

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

STATEMENT OF INCOME AND DISTRIBUTION
FOR THE YEAR ENDED 30 JUNE 2016
2015 APPEAL

INCOME

Donations from Salvationists and friends (2015 Appeal)	\$ 1,569,045
Interest	\$ 42,767
Direct Donations – Child Sponsorship	\$ 1,159,906
Direct Donations – Other	\$ 259,640
Direct donations for Tsunami Appeal (other income 2015) – Appendix 5	\$ 164

<u>TOTAL INCOME</u>	\$ 3,031,522 =====
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PROPOSED DISTRIBUTION

To the international missionary fund for the maintenance of Salvation Army operations in developing countries (2015 Appeal - IHQ distribution)	\$1,062,392
Tsunami Appeal - donations	\$ 164
Direct Donations – Child Sponsorship.	\$ 1,119,690
Direct Donations – Other	\$ 849,276

<u>TOTAL PROPOSED DISTRIBUTION</u>	\$ 3,031,522 =====
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EXPENDITURE INCURRED DURING 2014/15

To the international missionary fund for the maintenance of Salvation Army operations in developing countries - Appendix 1	\$1,062,392
Mission support projects in developing countries – Appendix 2	\$ 305,754
Direct Donations – Child Sponsorship – Appendix 3	\$1,119,690
Direct Donations for Specific Projects – Appendix 4	\$ 131,492
Direct Donations – Other	\$ 137,216

<u>TOTAL EXPENDITURE</u>	\$ 2,756,544 =====
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Excess balance retained	\$ 274,978
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NOTES:

Excess income over expenditure represents funds retained in reserves relating to current year.



Basis of preparation of the statement of income and distribution

The statement of income and distribution ("the statement") has been prepared for the sole purpose of complying with the reporting procedures of the Trustees of The Salvation Army Southern Territory. The statement has 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 that it is not necessary to include all the detailed disclosures, including a statement of financial position and statement of cashflows, required by Accounting Standards and other mandatory professional reporting requirements in Australia. The statement is prepared in accordance with the historical cost convention.

APPENDIX 1. International missionary fund for the maintenance of Salvation Army operations in developing countries.

1. Untied Funds	493,888
2. Tied Funds	568,504
	<u>\$1,062,392</u>

The Salvation Army Australia Southern Territory provides funds to its International Headquarters each year from the Self Denial Appeal, for the purposes of financially supporting its grant aided territories and commands around the world. These funds are pooled with those from other financially independent territories, and are allocated by the International Headquarters as required to assist the grant aided territories and commands in balancing their operational budgets. The tied funds forwarded by the Australia Southern Territory are allocated to territories and commands that are included on the DFAT list of countries for which donations to the Self Denial Appeal are eligible for tax deductibility.

Whilst it is not possible for International Headquarters to nominate the work to which these tied funds are specifically directed, based on the information available within The Salvation Army Year Book, the tied funds provided by the Australia Southern Territory are of a sufficient percentage of each grant aided territory or command's total budget that would represent expenditure by each territory or command on its social welfare programs, which are associated with the 'relief of persons'. Therefore, we are satisfied that the criteria for providing tax deductibility for the donations that comprise these tied funds are duly met by the Australia Southern Territory.

APPENDIX 2. Mission support projects in developing countries.

India	58,440
Indonesia	247,314
	<u>\$305,754</u>



APPENDIX 3. Child Sponsorship Distribution.

Argentina	34,233
Bangladesh	39,833
Bolivia, Peru, Chile, Ecuador	49,820
Brazil	28,550
Caribbean	41,144
Haiti	30,524
India Central	24,589
Indonesia	64,504
Kenya East	165,405
Kenya West	58,902
Latin America	17,523
Malawi	5,238
Mexico	7,351
Mozambique	5,223
Myanmar	81,248
Pakistan	14,897
Papua New Guinea	29,235
Philippines	120,365
Poland	1,095
Rwanda	16,943
Sri Lanka	27,965
Tanzania	62,658
Uganda	168,212
Zambia	17,301
Zimbabwe	6,931
	<u>\$1,119,690</u>



APPENDIX 4. Direct Donations for Specified Projects

Bangladesh	500
Caribbean	7,521
Congo	3,236
Eastern Europe	5,000
Ghana	1,900
India	700
Indonesia	17,083
Kenya	15,365
Mozambique	1,600
Myanmar	19,639
Pakistan	8,301
Papua New Guinea	4,174
Philippines	2,545
Rwanda	5,351
Sri Lanka	5,290
Taiwan	323
Tanzania	13,467
Uganda	6,425
Zambia	7,572
Zimbabwe	5,500
	<u>\$131,492</u>

APPENDIX 5. Summary of Cash Flow Movements For Tsunami Donations

	Cash available at the beginning of financial year	Cash raised during the year	Cash disbursed during financial year	Cash available at the end of the financial year
	\$	\$	\$	\$
Tsunami Donations	11,173	164	-	11,337

Signed on behalf of the Salvation Army



Colin Solomon - Finance Manager Corporate

Date 20/10/2016





Independent audit report to the Trustees of The Salvation Army (Southern Territory) Self Denial Fund for Overseas Aid Program

We have audited the accompanying Income and Distribution Statement (“the Statement”) for the Salvation Army (Southern Territory) Self Denial Fund for Overseas Aid Program (“the Fund”) of the Salvation Army (Southern Territory) (“the Salvation Army”) for the period from 1 July 2015 to 30 June 2016. The statement has been prepared by management of the Salvation Army for the purpose of fulfilling the Salvation Army’s internal reporting requirements.

Trustees’ responsibility for the Statement

The Trustees of the Salvation Army are responsible for the preparation and fair presentation of the Statement in accordance with the basis of preparation described in the Statement. This responsibility includes selecting and applying appropriate accounting policies, making accounting estimates that are reasonable in circumstances, ensuring the Statement is prepared and presented, and for such internal control as the Trustees determine is necessary to enable the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express an opinion on the Statement to the Trustees of the Salvation Army based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the Statement 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, if any, made by the Trustees, as well as evaluating the overall presentation of the Statement.

Our procedures included the examination on a test basis, of evidence supporting the amounts disclosed in the Statement. These procedures have been undertaken to form an opinion whether, in all material respects, the accompanying Statement is presented fairly in accordance with the basis of accounting described in the Statement.

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 Accounting Professional and Ethical Standards Board.

Auditor's opinion

In our opinion, the Statement for the period from 1 July 2015 to 30 June 2016 is prepared and presents fairly, in all material respects. Basis of accounting and restriction on distribution and use The Statement has been prepared as required by the management for the purpose of reporting to the Trustees. As a result, the Statement may not be suitable for another purpose. Our report is intended solely for the Salvation Army and the Trustees and should not be distributed to or used by other parties.

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

KPMG

Melbourne

20 October 2016