

FOR THE YEAR ENDED 31 MARCH 2021

31ST REPORT AND ACCOUNTS



THE SALVATION ARMY INTERNATIONAL TRUST





THE SALVATION ARMY

International Headquarters
101 Queen Victoria Street
London EC4V 4EH

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Telephone: +44 (0)20 7332 0101

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

WORLDWIDE FACTS & FIGURES

GENERAL INFORMATION

Countries and territories where SA serves **131**

Corps, outposts, societies,
new plants and recovery churches **14,588**

Goodwill centres **74**

Officers **27,177**

Active **17,133**

Retired **9,989**

Auxiliary-captains **400**

Envoys/sergeants/non officer personnel, full-time **940**

Cadets **1,040**

Employees **107,245**



THE SALVATION ARMY MEMBERSHIP

Senior soldiers **1,231,838**

Adherents **174,815**

Junior soldiers **394,990**

CORPS PROGRAMME

Senior band musicians **27,427**

Senior songsters **132,553**

Other senior musical group members **111,102**

Senior and young people's local officers **160,662**

Women's Ministries (all groups) members **827,686**

League of Mercy – members **206,168**

SA Medical Fellowship – members **52,357**

Over-60 clubs – members **60,234**

Men's fellowships – members **106,490**

Young people's bands – members **16,460**

Young people's singing companies – members **101,166**

Other young people's music groups – members **181,357**

Corps cadets **40,902**

Sunday schools – members **756,487**

Junior youth groups

(scouts, guides, etc, and clubs) – members **256,463**

Senior youth groups – members **469,496**

Parent and toddler groups **816**

Capacity **79,543**

Corps-based community development programmes **7,124**

Beneficiaries/clients **1,783,055**

Thrift stores/charity shops (corps/territorial/social) **2,289**

Recycling centres **24**

ADDICTION DEPENDENCY

Non-residential programmes **108**

Capacity **2,981**

Residential programmes **235**

Capacity **14,598**

Harbour Light programmes **17**

Capacity **1,521**

Other services for those with addictions **59**

Capacity **2,100**



SOCIAL PROGRAMME

Residential
Accommodation for
the homeless **3,220**

Capacity **44,401**

Children's homes **224**

Capacity **6,785**

Homes for elderly persons **187**

Capacity **10,730**

Homes for disabled persons **40**

Capacity **1,612**

Homes for blind persons **3**

Capacity **51**

Remand and probation homes **135**

Capacity **1,165**

Mother and baby homes **36**

Capacity **1,122**

Training centres for families **99**

Capacity **515**

Care homes for vulnerable people **69**

Capacity **1,749**

Other residential care homes/hostels **36**

Capacity **1,941**

EDUCATION PROGRAMME

Pre-school/kindergarten/sub primary **801**

Primary schools **1,185**

Secondary and high schools **469**

Colleges and universities **15**

Vocational training schools/centres **64**

Pupils **432,410**

Teachers **19,466**

Schools for blind students (included in above totals) **22**

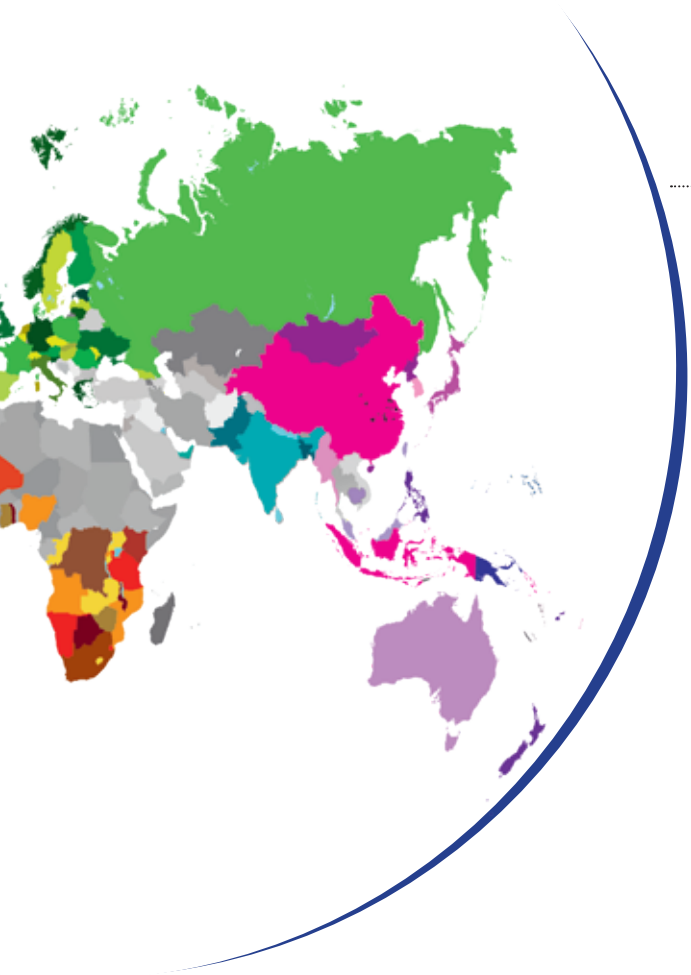
Schools for disabled students (included in above totals) **33**

