-
Total current liabilities		<u>201,121</u>	<u>489,195</u>
Non-current liabilities			
Provisions	9	19,906	11,114
Lease liabilities		2,090	-
Total Non-current liabilities		<u>21,996</u>	<u>11,114</u>
Total liabilities		<u>223,117</u>	<u>500,309</u>
Net assets		<u>12,449,301</u>	<u>11,881,682</u>
Equity			
Reserves		12,449,301	11,881,682
Total equity		<u>12,449,301</u>	<u>11,881,682</u>

Note:

The above aggregated Statement of Financial Position should be read in conjunction with the accompanying notes on Pages 7 to 11.

The Salvation Army (Australia)
Self Denial Fund (For Overseas Aid)
Aggregated Financial Report
Aggregated Statement of Changes in Equity
For the year ended 30 June 2021

	Retained Earnings \$
Balance as at 1 July 2019	11,106,631
Amount transferred to Reserves	775,051
Balance as at 30 June 2020	<u>11,881,682</u>
Balance as at 1 July 2020	11,881,682
Amount transferred to Reserves	567,619
Balance as at 30 June 2021	<u>12,449,301</u>

Note:

The above aggregated Statement of Changes in Equity should be read in conjunction with the accompanying notes on Pages 7 to 11.

The Salvation Army (Australia)
Self Denial Fund (For Overseas Aid)
Aggregated Financial Report
Aggregated Statement of Cash Flows
For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Donations received		4,148,435	3,909,760
Other income received		1,074,605	1,371,083
Bequests and legacies received		62,317	72,845
Government grants received		150,120	651,500
Interest received		54,412	130,166
Lease interest payment		164	-
Payment to suppliers and employees		(1,609,421)	(1,215,075)
Distribution to overseas partners		(3,519,647)	(3,895,603)
Net cash provided by operating activities		360,985	1,024,676
Net increase in cash and cash equivalents		360,985	1,024,676
Cash and cash equivalents at the beginning of year		10,137,383	9,112,707
Cash and cash equivalents at the end of year	5	10,498,368	10,137,383

Note:

The above aggregated Statement of Cash Flows should be read in conjunction with the accompanying notes on Pages 7 to 11.

**The Salvation Army (Australia)
Self Denial Fund (For Overseas Aid)
Aggregated Financial Report
International Aid Project Expenditure by Country
For the year ended 30 June 2021**

The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) ABN 52 609 689 893 and The Salvation Army Aust Self Denial Fund (For Overseas Aid) ABN 15 562 601 404 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 are the members of the Governing Body for The Salvation Army (Australia) Self Denial Fund (For Overseas Aid).

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

Trustee	Period	Qualifications
Commissioner Robert Donaldson	July 2020 to June 2021	B Science, Diploma Licentiate Theology, Post Grad Diploma Business Administration, Members Institute of Directors
Colonel Geanette Seymour	July 2020 to June 2021	B Social Work, BSW
Colonel Winsome Merrett	July 2020 to June 2021	B Speech Therapy, MA Theological Studies
Colonel Kelvin Merrett	July 2020 to June 2021	Associate Theology, Grad Diploma Theology
Lieut-Colonel Lynette Edge	July 2020 to June 2021	D Ministry (Missiology), M Theology, M Management (Community), BA (Welfare Studies)
Lieut-Colonel Winsome Mason	July 2020 to June 2021	B Education
Captain Colin Reynolds	July 2020 to June 2021	B Theology, Grad Diploma in Bible, M Theology Studies

The countries that received overseas aid during 2020/21 financial year are summarised as follows:

DFAT Projects	\$	
Malawi	105,118	Malawi - KiWASH Karonga Integrated WASH and Food Security Program
	<u>105,118</u>	

Sponsorship Projects	\$
India Northern	78,687
Kenya East	251,688
Kenya West	209,386
Malawi	242,254
Pakistan	5,858
The Philippines	45,459
Southern Africa	7,367
Sri Lanka	8,324
Tanzania	112,420
	<u>961,443</u>

Overseas projects funded by Self Denial Appeal and other donations	\$
IHQ International Projects	1,122,823
India Northern	126,714
Indonesia	158,958
Kenya East	80,202
Kenya West	195,883
Malawi	345,474
Papua New Guinea	32,417
Rwanda	12,553
The Philippines	70,470
Singapore, Malaysia & Myanmar	47,169
Southern Africa	54,838
Tanzania	54,292
Uganda	151,290
	<u>2,453,083</u>

**The Salvation Army (Australia)
Self Denial Fund (For Overseas Aid)
Aggregated Financial Report
Notes to the Aggregated Financial Statements
For the year ended 30 June 2021**

1 General information and statement of compliance

The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) is a member of the Australia Council for International Development (ACFID) and has applied the principles of the ACFID Code of Conduct for Non government development organisation. The application of these principles includes certain disclosures in the attached financial statements.

