



29TH REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

THE SALVATION ARMY INTERNATIONAL TRUST



PASSION FOR PEOPLE



THE SALVATION ARMY

INTERNATIONAL HEADQUARTERS
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MISSION STATEMENT

International Headquarters exists to support the General as he/she leads The Salvation Army to accomplish its God-given worldwide mission to preach the gospel of Jesus Christ and meet human needs in his name without discrimination.

THE SALVATION ARMY INTERNATIONAL TRUST

TRUSTEE'S REPORT

The trustee is pleased to present the annual report for The Salvation Army International Trust (the 'Trust') for the year ended 31 March 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The General, acting under powers contained in The Salvation Army Act 1980, established the Trust to further the worldwide work of The Salvation Army. The Salvation Army International Trustee Company (SAITCo), a company limited by guarantee, was formed and appointed as the ordinary Trustee of the Trust. The directors of SAITCo are thus effectively the charity's trustees.

THE SALVATION ARMY INTERNATIONAL TRUST

Registered Charity No 1000566

Trust Settlement Deed dated 21 September 1990

THE SALVATION ARMY INTERNATIONAL TRUSTEE COMPANY – ORDINARY TRUSTEE

Company Registration No 2538134

The General of The Salvation Army, as founder of the Trust, specifies the qualifying offices and the experts for SAITCo. Qualifying offices are such offices of The Salvation Army as the General may from time to time specify by notice to SAITCo and experts are persons who satisfy such conditions as the General may from time to time specify by notice to SAITCo. Both the qualifying offices' holders and the experts make application for membership of SAITCo with consent to become directors and are accepted by the Board of Directors of SAITCo.

All new directors follow teaching modules prepared specifically for The Salvation Army on its constitution, operational scope and the duties and responsibilities of directors. In addition individual directors follow external courses.

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DIRECTORS

Commissioner Birgitte Brekke-Clifton SRN	from 1 March 2013
Commissioner Lyndon Buckingham	from 3 August 2018
Commissioner Keith Conrad	from 1 August 2019
Commissioner Robert Donaldson BSc, LTh, PGDip, MInstD (NZ)	from 10 March 2017 to 30 June 2019
Commissioner Gillian Downer	from 1 June 2013 to 30 September 2019
Commissioner Merle Heatwole BSc	from 2 November 2015
Commissioner Johnny Kleman	from 1 January 2018
Commissioner Wayne Maxwell Dip Min, BTh, MA	from 1 October 2019
Commissioner Benjamin Mnyampi	from 1 August 2016 to 31 July 2019
Commissioner Brian Peddle	from 1 September 2014 to 2 August 2018
Commissioner Mark Tillsley BA, MSc, PhD	from 11 May 2018
Commissioner Alistair Venter	from 29 September 2017
Dr Matthew Carpenter BA, MBA, DBA, MCMI	from 1 July 2014
Ms Elizabeth Edwards BSc (Hons), FRICS	from 1 May 2013
Mr Peter King Solicitor, MA	from 1 May 2013
Mr Robert Lister	from 1 January 2016
Mr David A. Mayes	from 1 May 2013 to 30 April 2019
Mr Robin Foale	from 1 May 2019
Mr Mark Goodale BA, FIA	from 1 May 2019

PRINCIPAL OFFICERS

Commissioner Merle Heatwole BSc	Managing Director
Dr Matthew Carpenter BA, MBA, DBA, MCMI	Company Secretary
Miss Karen Dare	Chief Accountant to 3 February 2019
Mr Adrian Steele FCCA	Chief Accountant from 4 February 2019 to 31 May 2019
Miss Karen Dare	Acting Chief Accountant from 1 June 2019 to 13 October 2019
Mr Kaloan Belito ACCA	Chief Accountant from 14 October 2019

BANKERS

HSBC Bank plc	Reliance Bank Limited	National Westminster Bank
60 Queen Victoria Street	Faith House, 23-24 Lovat Lane	38 Strand
London EC4N 4TR	London EC3R 8EB	London WC2H 5JB

SOLICITORS

Slaughter and May
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London EC1Y 8YY

AUDITORS

BDO LLP
2 City Place, Beehive Ring Road
Gatwick, West Sussex RH6 0PA

INVESTMENT MANAGER

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

The Trust exists to further the work of The Salvation Army, which is to advance the Christian religion and meet human need as and where it occurs throughout the world and support the work of International Headquarters (IHQ). IHQ is responsible for coordinating the international work and overseeing strategy.

The Salvation Army is, for administrative purposes, divided into autonomous territories (generally by region or country). Each territory is governed, through local registration(s), in accordance with the applicable local laws and the Trust works with and through these separate legal entities. However, The Salvation Army remains under the oversight, direction and control of the General of The Salvation Army, as set out in greater detail in The Salvation Army Act 1980.



RELATED PARTY ENTITIES

The Salvation Army Retired Officers Allowance Scheme

Registered Charity 1153681

Declaration of Trust dated 13 December 2012

The Salvation Army Retired Officers Allowance Scheme is a separately registered charity that is administered by SAITCo as the trustee.

The objects of The Salvation Army Retired Officers Allowance Scheme are to relieve the poverty of retired officers and the financial hardship amongst elderly retired officers of The Salvation Army anywhere in the world.

The Salvation Army in the United Kingdom and the Republic of Ireland

The work of The Salvation Army in the United Kingdom and the Republic of Ireland is directed by the United Kingdom Territory with the Republic of Ireland, with resources provided through trusts administered by The Salvation Army Trustee Company. The two principal trusts of this territory are The Salvation Army Trust and The Salvation Army Social Work Trust.

Reliance Bank Limited

The banking company, Reliance Bank Limited (the 'Bank'), became a wholly owned subsidiary of the Trust during the year, following the purchase of The Salvation Army Trust's (UK Territory) 49% interest. The Trust also invested an

additional £1.5 million in the Bank's share capital during the year to support its business transformation plans. Under this ownership model and with a new 5-year strategic plan, the Bank aims to become an important, positive social impact bank with an expanded remit in this market segment.

The Bank offers transactional banking services to more than 30 Salvation Army territories, providing a vital 'safe haven' for project funds and IHQ operational grants and a secure platform for international fund transfers for the global Salvation Army. The Bank offers these territories a comprehensive product range including current accounts and fixed interest products in GBP, USD & EUR as a UK domiciled bank authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In addition, the Bank also meets the functional banking requirements of IHQ (as distinct from territories) involving processing payments to a wide range of international locations, providing personal bank accounts for non UK nationals working at IHQ, creating bespoke bank accounts for territories to match specific IHQ requirements and obtaining bank ratings information to inform IHQ evaluation of proposed bankers for territories. The Bank also provides a wide range of banking services to The Salvation Army (UK Territory) and to other UK charities, positive social impact businesses and the general public.

SAITCo as ordinary trustee of the Trust undertook considerable due diligence over an extended period before acquiring sole ownership of the Bank, with the Board of Directors receiving multiple reports from appointed consultants on legal, tax, accounting, governance, risk and regulatory considerations including a detailed critical analysis of the Bank's 5-year strategic plan.

Ordinarily, the Bank will donate a proportion of its net taxable profits to support the mission of the Trust. This has not been the case during the year under review, as the Bank is investing in its organisational structure and systems as it embarks on a new strategy under the sole ownership of the Trust. As expected, a loss has been made in the early implementation period of the strategic plan, while this initial investment takes place.

Consolidated accounts for the Trust incorporating the Bank as its banking subsidiary are presented for 2018/19 as well as charity results, assets and liabilities for the Trust (see page 52 following for the Accounts).

Whilst the Trust is the Bank's controller, a Nominations Committee comprising Non-Executive Directors of the Bank recommends the appointment of Bank Directors to the board. This includes consideration of proposed Shareholder representative Directors, as and when appropriate.

The Bank, in common with all banks, faces a number of risks such as credit risk, interest rate risk, risk arising from holding foreign currencies, market risk and operational risk. Policies are in place to ensure that the Bank's exposure to these risks is monitored and controlled. The Bank maintains a risk register which is regularly reviewed by the Bank's Audit, Risk and Compliance Committee and Executive Committee.

GOVERNANCE

The Trust utilises a committee structure to supervise its operations. SAITCo's Board of Directors, including five Non-Executive Directors, delegates day-to-day financial management decisions to the International Finance Council and the International Business Board within clearly defined parameters. The terms of reference for subsidiary boards and the minutes of all meetings of these boards are reviewed by the Directors on a regular basis.

A well-established Internal Audit Department carries out a cycle of reviews of the systems in operation within IHQ and in all countries where The Salvation Army is working and a sound framework of internal controls and strong financial management systems are in place, supported by a manual of International Financial and Accounting Standards for The Salvation Army issued from IHQ. A project is also well underway to roll out cloud-based accounting software to all financially supported territories which will enable more regular and more detailed reporting within territories and also reporting of key financial indicators from territories to IHQ.

An Audit Committee meets on a quarterly basis, is chaired by a Non-Executive Director of SAITCo, and comprises a minimum of three members none of whom hold executive responsibility for management of the Trust. The Committee holds delegated responsibility on behalf of

SAITCo for continual review of the financial management and internal controls of the Trust and holds a direct line of communication to the external auditor.

A wide ranging and significant governance review exercise commenced during 2018/19 assisted by an external consultant and involving a review of SAITCo membership, structure, interrelationships with other IHQ bodies, performance and effectiveness as well as benchmarking to good governance practice as outlined within the third edition of the Charity Governance Code. SAITCo already embraces many governance activities outlined within the Code such as conducting board induction and training, managing potential or actual conflicts of interest and regularly reviewing terms of reference for subsidiary boards with opportunity for further development in areas such as formal monitoring of Board skills and performance. Multiple working parties are currently engaged in projects highlighted by the governance review with some early procedural enhancements already applied and implementation of the main body of agreed actions anticipated to commence from 2019/20.

SAITCo also received a separate report during the reporting year from the external consultant assisting the governance review exploring preferred governance arrangements for SAITCo as sole owner of the Bank. This report was considered as part of the body of due diligence work undertaken on sole ownership of the Bank with subsequent actions including successful recruitment of an additional Director with banking expertise to the SAITCo Board, appointment of two shareholder representatives to the Bank board and commencement of a review to determine the preferred mechanism for reporting of Bank performance to SAITCo.

REMUNERATION

SAITCo is committed to ensuring a proper balance between paying staff to attract and retain the best people for the job, and careful management of charitable funds.

Management remuneration policies and practices within the Trust are reviewed periodically by SAITCo with day-to-day decisions delegated to the Employee Review Board and Job Grading Panel within clearly defined parameters.

Posts are graded between evenly distributed salary points with the highest point in a salary band approximately 10% higher than the lowest point, though this can vary depending on the nature of the post. The median of the band is the 'market average' salary for this type of post as identified through benchmarking to comparable roles in other organisations. New staff members are usually appointed at the lower to median end of the band, depending on experience. Post holders can progress up to the next salary point within their band, subject to satisfactory completion of a performance appraisal.

“ The activities of the charity are rendered without discrimination and for the benefit of all people in need

Cost of living increases are also awarded periodically to all staff by SAITCo with an assessment made within the annual budget setting process to determine any proposed inflationary adjustment with reference to the Consumer Price Index and the financial position of the Trust.

Further remuneration disclosures for the Trust and group for this reporting period are shown within Notes 14 and 15 to the Accounts.

MODERN SLAVERY ACT

The Salvation Army is very active in bringing practical assistance to those whose lives have been affected by the evil of modern slavery and as such is sensitive to the danger of inadvertently finding itself falling short of its own beliefs and standards in this regard as well as the standards set out in the UK Government's Modern Slavery Act 2015. The Modern Slavery Act 2015 compliance statement for SAITCo, reviewed and updated in May 2019, can be accessed at <http://www.salvationarmy.org/ihq/modernslaveryact2015> and provides details of the variety of measures undertaken by SAITCo to avoid and reduce the risk of inadvertently supporting modern slavery in any way.

FUNDRAISING

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although the Trust does not actively undertake widespread fundraising from the general public, the legislation defines fund raising as “soliciting or otherwise procuring money or other property for charitable purposes”. Such amounts receivable are presented in the Accounts as “Other Donations and Legacies”.

In relation to the above SAITCo confirms that no fundraising activity has been taken by the Trust, or by anyone acting on its behalf, that no fundraising standards or scheme for fundraising regulation have been subscribed to by the Trust, or by anyone acting on its behalf, that no complaints in relation to fundraising activities have been received and that any solicitations are managed internally, without involvement of commercial participators or professional fund-raisers.

OBJECTIVES AND ACTIVITIES

Public Benefit

The Trust is operating for the public benefit and in keeping with the organisation's mission statement. In setting and reviewing the Trust's aims and objectives and planning future activities, the Trustee pays due regard to the guidance issued by the Charity Commission on public benefit. The main activities of the Trust are:

- To continue the advancement of the Christian religion through evangelistic outreach
- To continue to provide financial assistance to The Salvation Army where needed
- To provide effective leadership and share knowledge and expertise through the strategic deployment of personnel
- To respond to and help meet the needs arising from major crises
- To strengthen The Salvation Army's capacity to support poor and marginalised people who need access to quality primary health care services as close to the family as possible
- To take action to combat the massive and growing evil of sexual trafficking and to create awareness of social injustice in the world.

A breakdown of expenditure per these main charitable activities of the Trust is presented at Note 10 in the Accounts. This shows a significant outlay on funding assistance to Salvation Army territories (under the second activity listed above) recognising that such grants also aid fulfilment of the other stated objectives as Salvation Army territories provide a wide range of local church/social programmes having received the IHQ funding necessary to maintain day to day operations.

Specific aims for each of the main activities of the Trust during the reporting period are outlined in the sections below. The activities of the charity are rendered without discrimination and for the benefit of all people in need.

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1 *WORLD* *MISSION*

OVERALL OBJECTIVE

To continue the advancement of the Christian religion through evangelistic outreach.

SPECIFIC AIMS

World Mission objectives are to encourage and enable people linked to The Salvation Army to reach out into their communities with spiritual and practical support, to offer online resources to Salvationists and friends around the world and so create a supportive network through which people can share in prayer and encouragement, and for the General and the Chief of the Staff to visit Salvationists and friends around the world, providing opportunities for increased publicity and offering encouragement and challenge.

ACHIEVEMENTS

In May 2018, the diverse group of Salvation Army leaders known as the High Council gathered in London, UK, with the sole purpose of electing the movement's next international leader. At the end of a week of prayer, discussion and deliberations, Commissioner Brian Peddle was presented to the world as General-elect. He took office on 3 August 2018.

The High Council itself is a closed event, but the live streaming of the public Welcome to the High Council provided opportunity to Salvationists and friends around the world to share with their social media contacts and followers and to join together in worship and in prayer that God's hand would be on the High Council.

The spectacular and challenging two-hour meeting, held in Central Hall, Westminster, also celebrated the service of General André Cox and Commissioner Silvia Cox (World President of Women's Ministries) as they prepared to enter retirement.

Within 24 hours of the event, the live stream had been viewed more than 40,000 times, with people from around the world adding prayers, comments and messages of encouragement. A full report of the Welcome to the High Council can be found at www.salvationarmy.org/ihq/news/inr200518. The meeting can be watched at www.salvationarmy.org/highcouncil2018.

Since taking office, General Brian Peddle has called everyone linked to The Salvation Army to a renewed focus on its mission. Gathered under the headings 'Be Ready', 'Be Engaged' and 'Take Responsibility', the General's Call to Mission is broken down into nine specific 'calls': 'to prayer', 'to holiness', 'to be battle-ready – now!', 'to serve', 'to worship', 'to confidence in the gospel', 'to raise and nurture every generation', 'to costly compassion' and 'to inclusion'.

In a leaflet that is available online and was distributed worldwide through The Officer magazine, the General explained that his call is 'for the whole Salvation Army. It needs to rest with and be responded to by every officer, soldier, adherent and junior soldier; as well as every employee and volunteer. Everything we do should fulfil the sacred mission that God has given to his Salvation Army'.

He challenged the international Salvation Army to 'join me in this fight to be The Salvation Army that God called us to be. Help me position the Army so that it is right at the heart of God's will, ensuring his continued blessing and hand of protection as we strive to meet the challenges of the 21st century.'





Assembled members of The High Council 2018 at the public welcome meeting in London, UK

The Call to Mission is being supported by the publication of an online video and three short sermons by the General. Plans are in place to make more content available throughout the General's time in office. Full information is available online at sar.my/calltominion.

The first overseas visits by General Brian Peddle and Commissioner Rosalie Peddle (World President of Women's Ministries) were to Cuba in August 2018, for centenary celebrations, and Kuwait in October 2018.

Writing about the visit to Cuba in *All the World* magazine, the General says: 'We encountered a vibrant Army. These Salvationists remained faithful to God and the Army in the years when Cuba was effectively shut off from the world.' The visit included times of passionate worship where people responded to the gospel, and the international leaders also met representatives from the government and other churches – a sign of the respect in which The Salvation Army is held.

The visit to Kuwait was to celebrate a decade of Salvation Army ministry in the Middle East. 'Despite some restrictions,' says the General, 'we found faithful Salvationists who are living out their soldier's covenant by building community and living in loving relationships. We also found a Salvation Army that is well connected with embassies and business people.'

As well as sharing Friday and Saturday worship on a compound shared with 80 congregations, the General and Commissioner Peddle saw the practical aspect to the ministry in Kuwait when they travelled to a safe house

where The Salvation Army is helping trafficked women who have escaped from servitude. 'Their stories were heart-breaking,' admits the General, 'yet for many their Christian faith was strong and gave them hope.'

The second half of 2018 also saw the official opening of Salvation Army ministry in three countries – Gabon and Burkina Faso (both Africa), and the Pacific island of Samoa. The new ministry in Gabon is overseen by the Congo (Brazzaville) Territory, which sent a large delegation to the opening event in Libreville, including officers, soldiers, bandsmen and songsters. The Salvation Army in Gabon has also been established in other towns such as Latoursville, Moanda, Franceville and Port-Gentil. Highlights of the historic celebration were the swearing-in of two senior soldiers, the enrolment of six junior soldiers and the

General Brian Peddle visits Kuwait



**New beginnings:
opening of Salvation
Army work in Gabon**



dedication to God of five babies. The ceremony was enriched by music from Gabon's Salvationists, including the songsters, home league singers and timbrel brigade from Libreville Outpost.

The work in Samoa (formerly Western Samoa) has its roots in links that were first established in 1984. A further contact was made in 2001 and, following receipt of a letter from the Prime Minister of Samoa in 2017, it was felt that the time was right to engage in moves to seek official registration for The Salvation Army.

The Prime Minister, Tuilaepa Aiono Sillele Malielegaoi, expressed a keen interest in having The Salvation Army begin work on the islands, citing drug and alcohol dependency as key issues he felt The Salvation Army could address. He wrote: 'I like to think you were divinely guided ... to bring the good news of your work for Samoa.'

Sunday meetings have been taking place since May 2018, and employees, engaged to be involved in the addictions programme, began work in June. Samoa is part of the renamed New Zealand, Fiji, Tonga and Samoa Territory.

More than 365 Salvationists took part in celebrations to mark the official opening of The Salvation Army in Burkina Faso, which took place in the capital city, Ouagadougou. A march of witness through the streets of Ouagadougou was followed by a meeting at Ouagadougou Corps (Salvation Army church) to celebrate the official commencement of Salvation Army ministry in Burkina Faso. A representative of the Mayor of Arrondissement VII was present, together with traditional community leaders who expressed their joy at seeing The Salvation Army at work in their community.