Boarding schools (included in above totals) **208**

Staff training and development centres **18**

Learning centres **12**





Source of statistics: *The Salvation Army Year Book 2021* (pages 36-37)



SERVICES TO THE COMMUNITY

- Community centres **556**
Capacity **429,724**
- Day centres for the elderly **80**
Capacity **4,120**
- Day centres for street children **1,596**
Capacity **9,050**
- Day nurseries **405**
Capacity **37,819**
- Drop-in centres for youth **347**
Capacity **35,959**
- Other day care centres **81**
Capacity **2,677**
- Prisoners visited **140,711**
- Prisoners helped on discharge **53,774**
- Police courts – people helped **120,619**
- Missing persons – applications **3,867**
Number traced **1,484**
- Night patrol/anti-suicide – number helped **280,667**
- Employment bureaux – applications **52,887**
- Initial referrals **52,264**
- Counselling – people helped **278,280**
- General relief – people helped **12,086,370**
- Emergency relief (disasters) – people helped **884,825**
- Emergency mobile units **1,861**
- Feeding centres **1,117**
- Restaurants and cafés **56**
- Apartments for elderly **1,190**
Capacity **5,121**
- Hostels for students, workers, etc **41**
Capacity **2,449**
- Land settlements (capacity) **9**
- Social Services summer camps **350**
Participants **23,356**

HEALTH PROGRAMME



- General hospitals **29**
Capacity **2,377**
- Hospice long-term care **22**
Capacity **696**
- Maternity hospitals **392**
Capacity **811**
- Other specialist hospitals **18**
Capacity **1,276**
- Specialist clinics **41**
Capacity **10,713**
- General clinics/health centres **107**
Capacity **4,841**
- Mobile clinics/community health posts **121**
- Inpatients **945,345**
- Outpatients **1,181,971**
- Doctors/medics **4,710**
- Non medical staff **1,956**
- Invalid/convalescent homes **8**
Capacity **380**
- Health education programmes (HIV/Aids, etc) **4,949**
- Beneficiaries **308,617**
- Day care programmes **48**

SERVICES TO THE ARMED FORCES



- Mobile units for service personnel **18**
- Chaplains **77**



EMERGENCY DISASTER RESPONSE

- Disaster rehabilitation schemes **105**
Participants **81,004**
- Refugee programmes – host country **42**
Participants **221,644**
- Refugee rehabilitation programmes **275**
Participants **188,375**
- Other response programmes **56**
Participants **543,598**



If ever the world needed The Salvation Army, it is now. The continuing pandemic, natural disasters, and humanitarian crises are demonstrative of great need within our world. While Salvationist members and volunteers make sacrificial commitments to engage in the essential mission of preaching the gospel of Jesus Christ and meeting human needs in his name without discrimination, that mission needs to be financed not just in the immediate, but also in the medium and long term.

SAITCo directors engage in diligent oversight of SAIT to provide effective and compliant management of resources, so that the ethical decisions and investments are congruent with our expressed and lived Christian faith. That same diligent oversight enables and facilitates Salvationist mission in 132 countries across the world, often to the most vulnerable and marginalised people. Contained within these pages is a record of the work of SAIT both in terms of the tangible resources and the ministry undertaken.

The work undertaken by The Salvation Army is collaborative. To this end, I wish to record my thanks to the directors, bankers, solicitors, auditors and investment manager who together ensure best practice, legislative compliance, fiscal responsibility, effective allocation of resources and a whole that is greater than the sum of the parts.

