
THE SALVATION ARMY
INTERNATIONAL DEVELOPMENT

ANNUAL REPORT

2018





**Thank you for partnering with us
as we work together towards an
equitable, secure and sustainable
future for all.**

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TAKING OUR WORK TO THE WORLD

National Commander, Commissioner Floyd Tidd

Since June 2016, The Salvation Army Australia has been transitioning into one united territory. The benefits are many and will continue to be felt for years to come. Our new approach boosts our ability to innovate, and the national platform delivers greater impact; we will be able to meet more human need than we ever have before. Building on the best of each territory, today's strong, united team allows us to advance on our promise of an abundant life for every Australian.

And what we do in Australia, Salvation Army International Development (SAID) takes out into the world. Our international development strategy evolves to meet the world's changing needs yet the constant, here and in every territory, is sharing the love of Jesus.

We do this by:

- Caring for people
- Creating faith pathways
- Building healthy communities
- Working for justice

This mandate allows us to deliver not just the hope of a better life, but the means to achieve it. And it empowers communities around the globe to prosper economically, socially and spiritually.

None of this would be possible without you – we are so grateful for everything you do. In turn, your generosity inspires us every day to do more.

Blessings,



Commissioner Floyd Tidd
National Commander
The Salvation Army Australia

SAID Council Chair, Lieutenant-Colonel Winsome Merrett

The Salvation Army's founder, William Booth, the pioneering evangelist, mobilised 16,000 loyal followers in his lifetime across the world to promote the good news of hope in Jesus. As we continue working towards a world restored by the love of Christ, we have embraced his pioneering spirit as one of our four pillars for the future.

SAID is honing its areas of focus to deliver more impact from our efforts in Africa, South and East Asia, and the South Pacific. Individual child sponsorship is being phased out in favour of working with our partners to empower and transform entire communities. Aligning our vision, mission and values with the national Salvation Army, we will facilitate the development of disciples through our mission support work.

We are committed to accountability: a vision-driven culture, to transparency, strong governance and robust systems and processes. In 2017, the SAID Council approved the five-year Strategic Action Plan, which built on and strengthened our existing governance processes, providing specific focus for SAID against The Salvation Army's national strategic priorities.

With this new framework, we hope to help many more people around the world live in dignity and be filled with hope.

Blessings,



Lieutenant-Colonel Winsome Merrett
National Assistant Chief Secretary,
The Salvation Army Australia
Council Chair, Salvation Army International Development

Head of SAID, Lieutenant-Colonel Simone Robertson

They say it takes a village to raise a child. When it comes to solving the great challenges of our time – extreme poverty, inequality and injustice, and climate change – it takes a global village, acting in concert.

Our dreams of a just, sustainable world are possible. And we are not alone in this – 173 countries signed up to the United Nations' Sustainable Development Goals (SDGs) in 2015 – but the journey from dreams to reality is action.

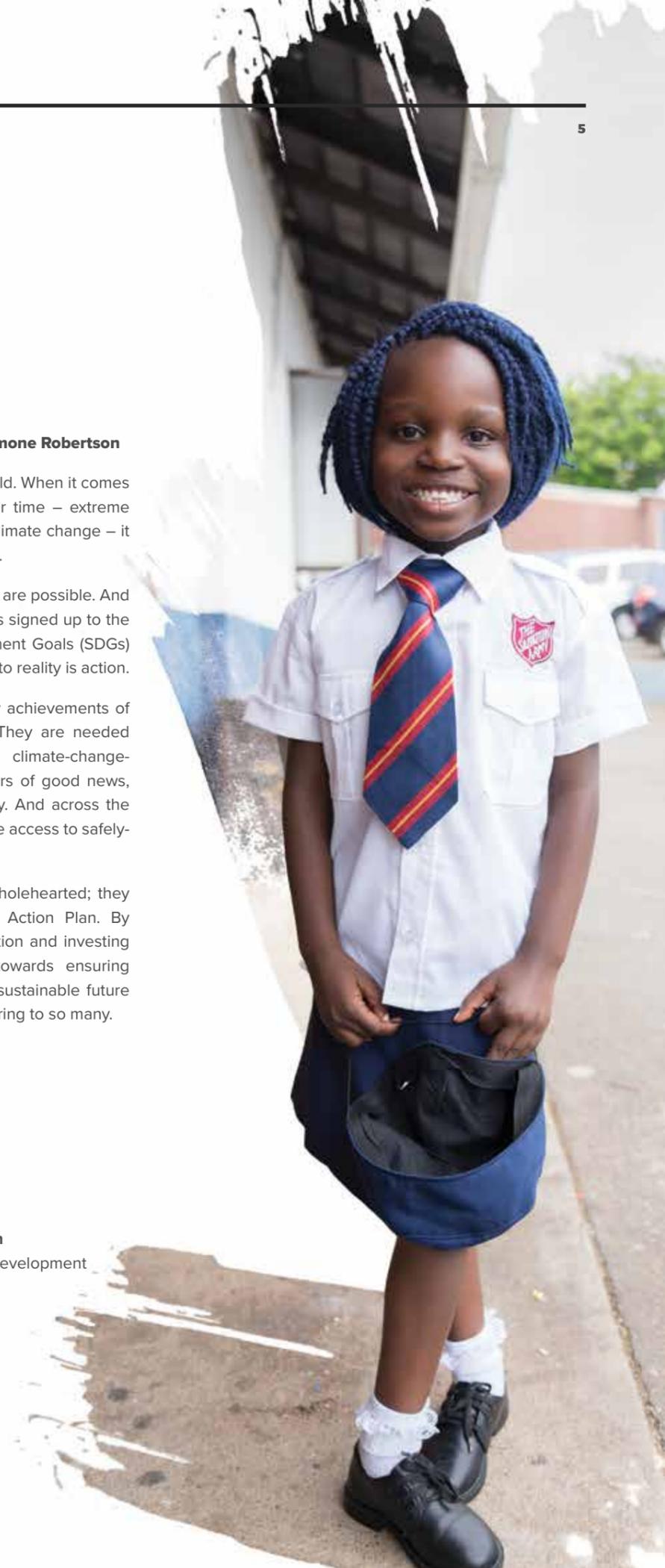
The 17 SDGs extend the extraordinary achievements of the Millennium Development Goals. They are needed because today, wars, drought and climate-change-related disasters mean that, after years of good news, more people are going to bed hungry. And across the globe, three in 10 people still don't have access to safely-managed drinking water.