Twenty-eight new Burkinabé recruits were enrolled as soldiers and a new Salvation Army flag was presented to Captains André and Nana Togo, officers from neighbouring

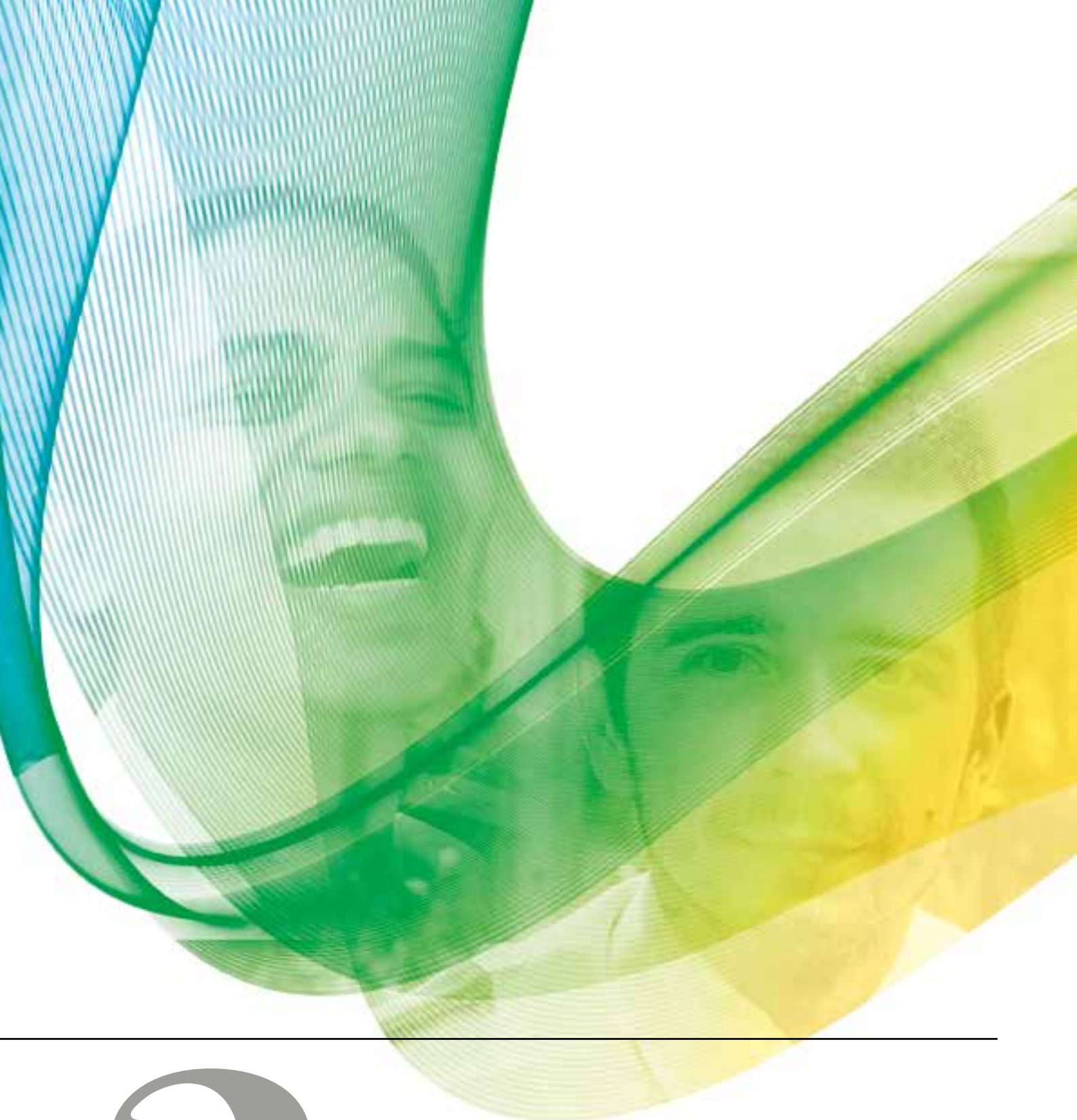
Mali who have been appointed as officers-in-charge in Burkina Faso (the Mali Region will oversee the new work). Music was provided by Ouagadougou Corps band, with vibrant singing and dancing bolstered by 68 excited Salvationists visiting from Mali.

KEY STATISTICS

- Web streaming of the Welcome to The High Council meeting was viewed more than 40,000 times within 24 hours of the event, as people from around the world engaged with the process of selecting a new international leader for The Salvation Army.
- The Salvation Army is now officially at work in 131 countries with three new openings in 2018 (Gabon, Burkina Faso, Samoa).
- From 2008 to 2018, Salvation Army ministry has commenced in seven African nations.

FUTURE PLANS

The General and the Chief of the Staff will continue to travel around The Salvation Army world, engaging with Salvationists, friends, supporters and people of influence. The Salvation Army will seek new and innovative ways to share the gospel message through online means (including social media) and also by providing resources to enable local outreach. The General's Call to Mission will be promoted worldwide, with new resources and materials made available during 2019/20.



2 *ASSISTANCE TO SALVATION ARMY TERRITORIES*

OVERALL OBJECTIVE

To continue to provide financial assistance to The Salvation Army where needed.

SPECIFIC AIMS

The Trust seeks to provide financial assistance, infrastructure and technical support to territories through a wide range of programmes including grant funding and delivery of large-scale international projects with a particular focus upon four areas of work during 2018/19:

a. International Development Services (IDS), based at IHQ, aims to provide both financial and technical support to community projects and programmes across the world. This year, the key objective for IDS was to complete and roll out a new project management database while also focusing upon capacity building in territorial project offices including delivery of the Africa Strategy Initiative and Asia Learning Forum.

b. International Property Project, overseen by a full time consultant based at IHQ, aims to assist territories in highest and best use reviews of under-utilised property assets as a step towards financial independence. During 2018/19, the project aimed to implement a significant scheme in Zambia and conduct multiple feasibility assessments in other territories.

c. International Financial and Accounting Standards (IFAS), involves a global project team led from IHQ implementing cloud-based accounting software for all financially supported territories alongside roll out of new International Financial and Accounting Standards for the global Army. The

software deployment will replace many basic standalone systems and will assist territories in complying with new IFAS reporting. This year, key objectives were to implement the new accounting software in three pilot territories, complete design and testing of the software platform and commence planning for the main implementation of the software to 40 territories.

d. Office 365 Project, involves a large project team based at IHQ and within territories rolling out a new global collaboration and communication solution to provide an official Salvation Army digital identity for every officer and employee who uses technology to achieve mission tasks on behalf of The Salvation Army. Of almost 150,000 combined officers and employees internationally little more than 55,000 individuals are currently able to access the existing official email system. During 2018/19, the project aimed to roll out the new email platform to four pilot territories, publish a migration handbook and showcase project objectives at internal IT conferences.

Livelihood recovery in action in Leyte, Philippines



ACHIEVEMENTS

u. INTERNATIONAL DEVELOPMENT SERVICES

More than 580 project proposals were approved at IHQ during 2018/19 for implementation to support communities. The IDS team continued to work with territories to encourage sustainable, long-term positive change in communities and supported territorial offices in their use of the new project management database.

Capacity building efforts were enhanced with appointment of a Capacity Development and Resource Coordinator in the IDS team. The following examples illustrate the significant, transformative work supported by IDS staff:

PHILIPPINES: Following the devastating Typhoon Yolanda, The Salvation Army immediately sought to provide relief by partnering on a livelihood recovery project, concentrating on commercial vegetable farmers on the island of Leyte. The project was identified together with the Department of Agriculture in Tacloban City. During an initial assessment, it was established that farmers were entering into exploitative contracts with money lenders in order to pay for repairs during their hour of need. To counter this, and help build the resilience of the Filipino farmers, project activity looked to support 1,224 farmers in their efforts to 'build back better' through the provision of vegetable seeds and fertiliser as well as complementary training. The training focused on financial management and planning skills. The project was supervised by a trained agriculturalist.

The project successfully addressed the needs of the farmers for food consumption and livelihood generation, with some farmers even reporting they were able to sell excess yields for a profit. Moreover, it was suited to the area and implemented at the right time, allowing the farmers to sustain their own income when they would have otherwise been in danger of slipping into a cycle of debt and dependence. It was noteworthy that 58% of the farmers were female, as this project also looked to empower women during its duration. After the project, 75% of participants reported an increase in their incomes and harvests, despite facing the additional strain of the El Niño drought.

DEMOCRATIC REPUBLIC OF CONGO: A new and innovative project re-established indigenous colonies of edible caterpillars and domesticated them in farming activities to overcome severe protein deficiencies of the people and provide additional income for families. With the deforestation for land use and production of charcoal, soils in the subject area are poor and rainfall is erratic. The

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58% of the farmers were female, as this project also looked to empower women during its duration

natural biodiversity has largely been lost and with it the varied, protein rich diet (caterpillars in particular) has been negatively affected. The project gained great interest from the local population with growing awareness of the ability to raise caterpillars for food. Host plants (trees), are being re-introduced and protected, thus effectively reforesting the area at the same time as raising the standard of diets and the income of the community.

ARGENTINA: A life-changing programme was implemented in Buenos Aires to address the consequences and psychological impact of domestic violence upon mothers and their children. The first component, 'United Towards a Change' was developed as a therapy group for women subject to gender-based violence at the hands of their ex-partners. Women attended meetings on a regular basis and were supported to rebuild their lives with trust and respect among attendees at the core of the programme which challenged social 'norms' and traditional roles between women and men that can lead to unbalanced and violent relationships.

Women often lack access to independent economic means and the project also encouraged women in academic and economic activities and also offered legal support where needed. Children benefitted especially from the second component of the programme 'Learning Through Playing' that involved children learning through recreational activities about building healthy relationships and non-violent approaches to resolving conflict. The success of the programme was enhanced by local partnerships and strong links with other organisations working with this client group. Looking beyond the work of IDS, another significant area of assistance from IHQ to territories can now be considered.



Harvesting of edible caterpillars in Democratic Republic of Congo



b. INTERNATIONAL PROPERTY PROJECT

The International Property Project seeks to assist territories in highest and best use reviews of under-utilised property assets as a step towards financial independence. Overseen by a full-time consultant based at IHQ, the project works with globally recognised property firms to develop potential schemes for territories through a number of different stages:

PRE-STAGE 1	Scoping and Identification	Assessment of different options and different properties
STAGE 1	Feasibility Project Approval	Feasibility studies are undertaken to explore potential project
STAGE 2	Detailed Feasibility Phase	Detailed feasibility studies are completed, a planning application is lodged or in process, tenders are issued or in process, a detailed project budget is compiled and grant funding requested
STAGE 3	Implementation Phase	Planning permission is awarded, the preferred General Contractor is identified following the receipt of tenders and the project budget is reviewed and finalised. On final Board approval, project implementation commences.

A number of different schemes were progressed through these various stages during 2018/19, illustrated by the following examples:

ZAMBIA: Development of space on an existing Salvation Army site, supported by a significant grant from the International Trust, reached the implementation phase with work progressing on a three level new build incorporating commercial activities on the ground (retail) and first floors (rentable office space) and second floor offices for territorial headquarters. The rental space is forecast to raise significant, ongoing funds for the territory as an important step towards self-support.

KENYA EAST: Feasibility stages were progressed for development of unused land at the territorial headquarters site as accommodation for Salvation Army officers based at THQ, allowing another site where the officers are currently accommodated to be planned as a commercial residential area with potential to generate significant additional income for the territory.

SRI LANKA: Development of an underutilised site in Colombo for income-generating projects was explored via feasibility studies to help the territory assess this potential move towards self-support.

In addition to these schemes, the International Property Project team supported capital projects related to schools development, children's homes and hospital development across multiple territories and also provided teaching seminars to develop capacity of territorial property teams within financially supported territories. Turning now to another large-scale international project delivered from IHQ during the year.

C. INTERNATIONAL FINANCIAL AND ACCOUNTING STANDARDS

The IFAS project involves a global team led from IHQ implementing cloud-based accounting software to all financially supported territories alongside the roll-out of new International Financial and Accounting Standards for the global Army. The scale of this international project covering 43 territories is significant and indeed unprecedented within the global Salvation Army. The long-term objective includes reaching up to 10,000 users for the software at over 1,350 divisional headquarters, centres and training colleges and almost 5,500 Salvation Army corps.

During the year, the project team implemented the software at territorial headquarters in three pilot territories: Kenya

East in July 2018, South America East in September 2018 and Indonesia in October 2018. Key business and finance staff in these locations were trained and empowered to start using the new software that provides modern tools, introduces efficiencies and enables tighter controls over financial management.

The project team also made strong advances in tailoring the design and testing of the accounting software with lessons learned incorporated into the evolving design that also benefitted from user acceptance testing undertaken at the pilot sites. An independent review of the software design was also commissioned, with the report received utilised to make further amendments to ensure an efficient and helpful design. Reporting of Key Financial Indicators (KFIs) from territories to IHQ also commenced during the year, as required by the new manual of International Financial and Accounting Standards. The KFI reporting regime required by IFAS applies to all territories with roll-out of the new software to eventually enable reporting in real time. For the interim period, an Excel based template was built, peer reviewed and released allowing territories to commence KFI reporting as a significant enhancement to financial monitoring and controls for the global Army. Looking beyond IFAS implementation, significant steps were also undertaken to advance another large-scale international software roll-out during 2018/19.

d. OFFICE 365 PROJECT

The Office 365 Project involves a large project team based at IHQ and within territories rolling out a new global collaboration and communication solution to provide an official Salvation Army digital identity for every officer and employee who uses technology to achieve mission tasks on behalf of The Salvation Army.

During 2018/19, the project rolled out the new email platform to four pilot territories, with around 29,000 users migrated to the new email system and more than 4,000 users added for the first time to an official Salvation Army email system. The project team also published a migration handbook, created additional resources including policy templates and audit documents and showcased project objectives at internal IT conferences. Assessments were also completed of the preferred structure for international IT services going forward to deliver the main phase of the software implementation.



General-Elect Brian Peddle posts the first transaction on the new global cloud-based accounting software solution in Kenya East Territory

“

The IFAS project involves a global team led from IHQ implementing cloud-based accounting software to all financially supported territories



365 Project Discussions at the European Technology Exchange Conference, Netherlands

KEY STATISTICS

- International Development Services facilitated approval of more than 580 project proposals at IHQ during 2018/19 for implementation to support communities.
- The International Property Project Team assisted territories in assessment and development of property schemes for under-utilised assets in Uganda, Malawi, Zambia, Kenya, Mozambique, Sri Lanka and India in 2018/19.
- The International Financial and Accounting Standards Project Team facilitated implementation of new cloud-based accounting software in three pilot territories during 2018/19 with the long-term objective to reach up to 10,000 users.
- The 365 Project Team rolled out a new email platform to four pilot territories during 2018/19, with more than 4,000 users added for the first time to an official Salvation Army email system.

FUTURE PLANS

a. INTERNATIONAL DEVELOPMENT SERVICES

Over the next year, IDS will work on tools to help strengthen relationships between the different stakeholders of development programmes. The direction of capacity building work will be clearly defined and integrated with wider Salvation Army programmes in similar areas before it is fully rolled out. IDS will work with territories to strengthen its transformative impact as it supports The Salvation Army's engagement with their surrounding communities.

b. INTERNATIONAL PROPERTY PROJECT

The International Property Project will continue to assist territories towards best use of property assets with the Zambia THQ property scheme expected to complete in 2019/20 as schemes in Kenya, Sri Lanka and India move into the implementation phase.

c. INTERNATIONAL FINANCIAL AND ACCOUNTING STANDARDS

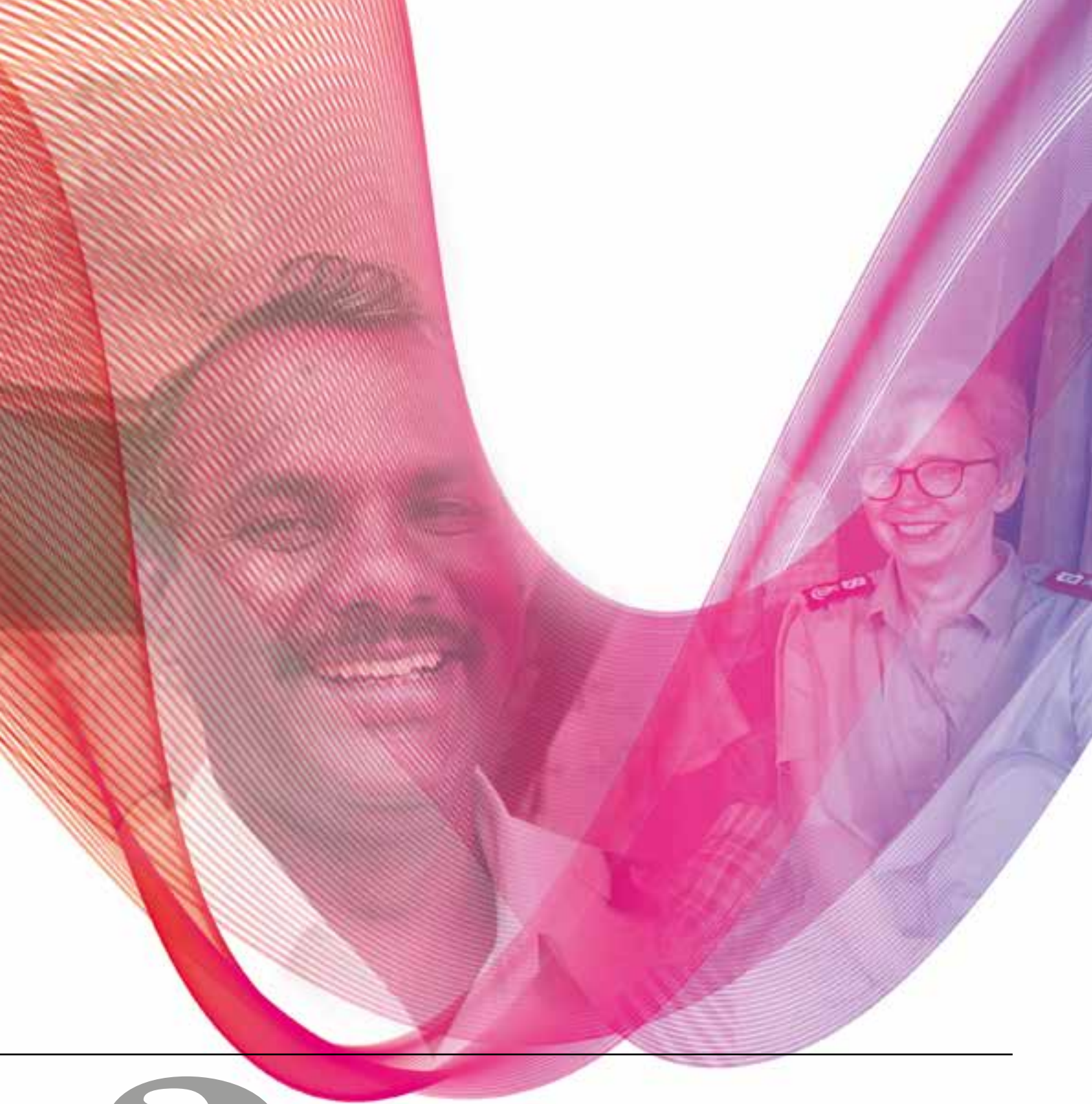
The IFAS Project will move forward to the main implementation involving installation of the new accounting software in 40 territories. A project plan is in place for the software roll-out to THQ level in all 40 territories within three years with Project Training and Deployment Officers working alongside territorial staff to ensure successful implementations.

d. OFFICE 365 PROJECT

The Office 365 Project during 2019/20 will focus upon; structuring the project team for the future including recruitment of key lead roles, developing plans for working with local territorial IT personnel in supported territories, continuing communication and engagement with pilot territories and ensuring close alignment with the IFAS project.

A young family watches the construction of their new home after flood damage, Bangladesh





3 *INTERNATIONAL PERSONNEL TRAINING AND DEVELOPMENT*

OVERALL OBJECTIVE

To provide effective leadership and share knowledge and expertise through the strategic deployment of personnel.

SPECIFIC AIMS

International personnel training and development objectives for 2018/19 included supporting training colleges around the world as they train officer cadets for culturally relevant ministry, delivery of the newly modelled orientation training offered at IHQ to new leadership in territories, and operation of the International College for Officers as a means to nurture personal holiness and spiritual leadership and encourage a renewed sense of mission and purpose among Salvation Army officers.

ACHIEVEMENTS

The recently formed International Officer Training and Leader Development Council (IOTALDC) met several times during the year and commenced the major task of revising Orders and Regulations relating to training of Salvation Army officers to include base-competency sets, theological

and educational underpinnings of training and development, and an articulated core college curriculum. Ongoing work projects for the Council include: review and clarification of territorial capability frameworks, review of current training policies and systems, promotion and development of standards for training officers and ensuring emphasis on Salvation Army distinctives and spiritual formation throughout the training process. Other key developments during the year were as follows:

TRAINING COLLEGES: Accreditation of training college programmes was undertaken in support of the seven training colleges in India with the Asia Theological Association (ATA). IHQ personnel were involved in strengthening various aspects to develop a new course that can become the standard across India. A new Officer Training Manual (incorporating an integrated Bachelor of Theology course) was released. Training programmes in some African territories were also reviewed at IHQ and the territories encouraged in further refinement of curricula.