As you read this report, may the words and stories remind you that the focus of our work is people. I pray you will be inspired as you read of our expansion into Bulgaria as our 132nd country, the Learning Pathways project, the International Property Project, and a myriad of ways in which The Salvation Army continued its ministry despite the reality of COVID-19.

Whether focusing on large-scale projects like IFAS and Office 365, seeking to upskill people through leader development and capacity building, engaging in disaster and crisis relief, or combatting the modern evil of human trafficking, this report provides a snapshot in time of the multiplicity and diversity of a global Salvation Army. Be amazed – and let that amazement turn into praise and worship of our awesome God. Be inspired – inspired to get involved and make a difference.

Sincerely yours,

Brian Peddle

GENERAL



As the Chair of the Board of Directors for SAITCo, it is my privilege to commend the Annual Report to readers.

The work of The Salvation Army around the world is vital at the best of times and even more so in times of crisis and challenge. I am proud of the way Salvation Army resources have been managed to ensure we were able to continue high levels of service during this difficult time due to the global pandemic.

The Trust exists to further the work of The Salvation Army, which is to advance the Christian religion and meet human needs as and where they occur throughout the world. It also supports the work of International Headquarters.

International Headquarters is responsible for coordinating the international work, as well as overseeing strategy. That the movement has maintained such a high level of uninterrupted service globally during the pandemic is truly notable.

In the midst of a challenging year, we have also taken on a number of reforms.

A Business Charter for SAITCo was developed during 2019/20 within a governance review process. During 2020/21, the Articles of Association of SAITCo were revised and the SAITCo Board Charter was further reviewed and updated to embed reforms prompted by the governance review. We also concluded an operation review to explore our effectiveness and efficiency. A number of the reforms as a result of the review have already been implemented with more to come in 2021/22.

There is no denying COVID-19 has had its impact on the global movement. We mourn the loss of officer colleagues and staff to the COVID pandemic and acknowledge with gratitude frontline workers who have carried out the mission of the movement despite the challenges faced. They are unsung heroes!

I express my sincere appreciation to fellow directors of SAITCo for their commitment, passion and professionalism.

The movement is well positioned to meet its mission objectives and continues to make a positive global impact.

Yours in his service

Lyndon Buckingham

CHIEF OF THE STAFF

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 2021.

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
(Governing Document)

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 and/or who have such qualifications or expertise 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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AND MANAGEMENT

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NOTES TO THE ACCOUNTS

DIRECTORS

Commissioner Birgitte Brekke-Clifton <i>SRN</i>	from 1 March 2013 to 30 June 2021
Commissioner Lyndon Buckingham	from 3 August 2018
Commissioner Keith Conrad	from 1 August 2019
Commissioner Lee Graves <i>MBA</i>	from 1 November 2020
Commissioner Merle Heatwole <i>BSc</i>	from 2 November 2015 to 31 October 2020
Commissioner Edward Hill <i>MDiv, MACE</i>	from 1 May 2021
Commissioner Debbie Horwood	from 1 July 2021
Commissioner Eva Kleman	from 1 November 2020
Commissioner Johnny Kleman	from 1 January 2018 to 31 October 2020
Commissioner Robyn Maxwell	from 1 November 2020
Commissioner Wayne Maxwell <i>Dip Min, BTh, MA</i>	from 1 October 2019 to 31 October 2020
Commissioner Suresh Pawar	from 12 November 2020
Commissioner Mark Tillsley <i>BA, MSc, PhD</i>	from 11 May 2018 to 30 April 2021
Commissioner Alistair Venter	from 29 September 2017 to 31 October 2020
Dr Matthew Carpenter <i>BA, MBA, DBA, MCFI</i>	from 1 July 2014
Ms Elizabeth Edwards <i>BSc (Hons), FRICS</i>	from 1 May 2013
Mr Peter King <i>Solicitor, MA</i>	from 1 May 2013
Mr Robert Lister	from 1 January 2016
Mr Robin Foale	from 1 May 2019
Mr Mark Goodale <i>BA, FIA</i>	from 1 May 2019

AUDIT COMMITTEE MEMBERS

Ms Elizabeth Edwards <i>BSc (Hons), FRICS (Chair)</i>
Mr Mark Goodale <i>BA, FIA</i>
Mr Andrew Stickland <i>BA(Hons), FCA</i>
Ms Rosie Bichard <i>GCB.D, CFA</i>