SAID's commitment to the SDGs is wholehearted; they form part of our five-year Strategic Action Plan. By informing our supporters, inspiring action and investing in the lives of others, we move towards ensuring vulnerability becomes prosperity – a sustainable future for all. We thank you for the light you bring to so many.

Joyfully serving Jesus,



Lieutenant-Colonel Simone Robertson
Head of Salvation Army International Development
The Salvation Army Australia



WHAT IS SAID?

Salvation Army International Development (SAID), a department of The Salvation Army Australia, operates globally in developing countries, empowering vulnerable communities to achieve basic human rights. We work in partnership with other Salvation Army Territories and Commands in two key areas: community development and supporting The Salvation Army mission work globally through mission support.

OUR VISION

Wherever there is hardship or injustice, Salvos will live, love and fight alongside others, to transform Australia one life at a time with the love of Jesus.

As the international development arm of The Salvation Army Australia, SAID aims to fulfil this vision by seeing a world restored by the love of Christ, living in dignity and filled with hope.

OUR MISSION

The Salvation Army is a Christian movement dedicated to sharing the love of Jesus by:

- Caring for people
- Creating faith pathways
- Building healthy communities
- Working for justice

In this way, SAID empowers vulnerable communities to prosper economically, socially and spiritually.

OUR VALUES

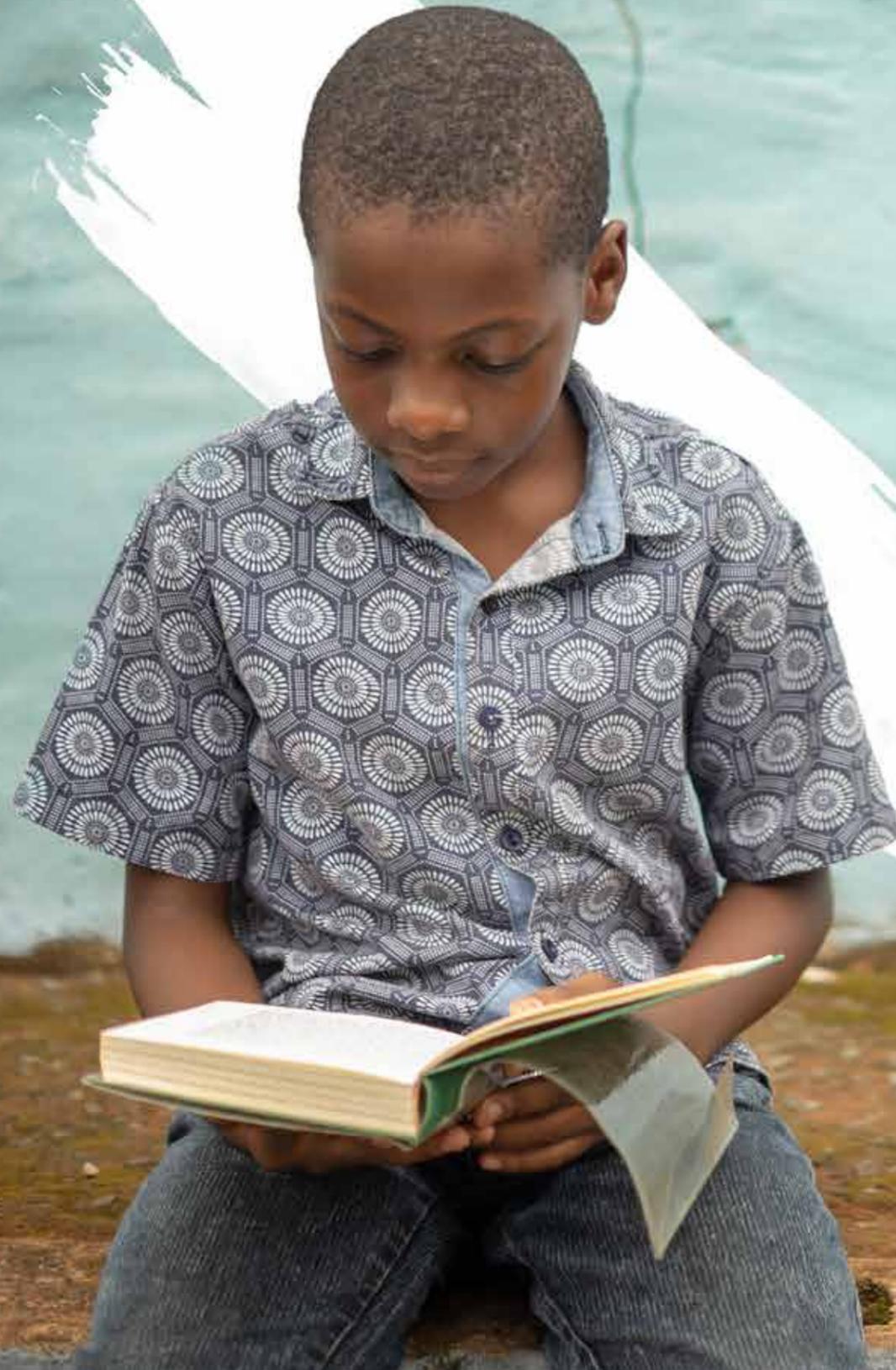
- Integrity – Being honest and accountable in all we do
- Compassion – Hearing and responding to pain with love
- Respect – Affirming the worth and capacity of all people
- Diversity – Embracing difference as a gift
- Collaboration – Creating partnerships in mission

These values are central to the operation of SAID.

