



**The Salvation Army**  
Australia Eastern Territory



**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 2018**

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

**Aggregated Financial Report - 30 June 2018**

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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 2018**

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

**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).

**The Salvation Army (Australia)**  
**Self Denial Fund (For Overseas Aid)**  
**Aggregated Financial Report**  
**Aggregated Statement of Financial Position**  
**as at 30 June 2018**

	Notes	2018 \$	2017 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	5	7,889,945	3,232,864
Trade and Other Receivables	6	368,343	67,987
Other Financial Assets	7	2,067,699	2,693,672
<b>Total Current Assets</b>		10,325,987	5,994,523
<b>Non-Current Assets</b>			
Plant and Equipment	8	1,245	1,598
Computer	9	493	-
<b>Total Non-Current Assets</b>		1,738	1,598
<b>Total Assets</b>		10,327,725	5,996,121
<b>Current Liabilities</b>			
Trade and Other Payables	10	25,955	29,720
Provisions	11	75,821	52,055
<b>Total Current Liabilities</b>		101,776	81,775
<b>Non-Current Liabilities</b>			
Provisions	11	32,982	27,445
<b>Total Non-Current Liabilities</b>		32,982	27,445
<b>Total Liabilities</b>		134,758	109,220
<b>Net Assets</b>		10,192,967	5,886,901
<b>Equity</b>			
Reserves		6,264,136	5,886,901
AUS Contribution/Equity		3,916,529	
Prior Year Adjustments		12,302	
<b>Total Equity</b>	13	10,192,967	5,886,901

**The Salvation Army (Australia)  
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Aggregated Financial Report  
Aggregated Statement of Changes in Equity  
For the year ended 30 June 2018**

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

**The Salvation Army (Australia)  
Self Denial Fund (For Overseas Aid)  
Aggregated Financial Report  
Aggregated Statement of Cash Flows  
For the year ended 30 June 2018**

	Notes	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
Donations received		6,141,471	2,894,526
Other Income		1,052,053	824,623
Bequests and legacies received		72,675	0
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)
<b>Net cash provided by / (used in) operating activities</b>		<u>3,037,502</u>	<u>387,533</u>
<b>Cash flows from investing activities</b>			
Other financial assets		1,619,579	-
<b>Net cash provided by / (used in) Investing activities</b>		<u>1,619,579</u>	<u>-</u>
<b>Net increase/(decrease) in cash held</b>		4,657,081	387,533
<b>Cash and cash equivalents at the beginning of year</b>		3,232,864	2,845,331
<b>Cash and cash equivalents at the end of year</b>	5	<u>7,889,945</u>	<u>3,232,864</u>

**The Salvation Army (Australia)  
Self Denial Fund (For Overseas Aid)  
Aggregated Financial Report  
International Aid Project Expenditure by Country  
30 June 2018**

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

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

Trustee	Period	Qualifications
Commissioner F Tidd	July 2017 to June 2018	B Science, M Theological Studies
Colonel M Campbell	July 2017 to June 2018	BA Leadership (UNE), MA Theological Studies (SCD)
Lt-Colonel S Evans	August 2017 to June 2018	B Economics, MBA
Lt-Colonel K Pethybridge	July 2017 to February 2018	B Professional Studies, MA Admin Leadership
Major B Stoltenberg	February 2018 to June 2018	BA Leadership (UNE), M Education

The countries which received overseas aid during 2017/18 financial year are summarised as follows:

DFAT Projects	\$	
Malawi	120,603	Malawi Water, Sanitation and Hygiene and Food Security Project
Papua New Guinea	636,200	The Church Partnership Program - This funding is for 30 projects throughout PNG - under the headings of: Governance of Churches, Management, Human Resource, Physical Resource, Program Planning, Monitoring & Evaluation, Education, Health, HIV/AIDS, Community Development
	<u>756,803</u>	
<b>Sponsorship Projects</b>		
Argentina	33,566	
Bangladesh	39,360	
Bolivia, Peru, Chile, Ecuador	48,478	
Brazil	20,034	
Caribbean	61,939	
Haiti	30,847	
India Central	22,352	
Indonesia	57,204	
Kenya East	331,577	
Kenya West	51,109	
Latin America	22,196	
Malawi	4,320	
Mexico	6,433	
Mozambique	3,847	
Pakistan	32,417	
Papua New Guinea	31,634	
Philippines	124,394	
Rwanda	16,338	
Singapore/Malaysia/Myanmar	93,190	
South Africa	150	
Sri Lanka	28,367	
Tanzania	63,458	
Uganda	107,957	
Zambia	11,172	
Zimbabwe	6,921	
Priority Theme	9,746	
Education Theme	2,236	
Water & Health Theme	2,938	
	<u>1,264,180</u>	

**The Salvation Army (Australia)**  
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**International Aid Project Expenditure by Country**  
**30 June 2018**

**Overseas Projects funded by Self Denial Appeal and other donations**

Fiji	20,725
Georgia	32,000
Haiti	95,323
IHQ International Projects	1,357,056
India	4,260
Indonesia	67,498
Jamaica	1,500
Kenya East	272,768
Latvia	25,429
Malawi	242,751
Myanmar	44,887
Pakistan	86,758
Papua New Guinea	135,183
Philippines	83,602
Sierra Leone	1,000
South Africa	109,497
Swaziland	144,988
Switzerland	743,960
Tanzania	69,641
Tonga	403
Ukraine	3,130
	3,542,357



**The Salvation Army (Australia)  
Self Denial Fund (For Overseas Aid)  
Aggregated Financial Report  
Notes to the Aggregated Financial Statements  
30 June 2018**

**1 General Information and Statement of Compliance**

The financial report includes the financial statements and notes of The Salvation Army (Australia) Self Denial Fund (For Overseas Aid). The Fund has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements).

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (with the exception that the aggregated fund does not constitute a group for the purpose of AASB Consolidated Financial Statements), ACFID Code of Conduct and the Australian Charities and Not-for-profits Commission Act 2012. The Fund is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements for the year ended 30 June 2018 were approved and authorised for issue by the Board of Trustees on 8 November 2018.

**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 Consolidation**

The Self Denial Fund (For Overseas Aid) Financial Report incorporates the assets and liabilities as at 30 June 2018 and the results for the year then ended.

The balances and effects of transactions between Australia Eastern Territory and Australia Southern Territory have been eliminated. For the first time, the Self Denial Fund (Overseas Aid) financial statements include income and expenditure, assets, liabilities and reserves from the Australia Southern Territory. Had the Australia Southern Territory been consolidated, the effect on the prior year Statement of Financial Position would have been as follows:

<b>ASSETS</b>	<b>\$</b>
<b>Current Assets</b>	
Cash and Cash Equivalents	7,125,808
Trade and Other Receivables	98,637
Other Financial Assets	<u>2,693,672</u>
<b>Total Current Assets</b>	<u><u>9,918,117</u></u>
<b>Non-Current Assets</b>	
Plant and Equipment	1,598
<b>Total Non-Current Assets</b>	<u><u>1,598</u></u>
<b>Total Assets</b>	<u><u>9,919,715</u></u>
<b>Current Liabilities</b>	
Trade and Other Payables	36,785
Provisions	52,055
<b>Total Current Liabilities</b>	<u><u>88,840</u></u>
<b>Non-Current Liabilities</b>	
Provisions	27,445
<b>Total Non-Current Liabilities</b>	<u><u>27,445</u></u>
<b>Total Liabilities</b>	<u><u>116,285</u></u>
<b>Net Assets</b>	<u><u>9,803,430</u></u>
<b>Equity</b>	
Reserves	9,803,430
<b>Total Equity</b>	<u><u>9,803,430</u></u>

**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 Fund recognises amounts donated or raised on behalf of the fund as income only when they are received.

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**30 June 2018**

*ii) Grants*

Grant revenue is recognised in the statement of profit or loss when the Fund obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Fund and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received where the Fund incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

*iii) Interest*

Interest is recognised when received/receivable.