SENIOR LEADERS' ORIENTATION: When personnel are appointed to senior leadership roles in territories, they undergo an orientation course at IHQ. The recently remodelled course involves an intensive 10-day programme of workshops aiming to provide similar support to that experienced by senior executives in the business world. The course was delivered on two occasions during the year using materials produced by Development Dimensions International (DDI), delivered by a qualified consultant who is also a Salvationist. Dr Marjory Kerr, President of Booth University College, Canada, ensures that leadership concepts are translated into contexts in which Army leaders find themselves. Over the next decade, as new leaders experience the benefits of the conference (and the subsequent coaching process), the quality of leadership across the world for senior leaders will be further enhanced.

LEADER DEVELOPMENT: IHQ staff delivered leader development sessions for middle managers including groups of Spanish and Portuguese-speaking officers, officers from territories and commands in Africa and officers from India, Bangladesh and Sri Lanka. Leadership development modules



Orientation Facilitator: Dr Marjory Kerr,
President of Booth University College, Canada



**Chief of the Staff Commissioner Lyndon Buckingham
with Senior Leaders' Orientation delegates**

are also being made available to any officer anywhere in the world. Modules can be accessed on smartphones and officers can show personal initiative for self-development by completing the modules, putting the concepts into practice immediately in their own context. Modules show leaders how to build teams; how to delegate effectively; how to manage change; how to give effective feedback; how to have difficult conversations; how to coach. While many officers in Western countries have been exposed to skills-development of this type, the primary target group is the rest of the world. As these officer-leaders use the materials, any gap between themselves and leaders in more affluent territories will reduce. The Salvation Army will provide each officer completing the course with a Certificate of Leader Development. Completion of the course will also be noted by International Headquarters as one component in the process of assessing potential for leadership.

INTERNATIONAL COLLEGE FOR OFFICERS:

Based at Sunbury Court, London, the International College for Officers (ICO) brings together groups of officers from around The Salvation Army world for a six-week training experience, considering the challenges and opportunities facing Salvation Army leaders in the 21st century. Each six-week session provides delegates with development opportunities in spiritual formation, personal and organisational leadership, Salvation Army practice and

policy; plus an opportunity for personal, spiritual and emotional refreshment. During 2018/19, four sessions were held involving a total of 131 officers.

Two sessions in 2018 were classed as translation sessions, where officers have the opportunity to hear lectures in their first language – in this case, Indonesian and Bengali. Delegates complete a written evaluation of each lecture or seminar immediately at its conclusion and are requested to complete a full evaluation of their overall experience at the conclusion of their ICO session. These provide substantial confirmation that the experience of attending the ICO is of significant benefit to those delegates. Many refer to it as being transformational personally, spiritually and for their future ministry.

International Headquarters seeks to work approximately two years ahead in selecting delegates for the ICO, to enable sufficient time for preparation for officers approved to attend and to ensure appropriate plans are in place for their usual appointment during their absence. This is especially necessary when officers appointed to the ICO are not fluent in English. The English Language Improvement Action Plan (ELIAP) operates for such potential delegates, and staff at the ICO continue to work hard to develop this facility so that greater numbers are successful in English language development.



ICO delegates light candles on a prayer map showing their home territories

“
**Modules show
 leaders how to
 build teams;
 how to delegate
 effectively;
 how to manage
 change; how to
 give effective
 feedback; how
 to have difficult
 conversations;
 how to coach**

KEY STATISTICS

- In the period April 2018 to March 2019, 131 delegates attended the ICO representing 45 Salvation Army territories.
- 39 territorial commanders, chief secretaries, general secretaries, territorial presidents of women's ministries and territorial secretaries for women's ministries received orientation training at IHQ during the year.

FUTURE PLANS

The International Officer Training and Leader Development Council (IOTALDC) will continue to work to review, develop and implement policies for training and leader development including curriculum standards, training accreditation and capacity building of leaders. Four territories will be engaged to develop an Administrative Leaders' Training Course offering delegates opportunity to learn key concepts and skills and have the benefit of 'shadowing' officers in equivalent roles from other territories. A wide-ranging review of the ICO will be progressed during 2019/20 covering structure, curriculum and funding with responses evaluated to determine future developments to all areas of ICO ministry.



4 *CRISIS RELIEF*

OVERALL OBJECTIVE

To respond to and help meet the needs arising from major crises.

SPECIFIC AIMS

The International Emergency Services (IES) team based at IHQ aims to support territories affected by disaster and crisis situations through provision of technical assistance, trained personnel and grant funding. Assistance is focused towards locations lacking necessary local resources to respond fully to the needs presented. Training courses are also provided in order to strengthen local capacity, particularly in disaster prone areas, and assist disaster preparedness and disaster risk reduction awareness.

ACHIEVEMENTS

No less than 88 emergency projects were implemented during the reporting period, comprising 44 rapid response activities which provide urgent, life-saving interventions often at the onset of a disaster scenario and a further 44 emergency projects as short to medium term recovery programmes assisting affected communities towards recovery of normal life following a disaster period. The projects covered 30 countries and included response to floods, hurricanes, cyclones, drought, refugees and displaced people, migration, poverty, Ebola outbreaks, earthquake, tsunami, cholera and volcanic eruption. IES provided practical assistance with deployed teams, technical assistance and project funding, illustrated by the following examples:

BANGLADESH: Support was offered to over 2,800 of the most vulnerable families resident in the Cox's Bazar area of Bangladesh, home to thousands of Rohingya refugees who fled persecution in Myanmar. The Salvation Army provided solar light and charging kits to refugee and host families which greatly enhanced living conditions, providing some protection and security in the darkness of the camp and enabling families to cook, eat and pray together and for children to study at home while providing access to communication with family and support agencies through the ability to charge mobile devices. Training was also provided to equip people to become solar lamp technicians for the ongoing support and maintenance of the units.

INDONESIA: The Indonesian island of Sulawesi was struck by a severe earthquake and tsunami which devastated many lives and destroyed or damaged homes, schools, churches and other essential infrastructure. The Salvation Army already had a strong presence on the ground and was able to mobilise staff and volunteers from their hospital and health centres for an immediate response. International support swiftly followed in the form of funding and a deployed IES team to offer technical support in disaster response to assist local Salvation Army personnel. In the immediate aftermath of the disaster, food and water supplies were distributed. Medical teams travelled to support injured and traumatised people. Support was made available for the hospital to provide additional medical treatment to increasing numbers of patients. A new ambulance was purchased which enabled medical teams to reach outlying communities and people who could not travel to the main town. Water and sanitation items were provided to help with preventing the spread of disease, as well as school supplies to help children return to education activities as soon as possible. Longer term

Installation of solar lights for
Rohingya Refugees in Bangladesh





Support for survivors: earthquake relief in Indonesia



5 *HEALTH SERVICES FOR THE POOREST PEOPLE*

OVERALL OBJECTIVE

To strengthen The Salvation Army's capacity to support poor and marginalised people in accessing quality primary healthcare services as close to the family as possible.

SPECIFIC AIMS

International Health Services (IHS) at IHQ seeks to provide support, supervision and in-service training to healthcare facilities around the Salvation Army world. Specific objectives for 2018/19 included delivery of training to clinics, hospitals and nursing schools to enhance the quality of services, support of health institution facilities to move forward with property renovations to better service the needs of patients and working with hospital administrations to develop policies and enhance planning and logistics.

ACHIEVEMENTS

The Salvation Army continues to be a significant provider of faith-based, integrated, high-quality healthcare with services offered as close to the family as possible and giving priority to poor and marginalised members of society. The following examples illustrate this significant service provision:

DEMOCRATIC REPUBLIC OF CONGO (DRC): Thirty-one health professionals over a period of two days received in-service education from IHS on varied topics such as: 'Helping the Baby Breathe', 'Shoulder Dystocia', 'Care of the Newborn' and 'Use of the Partograph for Monitoring Women in Labour'. The Salvation Army provides a comprehensive range of healthcare services in DRC from 28 clinics and three hospitals, meeting the needs of families in high-density areas of the capital Kinshasa as well as more rural communities in Bas Congo and the Eastern Region. Nearly all the facilities provide maternal and reproductive health services, therefore IHS training on these topics was appreciated by the local staff.

ZIMBABWE: Tshelanyemba Hospital is a small rural facility located 160 kilometres from the nearest city, which cares for 600 adult out-patients and 350 children under-five each month. The hospital also provides a wide range

of maternity services with around 30 women utilising the labour and birthing facilities each month. During 2018/19, IHS assisted the hospital with grant funding and technical support to build a new incinerator and renew laundry equipment. The incinerator will be utilised for disposal of surgical waste, helping maintain good standards of infection prevention and control to the benefit of patients and staff.

INDIA: The Evangeline Booth Hospital, in India Central Territory, following support received from IHS, was able to expand its services to people in the immediate vicinity of Nidubrolu to include those living in a nearby rural community. During the community visit hospital staff provided 58 patients with consultation services, laboratory examinations and drugs all free of charge with follow-up referrals to the hospital where necessary.

'Helping the Baby Breathe' midwifery training in Democratic Republic of Congo





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IHS supports 25 hospitals and 106 clinics around the world. These facilities cared for 280,557 inpatients and 1,781,355 outpatients during 2018

OPPOSITE PAGE FROM TOP: Infection control: new incinerator at Tshelanyemba Hospital in Zimbabwe; Community health consultation in a rural village near Nidubrolu, India;

RIGHT: a resident at The Salvation Army's Evangeline Booth Leprosy Home

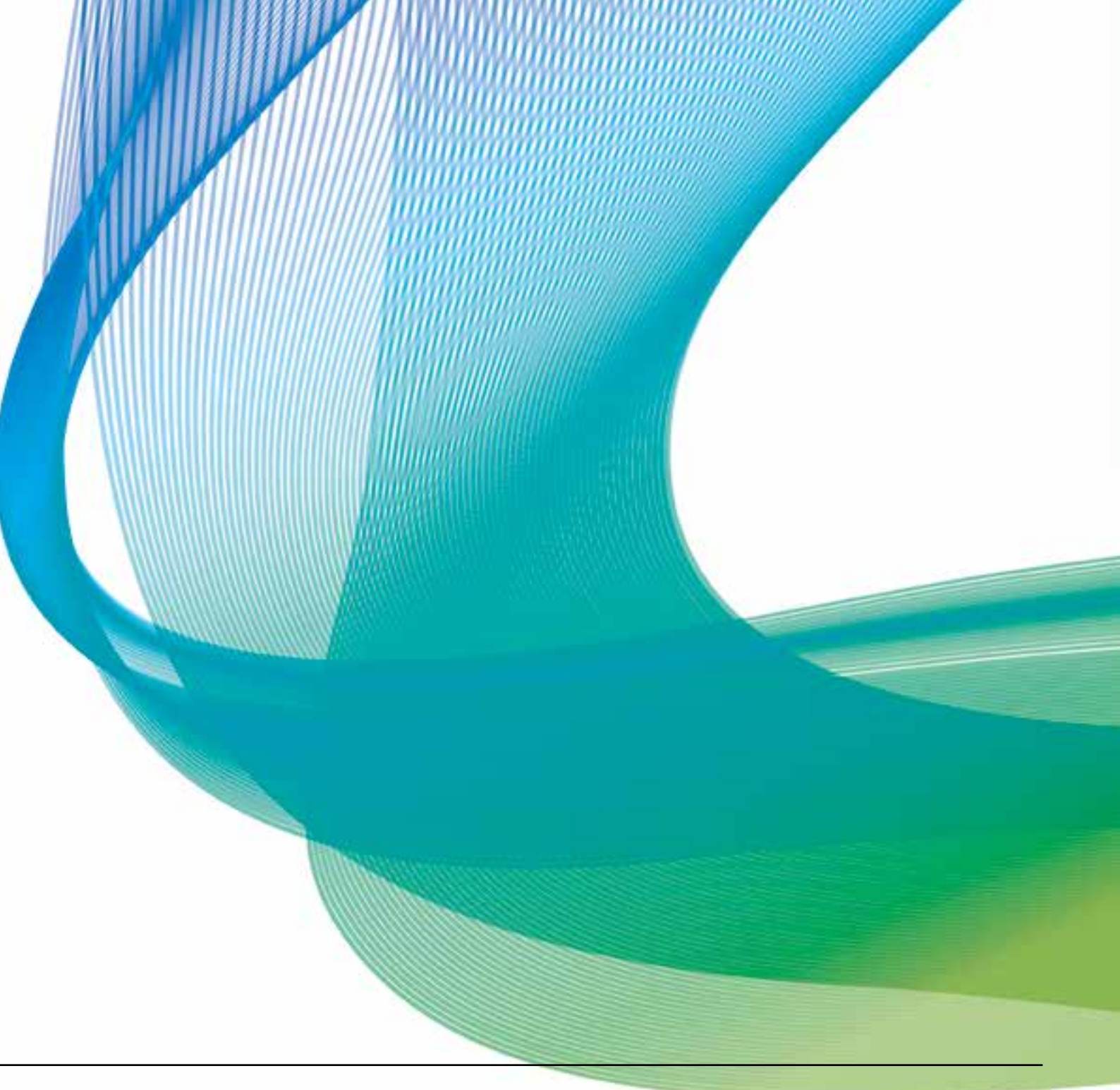
Key Statistics

- IHS supports 25 hospitals and 106 clinics around the world. These facilities cared for 280,557 inpatients and 1,781,355 outpatients during 2018.
- During 2018/19, IHS provided direct support and supervision to 16 health facilities and worked with five hospital administrations to develop policies and enhance planning and logistics.

Future Plans

IHS will continue to provide support, supervision and in-service education to Salvation Army healthcare facilities around the world, with a particular focus on assisting institutions wanting to renovate their buildings in order to more effectively meet community needs and the support of hospital administrations in policy development and planning.





6

***FIGHTING AGAINST
SEXUAL TRAFFICKING
AND FOR
SOCIAL JUSTICE***

OVERALL OBJECTIVE

To take action to combat the massive and growing evil of sexual trafficking and to create awareness of social injustice in the world.

SPECIFIC AIMS

To support victims of human trafficking, work to prevent people being trafficked and raise awareness of social injustice by building capacity in people, developing effective partnerships, sharing quality resources and promoting best practice.

ACHIEVEMENTS

The International Social Justice Commission (ISJC), with its secretariat in New York, advises the General and other senior leaders on matters of social justice. The Directors of the ISJC – supported by a team of experts – are The Salvation Army's principal international advocates and advisers on social, economic and political issues giving rise to the perpetuation

of social injustice in the world. In the period under review, the following are notable achievements:

HUMAN RIGHTS: To mark the 70th anniversary of the signing of the Universal Declaration of Human Rights a resource entitled 'Human Rights and The Salvation Army' was developed and released in December 2018 (both print and online). This short book provides a brief history of human rights, identifies current challenges in this area and provides a Christian reflection on the topic. An electronic copy of the book is free to download from www.salvationarmy.org/isjc.

RESEARCH ON ISSUES OF SOCIAL INJUSTICE:

A highlight was the completion of the research project 'Blessed are the Peacemakers: Peacemaking and Reconciliation in the Salvation Army'. This paper addresses the question 'How can Christians take steps to make peace in their personal relationships and create peace in their local communities?'. It uses The Salvation Army's Faith Based Facilitation methodology to explore the issue with the aim of motivating and inspiring Salvationists to be peace practitioners. The project is available to download from https://issuu.com/isjc/docs/blessed_are_the_peacemakers.

The ISJC continues to coordinate the development of resources and research with The Salvation Army's



President of Zambia
Edgar Chagbu Lungu
greets ISJC Director
Lieut-Colonel Dean
Pallant



ISJC staff including interns and participants in the officer capacity building programme

International Theological Council (ITC) and International Moral and Social Issues Council (IMASIC) to enable Salvation Army personnel to better understand issues related to human sexuality. In the year under review the first set of resources were approved by the General and released for dissemination.

The first research methodology workshop with a focus on social justice was conducted in Pakistan. The workshop covered basic research skills training, how to engage with the United Nation's Sustainable Development Goals and social justice research within the Army. The aim was to cultivate personal interests and skills among officers and employees able to engage with research in their current roles and appointments.

In March 2019, the 15 members of the International Moral and Social Issues Council (IMASIC) met with an additional 15 from territories that have a Territorial Moral and Social Issues Council (TMASIC). This meeting was the first of its kind and the start of a planned collaboration with Salvation Army territories to produce international resources relevant to local contexts on issues of injustice.

Also within the reporting year, all International Positional Statements (IPS) were translated into French, German, Spanish, traditional Chinese and simplified Chinese. They are available to download at www.salvationarmy.org/isjc/ips.

STRENGTHENING GRASSROOTS CAPACITY FOR SOCIAL JUSTICE: An officer capacity building programme started in 2017 at ISJC with the aim to intentionally develop younger Salvation Army officers for social justice ministry. In the period under review, three officers attended the programme from Kenya, Brazil and Korea. The officers have all developed social justice plans for implementation back home and the ISJC is offering technical support for

implementation over two years. In addition to the officer capacity building programme, three interns worked at the ISJC during the period under review. Working with experienced officer mentors, these young graduates (all in their 20s) developed knowledge about social justice, theology and the UN system. Many of those who have completed the programme over the past 10 years are making a significant contribution to Salvation Army work around the world.

MODERN SLAVERY AND HUMAN TRAFFICKING:

The International Anti Human Trafficking Task Force (AHT) met several times over the course of the year to advance its purpose of promoting, encouraging, supporting and coordinating anti-human trafficking responses within the global Salvation Army, undertaking the following specific tasks during the reporting year:

- updating of the International Positional Statement on human trafficking
- developing the International Strategy for Human Trafficking and Modern Slavery Response
- preparing international communication guidelines for AHT practitioners
- delivery of six capacity building workshops in developing world countries
- developing a wide array of international resources
- promoting a Day of Prayer for victims of human trafficking

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The Salvation Army, supported by the ISJC, will campaign for a holistic understanding of people and an integrated global plan for fair, sustainable and equitable development for all nations

PARTNERSHIPS: The ISJC represents The Salvation Army at the United Nations and participates in numerous bodies seeking to build strong alliances to end extreme poverty and promote sustainable development. The Salvation Army also participates in the Partnership for Religion and Development (PaRD) which brings together various government representatives with UN agencies and Faith Based and Religious Organisations. The Salvation Army is also an active member of the Joint Learning Initiative on Faith and Local Communities, World Bank initiated Moral Imperative to End Extreme Poverty and the ACT Alliance. In all these partnerships The Salvation Army seeks to learn from the experience of others and share our own experience with the intention of improving the lives of people.

ISJC staff host a meeting of the UN Status of Women Committee in New York



KEY STATISTICS

- In the year under review, significant time and energy was invested in strengthening the ISJC social media presence with Facebook followers increasing 18 per cent to 5,496.
- The Salvation Army engages with the UN in Geneva, Nairobi and New York. In the year under review, Salvation Army personnel attended 198 meetings and briefings at the UN and associated committees. A report was posted online after 51 of the most significant meetings.
- The ISJC facilitated many education sessions throughout 2018/19 including four two-day sessions at the International College for Officers, three members of the ISJC team participated in the USA National Social Services Conference in Philadelphia, USA, with further participation at the African Leaders Conference, a Leadership Retreat in Canada and a youth leadership event for all six Indian territories.

FUTURE PLANS

A three-year strategy will be ratified and deployed for the ISJC that articulates its mission of 'Seeking Justice Together' by education, research and advocacy. The strategy seeks to increase passion for justice in the Salvation Army family, inspire and connect leaders who seek justice, build partnerships and make connections for learning.

Additionally, The Salvation Army, supported by the ISJC, will campaign for a holistic understanding of people and an integrated global plan for fair, sustainable and equitable development for all nations. To this end, The Salvation Army will continue to partner with other religious groups, other NGOs, the United Nations, the World Bank Group and others towards the vision of a world where all people can experience life in all its fullness.