THE SAID STRATEGIC ACTION PLAN – OUR PATH TO A FAIRER FUTURE

Our vision, mission and values are the fundamentals of who we are. This is how we will bring them to life over the next five years:

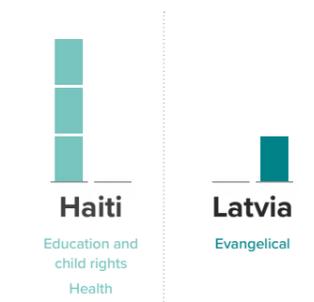
1. Delivering high-quality programs in:
 - a. Economic empowerment (SDGs 1, 2 and 8)
 - b. Health (SDGs 3 and 6)
 - c. Education and child rights (SDG 4)
 - d. Climate justice and environment (SDGs 13 and 15)
 - e. Reducing inequalities and promoting justice (SDGs 5, 10 and 16).
2. Focusing on key geographic areas for community development
3. Strengthening governance and programmatic systems
4. Financial sustainability and funding goals (in partnership with the communications and fundraising department)
5. Engaging in The Salvation Army mission globally.



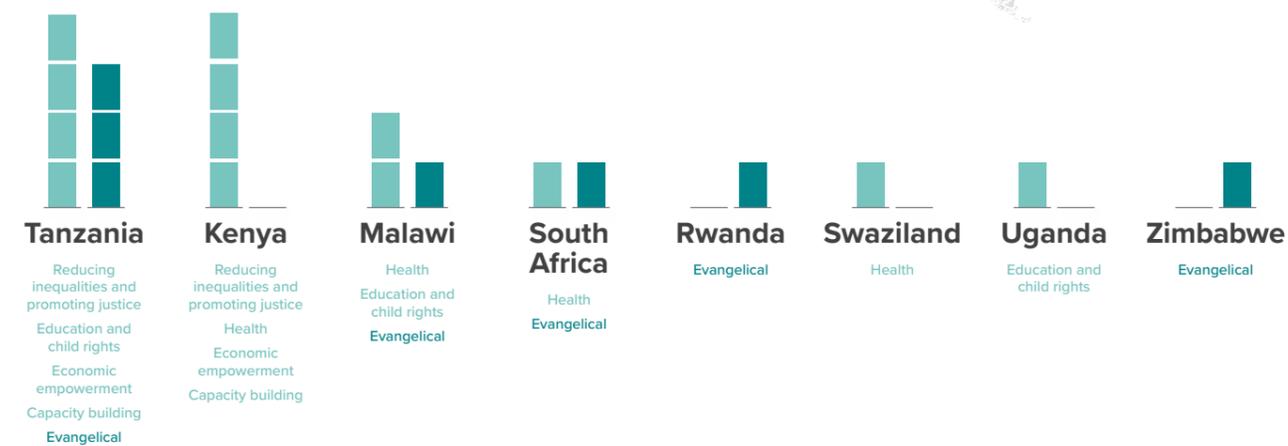
A GLOBAL PICTURE

As part of our vision to see a world restored, SAID worked in 17 countries in the 2017-18 financial year. 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.