PRINCIPAL OFFICERS

Commissioner Merle Heatwole <i>BSc</i>	Managing Director	to 31 October 2020
Commissioner Lee Graves <i>MBA</i>	Managing Director	from 1 November 2020
Dr Matthew Carpenter <i>BA, MBA, DBA, MCFI</i>	Company Secretary	
Mr Kaloan Belito <i>BA, DChA, MSc, FCCA</i>	Chief Accountant	

BANKERS

HSBC Bank plc 60 Queen Victoria Street London EC4N 4TR	Reliance Bank Limited Faith House, 23-24 Lovat Lane London EC3R 8EB	National Westminster Bank 38 Strand London WC2N 5JB
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SOLICITORS

Slaughter and May
1 Bunhill Row
London EC1Y 8YY

AUDITORS

BDO LLP
55 Baker Street
London W1U 7EU

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 needs as and where they occur 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 and Ireland Territory, 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'), is a wholly owned subsidiary of the Trust. In 2018, the Trust purchased The Salvation Army Trust's (UK Territory) 49% interest in the Bank and invested an additional £1.5 million in the Bank's share capital. Under its new ownership model and through the delivery of its five-year strategic plan, the Bank aims to become an important, positive social impact

bank with an expanded remit in this market segment. In December 2019, £1 million of additional share capital was invested in the Bank to support the new business model. Against the backdrop of the impacts of the global pandemic, continued ultra-low interest rates and the Bank's ongoing transformation programme, the Trust subscribed for a further £1 million share capital in July 2021.

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 and EUR as a UK domiciled bank authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Additionally, 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 banking services for non-UK nationals working at IHQ, creating bespoke banking arrangements 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 and Ireland 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 five-year strategic plan. During 2021/22, the Trust intends to refresh this diligence by engagement of an external consultant to review the Bank's performance to the five-year strategic plan and advise SAITCo on other related matters. From time to time, the Trust will refresh this appraisal and the Bank's performance against the five-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 last few years, 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. Losses have continued in the year under review, partly as expected during this implementation period of the strategic plan, and partly in response to the challenges of the global pandemic.

Consolidated accounts for the Trust incorporating the Bank as its banking subsidiary are presented for 2020/21 as well as charity results, assets and liabilities for the Trust (see pages 62-87).

Whilst the Trust is the Bank's parent controlling entity, 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, conduct 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.

The Salvation Army Leaders' Training College of Africa and Resource Centre Limited

The Salvation Army Leaders' Training (SALT) College of Africa and Resource Centre Limited is a wholly owned subsidiary of the Trust.

During 2020/21 a restructuring was progressed for SALT College, a training facility in Nairobi, Kenya for Salvation Army territories in Africa, that has hitherto been operated and managed as an integral part of the Trust. This was registered in Kenya as a separate legal entity controlled by SAITCo to which the Trust transferred assets and so, from 1 August 2020, is no longer reported within the charity only accounts of the Trust but within the Group accounts. The assets transferred from the Trust to the new entity are not material to the Trust.

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 Board

The Salvation Army International Headquarters, London, UK





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

(IFB), International Business Board and International Projects 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.

SAITCo has a Serious Incident Reporting Policy and Procedure in place, reviewed and updated in May 2020, outlining the process to be followed to decide if an incident relating to the Trust would be appropriate to be reported to the Charity Commission as a serious incident in accordance with the latest regulatory guidance.

A well-established Internal Audit Department also 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 (IFAS) for The Salvation Army issued from IHQ. A project is well underway to roll out cloud-based accounting software to all financially supported territories to enable more regular and detailed reporting both within territories and from territories to IHQ. A new reporting mechanism from all territories to the IFB commenced during 2020/21, based upon the suite of 17 Key Financial Indicators (KFIs) defined within the IFAS manual, allowing IHQ to be better informed of the financial position in territories as a new and significant enhancement to internal controls.

An Audit Committee also meets on a quarterly basis, is chaired by a Non-Executive Director of SAITCo and comprises four 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 internal and 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 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 opportunities for further development highlighted in areas such as formal monitoring of Board skills and performance. Further actions are also being considered following the most recent update to the Code which focuses on the principles of integrity and equality, diversity and inclusion.

A Board Charter for SAITCo was developed during 2019/20 within the governance review process and approved for implementation. The Charter defines the roles, responsibilities and authorities of SAITCo in the effective and efficient functioning of the Trust and considers mission objectives, board roles, board procedures, board composition, board committees, board induction and ongoing training, conflicts of interest and board evaluation.