The financial report includes the financial statements and notes of The Salvation Army (Australia) Self Denial Fund (For Overseas Aid). The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) 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 special purpose aggregated financial statements comply with all of the general purpose financial statement requirements of Tier 2 in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board (AASB), the Australian Charities and Not-for-profit Commission Act (ACNC) 2012 (Cth) and the Australian Charities and Not-for-profit Commission Regulations 2013 (Cth) except that the aggregated entities that comprise the Social Fund do not constitute a group for the purpose of AASB 10 Consolidated Financial Statements.

The financial statements for the year ended 30 June 2021 were approved and authorised for issue by the Board of Trustees on 27 August 2021.

2 Summary of accounting policies

a) Overall considerations

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

b) Basis of aggregation

The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) Financial Report incorporates the assets and liabilities as at 30 June 2021 and the results for the year ended 30 June 2021.

The Aggregated Financial Report aggregated the financial information of The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) ABN 52 609 689 893 and The Salvation Army Aust Self Denial Fund (For Overseas Aid) ABN 15 562 601 404. The balances and effects of transactions between The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) ABN 52 609 689 893 and The Salvation Army Aust Self Denial Fund (For Overseas Aid) ABN 15 562 601 604 have been eliminated.

c) 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 Salvation Army (Australia) Self Denial Fund (For Overseas Aid) 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 Salvation Army (Australia) Self Denial Fund (For Overseas Aid) obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) 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 Salvation Army (Australia) Self Denial Fund (For Overseas Aid) 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).

d) Cash and cash equivalents

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

The Salvation Army (Australia)
Self Denial Fund (For Overseas Aid)
Aggregated Financial Report
Notes to the Aggregated Financial Statements
For the year ended 30 June 2021

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 Salvation Army (Australia) Self Denial Fund (For Overseas Aid) 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 Salvation Army (Australia) Self Denial Fund (For Overseas Aid) 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 Salvation Army (Australia) Self Denial Fund (For Overseas Aid) 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 Salvation Army (Australia) Self Denial Fund (For Overseas Aid) to the employees' superannuation funds.

f) Income tax

No provision for income tax has been raised as The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

g) Financial instruments

Classification and measurement of financial assets and financial liabilities

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as measure at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. On initial recognition, The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The following accounting policies apply to the subsequent measurement of financial assets held by The Salvation Army (Australia) Self Denial Fund (For Overseas Aid):

- Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. the amortised cost is reduced by impairment losses. interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

- Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) does not have any debt or equity investments at FVTOCI.

Measurement categories of financial assets

Cash and cash equivalents, trade and other receivables, and other financial assets are now classified at amortised cost.

Modifications of financial assets and financial liabilities:

If the terms of a financial asset are modified, The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, the contractual rights to cash flows from the original financial asset are deemed to have expired. The original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset are not substantially different, The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) recalculates the gross carrying amount of the financial asset and recognises the derecognition as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, the gain or loss is presented together with impairment losses.

Financial liabilities

The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) classifies non-derivative financial liabilities into the other financial liabilities category. These include trade and other payables and provisions.

The Salvation Army (Australia)
Self Denial Fund (For Overseas Aid)
Aggregated Financial Report
Notes to the Aggregated Financial Statements
For the year ended 30 June 2021

The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Financial liabilities are initially recognised when The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) becomes party to the contractual provisions of the instrument. A financial liability is initially measured at fair value plus transaction costs that are directly attributable to its issue.

h) 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.

i) 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.

j) Leases (AASB 16)

At inception of a contract, The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) assesses whether:

- The contract involves the use of an identified asset - this may be specified explicitly or implicitly;
- The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) has the right to obtain substantially all of economic benefits from use of asset throughout the period of use and;
- The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) has the right to direct the use of the asset. The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

At commencement or on modification of a contract that contains a lease component, The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) recognises the right-of-use asset and a lease liability at the lease commencement date. The right-of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site in which it is located, less any lease incentives received.

**The Salvation Army (Australia)
Self Denial Fund (For Overseas Aid)
Aggregated Financial Report
Notes to the Aggregated Financial Statements
For the year ended 30 June 2021**

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. Generally, The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) uses its incremental borrowing rate as the discount rate.

The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'trade and other payables' in the statement of financial position.

Short-term leases and leases of low-value assets

The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) has elected not to recognise the right-of-use assets and lease liabilities for short-term leases of equipment that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

k) New Standards and interpretations not yet adopted

A number of new standards and interpretations are effective for periods beginning after 1 July 2020 and earlier application is permitted, however The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) has not early adopted the new or amended standards and interpretations in preparing these financial statements.

3 Monetary gifts and donations

	2021 \$	2020 \$
Tax deductible revenue	2,319,918	2,245,935
Non tax deductible revenue	1,740,196	1,741,955
	<u>4,060,114</u>	<u>3,987,890</u>

4 Non-monetary gifts and donations

The work of The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) is supported by a number of volunteers each year. The contributions from our volunteers mean that The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) is able to deliver a greater proportion of cash donations directly to field projects. During the year ended 30 June 2021, 68 volunteer hours were provided to The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) by 4 volunteers at a commercial value of \$5,155.