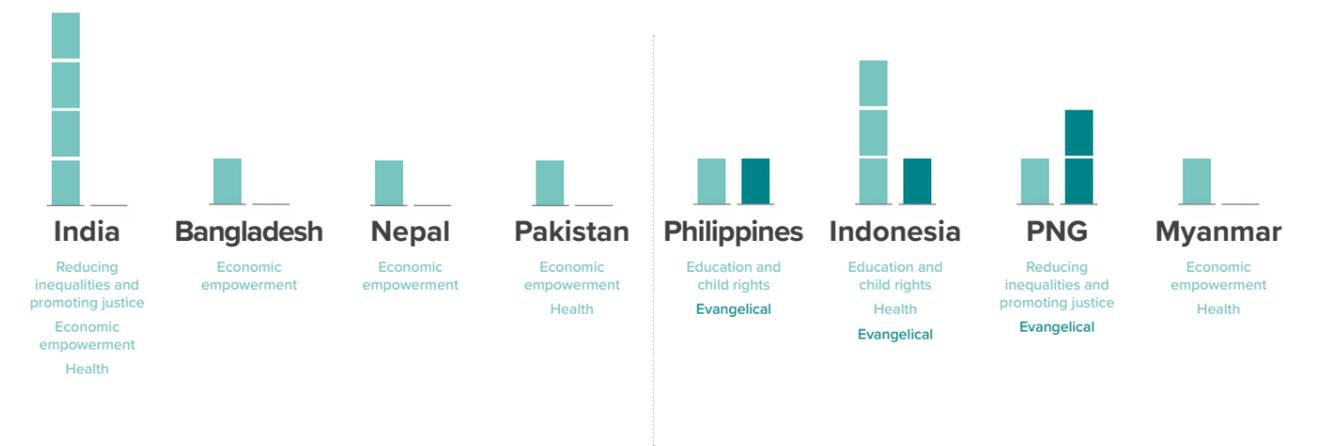
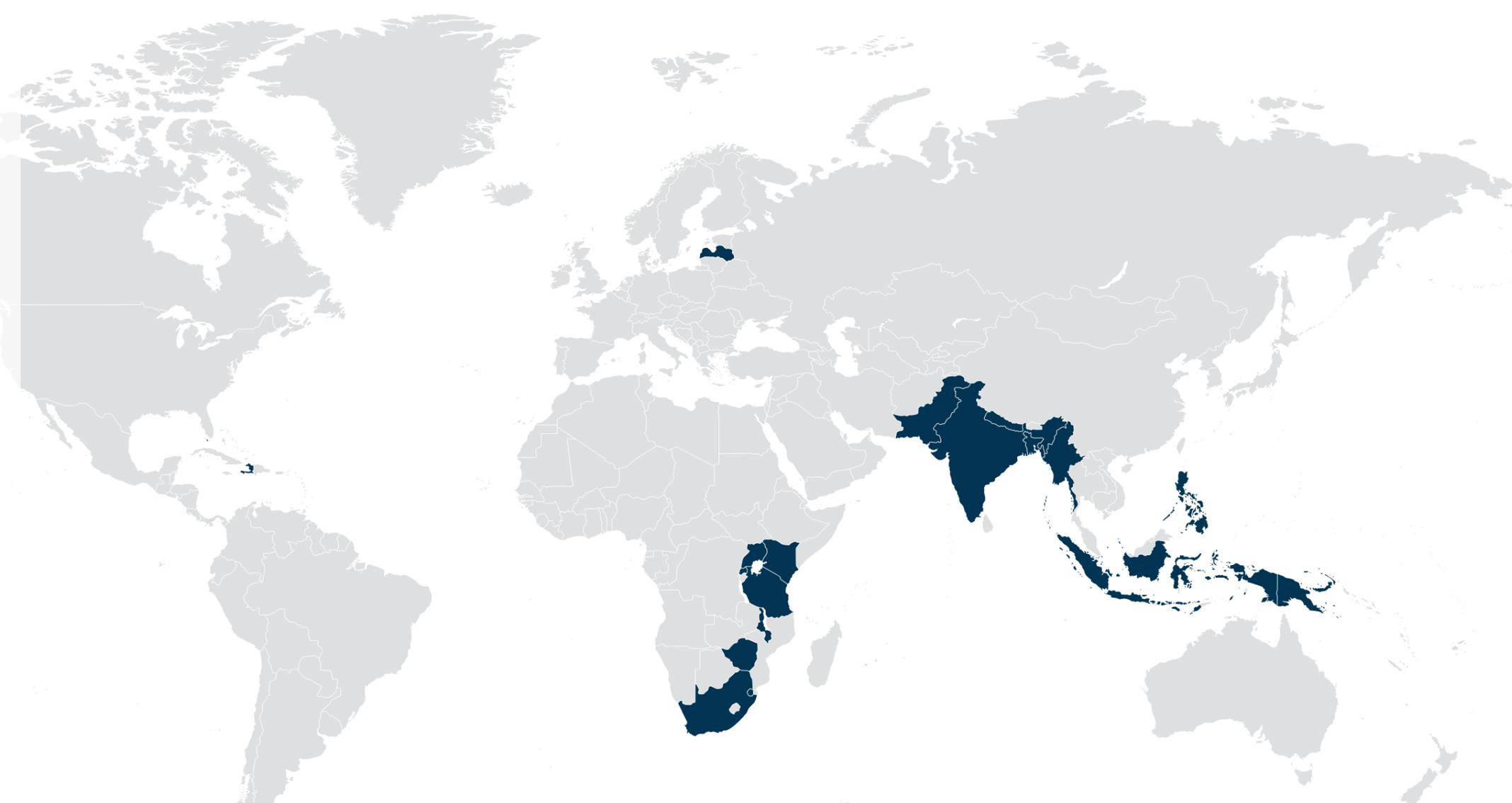
Together, we have equipped communities with access to clean water, enabled adults to develop income-generating skills, provided children with educational opportunities and advocated for a fairer world.



CARIBBEAN EUROPE



AFRICA



SOUTH ASIA

SOUTH PACIFIC & EAST ASIA

847

households provided
with water tanks

212

toilets built
in schools

WELLSPRINGS OF HOPE

Many of us take our endless supply of clean water for granted, but in the communities in which The Salvation Army's development work takes place, it transforms people's lives.

Almost half of Kenya's population lacks access to safe water. In rural areas, water for cooking, washing, cleaning, watering crops and drinking often comes from shallow wells, stagnant ponds and rivers that have been contaminated by human and animal waste further upstream.

In the Machakos district of Eastern province, the sole source of water for the primary school was the yellowish flow tainted with bacteria, parasites and viruses that pupils pumped into jerry cans borrowed from a generous neighbour.

The school's head teacher, David Mwangi, said, "Having water for cooking, let alone drinking, was a big challenge. All forms of waterborne disease were common."

Responding to this critical need, The Salvation Army in 2017 worked in partnership with local communities to provide the school with modern toilets, hand-washing facilities, water filters to improve water quality and basic hygiene training as part of its Water, Sanitation and Hygiene (WASH) project.

WATER OF LIFE

The results have been nothing short of astounding – not just improving student health but starting an education revolution.

Mwangi enthused, "People passing by the roadside still do not believe that this is the same school.

"We are now doing very well. Our candidates really excelled in their examinations and we had 100 per cent transition of 16 pupils to secondary school," he said. "We have enough water for cooking, drinking and for cleaning of the latrines, classrooms, offices and watering of the seedlings.

"The teachers now have ample pupil-teacher contact time, and this has shown marked improvement in performance. Absenteeism due to illnesses is almost negligible. The pupils are now very proud of their school and this has boosted their self-confidence.

"Thank you Salvation Army for impacting the lives of everyone – the parents, teachers, pupils and the community at large.

"We are a transformed school and the future can only be brighter."

20

girls aged from
14 to 18 received
vocational training,
support and
counselling at Kwetu

30

girls aged from
7 to 14 received
vocational training,
support and
counselling at
Mbagala



WHEN HOME ISN'T A SAFE HAVEN

Tanzania is one of the world's most diverse societies – accommodating over 120 different ethnic groups and their disparate languages, cultures and religions. Its largest city, Dar es Salaam, is one of the fastest-growing in the world. Yet, more than two thirds of the country's citizens live below the poverty line, and malnutrition and child mortality rates are high. Tanzania is also a human-trafficking hub.