All revenue is stated net of the amount of goods and services tax (GST).

**d) Cash and Cash Equivalents**

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

**e) Plant and Equipment and Computer**

Plant and equipment and Computer are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the

Plant and equipment and Computer are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings, plant and other equipment. The

- Plant & Equipment: 5 years

- Computer: 4 years

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the

**f) Employee Benefits**

*i) Wages and Salaries*

Liabilities for wages and salaries, including non-monetary benefits, expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

*ii) Long Service Leave*

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

*iii) Annual Leave*

Short-term employee benefits are current liabilities included in employee benefits, measured at the undiscounted amount that the Fund expects to pay as a result of the unused entitlement. Annual leave is included in 'other long-term benefit' and discounted when calculating the leave liability as the Fund does not expect all annual leave for all employees to be used wholly within twelve (12) months of the end of reporting period. Annual leave liability is still presented as current liability for presentation purposes under AASB 101 Presentation of Financial Statements.

*iv) Superannuation*

The Fund provides post-employment benefits through defined contribution plans. Amounts charged to the income statement in respect of superannuation represent the contributions paid or payable by the Fund to the employees' superannuation funds.

**g) Income Tax**

No provision for income tax has been raised as the Fund is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

**h) Financial Instruments**

*Recognition, initial measurement and derecognition*

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are initially measured at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

**i) Classification and Subsequent Measurement of Financial Assets**

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

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*l) Financial Assets at FVTPL*

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

**j) 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.

**k) 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.

v) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

- the change attributable to changes in credit risk are presented in Other Comprehensive Income ('OCI')
- the remaining change is presented in profit or loss

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- classification and measurement of financial liabilities;
- derecognition requirements for financial assets and liabilities.

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.

Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.

Based on the Funds assessment, as the adoption of this new standard only occurs in 30 June 2019, there is no material impact on the transactions and balances recognised in the financial statements ending 30 June 2018.

**l) New standards and interpretation not yet adopted**

At the date of authorisation of the financial statements, the following relevant Standards and Interpretations were issued but not yet effective:

- AASB 15 Revenue from Contracts with Customer, AASB 2014-15 Amendments to Australian Accounting Standards arising from AASB 15, and AASB 1058 Income of Not-for-Profit Entities (effective 1 January 2019).

- AASB 9 Financial Instruments, AASB 2009-11 Amendment to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2012-6 Amendments to Australian Accounting Standards-Mandatory Effective Date of AASB 9 and Transition Disclosures, AASB 2013-9 Amendments to Australian Accounting Standards-Conceptual Framework, Materiality and Financial Instrument, AASB 2014-1 Amendments to Australian Standards (Part E : Financial Instruments), AASB 2014-7 Amendments to Australian Standards arising from AASB 9 (December 2014), and AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) - Application of AASB 9 (December 2009) and AASB 9 (December 2010) (effective 1 July 2018).

- AASB 16 Leases (effective 1 January 2019).

**The Salvation Army (Australia)  
Self Denial Fund (For Overseas Aid)  
Aggregated Financial Report  
Notes to the Aggregated Financial Statements  
30 June 2018**

**3 Monetary Gifts and Donations**

	<b>2018</b>	<b>2017</b>
	\$	\$
Tax Deductible Revenue	3,789,010	1,514,415
Non Tax Deductible Revenue	1,716,030	1,264,567
	5,505,040	2,778,982

**4 Non-monetary Gifts and Donations**

The work of the Fund is supported by a number of volunteers each year. The contributions from our volunteers mean that the Fund is able to deliver a greater proportion of cash donations directly to field projects. During the year ended 30 June 2018, 123 volunteer hours were provided to the Fund by 6 volunteers at a commercial value of \$11,896.