The ISJC will work with territories to develop locally relevant modern slavery and human trafficking response strategies, particularly in areas where existing capacity is low and poorly resourced. This will include rolling out international guidelines and protocols so best practice is shared across The Salvation Army. The ISJC will also continue to promote gender equality with active participation and contribution in the Gender Equity Task Force, initiated by IHQ and proactively promote and reference the 17 UN Sustainable Development Goals (SDG) as a framework to demonstrate its work and share the outcomes with governments and other partners.



FINANCIAL REVIEW

FINANCIAL REVIEW

During the reporting period, Reliance Bank Limited became a wholly owned subsidiary of The Salvation Army International Trust, following the purchase on 31 October 2018 of The Salvation Army Trust's (UK Territory) 49% interest to add to its existing holding. Group accounts for The Salvation Army International Trust incorporating Reliance Bank Limited as its banking subsidiary are presented for 2018/19 as well as charity results, assets and liabilities for The Salvation Army International Trust (see pages 52-75 for the Accounts). The Group accounts reflect notable differences to the charity only results in particular for investments, debtors and prepayments, bank balances and current liabilities (see Notes 25-28 to the Accounts).

The commentary below relates to the charity only results for The Salvation Army International Trust with separate comments offered on the subsidiary and group accounts in the labelled section on page 48.

The net movement in funds for the year ended 31 March 2019 increased by £8.35 million, moving from £23.99 million (2018) to £32.34 million (2019). Variances contributing to the total net movement in funds are outlined below.

INCOME

Total income increased from £65.24 million (2018) to £68.23 million (2019) following a year-on-year uplift in external donations and legacies from £22.95 million (2018) to £26.80 million (2019). Headquarters Support funding from Salvation Army territories also increased from £9.00 million (2018) to £9.40 million (2019) and investment income increased from £4.08 million (2018) to £4.25 million (2019).

Contributions from Salvation Army territories to the International Self-Denial Fund showed limited movement from £24.81 million (2018) to £24.95 million (2019) in line with expectations, while income from charitable activities also remained relatively flat with a small year on year decrease of £7,000.

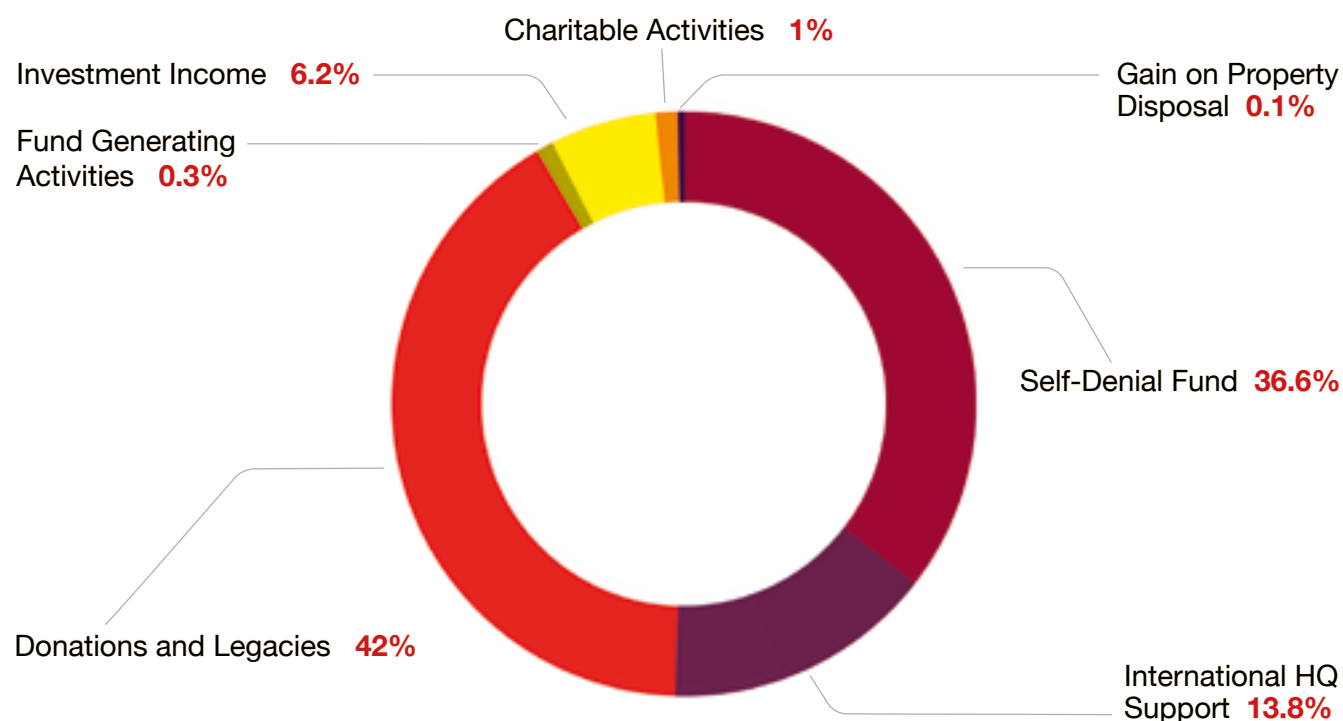
No Gift Aid donation was received from Reliance Bank Limited in 2019, as the Bank incurred losses reflecting its investment in its organisational structure and systems, while in 2018 the Bank donated £129,000 to the Trust. Donations from Salvation Army territories also decreased from £2.50 million (2018) to £1.84 million (2019) and gains on disposal of properties reduced from £863,000 (2018) to £109,000 (2019) with two properties sold during each financial year. Income from other trading activities also decreased from £279,000 (2018) to £210,000 (2019) due to a fall in conference centre income.

The following pie charts illustrate the sources of income for 2018/19 and also contributions to the International Self Denial Fund:

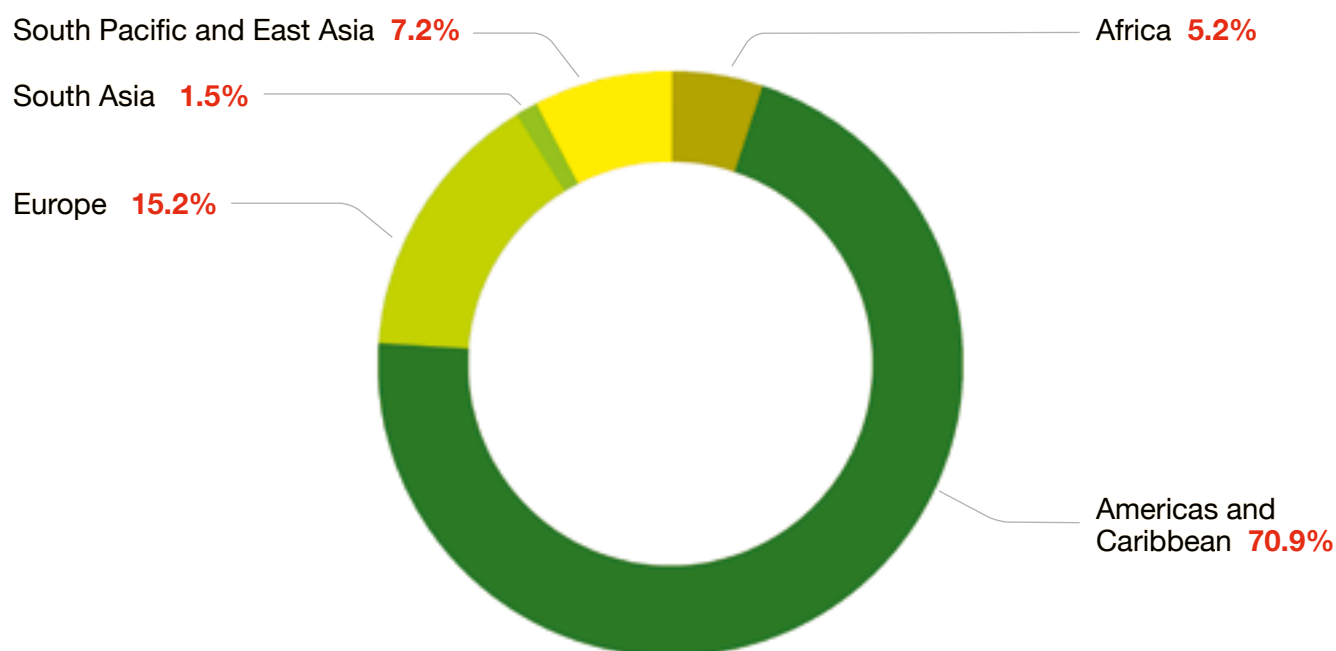
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Total income increased from £65.24 million (2018) to £68.23 million (2019) following a year-on-year uplift in external donations and legacies

INCOME 2018/2019



CONTRIBUTIONS TO SELF-DENIAL FUND 2018/2019



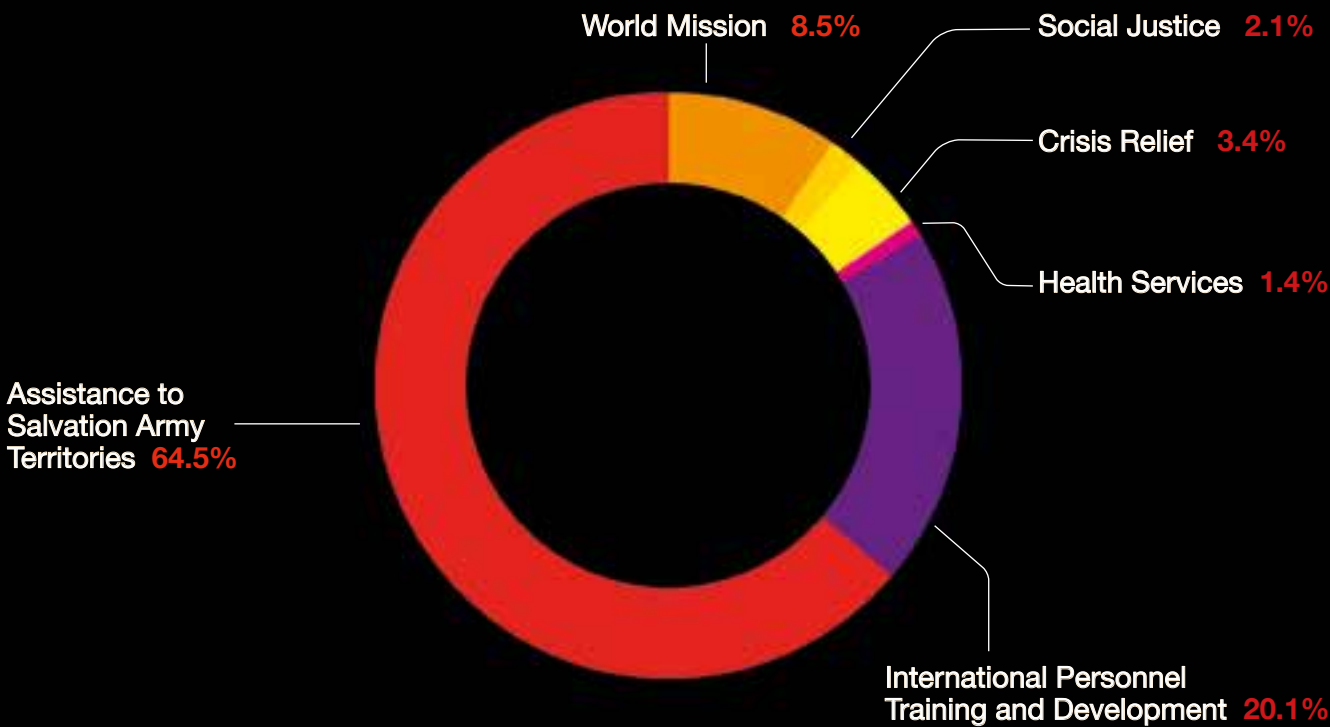
EXPENDITURE

Expenditure across the six charitable activities in which The Salvation Army International Trust is engaged is detailed in Note 10 in the Accounts. Spending on charitable activities totalled £48.80 million (2019) representing an increase of £1.04 million on the previous year. Financial assistance to Salvation Army territories showed limited movement from £31.75 million (2018) to £31.46 million (2019) with these grants including 'seed' funding made available to territories to develop local income streams and so reduce long-term reliance upon IHQ grants.

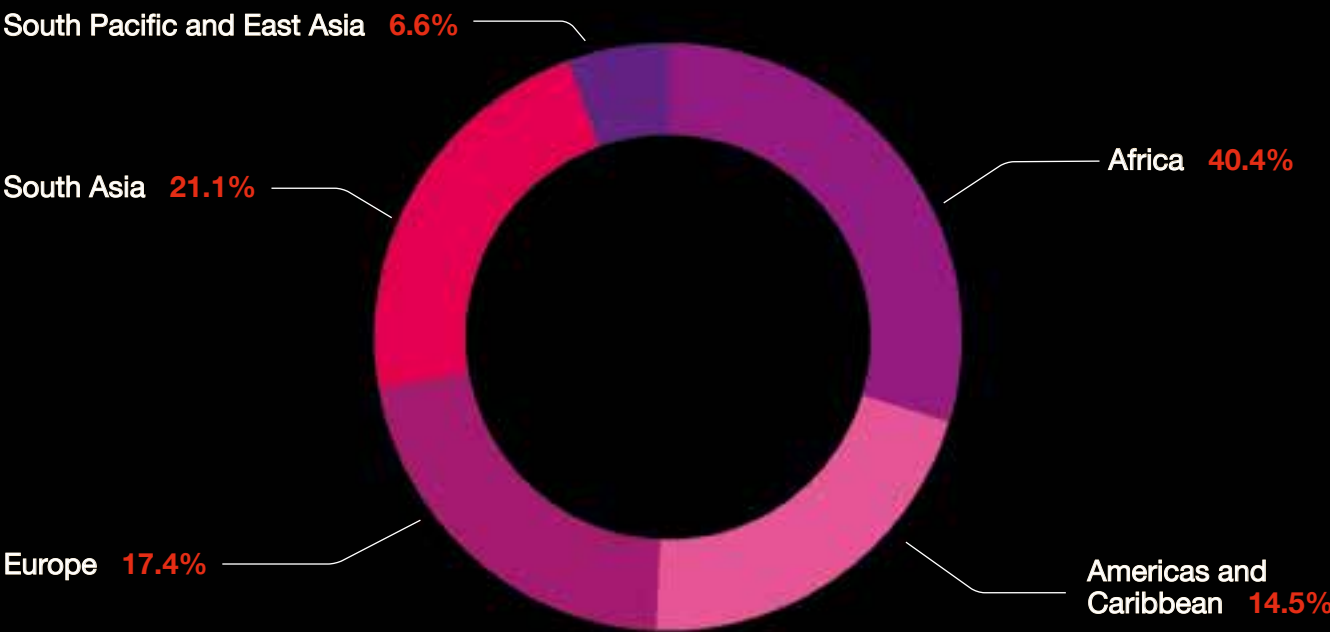
Expenditure of £9.81 million (2019) was also incurred on International Personnel and Development, £4.17 million (2019) on World Mission and £1.68 million (2019) on Crisis Relief, reflecting the cost of some of the strategies in which the Trust is engaging, as referenced earlier in this report. The cost of raising funds remained relatively flat with a small increase from £1.33 million (2018) to £1.39 million (2019) due to increased investment management costs. The following pie charts illustrate 2018/19 expenditure on charitable activities and also the geographic spread of support of overseas work:



EXPENDITURE 2018/2019



SUPPORT OF OVERSEAS WORK 2018/2019



Other notable variances contributing to the total net movement in funds include net gains on investment assets which increased by £1.40 million from £11.28 million (2018) to £12.68 million (2019) reflecting market conditions and representing both the realised and unrealised gains arising on sales and the market value of investments held at year end. Actuarial losses on a defined benefit pension scheme also increased from £0 (2018) to £1.23 million (2019) as a pension liability was recognised in full during the year with notable movement in other gains/losses from -£3.45 million (2018) to £2.85 million (2019) due primarily to exchange movement.

The net movement in funds for the year ended 31 March 2019 was £32.34 million with surpluses on unrestricted funds of £34.36 million and deficits on restricted funds of £2.02 million. Total funds of £278.49 million were held at year end.



FUTURE PLANS

The Trustee seeks to maintain the strong financial position of the Trust and will continue to explore means to increase the scale and scope of charitable activities while continuing to encourage Salvation Army territories to move towards financial self-reliance through provision of targeted financial support and other resources. The Trustee recognises the material pension liability arising from participation of the Trust in The Salvation Army Employees' Pension Fund (see Note 16 in the Accounts) and is well placed to meet its obligations in this regard.

The two large scale international projects underway will materially impact the Accounts of the Trust during 2019/20 being roll out of a new global email solution and implementation of cloud-based accounting software to all financially supported territories. Several material property grants may also be issued during the next year with multiple projects awaiting planning consents and final approval.

The Trustee continues to monitor developments closely in relation to the UK exit from the EU and other external events and remains confident that the level of reserves held is adequate in the changing economic climate and does not impact adversely on the Trust's going concern status.

INVESTMENTS

Listed investments (see Note 25 (d) in the Accounts) are managed under the terms of an investment management agreement with Sarasin & Partners LLP. The investment manager is required to make investments on behalf of the Trust in line with benchmarks that have been set and against which performance is measured.

The Investment Committee which sits to review investment performance receives periodic reports on matters pertinent to its investment policy and this facilitates discussion which, in turn, enhances the committee's understanding of the relationship between its Christian conviction and ethos and investment return; and even more importantly, the positive effect that its policy can have on companies which themselves may (or may not) be seeking to improve conditions in many parts of the world. The reports are tabled at full board meetings so that those directors who do not sit on the Investment Committee have an opportunity to add to the debate and have greater understanding of the issues that the Trust can tackle through its investment policy.

SAITCo has established an ethical investment policy to reflect The Salvation Army's ethical and moral stance. Therefore, this policy excludes investment in companies

which derive more than 10% of their revenues in aggregate from any of the following categories:

- a. the production and/or sale of alcohol
- b. the production and/or sale of tobacco
- c. the manufacture and/or sale of whole weapons, weapon platforms and weapon systems
- d. the manufacture and/or sale of strategic parts for weapon systems
- e. the promotion or operation of gambling enterprises
- f. the provision of adult entertainment services
- g. the publication and/or sale of pornographic media
- h. the extraction of thermal coal or the production of oil from tar sands

For the avoidance of doubt in relation to sub-paragraphs (c) and (d) above, 'weapons' refers to both nuclear and conventional weapons. In addition, investment is excluded in companies with disregard for human rights and/or the pollution of the environment.

The following table gives the long-term ranges and current weightings expressed in percentages of the Trust's investment funds:

ASSET TYPE		YEAR END POSITION *
AT 31/03/19	LONG-TERM RANGE	WEIGHTINGS
Fixed Income	10 - 30%	15.5%
Equities	70 - 90%	77.5%
Liquid Assets	0 - 5%	7.0%*
TOTAL		100%

* There was a large cash addition paid into the portfolio at the end of the quarter.

For the year ended 31 March 2019, the portfolio total return amounted to 9.2 per cent against an ethically adjusted benchmark return of 9.4 per cent.

GRANTS

In supporting the Army's work overseas, territories, commands and regions produce annual budget proposals, covering all aspects of their operations that are reviewed at IHQ. Annual grants are allocated by the Trustee and paid quarterly in advance to each financially supported territory, command and region (see Note 11 in the Accounts).

Payments from IHQ to territories are made according to the terms of an International Payments Procedure Manual for IHQ (reviewed and updated in March 2019) which outlines controls over banking transfers, assessment of overseas banking institutions for risk, identification and assessment of situations where funds paid to territories may be remitted on to third parties, controls over international payments direct to overseas suppliers, controls over transporting and controlling cash overseas and prohibitions on use of non-mainstream banking money transfer organisations.

RESERVES

The total funds of the Trust at 31 March 2019 amounted to £278.49 million comprising £28.10 million in restricted funds and £250.39 million in unrestricted funds which includes £224.37 million in designated funds. The General Reserve held £4.71 million at year end which met the target

level for free reserves. The Trustee continues to keep the matter of reserves under review, with a project ongoing to reduce the number of different funds held and also examine any historic funds with minimal movement in the past few years.

Restricted Funds

Where possible the intention continues to use restricted donations and legacies in the year of receipt, except where the gift is sufficiently large to be used over a longer period.