Despite the government's efforts to curb the trade, many men, women and children are still trafficked for sex, forced agricultural labour and, Tanzania's largest human trafficking problem, involuntary domestic servitude. Worse still, trafficking is often facilitated by families or friends of the victims.

At not yet 14 years old, Grace was forced out of home when her father remarried. "Life was tough," she said. "My stepmother didn't like me." At that stage, Grace at least still had her school and her grandparents. Her grandfather was sick and vulnerable, she said, but he "loved me so much."

However, Grace's situation quickly deteriorated. Her stepmother took her into Dar es Salaam and abandoned her at the bus terminal, where Grace was lured by a woman with promises of payment for help with home chores. When no money was forthcoming after two months of servitude, the woman took Grace to the police, lying to officers about what had happened.

A FUTURE FULL OF HOPE

Then, Grace was given an unexpected opportunity. She was referred to Mbagala Centre, run by The Salvation Army in collaboration with local partners. The centre rehabilitates victims of trafficking and contributes to the prevention of trafficking – and re-trafficking – of vulnerable Tanzanian girls.

The six-month program didn't just deliver healthy food, clothes and somewhere safe to sleep – Grace received counselling to develop resilience and self-esteem, attended workshops to obtain important life skills and took part in income-generation training to help her build a future.

Grace said, "I was received with love and treated so well." And, to her delight, she started school again. "I am no longer a school dropout. I have improved in school performance and dream to become a midwife." Grace also received post-program support; the centre paid for school fees and other education essentials, and provided a local partner to give participants an independent advocate they could trust.

Reunited with her grandmother, whose care she hopes to undertake, Grace's future now looks very different. "I will never be re-trafficked," she said. "This program has saved my life."

A LITTLE GOES A LONG WAY

Myanmar has seen more than its fair share of adversity. The United Nations ranks the country 145 out of 188 on its Human Development Index. It is one of the poorest, most strife-torn nations on Earth, yet while people in some regions endure systemic human rights violations, other regions are emerging with great potential. Microfinance programs set up by The Salvation Army in conjunction with local partners are helping communities lift themselves out of endemic, intergenerational poverty.

After Daw Shwe Lone, (pictured right) was widowed, she remarried a much older man who was in poor health and became the breadwinner for the couple and their young son. They had no home of their own, staying with extended family in a small hut and, as Daw Shwe Lone recalled, "No proper meals, just flour soup for lunch and dinner."

Enlisted by a friend into The Salvation Army microcredit group, she completed the five-day training – learning about how to save, how to budget, working with other people, and bookkeeping – then took out her first loan for 100,000 kyat (roughly AU\$100) to increase the amount of fruit and vegetables she could sell at the market.

SMALL LOANS, BIG CHANGE

As Daw Shwe Lone successfully repaid each loan, she took out a larger loan, selling more stock and eventually opening her own shop. She now earns 20,000 to 30,000 kyat (around AU\$20 to \$30) a day, and has bought a house that also incorporates the shop. The medicine she was able to buy for her husband has improved his health so much that he now helps in the business, and she will be able to put her son through school, eclipsing her own primary-school-level education.

She said, "Now life is much better and we can eat nutritious food, three times a day. I have a very busy and happy life now. I feel very proud to be able to support my family."

And that's not all. Daw Shwe Lone has been able to contribute funds from her savings to the community, including a water well in the school and toilets in the village. Microcredit group leader Daw Naw said of Daw Shwe Lone, "Now she is smiling all the time. She helps the poor and donates to the community works."

As they say, a rising tide lifts all boats.



523

people living with
HIV provided with
psychosocial support
(target was 100)

83

new toilets built
with Salvation
Army support
(target was 20)



SUPPORTING MORE CHILDREN THROUGH THEIR COMMUNITIES

The Salvation Army sponsorship program is changing and we will now be able to support even more children and communities.

Since mid-2017, we have been transitioning from sponsoring individual children to offering even more young people the opportunity to fulfil their highest potential by sponsoring family and whole-community development projects. This means that we – and our sponsors – will from now on be helping not only the children of today, but also the children of tomorrow by empowering entire communities.

In line with our focus on having as much impact as possible, all Salvation Army territories globally have adopted this community-support model. Our new strategy provides greater equality within communities, along with more sustainable change, as families receive training that enables them to increase their income and provide for themselves.

Community funding is also a more effective way of using funds – sponsors' donations are pooled, ensuring communities' essential basic needs are taken care of and enabling the provision of life-skills training that benefits everyone. Administratively, too, this is a far superior approach and charities around the world are, or have already, embraced it.

Evolving the way we deliver funds makes our donations stretch further and ensures that – in a tight financial environment – our overseas staff continue to make the biggest difference possible.

MORE PATHS, GREATER IMPACT

Our primary consideration is always how we can best serve the children under The Salvation Army's care. In the lead up to individual sponsorships finishing in June 2018, we undertook a review with other Salvation Army donor territories including Canada, New Zealand, Norway, Sweden and the United States, intending to distribute support equally and maximise the number of children we can help.

Sponsors now have several options to address the causes of poverty and injustice. Those who want their donations directed to the areas of greatest need can support the Priority Sponsorship Program, which provides clean water and sanitation, education and training, and microbusiness financing. Alternatively sponsors can support a global area of need, such as education, or water and health, or they can assist child-focused community projects.

This is an inspiring time in the journey of sponsorship as we work together for the benefit of children and communities.



SOUP, SOAP AND SALVATION – LATVIAN STYLE

When we think of severe disadvantage, we generally don't imagine Latvia, a country in northern Europe, yet 32.7 per cent of its population – nearly one in every three people – is at risk of poverty or social exclusion. Although a sovereign nation now, it was only after the peaceful 'Singing Revolution' that Latvia achieved independence from the USSR in 1991, which had forcibly acquired it after World War II. This is a country that has faced long-term, endemic hardship.