**5 Cash and Cash Equivalents**

Cash at Bank	7,888,606	3,231,678
Cash on Hand	1,339	1,186
	7,889,945	3,232,864

**6 Trade & Other Receivables**

Sundry Debtors	368,343	67,680
Deposits & Advances	-	127
	368,343	67,807

**7 Other financial assets**

Term Deposits		622,500
Diversified Investment Fund	2,067,699	2,071,172
	2,067,699	2,693,672

**8 Plant & Equipment**

	<b>Office Equipment</b>	
<b>Gross carrying amount</b>		
Balance at 1 July 2017	1,598	-
Additions	-	1,764
Disposals	-	-
Balance 30 June 2018	1,598	1,764
<b>Depreciation and impairment</b>		
Balance at 1 July 2017	-	-
Disposals	-	-
Depreciation	353	166
Balance 30 June 2018	353	166
<b>Carrying amount 30 June 2018</b>	1,245	1,598

**9 Computer**

	<b>Computer</b>	
<b>Gross carrying amount</b>		
Balance at 1 July 2017	-	-
Additions	550	-
Disposals	-	-
Balance 30 June 2018	550	-
<b>Depreciation and impairment</b>		
Balance at 1 July 2017	-	-
Disposals	-	-
Depreciation	57	-
Balance 30 June 2018	57	-
<b>Carrying amount 30 June 2018</b>	493	-

**10 Trade & Other Payables**

Sundry Creditors		-
Accruals	25,955	29,720
	25,955	29,720

**The Salvation Army (Australia)  
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**11 Provisions**

Current		
Annual Leave	75,821	50,240
Long Service Leave	-	1,815
	75,821	52,055
Non-Current		
Long Service Leave	32,982	27,455

**12 Contingent Liabilities**

There are no contingent liabilities that have been incurred by the Fund in relation to 2018 or 2017.

**13 Commitments**

The Fund does not have any material capital or other expenditure commitments at the reporting date which had been contracted for at that date but not recognised as liabilities. As at 30 June 2018, Total Equity has a balance of \$10,192,967 which includes \$4,608,611 representing committed funds for projects expenditure in 2019 and future years.

**14 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 \$513,915 (2017: \$515,568).

**15 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  
30 June 2018**

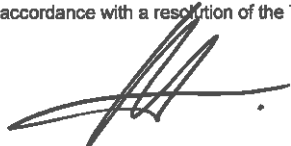
The Statements present for The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) ABN 52 609 689 893 - Australia Eastern Territory and The Salvation Army Aust Self Denial Fund (For Overseas Aid) ABN 15 582 601 404 - Australia Southern Territory, which comprises of aggregated statement of 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 2018 ("the Statements") have been prepared by the Trustees based on the Australian Council for International Development (ACFID) Code of Conduct, for the purpose of fulfilling The Salvation Army's reporting requirements to ACFID, and must not be used for any other purpose.

The Statements have been prepared applying the recognition and measurement rules in Australian Accounting Standards. The Trustees of The Salvation Army have determined that the accounting policies adopted are appropriate to meet the needs of the Trustees of The Salvation Army and ACFID and have determined that it is not necessary to include all the detailed disclosures, required by Accounting Standards and other mandatory professional reporting requirements in Australia.

In the opinion of the Trustees of The Salvation Army's Self Denial Fund (For Overseas Aid):

- (a) there are reasonable grounds to believe that The Salvation Army's 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 12 satisfy the requirements of the Australian Charities and Not-for-Profits Commission Act 2012, including:
  - (i) Complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations); and the Australian Charities and Not-for-Profits Commission Regulation 2013.
  - (ii) giving a true and fair view of the financial position as at 30 June 2018 and of the performance for the financial year ended on that date.

Signed in accordance with a resolution of the Trustees.



Colonel Mark TS Campbell  
(BA Leadership (UNE), MA Theological Studies (SCD))  
National Chief Secretary  
Trustee

Sydney,

08 November 2018



Lt-Colonel Stuart R Evans  
(B Economics, MBA)  
National Secretary for Business Support  
Trustee

Sydney,

08 November 2018



# 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

Daniel Robison  
Partner

Sydney

8 November 2018



# 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 2018, 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 2018.
- 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

## 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 scepticism 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

Sydney

8 November 2018