Designated Funds

The Self-Denial Fund Reserve represents amounts held to ensure sufficient funds are available to make operational grants to supported territories that are paid in advance on a quarterly basis. The aim of the Trustee is for the balance on this Reserve to be sufficient to fund one year's expenditure in support of overseas work. The current balance of £22.93 million is equivalent to 11.9 months' expenditure.

Other material designated amounts at 31 March 2019 relate to a reserve held to fund future replacement of the IHQ building (£15.86 million), a Property Commitments Reserve (£6.96 million) held to fund property acquisitions by the Trust over the next two to three years and an International Property Project Reserve (£6.19 million) held to provide additional property project funding to territories over the next two to three years. In addition, an International Financial and Accounting Standards Reserve (£7.82 million) is held to fund provision of cloud-based accounting software to territories over the next two to three years and an IT Development Reserve (£6.27 million) is held to fund provision of a new global email solution to territories over the next two to three years.

An International Schools Development Reserve (£8.96 million) is also held to provide additional schools project funding to territories over the next two to three years with a Leadership Development Reserve (£3.79 million) created during the year to fund the enhancement

of training and personal development for Salvation Army officers over the next three to four years. An Exchange Equalisation Reserve (£4.93 million) is held to fund exchange losses and a Mission Support Reserve (£1.33 million) is held to provide additional project funding to territories over the next two to three years.

General Reserve

The General Reserve is retained to cover the shortfall between expenditure and income of other overseas support and governance costs. The aim of the Trustee is for the balance on the General Fund Reserve to cover 50 per cent of these annual costs. The current balance of £4.71 million meets the target level, being equivalent to 6.0 months expenditure.



PRINCIPAL RISKS AND UNCERTAINTIES

The Trustee acknowledges its responsibilities relating to the management of risk. A formal risk management programme continues to operate allowing risks to be identified, classified and prioritised in terms of potential occurrence and impact. The Board of Directors of SAITCo has appointed a Risk Management Committee consisting of seven members, including a Non-Executive Director.

A Risk Manager has been appointed and a Risk Register is maintained and kept under regular review by the Risk Manager and the Risk Management Committee. The Risk

Management Committee works with the Risk Owner of each major risk to ensure acceptable action is taken to manage the risk and to establish suitable systems to reduce the likelihood of harmful outcomes occurring and the impact on the organisation should they occur.

The main risks and uncertainties faced by the Trust, as detailed in the Risk Register at the end of the financial year under review, are outlined below in top-down priority order together with a summary of the mitigating strategies being pursued to manage these risks:

KEY RISK	RISK MANAGEMENT
A serious safeguarding incident resulting in harm to a child or vulnerable adult and subsequent reputational damage to the local/international Salvation Army.	Establishment of an international safeguarding office at IHQ. Ongoing development of safeguarding policies and procedures for IHQ and all Salvation Army territories.
National economic and/or political crises adversely impacting Salvation Army operations in a territory prompting additional emergency support from IHQ.	Continuous IHQ monitoring of economic and political contexts on a country-by-country basis. Development of crisis management protocols for IHQ interventions.
Local issues in a territory resulting in demands for additional IHQ financial support and/or reputational damage to the local/international Salvation Army.	Continuous IHQ monitoring of global operations on a territory-by-territory basis. A suite of policies and procedures in place to manage operational risks. Internal audits undertaken periodically depending on the extent of perceived risk.
Changes in national legislation (including tax codes) adversely impacting Salvation Army operations in territories and engagement of territories with IHQ.	Continuous monitoring of legislative contexts on a country-by-country basis overseen by IHQ legal counsel liaising with locally appointed lawyers.
Local issues resulting in use of donor restricted funds within a territory for non-specified purposes.	Continuous IHQ monitoring of application of project funds via bespoke databases. Policies and procedures in place to regulate use of project funds. Internal and external audits undertaken for project-related activity depending on the extent of perceived risk.
Inadequate implementation of the international projects oversight from IHQ to roll out cloud-based accounting software to financially supported territories and also a new global email solution.	Detailed project implementation plans in place including initial testing of software in pilot territories with continuous assessment of roll out activity by project implementation committees and regular updates and risk assessments provided to SAITCo.

SUBSIDIARY COMPANY – RELIANCE BANK LIMITED

During the reporting period, the Bank became a wholly owned subsidiary of The Salvation Army International Trust, following the purchase of The Salvation Army Trust's (UK Territory) 49% interest.

The Bank has incurred losses for the full financial year, reflecting its investment in its organisational structure and systems. The Bank of England Base Rate, whilst still low, increased to 0.75% in August 2018. This has improved income from wholesale investments and variable rate lending to customers despite a fall in total assets during the year.

The Bank's performance for the full year ended 31 March 2019 was impacted by some exceptional costs and resulted in an Operating Loss of £685,493 (2018: Operating Profit of £176,129). A significant Pension Fund deficit liability was recognised in full during the year. There has been significant investment in improving the Bank's control systems in addition to investing in an organisational structure required to deliver the Bank's transformation plans under its five-year strategic plan. After the issue of new share capital in the year and deferred tax movements, capital has increased by £852,141 (2018: decreased by £59,131) to £12.14 million.

Owing to the Bank's loss position this year, no Gift Aid donation has been made (2018: £228,207 divided equally between The Salvation Army International Trust and The Salvation Army Trust). The total of the Bank's assets at 31 March 2019 amounted to £184.25 million (2018: £209.03 million) and reflects a reduction in balances held with other financial institutions. Total liabilities amounted to £172.10 million (2018: £197.74 million). This primarily reflects planned investment decisions of The Salvation Army Trust

(UK Territory). The Bank continues to maintain excellent liquidity and funding levels.

The above comments relate to the performance of the Bank over the full 2018/19 financial year, while the Group Accounts reflect only 5 months of the Bank's operations as the accounts of Reliance Bank Limited were consolidated with those of The Salvation Army International Trust from the date the Trust acquired the Bank (31 October 2018).

GROUP ACCOUNTS

The Group Accounts comprise the results of The Salvation Army International Trust for the period 1 April 2018 to 31 March 2019 plus five months of the results of the subsidiary company Reliance Bank Limited from the date the Trust acquired the Bank of 31 October 2018 to 31 March 2019.

The net movement in funds for the Group amounted to £31.76 million.

Goodwill arising on the acquisition of Reliance Bank Limited amounted to negative £5.27 million as set out in Note 22 to the Accounts.

Total fixed assets including investments amounted to £274.35 million. Net current assets were £8.17 million.

Total funds of the Group amounted to £277.91 million at year end as set out in Note 21 to the Accounts.



STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under The Charity Law the Trustee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee has approved this 2018/19 Annual Report and Accounts on this basis.

For and on behalf of the directors of The Salvation Army International Trustee Company.

Dr Matthew Carpenter BA, MBA, DBA, MCMI
Company Secretary

15 November 2019



INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE SALVATION ARMY INTERNATIONAL TRUST

Opinion

We have audited the financial statements of The Salvation Army International Trust ("the Parent Charity") and its subsidiary ("the Group") for the year ended 31 March 2019 which comprise the consolidated statement of financial activities, the statement of financial activities (charity only), the consolidated balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 March 2019 and of the Group's and the Parent's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and The Salvation Army Act 1980.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Report and Accounts, other than the financial statements and our auditor's report thereon. The other information comprises: The Trustee's Report, Direct Contributions from Territories Towards Special Projects and The Salvation Army Worldwide Facts and Figures. The Trustee is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- adequate accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustee

As explained more fully in the Statement of Trustee's Responsibilities, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Group's and the Parent Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Group or the parent Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and 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 ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ('FRC's') website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustee, as a body, in accordance with the Charities Act 2011 and The Salvation Army Act 1980. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Don Bawtree (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick

Date: 15 November 2019

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

THE SALVATION ARMY INTERNATIONAL TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2019

		2019			2018		
	Notes	Unrestricted funds £000	Restricted funds £000	Total funds - Group £000	Unrestricted funds £000	Restricted funds £000	Total funds - Charity only £000
INCOME AND ENDOWMENTS FROM							
Donations and legacies:							
Received from Salvation Army territories							
- Self-Denial Fund	3	24,954	-	24,954	24,813	-	24,813
- IHQ Support	3	9,396	-	9,396	9,001	-	9,001
- Donations	3	-	1,837	1,837	-	2,449	2,449
Subsidiary Company/Joint Venture - Donation	4	-	-	-	129	-	129
Other donations and legacies	5	26,772	31	26,803	22,902	51	22,953
		61,122	1,868	62,990	56,845	2,500	59,345
Charitable activities	6	669	-	669	676	-	676
Other trading activities	7	570	-	570	279	-	279
Investments	8	5,161	147	5,308	3,454	625	4,079
Gain on Disposal of Properties		109	-	109	863	-	863
Total Income		67,631	2,015	69,646	62,117	3,125	65,242
EXPENDITURE ON							
Raising funds	9	3,268	17	3,285	1,183	148	1,331
Charitable activities	10	44,594	4,192	48,786	42,986	4,772	47,758
Total Expenditure		47,862	4,209	52,071	44,169	4,920	49,089
Net gains on investments	25(e)	12,462	259	12,721	10,566	711	11,277
Net income/(expenditure)		32,231	(1,935)	30,296	28,514	(1,084)	27,430
Transfers between funds	20	90	(90)	-	4,697	(4,697)	-
Other recognised gains/(losses):							
Actuarial gains/(losses) on defined benefit pension schemes	17	(1,421)	-	(1,421)	-	-	-
Other gains/(losses)	18	2,853	(2)	2,851	(3,422)	(23)	(3,445)
		1,432	(2)	1,430	(3,422)	(23)	(3,445)
Tax on Loss/(Profit) on Subsidiary Activities	19	37	-	37	-	-	-
Net Movement in Funds	20	33,790	(2,027)	31,763	29,789	(5,804)	23,985
Reconciliation of funds:							
Total funds brought forward 1 April 2018		216,027	30,123	246,150	186,238	35,927	222,165
Total funds carried forward 31 March 2019		249,817	28,096	277,913	216,027	30,123	246,150

All activities reported above, in both the current and preceding year, relate to continuing activities.

Comparatives shown for 2018 are charity only as the date of acquisition of Reliance Bank Limited was 31 October 2018.

The notes on pages 56 to 75 form part of these accounts.

THE SALVATION ARMY INTERNATIONAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CHARITY ONLY)
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019			2018		
		Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
		£000	£000	£000	£000	£000	£000
INCOME AND ENDOWMENTS FROM							
Donations and legacies:							
Received from Salvation Army territories							
- Self-Denial Fund	3	24,954	-	24,954	24,813	-	24,813
- IHQ Support	3	9,396	-	9,396	9,001	-	9,001
- Donations	3	-	1,837	1,837	-	2,449	2,449
Subsidiary Company/Joint Venture - Donation	4	-	-	-	129	-	129
Other donations and legacies	5	26,772	31	26,803	22,902	51	22,953
		61,122	1,868	62,990	56,845	2,500	59,345
Charitable activities	6	669	-	669	676	-	676
Other trading activities	7	210	-	210	279	-	279
Investments	8	4,101	147	4,248	3,454	625	4,079
Gain on Disposal of Properties		109	-	109	863	-	863
Total Income		66,211	2,015	68,226	62,117	3,125	65,242
EXPENDITURE ON							
Raising funds	9	1,368	17	1,385	1,183	148	1,331
Charitable activities	10	44,608	4,192	48,800	42,986	4,772	47,758
Total Expenditure		45,976	4,209	50,185	44,169	4,920	49,089
Net gains/(losses) on investments	25(e)	12,417	259	12,676	10,566	711	11,277
Net income/(expenditure)		32,652	(1,935)	30,717	28,514	(1,084)	27,430
Transfers between funds	20	90	(90)	-	4,697	(4,697)	-
Other recognised gains/(losses):							
Actuarial gains/(losses) on defined benefit pension schemes	17	(1,233)	-	(1,233)	-	-	-
Other gains/(losses)	18	2,853	(2)	2,851	(3,422)	(23)	(3,445)
Net Movement in Funds	20	34,362	(2,027)	32,335	29,789	(5,804)	23,985
Reconciliation of funds:							
Total funds brought forward 1 April 2018		216,027	30,123	246,150	186,238	35,927	222,165
Total funds carried forward 31 March 2019		250,389	28,096	278,485	216,027	30,123	246,150

All activities reported above, in both the current and preceding year, relate to continuing activities.
The notes on pages 56 to 75 form part of these accounts.

THE SALVATION ARMY INTERNATIONAL TRUST

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019

	Notes	2019 Group £000	2019 Charity £000	2018 Charity £000
Intangible Fixed Assets				
Goodwill	22	433	433	-
Negative Goodwill	22	(5,700)	-	-
		(5,267)	433	-
Tangible Fixed Assets				
Properties	23	32,016	27,663	28,686
Other Tangible Fixed Assets	24	1,408	1,024	1,171
Investments	25	246,194	189,909	187,818
		279,618	218,596	217,675
Current Assets				
Investments	25(c)	29,034	17,689	-
Stocks		110	110	133
Debtors and Prepayments	26	103,405	55,986	34,390
Cash at bank and in hand	27	48,976	1,329	873
		181,525	75,114	35,396
Less Current Liabilities	28	(173,352)	(11,172)	(6,921)
Net Current Assets		8,173	63,942	28,475
Total Assets less current liabilities		282,524	282,971	246,150
Creditors: Amounts falling due after more than one year	29	(4,611)	(4,486)	-
Net Assets	21	277,913	278,485	246,150
Funds				
Restricted Funds				
Property Fund		14,533	14,533	14,779
Other Fixed Assets Fund		141	141	453
Other Restricted Funds		13,422	13,422	14,891
		28,096	28,096	30,123
Unrestricted Funds				
Property Fund		18,930	18,930	19,707
Other Fixed Assets Fund		883	883	718
Share Capital Fund		1,500	1,500	-
Designated Funds		224,368	224,368	190,271
General Reserve		4,136	4,708	5,331
		249,817	250,389	216,027
Total Funds	20	277,913	278,485	246,150

The notes on pages 56 to 75 form part of these accounts.

Approved on behalf of The Salvation Army International Trustee Company on 15 November 2019 by:
Lyndon Buckingham – Chairman
Merle Heatwole – Managing Director

THE SALVATION ARMY INTERNATIONAL TRUST

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

	2019 £000 Group	2018 £000 Charity
Net cash (used in)/provided by operating activities (see note A)	(17,861)	10,601
Cash flows from investing activities:		
Dividends, interest and rents from investments	5,504	4,079
Donation on Joint Venture	-	129
Gain/(Loss) on US held investments	1,058	3,168
(Increase)/Decrease in Long Term Bank Deposits	15,146	1,287
Acquisition of subsidiary net of cash equivalents acquired	42,440	-
Proceeds from the sale of property, plant and equipment	502	985
Purchases of property, plant and equipment	(830)	(1,151)
Proceeds from the sale of investments	23,066	33,941
Purchase of Investments	(32,658)	(41,892)
Net cash provided by/used in investing activities	54,228	546
Change in cash and cash equivalents in the reporting period	36,367	11,147
Cash and cash equivalents at the beginning of the reporting period	21,557	10,410
Cash and cash equivalents at the end of the reporting period (see note B)	57,924	21,557

Note A

Reconciliation of net income/(expenditure) to net cash flow from operating activities

Net income for the reporting period (as per the statement of financial activities)	31,763	23,985
Adjustments for:		
Depreciation charges	1,454	1,444
(Gain) on investments	(12,676)	(11,277)
Revaluation of US Dollar Deposits	513	(649)
Donation on Joint Venture	-	(129)
Dividends, interest and rents from investments	(5,504)	(4,079)
(Profit) on sale of fixed assets	(109)	(863)
Decrease/(Increase) in Stocks	23	28
Decrease/(Increase) in Debtors	(25,671)	76
Increase/(Decrease) in Creditors	(7,654)	2,065
Net cash (used in)/provided by operating activities	(17,861)	10,601

Note B

Analysis of Cash and Cash Equivalents - Group

	Balance 2018 £000	Movement in year £000	Balance 2019 £000
Cash at bank	873	36,069	36,942
Loans and Advances to Banks	-	12,034	12,034
Cash held by Investment Managers	12,500	(3,561)	8,939
Notice deposits (less than 3 months)	8,184	(8,175)	9
Total cash and cash equivalents	21,557	36,367	57,924

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES

The principal accounting policies adopted by the Trustee in the preparation of the financial statements, have been applied consistently and are set out below:

- (a) **Basis of Accounting** - The financial statements have been prepared under the historical cost convention, subject to the inclusion of investments at fair value, and are in compliance with the Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102) (effective 1 January 2015), the Charities Act 2011, The Salvation Army Act 1980 and FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The banking company, Reliance Bank Limited, became a wholly owned subsidiary of The Salvation Army International Trust during the year, following the purchase of The Salvation Army Trust's (UK Territory) 49% interest. The consolidation of the bank into the Group accounts is on a line by line basis.

Critical accounting judgements and key estimations

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Apart from those involving estimates, no judgements are deemed to have had a significant effect on amounts recognised in the financial statements. One of the key sources of estimation uncertainty relates to the cost of its proportion of The Salvation Army Employees' Pension Fund (a defined benefit pension scheme) which is determined using actuarial valuations. This involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Assumptions are based on the recommendations of the actuary.

Other key judgements and estimates relevant to the charity, include property valuations, depreciation and amortisation. Investment Property valuations are based on a three-year revaluation rolling plan. Valuations are provided using the comparison method, with the valuations being completed by an External Chartered Surveyor. The judgements made in calculating depreciation are detailed in note (g) below. Goodwill arising from the acquisition of Reliance Bank Ltd will be amortised over a period of 10 years. The consideration for the acquisition is payable over a long period of time and is linked to gift aid payable by Reliance Bank Ltd. Projected profits suggest that the consideration will be paid over 15 years, hence why the negative Goodwill is being released over a 10 year period.

In relation to Reliance Bank Ltd, in terms of impairment, reviews are undertaken for all financial assets, both on an individual and a collective basis. They are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cashflows of the investment have been affected.

Loans and advances are considered on a case by case basis and are provided against in the financial year in which it is anticipated that they may not be recoverable in full (which, in practice, means when they become non-performing) unless the Bank considers that it has adequate security to cover all balances outstanding plus a margin.

(b) Income

- Contributions to the International Self-Denial Fund are received annually from the headquarters of Salvation Army territories around the world (see Note 3). A territory is an administrative unit and may comprise several countries, a single country or part of a country. These contributions are used to fund grants and other support payments to financially supported territories, as set out in Note 11.
- Contributions to International Headquarters support are receivable quarterly from financially independent territories and annually from financially supported territories.
- Legacies are accounted for on receipt or on earlier notification, provided that the value can be reasonably measured and receipt is probable.
- Donations and all other income is recognised in the Statement of Financial Activities when received or receivable, whichever is earlier, unless it relates to a specific future period in which case it is deferred. Refunds are shown as negative income.
- Reliance Bank Limited income items, including interest receivable, rental income and fees and commissions receivable, are recognised on an accruals basis with interest recognised on an effective interest rate basis. When calculating the effective interest rate all related fees are taken into account.

(c) Expenditure

Expenditure is charged in the Statement of Financial Activities on the accruals basis.

- Irrecoverable Value Added Tax is charged to the related heads of expenditure.
- Expenditure on Charitable Activities consists of all expenditure relating directly to the objects of the Trust including support costs. Support costs have been allocated over activities on a per capita basis. Governance costs include those associated with constitutional and statutory requirements and those incurred in the governance of the Trust's assets.
- Maintenance grants are paid quarterly to overseas Salvation Army territories to support their operating costs. They are payable at the beginning of each quarter and are accounted for in the year to which they relate (see Note (b) (i) above).
- Property schemes not completed at the year end are carried forward in the Balance Sheet as a Fixed Asset under the heading of Property Schemes in progress.
- Pension costs are accounted for in accordance with FRS 102 and are charged to the Statement of Financial Activities when payable. Details are provided in Note 17.
- Grants payable to Salvation Army Territories are recognised as expenditure when payment is made, in accordance with the annual budget.
- Reliance Bank Limited costs are shown under Expenditure on Raising Funds.