The Salvation Army established two corps in Latvia in 1923; today there are 14, the largest of which, in the capital city Riga, hosts 600 people every Sunday. It has a huge social work ministry, with particular focus on human trafficking. The Syrian conflict, which has seen millions of people flee into Europe, has led to an increase in human trafficking, and the Army has been instrumental in raising awareness of its dangers and delivering preventative training.

Riga 2 Corps also provides practical evangelism to the city's socially disadvantaged and homeless population on a daily basis. In a country where the average daytime winter temperature is -6°C and temperatures can fall to -30°C, somewhere to get a hot shower, a hot meal and do the laundry can be life-saving.

THE LAST SAFETY NET

The Army's centre, says Project Officer Robert Tufström, is "used to implement the Army's holistic ministry," but lack of funds had seen it fall into disrepair, affecting the corps' ability to do their work. Thanks to funding from Australian Mission Support, essential building works have been carried out replacing the most damaged parts of the façade, re-guttering, installing ramps for disabled access, renovating the showers and fixing the heating system and toilets.

The ministry has been rejuvenated. Tufström said, "We are feeding and caring for the poor, reaching out to the least with the Gospel, dragging people out from the misery of sin and addictions, providing a halfway house so that many can get back into society, and thanking God and worshipping together. This is exciting work and we are thankful for your continuous support."

923

soup kitchen portions served every month

51

people used the shower facilities every month

Riga 2 Corps centre reborn.





LESSONS WE'VE LEARNED

In 2017-18, SAID continued to monitor and evaluate all our development activities in the countries in which we work. For every project funded and coordinated by SAID, we collected in-depth qualitative and quantitative data to measure our impact and progress towards the project's objectives. In many cases, independent, planned evaluations assessed the sustainable, long-term differences we are making.

Our program partners, staff and beneficiaries also continued to be major contributors to our journey of ongoing improvement. Around the world, we regularly held community meetings and conversations at a grassroots level to gain the perspectives of people implementing and experiencing our projects.

Amongst many valuable insights, two reoccurring themes emerged from our monitoring and evaluations in 2017-18, confirming areas of our international development work where we are already on track for success – and suggesting new avenues for ongoing improvement:

VALUE OF COMMUNITY PARTICIPATION

We confirmed that encouraging community participation in our development work can provide vital grassroots knowledge to inform our responses to community needs, strengthening local engagement.

We were reminded to be mindful of not overlooking opportunities to reach out to new beneficiaries and allies. For instance, in Indonesia, men and women rarely discuss sexual and reproductive health in the more remote areas. However, in a recent women's health workshop, husbands were able to accompany their wives. In the past these events were women-only to ensure women felt comfortable talking about their bodies, but this new approach proved to be even more successful. A review revealed that involving the men demystified their wives' health for them for the first time and broke down long-held taboos in those households. In fact, it was reported that some husbands are now actively encouraging their wives to receive regular health check-ups.

VALUE OF PARTNERSHIPS

In 2017-2018, we also confirmed the importance of being open to partnerships that can enrich our work and accelerate progress towards our goals. One of our objectives in implementing a childhood education program in Lahore, Pakistan, was to make the most of the multiple opportunities to work with local religious groups. We saw inspiring partnership models where Muslim and Christian volunteers worked together to serve their community. Partnering with local literacy groups has resulted in offers to share high-quality, culturally-appropriate resources when teaching children living in the slums of Lahore to read. Along with new relationships, trust and interfaith harmony are flourishing.

These are just some of the many lessons we learnt in our program delivery in 2017-18 that can now be adapted to other projects to make them more effective.

SAID GOVERNANCE

The SAID Council, with the approved authority of The Salvation Army Australia Territory Board, oversees the business, risk and financial operations of SAID. The council establishes and reviews policies for SAID's work, develops and monitors the SAID Strategic Action Plan, ensures SAID meets the ACFID Code of Conduct (the Australian international development sector's best practice guidelines) and maintains government accreditation.

2017-18 COUNCIL MEMBERS



Lieutenant-Colonel Winsome Merrett (Council Chair)

Commissioned as a Salvation Army officer in 1987, Winsome has worked in church mission, youth and children, and women's ministries, and most recently executive leadership, as National Assistant Chief Secretary. She is passionate about leading effectively, developing others and seeing the local church successfully and relevantly connecting with its community.



Roger Burton (Projects and Performance Committee Chair)

Roger came to our council in 2018 with 25 years' experience in corporate senior management and a decade spent helping aid agencies gain and maintain Australian government accreditation.



Leigh Cleave

Leigh is passionate about resourcing international development. She has over 20 years' experience leading successful fundraising programs and has been an accredited Certified Fund Raising Executive since 2003. Leigh joined our council in 2014.



Sarah Foxe

With over 16 years' international and Australian community development and program management experience,

Sarah has overseen development partnerships across South Asia, South East Asia and the Pacific. She joined our council in 2017.



John Gordon

John is a former Senior Audit Partner at PwC with over 35 years' involvement in not-for-profit organisations. He

has provided us with corporate governance advice since joining our council in 2017.



Arbin Kumar

Arbin comes to our council with 13 years' experience as Financial Accountant for The Salvation Army, managing

financial accounting and taxation reporting. He also brings high-level networking capabilities and 15 years' team-building expertise.



John McIntosh (Finance and Risk Committee Chair)

John is a chartered accountant whose business

provides tax and accounting compliance advice to charitable organisations. He joined our council in 2018, and is also a member of The Salvation Army Employment Plus board and the ATO's Not-for-profit Stewardship Group.

Amanda Walsh



A member of the Australian Institute of Company Directors, Amanda is an expert at making complex systems simple and workable,

developing strategies and partnerships to reduce bureaucracy and improve processes and governance. Amanda joined our council in 2016.

Special thanks to:

- Colonel Mark Campbell (served until August 2017)
- Guy Winship (served until January 2018)
- Duncan Cook (served until August 2017).