5 Cash and cash equivalents

Cash at bank	10,498,157	10,137,177
Cash on hand	211	207
	<u>10,498,368</u>	<u>10,137,384</u>

6 Trade & other receivables

Prepayment	335	-
Sundry debtors	80,374	169,029
	<u>80,709</u>	<u>169,029</u>

7 Other financial assets

Diversified investment fund	2,091,405	2,075,578
	<u>2,091,405</u>	<u>2,075,578</u>

8 Trade & other payables

Accruals	147,996	395,238
	<u>147,996</u>	<u>395,238</u>

**The Salvation Army (Australia)
Self Denial Fund (For Overseas Aid)
Aggregated Financial Report
Notes to the Aggregated Financial Statements
For the year ended 30 June 2021**

9 Provisions

	2021	2020
	\$	\$
Current		
Annual leave	51,535	74,579
Long service leave	-	19,378
	51,535	93,957
Non-current		
Long service leave	19,906	11,114

10 Contingent liabilities

There are no contingent liabilities that have been incurred by the Fund in relation to 2021 or 2020.

11 Commitments

The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) 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. As at 30 June 2021, Total Equity has a balance of \$12,449,301. As part of this amount, The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) has an intention to provide funding of USD\$4,114,235 for projects in 2022 and beyond, however, this does not represent a legal commitment. The USD currency is based on an exchange rate of 0.7518 and the AUD currency conversion is subject to exchange rate fluctuation.

12 Related parties transactions

(a) Key management personnel

During the financial year the total amount of remuneration paid or payable to a group of key management personnel was \$390,113 (2020: \$656,421).

(b) Other transactions with related parties

The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) has received contribution income from The Salvation Army New Zealand, Fiji, Tonga and Samoa Territory. As at 30 June 2021, The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) recognised as income of \$26,500 (2020: \$26,050).

13 Events subsequent to balance date

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

**The Salvation Army (Australia)
Self Denial Fund (For Overseas Aid)
Aggregated Financial Report
Trustees' Declaration
For the year ended 30 June 2021**

The Statements presented for The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) ABN 52 609 689 893 and The Salvation Army Aust Self Denial Fund (For Overseas Aid) ABN 15 562 601 404, which comprises of aggregated statement of comprehensive income, aggregated statement of financial position, aggregated statement of changes in equity, and aggregated statement of cash flows for the year ended 30 June 2021 ("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 (Australia) Self Denial Fund (For Overseas Aid):

- (a) there are reasonable grounds to believe that The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) 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 11 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 2021 and of the performance for the financial year ended on that date.

Signed in accordance with a resolution of the Trustees.



Commissioner Robert W Donaldson
(BSc, Lth, PGDipBusAdmin and MInstD (NZ))
Territorial Commander
Trustee

Melbourne
Date: 27 August 2021



Colonel Winsome J Merrett
(B Speech Therapy, MA Theological Studies)
Chief Secretary
Trustee

Melbourne
Date: 27 August 2021



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)

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year
ended 30 June 2021 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

Daniel Robinson

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

Sydney
27 August 2021



Independent Auditor's Report

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

Opinion

We have audited the **Aggregated Financial Report**, of the Salvation Army (Australia) Self Denial Fund (For Overseas Aid) (the Aggregated Fund).

In our opinion, the accompanying **Aggregated Financial Report** of the Aggregated Fund is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- i. giving a true and fair view of the Aggregated Fund's financial position as at 30 June 2021, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Aggregated Financial Report** comprises:

- i. Aggregated statement of financial position as at 30 June 2021.
- ii. Aggregated statement of comprehensive income, Aggregated statement of changes in equity, and Aggregated statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Trustees' declaration

The **Aggregated Fund** consists of The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) Eastern Territory and The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) Southern Territory.

Basis for opinion

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

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

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

Emphasis of matter – basis of preparation and restriction on use

We draw attention to Note 1 to the Aggregated Financial Report, which describes the basis of preparation.

The Aggregated Financial Report has been prepared for the purpose of fulfilling the Trustees' financial reporting responsibilities under the *ACNC Act 2012*. As a result, the Aggregated 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 Entity and ACNC and should not be used by any other party. We disclaim any assumption of responsibility for any reliance on this Auditor's Report, or on the Aggregated Financial Report to which it relates to any person other than the Trustees of the Entity and ACNC.

Responsibilities of Management for the Aggregated Financial Report

Management is responsible for:

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

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

Our objective is:

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

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

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

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- i. Identify and assess the risks of material misstatement of the Aggregated Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the Audit 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 registered Aggregated Fund's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- iv. Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty



exists related to events or conditions that may cast significant doubt on the registered Aggregated Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Aggregated Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Aggregated Fund to cease to continue as a going concern.

- v. Evaluate the overall presentation, structure and content of the Aggregated Financial Report, including the disclosures, and whether the Aggregated Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.
- vi. Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Aggregated Fund to express an opinion on the Aggregated Financial Report. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor remains solely responsible for the audit opinion.

We communicate with the Trustees of the Aggregated Fund regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

Daniel Robinson

Partner
Chartered Accountant
Auditor Registration Number: 471131
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Sydney
27 August 2021