(d) Foreign Currencies

Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities are translated into sterling at the exchange rate ruling on the balance sheet date. All profits and losses on exchange are included in the Statement of Financial Activities.

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES - continued

(e) **Going Concern**

The Trustee has reviewed the Trust's financial position, taking account of satisfactory levels of reserves and cash, the annual plan, and its system of financial and risk management. As a result of this review the Trustee has a reasonable expectation that the Trust has adequate resources to continue in operational existence in the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

In accordance with their responsibilities, the Board of the Bank has considered carefully the going concern assumption and believe that the Bank's business model, together with its conservative, robust risk management policies, place the Bank in a position where it can continue to generate positive returns and grow its business despite the challenging market conditions that the industry currently faces. The Bank's new 5-year business plan de-risks the Bank further by making it more diversified both in terms of lending and deposit taking. The Board is satisfied that the business has adequate financial resources to continue as a going concern for the foreseeable future on the basis that it has sufficient capital and liquidity to meet regulatory requirements for a period beyond 12 months from the date of signing the accounts.

(f) **Intangible Fixed Assets - Goodwill**

Goodwill arising from the acquisition of Reliance Bank Ltd will be amortised over a period of 10 years. Amortisation in the year of acquisition has not been released to the SOFA on the basis that the amount is considered immaterial to account for it in this first period.

(g) **Fixed Assets**

Tangible fixed assets for the Trust are stated at cost less accumulated depreciation. Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful economic lives, as follows:

- Freehold and Long Leasehold Properties are depreciated over 50 years
- Internal Fit-Out Costs of the Headquarters building are depreciated over 15 years
- Office Equipment is depreciated over seven years
- Vehicles are depreciated at 17% per annum
- IT Equipment is depreciated at 25% per annum

The freehold property at Sunbury Court has been depreciated so as to write down the cost of the project by components, on a straight line basis over their estimated useful economic lives at the following annual rates:

- Building and Infrastructure - 50 years
- Roof (flat), Windows and Doors - 25 years
- Major Installations (including heating, electrical, drainage) - 25 years
- Bathroom and Kitchen Installations, Lifts- 15 years
- Furniture, Fixtures and Fittings - 15 years

For Reliance Bank Limited, property, fixtures and fittings and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation has been provided so as to write off the cost of fixed assets over their estimated useful lives.

The principal rates adopted per annum are 2% for the purchase cost of the property (ignoring land), 20% for subsequent refurbishment costs, 25% or 33% for computer software and hardware respectively and varying rates of between 10% and 20% for fixtures, fittings, furniture and equipment.

(h) **Basic Financial Instruments**

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discount offered. Creditors and provisions are recognised where the Trust has an obligation resulting from a past event that is likely to result in the transfer of funds to a third party and the amount due can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The Bank's financial instruments are all basic financial instruments and comprise loans and advances, treasury bills, debt securities and customer accounts. The Bank does not hold derivative financial instruments.

Financial assets and liabilities are recognised initially at their fair value, which is normally the transaction price. Thereafter, debt instruments are measured at amortised cost less impairment using the effective interest method. No financial instruments are designated as at fair value through profit or loss. Debt instruments that are payable or recoverable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES - continued

- (i) **Investments** - To comply with the Statement of Recommended Practice, investments are included at fair value. Listed investments are valued at the year end bid price. The freehold reversionary interest is externally valued every five years, subject to any significant change in value in the intervening years. Investment properties are revalued on a rolling three-year basis and held at fair value at the balance sheet date and no depreciation is provided. The aggregate surplus or deficit arising on revaluation is transferred to a revaluation reserve.
- (j) **Stocks** are valued at the lower of cost or net realisable value.
- (k) **Funds**
 - (i) The Property Fund represents monies already expended on the acquisition of freehold and leasehold properties.
 - (ii) The Restricted Funds are held for restricted purposes, as specified by the donors.
 - (iii) The Unrestricted Funds include Designated Funds held for particular purposes designated by the Trustee in the exercise of its discretionary powers, and a General Reserve representing funds not designated for specific purposes.
- (l) **Subsidiary Company**
The banking company, Reliance Bank Limited (the 'Bank'), became a wholly owned subsidiary of the Trust during the year, following the purchase of The Salvation Army Trust's (UK Territory) 49% interest. The Trust also invested an additional £1.5 million in the Bank's share capital during the year to support its business transformation plans. Under this ownership model and with a new 5-year strategic plan, the Bank aims to become an important social impact bank with an expanded remit in this market segment. Whilst the Trust is the Bank's controller, a Nominations Committee comprising Non-Executive Directors of the Bank recommends the appointment of Bank Directors to the board. This includes consideration of proposed Shareholder representative Directors, as and when appropriate. Ordinarily, the Bank will donate a proportion of its net taxable profits to support the mission of 'The Trust'. This has not been the case during the year under review, as the Bank is investing in its organisational structure and systems as it embarks on a new strategy under the sole ownership of the Trust. As expected, a loss has been made in the early implementation period of the strategic plan, while this initial investment takes place. Full details of the subsidiary company's Profit and Loss Account and Balance Sheet are set out in Note 4.
- (m) **Subsidiary Company - Provisions for liabilities**
A provision is recognised when the Bank has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. The effect of the time value of money is not material and therefore the provisions are not discounted.
- (n) **Subsidiary Company - Set-off**
The Bank does have a legal right of set-off established in respect of some customer accounts (as confirmed by legal opinion). However, set-off positions would only be disclosed in the accounts where there is an intention to ordinarily settle on a net basis or to realise the asset and settle the liability simultaneously.
- (o) **Subsidiary Company - Contingent Liabilities**
Contingent liabilities are recognised as memorandum items on the face of the Balance Sheet and further analysed in Note 32 to the accounts at their contract amounts unless the possibility of any transfer on settlement is remote.
- (p) **Subsidiary Company - Risk Management Policies and Objectives**
The Board of Directors of Reliance Bank Ltd is responsible for determining the long-term strategy of the business and the level of risk acceptable in each area of the Bank's business. The Bank's Audit, Risk and Compliance Committee recommends policies designed to mitigate risks to the Board of Directors of the Bank and reviews risk assessments within the Bank's risk register. The main financial risks arising from the Bank's activities are as follows:
 - Credit Risk
 - Liquidity and Funding Risk
 - Interest Rate Sensitivity
 - Foreign Exchange Risk
- (q) **Cash and cash equivalents**
For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and in hand and short term deposits with an original maturity (from date of acquisition) of less than three months.
- (r) All recognised gains and losses are included in the Statement of Financial Activities, and all the reported activities, in both the current and preceding years, reflect ongoing activities.

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

2. BUSINESS COMBINATION - ACQUISITION

On 31 October 2018 (the acquisition date), The Salvation Army International Trust acquired the outstanding equity of Reliance Bank Ltd in a cash transaction per the workings below. Reliance Bank Ltd is a UK incorporated company limited by shares and authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and the Prudent Regulation Authority (PRA). Following acquisition Reliance Bank Ltd is a wholly owned subsidiary of The Salvation Army International Trust. Reliance Bank's mission is to be a distinctive, solid and safe Bank with Christian and ethical values that delivers as part of the broader objectives of The Salvation Army by enabling positive social impact. Reliance Bank Ltd's turnover for the calendar year ended 31 March 2019 was £3.5 million, with an average number of 24 employees on the acquisition date.

Equity transaction: Preceding the acquisition the outstanding Reliance Bank Ltd allotted, called up and fully paid: £1 ordinary shares of £7.5 million were held as follows;

The Salvation Army International Trust	3,825,000 ordinary shares
The Salvation Army Trust	3,675,000 ordinary shares

Pre-acquisition The Salvation Army International Trust held 51% of Reliance Bank Ltd with 49% being held by The Salvation Army Trust. On 31 October 2018, The Salvation Army International Trust purchased the 49% shareholding held by The Salvation Army Trust.

The estimated fair value of the Net Assets acquired benefitted from a fair value uplift associated with Property, Plant and Equipment as below:

	£
Freehold Property (per valuation)	4,400,000 plus
Other Net Assets per Accounts	8,799,631
Total	<u>13,199,631</u>

The current cost of acquisition represents deferred consideration of £4,108,397 estimated as payable over 15 years.

Calculation of Goodwill

The total cost of acquisition is therefore £7,933,397 (original cost £3,825,000 and current acquisition £4,108,397) acquiring Net Assets at fair value of £13,199,631, giving rise to negative goodwill of £5,266,234. The Salvation Army International Trust intend to unwind the negative goodwill to the Statement of Financial Activities (SOFA) over a 10 year period (see note 1(f)).

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

3. CONTRIBUTIONS RECEIVED FROM SALVATION ARMY TERRITORIES

Territory	Self-Denial Fund		International Headquarters Support		Donations Received	
	Unrestricted		Unrestricted		Restricted	
	2019	2018	2019	2018	2019	2018
	£000	£000	£000	£000	£000	£000
Angola	14	22	1	1	-	-
Australia	786	-	-	-	45	-
Australia Eastern	-	500	355	345	76	14
Australia Southern	-	341	316	306	(220)	(2)
Bangladesh	1	1	1	1	-	-
Brazil	28	29	2	2	-	-
Canada and Bermuda	1,306	1,501	526	511	169	232
Caribbean	59	71	4	4	-	1
Congo (Brazzaville)	85	91	4	4	-	-
Democratic Republic of Congo	62	62	5	5	-	-
Denmark	26	26	15	15	-	8
Eastern Europe	13	9	1	1	-	-
Finland and Estonia	53	55	27	26	48	34
France and Belgium	15	17	47	46	1	4
Germany, Lithuania and Poland	29	31	33	32	21	28
Ghana	23	19	3	3	-	-
Hong Kong and Macau	67	76	25	24	-	33
India Central	62	55	7	7	-	-
India Eastern	113	101	3	3	-	-
India Northern	24	25	6	6	-	-
India South Eastern	88	83	7	6	-	-
India South Western	35	35	7	6	-	-
India Western	40	37	6	6	-	-
Indonesia	45	47	11	10	2	1
Italy and Greece	5	5	1	1	1	4
Japan	56	55	64	62	1	7
Kenya East	266	228	7	7	1	1
Kenya West	182	146	7	7	-	-
Korea	113	111	11	11	88	-
Latin America North	29	26	2	2	-	-
Liberia	6	6	1	1	-	-
Malawi	6	4	1	1	-	1
Mali	1	1	1	1	-	-
Mexico	18	19	2	2	-	-
Middle East	16	15	1	1	-	-
Mozambique	3	2	1	1	-	-
The Netherlands, Czech Republic and Slovakia	193	194	104	101	108	113
New Zealand, Fiji and Tonga	572	560	245	238	43	59
Nigeria	19	19	5	4	-	-
Norway, Iceland and The Faeroes	399	393	92	89	229	66
Pakistan	5	1	5	5	-	-
Papua New Guinea	24	40	3	3	-	-
The Philippines	12	10	3	3	-	-
Russia	3	3	1	1	-	-
Rwanda and Burundi	7	6	1	1	-	-
Singapore, Malaysia and Myanmar	111	75	16	16	18	15
South America East	13	23	2	2	-	1
South America West	42	39	4	3	-	-
Southern Africa	48	56	3	3	-	-
Spain and Portugal	15	12	1	1	5	8
Sri Lanka	1	1	2	2	-	-
Sweden and Latvia	110	105	75	73	28	162
Switzerland, Austria and Hungary	846	727	145	141	104	85
Taiwan	8	8	1	1	-	-
Tanzania	10	9	2	2	-	-
Uganda	5	4	1	1	-	-
United Kingdom with the Republic of Ireland	2,084	2,011	799	776	284	444
USA Central	3,910	3,994	1,753	1,629	101	78
USA Eastern	4,119	4,632	1,401	1,362	86	168
USA Southern	4,511	4,204	1,825	1,740	107	150
USA Western	3,659	3,358	1,329	1,272	249	23
USA National HQ	-	-	58	56	242	711
Zambia	82	80	3	3	-	-
Zimbabwe	471	397	6	6	-	-
	24,954	24,813	9,396	9,001	1,837	2,449

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

4. DONATION FROM SUBSIDIARY COMPANY

Reliance Bank Limited

The banking company, Reliance Bank Limited (the 'Bank'), became a wholly owned subsidiary of The Salvation Army International Trust (the 'Trust') during the year, following the purchase of The Salvation Army Trust's (UK Territory) 49% interest.

The Trust also invested an additional £1.5 million in the Bank's share capital during the year to support its business transformation plans. Under this ownership model and with a new 5-year strategic plan, the Bank aims to become an important social impact bank with an expanded remit in this market segment.

Reliance Bank Limited provides banking facilities to The Salvation Army and the general public. The Bank offers transactional banking services to more than 30 Salvation Army territories, providing a vital 'safe haven' for project funds and IHQ operational grants and a secure platform for international fund transfers for the global Army.

Ordinarily, the Bank will donate a proportion of its net taxable profits to support the mission of The Trust. This has not been the case during the year under review, as the Bank is investing in its organisational structure and systems as it embarks on a new strategy under the sole ownership of the Trust. As expected, a loss has been made in the early implementation period of the strategic plan, while this initial investment takes place.

	2019 £000	2018 £000
Summary Profit and Loss Account		Restated
Interest Receivable and other operating income	3,518	2,862
Interest Payable and other operating expenditure	(1,009)	(652)
Administration Expenditure	(3,194)	(2,034)
Operating Profit	(685)	176
Taxation	37	(7)
Profit after Tax	(648)	169
Less donation	-	(228)
Retained Surplus for year	(648)	(59)
Retained Reserves brought forward	3,791	3,850
Retained Reserves carried forward	3,143	3,791
Donation received in year	-	129
Share Capital owned	9,000	3,825
Summary Balance Sheet		
Fixed Assets	2,752	2,819
Current Assets		
Less than one year	145,197	175,491
Loans over one year	36,297	30,720
	184,246	209,030
Liabilities		
Over one year	-	(2,515)
Current	(172,103)	(195,224)
Net Assets	12,143	11,291
Share Capital	9,000	7,500
Reserves	3,143	3,791
Shareholders' Funds	12,143	11,291

Unrestricted income to the Salvation Army International Trust from Reliance Bank Limited for the year was £nil (2018: £129k)

5. OTHER DONATIONS AND LEGACIES

	Unrestricted £000	Restricted £000	2019 £000	Unrestricted £000	Restricted £000	2018 £000
Other Donations	26,732	31	26,763	22,877	51	22,928
Legacies	40	-	40	25	-	25
	26,772	31	26,803	22,902	51	22,953

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

	2019	2019	2018
	Group	Charity	Charity
	£000	£000	£000
6. INCOME FROM CHARITABLE ACTIVITIES			
Rents from charitable activities	127	127	135
Income from publications	284	284	284
Income from Café 101	258	258	257
	669	669	676
Restricted income for the year was £nil (2018: £nil)			
7. OTHER TRADING ACTIVITIES			
Conference Centre income	135	135	220
Rents from letting of property	75	75	59
Fees and Commissions receivable	360	-	-
	570	210	279
Unrestricted income for the year was £570k (2018: £279k)			
8. INVESTMENT INCOME			
Income from fixed interest securities	737	501	454
Dividends from equities	1,194	1,194	1,356
Interest on bank deposits	317	235	116
Income from funds held in USA	723	723	686
Rental on Freehold Reversionary Interest	256	256	218
Rents from letting of investment properties	1,361	1,339	1,249
	4,588	4,248	4,079
Interest on Loans and Advances to Bank Customers	720	-	-
	5,308	4,248	4,079
Restricted income for the year was £146k (2018: £625k)			
	2019	2019	2018
	Group	Charity	Charity
	£000	£000	£000
9. RAISING FUNDS			
Cost of letting of property	636	636	713
Investment management costs	749	749	618
Costs of subsidiary banking operations	1,900	-	-
	3,285	1,385	1,331
Restricted expenditure for the year was £17k (2018: £148k)			
10. CHARITABLE ACTIVITIES			
	2019	2019	2018
	Grant and		
	Donation		
	funding of		
	activities		
	Activities		
	undertaken		
	directly		
	Support costs		
	(Note 12)		
Activity	Total	Total	Total
	£000	£000	£000
World Mission	-	4,165	3,990
Assistance to Salvation Army territories (Note 11)	25,277	31,450	31,753
International Personnel Training and Development	-	9,811	8,849
Crisis Relief	-	1,676	1,785
Health Services for the Poorest People	-	686	444
Fighting Against Sexual Trafficking and for Social Justice	-	998	937
	25,277	48,800	47,758

Grant and donation funding includes operational grants paid quarterly to Salvation Army territories around the World and the onward transmission of project funding. Costs of activities undertaken directly include the direct costs associated with emergency services and other projects which are managed by International Headquarters. Support costs have been allocated over activities on a per capita basis (see Note 12).

Restricted expenditure for the year was £4.2m (2018: £4.8m)

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

11. GRANTS AND DONATIONS PAID TO SALVATION ARMY TERRITORIES IN SUPPORT OF OVERSEAS WORK

Territory	2019					2018
	Allowable deductions from Self-Denial funds (see note 1(b)(i))	Grant funding of activities	Additional grant for specific costs	Activities funded by donations	Total	Total
	£000	£000	£000	£000	£000	£000
Africa, General	-	-	53	192	245	(43)
Americas, General	-	-	-	2	2	10
Angola	4	50	(9)	14	59	96
Australia	86	-	-	-	86	-
Australia Eastern	-	-	-	-	-	79
Australia Southern	-	-	-	3	3	-
Bangladesh	-	197	1	175	373	246
Brazil	19	601	2	44	666	889
Caribbean	16	713	4	71	804	912
Congo (Brazzaville) and Gabon	24	509	26	210	769	793
Czech Republic and Slovakia (Netherlands)	-	479	-	1	480	450
Democratic Republic of Congo	7	578	53	50	688	820
Denmark	-	-	-	1	1	1
Eastern Europe	24	1,076	1	15	1,116	1,430
Estonia (Finland)	-	219	-	10	229	180
Europe, General	-	-	-	-	-	1
Fiji and Tonga	-	-	-	1	1	15
France and Belgium	-	-	-	1	1	42
Germany, Lithuania and Poland	1	204	-	(2)	203	232
Ghana and Togo	10	152	17	209	388	278
Hong Kong and Macau	-	-	-	2	2	1
India National Secretariat	-	113	-	21	134	86
India Central	-	304	1	72	377	584
India Eastern	7	-	-	316	323	618
India Northern	-	324	1	225	550	608
India South Eastern	2	368	1	589	960	438
India South Western	-	360	2	96	458	508
India Western	1	273	1	56	331	415
Indonesia	-	-	13	105	118	526
Italy and Greece	1	250	-	219	470	293
Japan	-	-	-	-	-	4
Kenya East	67	302	38	177	584	1,869
Kenya West	34	595	37	118	784	1,117
Korea	-	-	-	1	1	2
Latin America North	1	687	1	23	712	774
Latvia (Sweden)	-	136	-	9	145	175
Liberia, Sierra Leone and Guinea	9	197	16	12	234	262
Malawi	19	124	27	48	218	184
Mali and Burkina Faso	6	75	-	12	93	100
Mexico	2	390	1	41	434	435
Middle East	-	264	-	4	268	341
Mozambique	11	257	43	7	318	344
Nigeria	3	183	4	100	290	270
Norway	-	-	-	-	-	11
Pakistan	2	1,045	-	49	1,096	755
Papua New Guinea	32	415	19	99	565	888
The Philippines	10	399	-	49	458	450
Russia	-	733	-	36	769	749
Rwanda and Burundi	6	174	17	12	209	222
Singapore, Malaysia and Myanmar	25	195	-	44	264	288
South America East	4	532	1	30	567	1,152
South America West	28	420	2	31	481	575
South Asia, General	-	-	-	-	-	5
Southern Africa	25	131	4	23	183	206
Spain and Portugal	7	687	-	12	706	790
SPEA, General	-	-	-	-	-	-
Sri Lanka	20	181	-	153	354	324
Switzerland, Austria and Hungary	32	-	-	1	33	8
Taiwan	-	95	-	199	294	139
Tanzania	13	153	16	125	307	437
Uganda	18	152	15	22	207	246
United Kingdom with the Republic of Ireland	-	-	-	245	245	87
Zambia	41	376	16	3,405	3,838	1,114
Zimbabwe and Madagascar	96	469	17	201	783	900
2019 - Total	713	16,137	441	7,986	25,277	25,731
2018 - Total	903	16,358	781	7,689	25,731	

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

12. ANALYSIS OF SUPPORT COSTS BY ACTIVITY

	Management £000	Finance & IT £000	Human Resources £000	Property £000	Depreciation £000	Governance (see note 13) £000	2019 Total £000
Charitable Activities							
World Mission	284	291	78	142	244	363	1,402
Assistance to Salvation Army territories	346	355	95	174	297	444	1,711
International Personnel Training and Development	652	667	179	326	560	835	3,219
Crisis Relief	57	58	16	28	49	72	280
Health Services for the Poorest People	34	35	9	17	29	44	168
Fighting Against Sexual Trafficking and for Social Justice	68	70	19	34	59	87	337
	1,441	1,476	396	721	1,238	1,845	7,117

Depreciation on Vehicles and IT Equipment of £137,000 (2018: £122,000) forms part of rechargeable expenditure allocated on a usage basis and is included in the functional headings above.
All support costs have been allocated against Charitable Activities (see note 10).