▲ SAID team members, left to right: (back row) Connor, Drew, Rachael, Naomi, Mark, Clinton, (front row) Craig, Zoe, Simone, Julie, Stephanie and Alana

What is the Finance and Risk Committee?

The committee's chair, John McIntosh, says, "Projects in developing countries often have inbuilt risk. We review project proposals and advise on strategies to mitigate those risks, providing assurance that project risks are identified, responded to and managed."

What does the Projects and Performance Committee do?

The committee's chair, Roger Burton, explains, "We oversee SAID's portfolio of development projects, ensuring that project investments are effective, efficient, sustainable, and directly impact the lives of marginalised people living in poverty. Our members contribute very different professional skills, brought together by our shared passion for undertaking projects that create meaningful change."

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, carrying out 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) ABN 52 609 689 893 - Australia Eastern Territory and The Salvation Army Aust Self Denial Fund (For Overseas Aid) ABN 15 562 601 404 - Australia Southern Territory.

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 aun.internationaldevelopment@aus.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.



Australian Government
Department of Foreign Affairs and Trade

OUR AUSTRALIAN GOVERNMENT PARTNERSHIPS

Australian NGO Cooperation Program (ANCP)

During this financial year, ANCP's contribution was used to fund the Sustainable WASH [Water, Sanitation and Hygiene] and Food Security Project in Malawi.



Church Partnership Program (CPP)

Churches are central to community dynamics throughout Papua New Guinea, representing shared values and often serving as the voice of the community. Churches may be the most accessible institution for rural and marginalised communities to seek information and support. The Salvation Army is one of seven mainline churches in Papua New Guinea involved in the Church Partnership Program, which is funded by the Australian Government. In the past year we received \$700,000 to fund 20 projects under Phase 3 (CPP3) of this program.

CPP3's goal is that church-initiated collective action will lead to improvements in service provision, governance, inclusion and management practices in partner organisations. Partners can then share efficiencies and replicate their capabilities with communities to build capacity and resilience. The 20 projects are under the umbrella of three different program outcome areas:

- Fostering inclusive partnerships with all levels of government, civil society and other churches to benefit the community through forums, advocacy events, collective activities, capacity building, research and innovations
- Strengthening community resilience across five thematic areas of Education, Health, Gender Equality and Social Inclusion, Disaster Risk Reduction, and Peace and Prosperity
- Effectively managing the program through project monitoring and evaluations, upgrading IT installations, financial management and impact reporting.

The Salvation Army is the lead partner for the thematic area of Peace and Prosperity, and is determined to see Papua New Guinea become a just, safe and inclusive society for all. In 2017-18, the project brought its flagship restorative justice awareness to remote villages, negotiated peace agreements during community unrest and expanded its work into new provinces. It also strengthened its partnerships with the Department of Justice and Attorney General and the National Youth Development Authority to address drug and alcohol abuse and family violence within communities.



FINANCIAL REPORT

For the year ended 30 June 2018



Financial Summary

For the year ended 30 June 2018

On 1 March 2016, The Salvation Army International Headquarters announced the amalgamation of the Australia Eastern and Southern Territories. From 1 July 2017, The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) ABN 52 609 689 893 - Australia Eastern Territory and The Salvation Army Aust Self Denial Fund (For Overseas Aid) ABN 15 562 601 404 - Australia Southern Territory are combined into an Aggregated Self Denial Fund (For Overseas Aid) Australia Territory. The aggregated financial statements included income, expenditure, assets, liabilities, and reserves from both the Australia Eastern and Southern Territories.

Public funds raised totalled \$5.50m and comprised 72% of operating revenue for 2018, compared with 60% in 2017.

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 11% of operating revenue. Investment income received was \$0.15m, other income was \$0.85m, and Income for religious adherence programs was \$0.3m.

From 1 July 2018, Management Levy charged on Donations Income has reduced from 15% to 10%.

Program expenditure was 68% of operating expenditure for 2018, an increase compared to 62% in 2017.

Fundraising costs accounted for 4% of total expenditure, a decrease compared to 9% in 2017. Accountability and administration costs were 9% of expenditure, a decrease compared to 10% in 2017. Expenditure for religious adherence programs was 19% in 2018, similar to 2017.

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

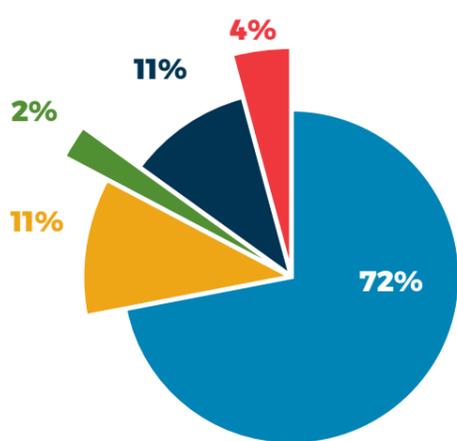
The full annual and financial reports for the year ended 30 June 2018 are available on The Salvation Army website at salvos.org.au/international-development/about/annual-reports-and-publications.

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 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.

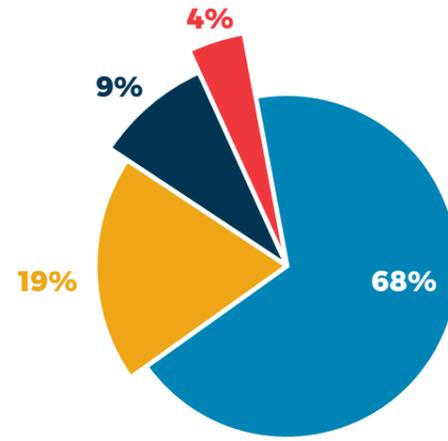
% of total income in 2018

	\$m	
Donations & Gifts - Monetary	5.51	72%
DFAT Grants	0.85	11%
Investment Income	0.15	2%
Other Income	0.85	11%
Religious Adherence Programs	0.30	4%
Total Income	7.66	100%