13. GOVERNANCE COSTS

	2019 £000	2018 £000
Internal Audit	392	440
External Audit	60	48
Legal and Administration (includes Trustees' Indemnity Insurance)	866	634
International Child Protection Governance	406	309
Finance and Property	121	61
	1,845	1,492

An Internal Audit Department carries out a cycle of reviews of the systems in operation within IHQ and in all countries where The Salvation Army is working.

The external audit fee for Reliance Bank Limited has been charged to expenditure on raising funds as part of their administrative expenses.

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

14. PERSONNEL COSTS

Salaries and Allowances
Employer's Social Security Costs
Employer's Pension Costs

2019 £000	2018 £000
5,445	4,415
539	424
724	448
6,708	5,287
No.	No.
4	3
1	-
2	2
2	1
1	1
186	156

The number of employees earning greater than £60,000 per annum was as follows:

£60,001 - £70,000
£70,001 - £80,000
£80,001 - £90,000
£90,001 - £100,000
£110,001 - £120,000

Included in the above, the highest paid employee had employer pension contributions of £19,596.

Average number of officers and employees

The above amounts include post acquisition (five months) employee and staff costs relating to the subsidiary company.

(i) The Salvation Army International Trust

The key management personnel of The Salvation Army International Trust, comprise the General, the Chief of the Staff and eight International Secretaries. The total taxable allowances and benefits plus employers NIC of key management personnel were £208k (2018: £197k).

(ii) Reliance Bank Limited

The Bank's key management personnel are considered to be its directors (both executive and non-executive), the Banking Lending Manager, the Business Development Manager and the Banking Services Manager. The total taxable remuneration and benefits plus employers NIC of the bank's key management personnel since acquisition was £195k.

Only two Directors of Reliance Bank received emoluments during the year, their remuneration in aggregate since acquisition was £99,539 and includes pension contributions of £7,572. The highest paid Director received emoluments of £55,458 (pension contributions £Nil). Non-Executive Directors received no remuneration from the Bank (and are not members of the pension scheme). Executive Directors are eligible to apply for loans on terms that are available to all employees of the Bank.

15. TRUSTEES

(i) Remuneration

The directors of The Salvation Army International Trustee Company, at the balance sheet date comprised fourteen trustees (see Trustee's Report for details), with nine senior Salvation Army officers, an employee who acts as Director/Company Secretary and four non-executive directors with specialist expertise. All Salvation Army officers receive an allowance based on length of service and other personal circumstances and, as ministers of religion, are provided with furnished accommodation and transport facilities.

The taxable allowances and benefits received during the year by the officers serving as directors ranged from £4,931 to £23,957 (2018: £4,075 to £24,915) and they did not receive any additional remuneration for their duties as directors. The employee serving as Director/Company Secretary received remuneration of £81,615 in the executive role of Head of Finance of the charity and did not receive any additional remuneration for his duties as director. The non-executive directors did not receive any remuneration for their services.

(ii) Expenses

One trustee received a total of £227 (2018: £221) for travel expenses in their capacity as a director of The Salvation Army International Trustee Company. No expenses were paid to Executive Directors in their capacity as directors of SAITCo. Expenses paid to Executive Directors in respect of their executive roles are incurred as part of their active duties hence are not included here.

There were no expenses paid to third parties on behalf of the Trustees during the year.

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

16. AUDIT COSTS

The amount payable to the auditors for the audit of these financial statements amounts to £49,500 excluding VAT (2018: £39,970) and for the audit of Reliance Bank Limited's financial statements amounts to £68,000 excluding VAT. Their remuneration for services in connection with audits of African territories amounted to £43,600 excluding VAT (2018: £41,900) and payments to BDO International offices amounted to £262,400 (2018: £269,500).

17. PENSION COSTS

The Salvation Army International Trust and Reliance Bank Ltd both participate in the same multi-employer defined benefit and defined contribution employee pension schemes, both of which are administered by The Salvation Army United Kingdom Territory with the Republic of Ireland.

They contribute to The Salvation Army Employees' Pension Fund, a funded defined benefit scheme, in respect of those members of staff that were eligible and had joined the scheme prior to its closure to new members on 31 December 2011.

The scheme is subject to triennial actuarial valuations. The most recent valuation was performed on 31 March 2018, which reported a shortfall of £10.592 million relative to the technical provisions which corresponded to an on-going funding ratio of 94.1%. Shortfalls of £1.23m and £188k have been recognised by The Salvation Army International Trust and Reliance Bank Limited respectively. These amounts have been recognised in full during the year.

It was agreed that the Employers would fund the shortfall by paying additional contributions over varying periods of up to 5 years. The Salvation Army International Trust took the decision to make three annual payments of £378,102, with the final payment to be made in March 2021.

Reliance Bank Ltd has committed to paying up its share of the shortfall over a 5-year period, with the first instalment of £38,000 having been paid during March 2019.

The scheme is a multi-employer scheme incorporating five employers and the actuary has confirmed that it is not practical to allocate the assets and liabilities of the scheme between participating employers in accordance with FRS102.

As at 31 March 2019, the Trust and Bank had 43 and 7 employees in the scheme respectively out of a total active membership of 455.

A Defined Contributions Scheme was introduced from 1 October 2011 and 36 members of staff of The Salvation Army International Trust and 13 members of staff of Reliance Bank Ltd have joined the scheme.

Auto enrolment was adopted from 1 April 2014, with employees required to opt out if they did not want to be part of the scheme.

The Trust accounts for Pension Costs on the date payments to the Schemes fall due. The costs charged in the current year are disclosed in Note 14.

18. OTHER GAINS/(LOSSES)

The following other Gains/(Losses) have been recognised during the year:

	2019 Group £000	2019 Charity £000	2018 Charity £000
Exchange Gains/(Losses)	2,851	2,851	(3,843)
Gain on properties reclassified back to Fixed Assets	-	-	398
	<u>2,851</u>	<u>2,851</u>	<u>(3,445)</u>

The significant volume of transactions denominated in US dollars has given rise to exchange gains, as rates moved between \$1.4186 and \$1.3043 between March 2018 and March 2019.

19. TAXATION

As a registered charity, the Trust is entitled to exemptions from tax in accordance with the provisions of Section 505 of the Income and Corporation Taxes Act 1988.

In relation to Reliance Bank Limited the following Deferred Tax Liability applies:

	2019 £000
Accelerated capital allowances:	
Liability at start of the year	48
Deferred tax charged to profit and loss account for the Year	(37)
Liability at end of the year	<u>11</u>

No deferred tax asset has been provided for at this point in respect of tax recoverable on losses.

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

20. MOVEMENT IN FUNDS	Balance 31/03/2018 £000	Transfers £000	Incoming Resources £000	Outgoing Resources £000	Balance 31/03/2019 £000
RESTRICTED					
Property Fund	14,779	-	-	(246)	14,533
Other Fixed Assets Fund	453	-	-	(312)	141
Officers' Support Endowment Fund	4,595	-	253	-	4,848
Int'l Social Justice Commission Fund	2,515	-	-	-	2,515
Other Restricted	7,781	(90)	2,020	(3,652)	6,059
	<u>30,123</u>	<u>(90)</u>	<u>2,273</u>	<u>(4,210)</u>	<u>28,096</u>

The Property Fund represents restricted funds used for specific property acquisitions.

The Other Fixed Assets Fund represents funds which have been used to finance the acquisition of Other Tangible Fixed Assets (per Note 24).

The Officers' Support Endowment Fund represents restricted funds used to provide grants to Salvation Army officers around the world to assist with basic support costs.

The International Social Justice Commission Fund represents restricted funds to support the work of the International Social Justice Commission office.

All other restricted reserves are funds held for specific overseas areas of work.

	Balance 31/03/2018 £000	Transfers £000	Incoming Resources £000	Outgoing Resources £000	Balance 31/03/2019 £000
UNRESTRICTED					
Property Fund	19,707	(179)	-	(598)	18,930
Other Fixed Assets Fund	718	383	-	(218)	883
Reliance Bank Share Fund	-	1,500	-	-	1,500
Designated Funds					
Property Commitments Fund	28,011	904	5,600	(5,399)	29,116
Self-Denial Fund	21,717	(2,650)	25,307	(21,448)	22,926
Investment Appreciation Fund	34,852	-	11,922	(3,611)	43,163
Investment Property Revaluation Fund	37,751	-	2,862	(151)	40,462
Exchange Equalisation Fund	3,707	1,245	-	(22)	4,930
Other Designated Funds	64,233	(19)	24,142	(4,585)	83,771
	<u>190,271</u>	<u>(520)</u>	<u>69,833</u>	<u>(35,216)</u>	<u>224,368</u>
General Reserve					
Held by Trust	5,331	(1,094)	11,648	(11,177)	4,708
Held by Trading Subsidiary	-	-	1,652	(2,224)	(572)
	<u>216,027</u>	<u>90</u>	<u>83,133</u>	<u>(49,433)</u>	<u>249,817</u>

The Property Fund represents funds which have been utilised to finance the acquisition of freehold and leasehold properties.

The Other Fixed Assets Fund represents funds which have been used to finance the acquisition of Other Tangible Fixed Assets (per Note 24).

The Property Commitments Fund represents funds earmarked for future property acquisitions and schemes. This includes a reserve held to fund the future replacement of the IHQ building (£15.86m), and an International Property Project reserve (£6.19m) held to provide additional property project funding to territories over the next 2-3 years.

The Self-Denial Fund represents amounts held to ensure sufficient funds are available to meet the commitment to make maintenance grants to supported territories payable quarterly in advance. The balance is equivalent to 11.9 months of the budgeted grants and support costs payable to overseas territories for the following year.

The Investment Appreciation Fund represents unrealised gains on investments which are still subject to market risk.

The Investment Property Revaluation Fund represents the surplus on revaluation of tenanted properties held for investment purposes.

The Exchange Equalisation Fund represents exchange gains made and held to offset future exchange losses.

Other Designated Funds are held for particular purposes designated by the directors in the exercise of their discretionary powers.

This includes a Mission Support Reserve (£1.33m) held to provide additional project funding to territories over the next 2-3 years and an International Schools Development reserve (£8.96m) held to provide additional school project funding to territories over the next 2-3 years. In addition, an International Financial and Accounting Standards Implementation Reserve (£7.82m) and IT Development Reserve (£6.27m) are held to fund provision of cloud-based accounting software and adequate Information Technology infrastructures to territories over the next 2-3 years.

A new Leadership Development Reserve (£3.79m) has been established to fund the enhancement of training and personal development of Officers over the next 3-4 years.

The General Reserve represents the working capital required to fund the day-to-day needs of The Salvation Army International Trust, and is equivalent to 6.0 months expenditure on headquarters administration costs.

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

20. MOVEMENT IN FUNDS - continued	Balance 31/03/2017 £000	Transfers £000	Incoming Resources £000	Outgoing Resources £000	Balance 31/03/2018 £000
RESTRICTED					
Property Fund	15,025	-	-	(246)	14,779
Other Fixed Assets Fund	766	-	-	(313)	453
Polignac Trust	2,526	(2,810)	284	-	-
Officers' Support Endowment Fund	4,394	-	201	-	4,595
Int'l Social Justice Commission Fund	2,515	-	-	-	2,515
Other Restricted	10,701	(1,887)	3,351	(4,384)	7,781
	<u>35,927</u>	<u>(4,697)</u>	<u>3,836</u>	<u>(4,943)</u>	<u>30,123</u>

The Property Fund represents restricted funds used for specific property acquisitions.

The Other Fixed Assets Fund represents funds which have been used to finance the acquisition of Other Tangible Fixed Assets (per Note 24).

As part of the ongoing reserves review project, following a specific assessment undertaken in consultation with the external auditors the Polignac Trust Funds were transferred to designated funds.

The Officers' Support Endowment Fund represents restricted funds used to provide grants to Salvation Army officers around the world to assist with basic support costs.

The International Social Justice Commission Fund was set up represents restricted funds to support the work of the International Social Justice Commission office.

All other restricted reserves are funds held for specific overseas areas of work.

	Balance 31/03/2017 £000	Transfers £000	Incoming Resources £000	Outgoing Resources £000	Balance 31/03/2018 £000
UNRESTRICTED					
Property Fund	19,718	691	-	(702)	19,707
Other Fixed Assets Fund	691	224	-	(197)	718
Designated Funds					
Property Commitments Fund	25,787	340	6,561	(4,677)	28,011
Self-Denial Fund	22,446	(4,546)	25,211	(21,394)	21,717
Investment Appreciation Fund	28,644	-	9,231	(3,023)	34,852
Investment Property Revaluation Fund	34,601	-	3,748	(598)	37,751
Exchange Equalisation Fund	5,115	(500)	-	(908)	3,707
Other Designated Funds	44,858	9,647	17,621	(7,893)	64,233
	<u>161,451</u>	<u>4,941</u>	<u>62,372</u>	<u>(38,493)</u>	<u>190,271</u>
General Reserve	<u>4,378</u>	<u>(1,159)</u>	<u>11,418</u>	<u>(9,306)</u>	<u>5,331</u>
	<u>186,238</u>	<u>4,697</u>	<u>73,790</u>	<u>(48,698)</u>	<u>216,027</u>

The Property Fund represents funds which have been utilised to finance the acquisition of freehold and leasehold properties.

The Other Fixed Assets Fund represents funds which have been used to finance the acquisition of Other Tangible Fixed Assets (per Note 24).

The Property Commitments Fund represents funds earmarked for future property acquisitions and schemes. This includes a reserve held to fund the future replacement of the IHQ building (£14.71m), and an International Property Project reserve (£6.46m) held to provide additional property project funding to territories over the next 2-4 years.

The Self-Denial Fund represents amounts held to ensure sufficient funds are available to meet the commitment to make operational grants to supported territories payable quarterly in advance. The balance is equivalent to 12.0 months of the budgeted grants and support costs payable to overseas territories for the following year.

The Investment Appreciation Fund represents unrealised gains on investments which are still subject to market risk.

The Investment Property Revaluation Fund represents the surplus on revaluation of tenanted properties held for investment purposes.

The Exchange Equalisation Fund represents exchange gains made and held to offset future exchange losses.

Other Designated Funds are held for particular purposes designated by the directors in the exercise of their discretionary powers.

An International Financial and Accounting Standards Implementation Reserve (£10.00m) is held to fund provision of cloud-based accounting software to territories over the next 3-5 years and an IT Development Reserve (£6.43m) is held to fund provision of a new global email solution to territories over the next 3-5 years. An International Schools Development reserve (£7.27m) is also held to provide additional schools project funding to territories over the next 2-4 years and a Mission Support Reserve (£1.52m) is held to provide additional project funding to territories over the next 2-4 years.

As part of the ongoing reserves review project (seeking to reduce the number of different funds held), an amount of £1.74m was transferred from restricted reserves where the original donor restriction allowed to partly fund grants to territories initially expended from designated reserves. The review also resulted in Polignac Trust Funds (£2.57m) being transferred to designated funds following a specific assessment undertaken in consultation with the external auditors.

The General Reserve represents the working capital required to fund the day-to-day needs of The Salvation Army International Trust, and is equivalent to 7.1 months expenditure on headquarters administration costs.

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total 2019	Unrestricted Funds	Restricted Funds	Total 2018
	£000	£000	£000	£000	£000	£000
Goodwill	(5,267)	-	(5,267)	-	-	-
Property Assets	17,483	14,533	32,016	13,907	14,779	28,686
Other Tangible Fixed Assets	1,267	141	1,408	718	453	1,171
Investments	232,772	13,422	246,194	172,927	14,891	187,818
Current Assets	144,909	-	144,909	35,163	-	35,163
Current Liabilities	(173,352)	-	(173,352)	(6,921)	-	(6,921)
Debtors over one year	36,616	-	36,616	-	-	-
Creditors over one year	(4,611)	-	(4,611)	233	-	233
	249,817	28,096	277,913	216,027	30,123	246,150

22. NEGATIVE GOODWILL

The negative goodwill arising in the year represents the excess of net assets acquired over the cost of the shares purchased in Reliance Bank Limited (see note 2).

Calculation of Negative Goodwill

Cost of 49% acquisition in the year	£000
Share Capital Purchased	4,108
Positive Goodwill on acquisition	(3,675)
	433

Original cost of 51% shareholding	3,825
Cost of 49% acquisition in the year	4,108
Total cost of acquisition	7,933

Fair Value of Assets acquired - 31 October 2018

Freehold Property (per valuation)	4,400
Investments	70,828
Current Assets including loans and advances	114,114
	189,342
Liabilities including customer accounts	(176,142)
Net Assets Acquired	13,200

Net Negative Goodwill	(5,267)
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Write back Positive Goodwill on Acquisition	(433)
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Negative Goodwill on Consolidation	(5,700)
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The negative goodwill is being released to the Statement of Financial Activities over a period of 10 years, commencing from 31 March 2020.

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

23. PROPERTY ASSETS

	Freehold	Long Leasehold	Overseas	Total (Charity only)	Subsidiary Land & Buildings	Total (Group)
	£000	£000	£000	£000	£000	£000
Cost						
Balance at 1 April 2018	30,180	7,691	226	38,097	-	38,097
Additions during the year	164	73	-	237	4,400	4,637
	30,344	7,764	226	38,334	4,400	42,734
Less: Disposals	-	(453)	-	(453)	-	(453)
Transfer to Investment Property	(28)	-	-	(28)	-	(28)
Balance at 31 March 2019	30,316	7,311	226	37,853	4,400	42,253
Depreciation						
Balance at 1 April 2018	7,581	1,812	18	9,411	-	9,411
Reinstated on Transfer from Investment Property	-	-	-	-	-	-
Charge for the year	693	146	5	844	47	891
	8,274	1,958	23	10,255	47	10,302
Eliminated: on Disposals	-	(60)	-	(60)	-	(60)
on Transfer to Investment Property	(5)	-	-	(5)	-	(5)
Balance at 31 March 2019	8,269	1,898	23	10,190	47	10,237
Net Book Value at 31 March 2019	22,047	5,413	203	27,663	4,353	32,016
Net Book Value at 31 March 2018	22,599	5,879	208	28,686	-	28,686

The Transfer to Investments relates to tenanted properties that are held for investment purposes.

24. OTHER TANGIBLE FIXED ASSETS

	Fit-Outs	Office Equipment	IT Equipment	Vehicles	Total (Charity only)	Subsidiary Office Equipment	Total (Group)
	£000	£000	£000	£000	£000	£000	£000
Cost							
Balance at 1 April 2018	5,253	1,055	608	59	6,975	-	6,975
Additions during the year	217	31	135	-	383	575	958
	5,470	1,086	743	59	7,358	575	7,933
Less Disposals	-	-	(122)	-	(122)	-	(122)
Balance at 31 March 2019	5,470	1,086	621	59	7,236	575	7,811
Depreciation							
Balance at 1 April 2018	4,419	1,055	271	59	5,804	-	5,804
Charge for the year	364	4	162	-	530	191	721
	4,783	1,059	433	59	6,334	191	6,525
Eliminated on disposals	-	-	(122)	-	(122)	-	(122)
Balance at 31 March 2019	4,783	1,059	311	59	6,212	191	6,403
Net Book Value at 31 March 2019	687	27	310	-	1,024	384	1,408
Net Book Value at 31 March 2018	834	-	337	-	1,171	-	1,171

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

25. INVESTMENTS

(a)(i) Group

	2019		2018	
	Cost	Market Value	Cost	Market Value
	£000	£000	£000	£000
Listed Investments				
Fixed Interest				
UK Government	19,511	20,527	18,329	19,130
Overseas	494	498	460	456
Sterling Certificates of Deposit (see Note (b) below)	65,286	65,285	-	-
Equities				
UK Directly Held Equities	10,317	10,796	6,548	6,860
Overseas Directly Held Equities	78,659	94,488	68,528	81,883
	174,267	191,594	93,865	108,329
Subsidiary Company (Note 4)				
Reliance Bank Ltd. - Shares	-	-	3,825	3,825
Investment Property (see Note (f) below)	8,381	48,800	8,202	45,910
Property - Freehold Reversionary Interest (see Note (g) below)	2,990	5,800	2,990	5,800
	185,638	246,194	108,882	163,864
Bank Deposits (see Note (c) below)	29,034	29,034	23,954	23,954
	214,672	275,228	132,836	187,818

(a)(ii) Charity Only

Listed Investments				
Fixed Interest				
UK Government	19,511	20,527	18,329	19,130
Overseas	494	498	460	456
Equities				
UK Directly Held Equities	10,317	10,796	6,548	6,860
Overseas Directly Held Equities	78,659	94,488	68,528	81,883
	108,981	126,309	93,865	108,329
Subsidiary Company (Note 4)				
Reliance Bank Ltd. - Shares	9,000	9,000	3,825	3,825
Investment Property (see Note (f) below)	8,381	48,800	8,202	45,910
Property - Freehold Reversionary Interest (see Note (g) below)	2,990	5,800	2,990	5,800
	129,352	189,909	108,882	163,864
Bank Deposits (see Note (c) below)	17,689	17,689	23,954	23,954
	147,041	207,598	132,836	187,818

(b) Debt Securities

Sterling Certificates of Deposit held by Reliance Bank Ltd are generally held to maturity and are valued at amortised cost (being no greater than net realisable value). £15.11m of Sterling Certificates of Deposit held at 31 March 2019 mature within three months of the Balance Sheet date, with £35.13m maturing between three and six months and £15.05m maturing between six months and one year.

The role of debt securities in Reliance Bank's investment strategy is to provide a significant balance of realisable assets with high credit quality counterparties. These would be accessible in the event of unexpected funding demands which would otherwise exceed the level of instant access bank deposits that is maintained together with maturing interbank term deposits. Debt securities are used to broadly match significant customer term deposits in terms of both interest rate risk and liquidity. A spread of maturities also helps to manage the Bank's overall maturity profile. The geographic spread of exposures to financial institutions is analysed in the Bank's Pillar 3 disclosures.

(c) Bank Deposits

Sterling - Notice Deposits (less than 3 months)	-
Sterling - Notice Deposits (greater than 3 months)	-
US Dollars & Euros	9
US Dollars & Euros - Notice Deposits (greater than 3 months)	-
Loans and Advances to Banks - Deposits	20,086
Cash held by Investment Managers	8,939
	29,034

2019
Group
£000
-
-
9
-
20,086
8,939
29,034

2019	2018
Charity only	Charity only
£000	£000
3,513	3,900
1,450	2,200
3,787	4,284
-	1,070
-	-
8,939	12,500
17,689	23,954

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

25. INVESTMENTS - continued

(d) Movement in Listed Investments

	2019 Group £000	2019 Charity only £000	2018 Charity only £000
Market Value at 1 April 2018	108,329	108,329	94,864
Purchases in year	205,898	32,658	41,892
Sales proceeds	(131,066)	(23,066)	(33,941)
Net Gains/(Losses) - Listed Investments	8,433	8,388	5,514
Market Value at 31 March 2019	191,594	126,309	108,329

(e) Gains/(Losses) on Investment Assets

Listed Investments (see Note (d) above)	8,433	8,388	5,514
Net Surplus on revaluation of Investment Property	2,717	2,717	3,728
Release of revaluation surplus on transfer of Investment Property to Fixed Assets	-	-	(484)
Gain/(Loss) on revaluation of US Dollar Deposits	513	513	(649)
Gain/(Loss) on US held investments	1,058	1,058	3,168
	12,721	12,676	11,277

(f) Investment Property

The investment property represents tenanted properties that are held for investment purposes. During the year there were additions to investment property at a depreciated cost of £173,358 and fair value as at 31 March 2019 of £435,000 giving rise to a revaluation gain of £261,642.

As part of the three-year revaluation rolling plan, forty-one investment properties have been valued at fair value as at 31 March 2019 resulting in an additional revaluation gain of £2,455,000.

During the year no properties were sold or transferred back to Fixed Assets.

Valuations are provided using the comparison method, with the valuations being completed by an External Chartered Surveyor.

(g) Property - Freehold Reversionary Interest

The freehold reversionary interest represents the value of the freehold interest in 99 Queen Victoria Street (adjacent to the headquarters building) on which a long lease has been granted and rental income of £217,756 per annum is receivable. The freehold reversionary interest has been valued at the year end by the Trustee, based on advice from an external consulting surveyor, at £5.80 million (£5.80 million: 2018)

26. DEBTORS AND PREPAYMENTS

	2019 Group £000	2019 Charity £000	2018 Charity £000
Due from Salvation Army territories	8,459	8,459	4,977
Funds held in USA	45,849	45,849	27,535
Prepayments	931	784	945
Other Debtors	523	471	700
Amounts falling due after more than one year:			
Loans due from Salvation Army territories.	423	423	233
	56,185	55,986	34,390
Loans and Advances to Bank customers (see Note (i) below)	11,027	-	-
Amounts falling due after more than one year:			
Loans and Advances to Bank Customers (see (i) below)	36,193	-	-
	47,220	-	-
	103,405	55,986	34,390

(i) Loans and Advances to Bank customers

The role of loans and advances to customers in the Bank's investment and operating strategy is to grow the Bank's profit margins whilst maintaining a conservative lending policy and ensuring the Bank's liquidity and overall maturity profile are not compromised.

All dealings between the Bank, parent, fellow subsidiary and associated undertakings have been undertaken on commercial terms. All loans and overdrafts extended to the Central and Social Trusts of The Salvation Army are covered by set-off arrangements.

THE SALVATION ARMY INTERNATIONAL TRUST

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FOR THE YEAR ENDED 31 MARCH 2019

26. DEBTORS AND REPAYMENTS - continued

All loans and overdrafts extended to the Central and Social Trusts of The Salvation Army are covered by set-off arrangements.

	2019 £000
Recoverable on Demand:	
Overdrafts	1,602
Other Loans and Advances:	
Mortgages	23,220
Loans	22,398
	45,618
	47,220
Loans and advances to customers analysed by periods outstanding to maturity:	
Recoverable:	
On demand	10,748
In 3 months or less	1
In 1 year or less but more than 3 months	278
	11,027
In 2 years or less but more than one year	237
In 5 years or less but more than 2 years	1,522
Over 5 years	34,538
Collective impairment provision	(104)
	47,220

27. BANK BALANCES

Sterling - Interest-bearing current accounts
- Ordinary current accounts

US Dollars and Euros

Loans and Advances to Banks (see (i) below)
Cash and Balances at Central Bank (see (ii) below)

2019 Group £000	2019 Charity £000	2018 Charity £000
286	1,160	710
89	167	161
2	2	2
377	1,329	873
12,034	-	-
36,565	-	-
48,976	1,329	873

(i) Loans and Advances to Banks

Bank Balances

Recoverable on Demand

2019 £000
12,034

All the loans and advances to banks represent deposits with banks and building societies with strong credit ratings. No provision against these balances is deemed necessary. None of these loans and advances were extended to related parties and none are secured.

Interbank deposits with high credit quality counterparties play an important role in Reliance Bank's investment strategy and the day-to-day liquidity management of the Bank. Instant access bank deposits are held at a sufficient level to meet expected funding requirements with a comfortable margin. Term deposits have evenly spread maturities which provide regular maturing funds. Some interbank term deposits, together with debt securities, are used to broadly match significant customer term deposits in terms of both interest rate risk and liquidity.

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

27. BANK BALANCES - continued

(ii) Cash and Balances at Central Bank

	2019 £000
Cash in Hand	-
Balances at Central Bank	36,565
	<u>36,565</u>

The Bank does not offer a cash counter service at its sole branch premises, with customers having access to cash facilities through existing agency bank arrangements.

The Bank of England Reserve account forms part of the Bank's pool of High Quality Liquid Assets that could be accessed in times of liquidity stress within Reliance Bank's investment strategy. Whilst the Bank maintains an extremely risk averse liquidity policy in light of agreements in place with some of the Bank's larger depositors, maintenance of sufficient High Quality Liquid Assets to cover net cash outflows over a 30-day period is a regulatory requirement, monitored through the calculation of a Liquidity Coverage Ratio.

28. CURRENT LIABILITIES

	2019 Group £000	2019 Charity £000	2018 Charity £000
Due to Salvation Army territories	9,112	9,112	5,466
Bank customer Accounts (see (i) below)	161,942	-	-
Salvation Army Employees' Pension Fund (payable March 2020)	416	378	-
Other Creditors and Accruals	1,882	1,682	1,455
	<u>173,352</u>	<u>11,172</u>	<u>6,921</u>

(i) Reliance Bank Customer Accounts

	2019 £000
Current Accounts	49,608
Deposit Accounts	112,334
	<u>161,942</u>

With agreed maturity dates or periods of notice by remaining maturity:

Repayable on demand	73,508
3 months or less but not repayable on demand	43,091
1 year or less but over 3 months	45,343
	<u>161,942</u>

The Bank's Parent Undertakings have entered overarching minimum credit balance agreements with the Bank on behalf of The Salvation Army International Trust, Central Trust and Social Trust. These agreements have been adjusted during the year by the Bank and now commit their total credit balances with the Bank to £94,000,000 subject to 3 months' written notice. This helps support the shareholders' longstanding Letters of Comfort and Letters of Set-Off, which confirm the shareholders' ongoing commitment to the Bank. The Bank's liquidity position, under the current regulatory liquidity regime, reflects these assurances provided by the Bank's shareholders.

29. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 Group £000	2019 Charity £000	2018 Charity £000
Deferred Payments due to Salvation Army Territories	4,108	4,108	-
Deferred Tax Liability	11	-	-
Salvation Army Employees' Pension Fund - additional payments due from 2021 to 2023 (see Note 17)	492	378	-
	<u>4,611</u>	<u>4,486</u>	<u>-</u>

30. OPERATING LEASE COMMITMENTS

At the 31 March 2019 The Salvation Army International Trust were committed to making the following payments in respect of operating leases:

	2019 Group £000	2019 Charity £000	2018 Charity £000
Within one year	271	81	95
Between one to five years	120	85	165
	<u>391</u>	<u>166</u>	<u>260</u>

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

31. CAPITAL COMMITMENTS

There were no capital commitments at the year end.

32. GUARANTEES AND COMMITMENTS

The following guarantees and commitments of the group have arisen from the subsidiary company, Reliance Bank Limited:

	2019 Contract Amount £000
Commitments:	
Undrawn formal standby facilities of one year or less	13,707
Contingent Liabilities:	
Guarantees	7,696
	21,403

Guarantees extended to third parties are in respect of activities undertaken by The Salvation Army Trust, its related organisations and two subsidiaries of The Salvation Army UK Territory Central Trust. The current level of guarantees reflects a £7.33m guarantee extended to the Homes & Communities Agency on behalf of The Salvation Army UK Territory Social Work Trust. As a matter of course, the Bank takes counter indemnities to cover guarantees extended on behalf of customers. The Bank controls designated deposits sufficient to offset the guarantees extended.

Included under commitments is an undrawn facility of £9.27m extended to The Salvation Army UK Territory Central Trust for the purpose of, or in connection with, the purchase, repair, enhancement or extension of property belonging to The Salvation Army. The remaining balance reflects approved mortgage and loan commitments awaiting drawdown.

33. RELATED PARTY TRANSACTIONS

The Salvation Army International Trust receives contributions for the International Self-Denial Fund and towards International Programme Support and Administration from Salvation Army territories (see Note 3).

As part of the programme of work overseas, financial support is provided to The Salvation Army in developing overseas territories in the form of maintenance grants (see Note 11).

The International Trust solely owns Reliance Bank Limited (Company Registration Number: 00068835), Faith House, 23-24 Lovat Lane, London, EC3R 8EB. Related party transactions between the two entities during the financial year include bank interest received of £154k (£84k : 2018), donation received of £nil (£129k : 2018), services invoiced £13k (£11k: 2018), rent and services paid of £24k (£24k: 2018) and bank charges paid of £13k (£13k: 2018).

34. ULTIMATE CONTROLLING PARTY

The charity is controlled by The Salvation Army International Trustee Company (SAITCo), a company limited by guarantee (company registration no. 2538134). SAITCo is appointed as the ordinary Trustee of The Salvation Army International Trust.

In addition to the contributions made by the International Trust for work overseas, contributions were made directly by territories towards special projects.

£22,566,747



THE SALVATION ARMY

WORLDWIDE FACTS & FIGURES

Countries and territories where SA serves **131**

Corps, outposts, societies, new plants and recovery churches **14,528**

Goodwill centres **244**

Officers **26,753**

Active **17,470**

Retired **9,283**

Auxiliary-captains **234**

Envoys/sergeants/non officer personnel, full-time **1,111**

Cadets **1,007**

Employees **112,203**

Senior soldiers **1,212,181**

Adherents **174,473**

Junior soldiers **406,705**

Corps cadets **43,046**

Senior band musicians **28,422**

Senior songsters **123,082**

Other senior musical group members **117,625**

Senior and young people's local officers **171,293**

Women's Ministries (all groups) members **764,306**

League of Mercy – members **236,664**

SAMF – members **24,863**

Over-60 clubs – members **72,546**

Men's fellowships – members **94,559**

Young people's bands – members **17,425**

Young people's singing companies – members **99,557**

Other young people's music groups – members **131,484**

Sunday schools – members **795,620**

Junior youth groups

(scouts, guides, etc, and clubs) – members **152,083**

Senior youth groups – members **171,482**

Corps-based community development programmes **2,735**

Beneficiaries/clients **810,019**

Thrift stores/charity shops (corps/territorial) **2,516**

Recycling centres **30**



SOCIAL PROGRAMME

Residential

Hostels for the homeless **495**

Capacity **29,736**

Emergency lodges **416**

Capacity **19,442**

Children's homes **232**

Capacity **7,962**

Homes for elderly persons **160**

Capacity **7,962**

Homes for disabled persons **43**

Capacity **1,111**

Homes for blind persons **5**

Capacity **163**

Remand and probation homes **122**

Capacity **1,206**

Mother and baby homes **43**

Capacity **1,191**

Training centres for families **67**

Capacity **1,227**

Care homes for vulnerable people **36**

Capacity **1,532**

Women's and men's refuge centres **114**

Capacity **2,883**

Other residential care homes/hostels **153**

Capacity **258,123**

ADDICTION DEPENDENCY



Non-residential programmes **121**

Capacity **1,001**

Residential programmes **214**

Capacity **16,129**

Harbour Light programmes **23**

Capacity **2,472**

Other services for those with addictions **46**

Capacity **746**

SERVICES TO THE ARMED FORCES

Mobile units for service personnel **52**

Chaplains **72**



EDUCATION PROGRAMME



Kindergarten/sub primary **955**

Primary schools **1,326**

Secondary and high schools **372**

Colleges and universities **10**

Vocational training schools/centres **74**

Pupils **609,242**

Teachers **21,009**

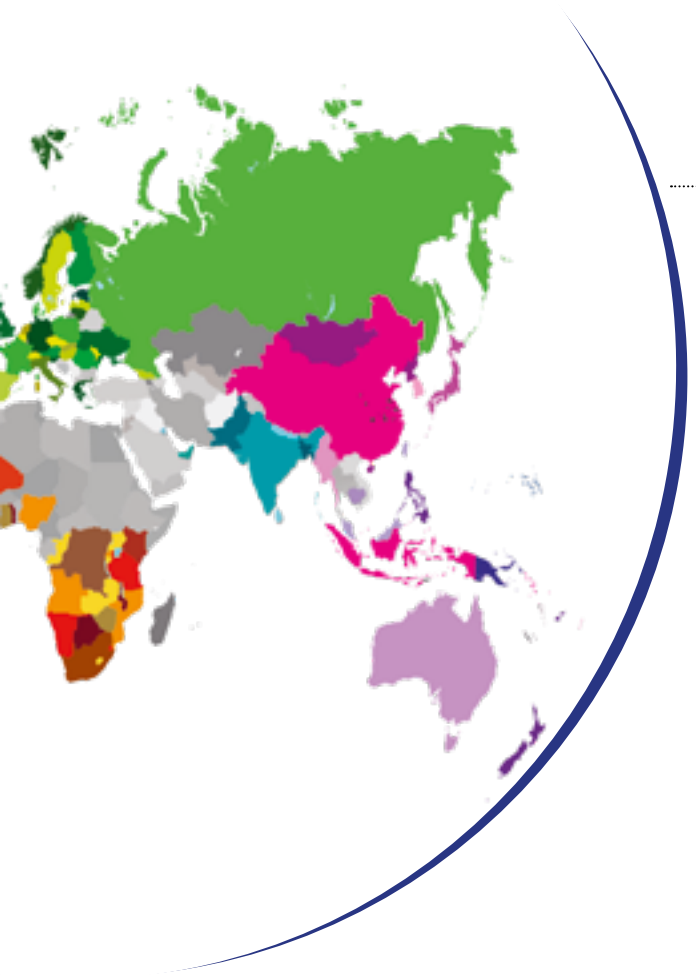
Schools for blind students (included in above totals) **34**

Schools for disabled students (included in above totals) **29**

Boarding schools (included in above totals) **98**

Staff training and development centres **16**

Learning centres **8**



* Source of statistics: *The Salvation Army Year Book 2019* (pages 34-35)



SERVICES TO THE COMMUNITY

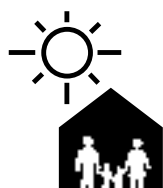
Prisoners visited **234,061**
 Prisoners helped on discharge **80,124**
 Police courts – people helped **165,190**
 Missing persons – applications **6,291**
 Number traced **2,721**
 Night patrol/anti-suicide – number helped **321,254**
 Numbers helped **321,254**
 Employment bureaux – applications **80,437**
 Initial referrals **72,831**
 Counselling – people helped **318,722**
 General relief – people helped **13,366,766**
 Emergency relief (fire, flood, etc) – people helped **703,770**
 Emergency mobile units **2,290**
 Feeding centres **1,650**
 Restaurants and cafés **59**
 Thrift stores/charity shops (social) **1,870**
 Apartments for elderly **743**
 Capacity **4,800**
 Hostels for students, workers, etc **54**
 Capacity **1,868**
 Land settlements (SA villages, farms etc) **12**
 Social Services summer camps **266**
 Participants **23,894**

EMERGENCY DISASTER RESPONSE



Disaster rehabilitation schemes **77**
 Participants **96,374**
 Refugee programmes – host country **714**
 Participants **4,211**
 Refugee rehabilitation programmes **4,036**
 Participants **25,916**
 Other response programmes **760**
 Participants **56,953**

DAY CARE



Community centres **661**
 Capacity **372,255**
 Day centres for the elderly **82**
 Capacity **34,635**
 Day centres for street children **12**
 Capacity **665**
 Day nurseries **302**
 Capacity **19,119**
 Drop-in centres for youth **359**
 Capacity **27,863**
 Other day care centres **221**
 Capacity **7,327**

HEALTH PROGRAMME



General hospitals **30**
 Capacity **2,125**
 Hospice long term care **11**
 Capacity **288**
 Maternity hospitals **29**
 Capacity **639**
 Other specialist hospitals **15**
 Capacity **258**
 Specialist clinics **19**
 Capacity **20,048**
 General clinics/health centres **106**
 Capacity **3,451**
 Mobile clinics/community health posts **87**
 Inpatients **237,569**
 Outpatients **1,454,233**
 Doctors/medics **3,773**
 Non medical staff **2,446**
 Invalid/convalescent homes **44**
 Capacity **554**
 Health education programmes (HIV/Aids, etc) **33**
 Beneficiaries **296,641**
 Day care programmes **39**