% of total expenditure in 2018

	\$m	
Accountability & Administration	0.65	9%
Program Expenditure	4.97	68%
Fundraising Costs	0.32	4%
Religious Adherence Programs	1.34	19%
Total Expenditure	7.28	100%



Aggregated Statement of Comprehensive Income

For the year ended 30 June 2018

	2018 \$	2017 \$
Revenue		
Donations and Gifts		
Monetary	5,505,040	2,778,982
Non-monetary	11,896	16,718
Bequests and Legacies	72,675	-
Grants		
Department of Foreign Affairs and Trade	850,603	850,520
Other Australian	-	-
Other Overseas	-	-
Investment Income	149,894	128,529
Commercial Activities Income	-	-
Other Income *	773,606	524,623
Revenue for International Political or Religious Adherence Programs	300,000	300,000
Total revenue	7,663,714	4,599,372
Expenditure		
International Aid and Development Programs Expenditure		
International Programs:		
Funds to International Programs	4,225,280	2,232,399
Program Support Costs	735,740	420,308
Community Education	-	-
Fundraising Costs:		
Public	324,772	368,189
Government, Multilateral and Private	-	-
Accountability and Administration	650,732	449,434
Commercial Activities Expenditure	-	-
Non-monetary Expenditure	11,896	16,718
Other Expenditure	-	-
Total International Aid and Development Programs Expenditure	5,948,420	3,487,048
Expenditure for International Political or Religious Adherence Programs	1,338,059	818,942
Domestic Programs Expenditure	-	-
Total Expenditure	7,286,479	4,305,990
Excess / (Shortfall) of Revenue over Expenditure	377,235	293,382
Other Comprehensive Income	-	-
Total Comprehensive Income / (Loss) for the year	377,235	293,382

Note:

* 2018 Includes \$638,035 (2017: \$179,098) contribution from The Salvation Army Australia 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 2017-18 audited financial report can be obtained by visiting salvos.org.au/international-development/about/annual-reports-and-publications

Aggregated Statement of Financial Position

For the year ended 30 June 2018

	2018 \$	2017 \$
Current Assets		
Cash and Cash Equivalents	7,889,945	3,232,864
Trade and Other Receivables	368,343	67,987
Other Financial Assets	2,067,699	2,693,672
Total Current Assets	10,325,987	5,994,523
Non-Current Assets		
Plant and Equipment	1,245	1,598
Computer	493	-
Total Non-Current Assets	1,738	1,598
Total Assets	10,327,725	5,996,121
Current Liabilities		
Trade and Other Payables	25,955	29,720
Provisions	75,821	52,055
Total Current Liabilities	101,776	81,775
Non-Current Liabilities		
Provisions	32,982	27,445
Total Non-Current Liabilities	32,982	27,445
Total Liabilities	134,758	109,220
Net Assets	10,192,967	5,886,901
Equity		
Reserves	6,264,136	5,886,901
AUS Contribution/Equity	3,916,529	-
Prior Year Adjustments	12,302	-
Total Equity	10,192,967	5,886,901

Aggregated Statement of Changes in Equity

For the year ended 30 June 2018

	Reserves \$
Balance as at 1 July 2017	5,886,901
Amount transferred to Reserves	377,235
Movement to Reserves	3,916,529
Prior Year Adjustments	12,302
Balance as at 30 June 2018	10,192,967

Aggregated Statement of Cash Flows

For the year ended 30 June 2018

	2018 \$	2017 \$
Cash flows from operating activities		
Donations received	6,141,471	2,894,526
Other Income	1,052,053	824,623
Bequests and legacies received	72,675	-
Government grants received	850,603	850,520
Interest received	125,657	100,212
Payment to suppliers and employees	(1,808,010)	(1,235,398)
Distribution to overseas partners	(3,396,947)	(3,046,950)
Net cash provided by / (used in) operating activities	3,037,502	387,533
Cash flows from investing activities		
Other financial assets	1,619,579	-
Net cash provided by / (used in) investing activities	1,619,579	-
Net increase/(decrease) in cash held	4,657,081	387,533
Cash and cash equivalents at the beginning of year	3,232,864	2,845,331
Cash and cash equivalents at the end of year	7,889,945	3,232,864

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 2017-18 audited financial report can be obtained by visiting salvos.org.au/international-development/about/annual-reports-and-publications



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 2018 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

Daniel Robinson
 Partner

Sydney

8 November 2018

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 network of independent member firms affiliated with KPMG
 International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under
 Professional Standards Legislation.



Independent Auditor's Report

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

Report on the audit of the Summary Financial Report

Opinion

The **Aggregated Summary Financial Report** of The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) (the Aggregated Fund) is derived from the Audited Financial Report of the Aggregated Fund as at and for the year ended 30 June 2018 (Audited Financial Report).

In our opinion, the accompanying Aggregated 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), and has been prepared in accordance with the requirements set out in the *Australian Council for International Development (ACFID) Code of Conduct*.

The **Aggregated Summary Financial Report** comprises:

- i. Aggregated statement of financial position as at 30 June 2018
- ii. Aggregated statement of comprehensive income; Aggregated statement of changes in equity and Aggregated statement of cash flows for the year then ended.

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

Aggregated Summary Financial Report

The Aggregated 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 Aggregated 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 Aggregated 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 8 November 2018.



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

The Aggregated 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) meet its reporting requirements with ACFID.

As a result, the Aggregated 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) 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). 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) or for any other purpose than that for which it was prepared.

Responsibility of Management for the Aggregated Summary Financial Report

Management are responsible for the preparation of the Aggregated 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 Aggregated Summary Financial Report

Our responsibility is to express an opinion on whether the Aggregated 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
8 November 2018



**International
Development**
AUSTRALIA

International Development Annual Report 2018

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This Annual Report is also available online, along with the fully audited financial statements for 2017/18, at **salvos.org.au/international**