During 2020/21, the Articles of Association of SAITCo were revised and the SAITCo Board Charter further reviewed and updated to embed reforms prompted by the governance review. An operational review was also undertaken during the year with assistance from two consultants and a remit to examine staffing establishments, explore effectiveness of internal communication and review the internal committee structure including the purpose, membership, expectations, outputs, reporting lines, accountability and decision-making thresholds of each board, committee and council. A number of reforms highlighted by the operational review have already been implemented with a further body of agreed actions anticipated in 2021/22.

SAITCo has in place a number of dedicated governance arrangements in respect of its role as sole owner of Reliance Bank Limited, having taken advice on this from an external consultant as part of the body of due diligence work undertaken towards acquiring sole ownership of the Bank. An additional Director with banking expertise was successfully recruited to the SAITCo Board in May 2019 and remains in post with three shareholder representatives appointed to the Bank board and mechanisms in place for performance reporting for the Bank to SAITCo and risk management for the Bank to the Risk Management Committee of the Trust.



COVID-10 response in The Netherlands: physically distanced but still close to the people they serve

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. The IHQ Remuneration Policy was last reviewed and updated by SAITCo in January 2021.

There are two grading structures currently used at IHQ – an IT specialist scale and a main pay scale for all other employees. The differentiation is to address the market salary demands of IT specialists in the third sector. Posts are graded between nine evenly distributed grades, each of which contain nine main spine points (three per cent apart) and two upper spine points (six per cent apart). The scales were formulated, and are subject to ongoing review, with assistance from an external consultant to undertake market comparisons and objective benchmarking to comparable roles in other organisations.

New staff are usually appointed at the lower spine points of the grades, though this can differ for some specialist posts or due to candidate experience. Postholders may progress through the pay grade subject to completion of performance appraisals. 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 Note 15 to the Accounts. The Trust did not have any UK volunteers, excluding Trustees, during the reporting period.

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 November 2020, 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.

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The operation of the Trust has been significantly impacted by the COVID-19 crisis

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 fundraisers.

- 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.

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

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.

The operation of the Trust has been significantly impacted by the COVID-19 crisis during the year under review, with the effect of the pandemic upon the Trust and Salvation Army territories and the resilience shown throughout this period explored in more detail in the following sections.

World Mission	16
Assistance to Salvation Army Territories	22
International Personnel Training and Development	30
Crisis Relief	34
Health Services for the poorest people	38
Fighting against sexual trafficking and for social justice	42



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 and other resources to Salvationists and friends around the world and so create a supportive network through which people can share in prayer and evangelism, 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

Although the COVID-19 crisis made travel and gatherings impossible in much of the world, Salvationists and friends were encouraged during the year to forge ever-stronger community links, particularly using online facilities, offering practical, emotional and spiritual support while taking Christ to the people through a series of innovative initiatives.

THE GENERAL ENGAGES IN 'VIRTUAL VISITS'

Visiting territories is an important part of the ministry of the General and the Chief of the Staff, however, as has been well documented, the period under examination was dominated by the COVID-19 pandemic, making local travel very restricted and international travel impossible. It would also have been unacceptable to encourage large gatherings in the knowledge that they could have aided the spread of a disease that has brought such suffering around the world.

Modern communications technology provided amazing opportunities for General Brian Peddle and Commissioner Rosalie Peddle (World President of Women's Ministries) to continue their international ministry of encouragement and challenge through

'virtual visits', which they could share with congregations and other groups. Among the places and events they have participated in are:

- United Kingdom and Ireland Territory: enrolment of junior soldiers at Maidstone Corps (church), Easter and Pentecost meetings at Southwark Corps, 140th anniversary of Lurgan Corps, Easter meeting at Nottingham William Booth Memorial Halls Corps; 140th anniversary of Bristol Citadel Corps.
- USA Eastern Territory: soldiers' rally and holiness meeting.
- The Netherlands, Czech Republic and Slovakia Territory: online meeting with directors.
- South America East Territory: 130th anniversary greetings.
- Spain and Portugal Command: 50th anniversary greetings.
- The Salvation Army's international ITX (Information Technology eXchange) Conference: keynote address.
- South America West Territory: 100th anniversary greetings for Bolivia.
- Canada and Bermuda Territory: youth gathering and territorial visioning.
- Hong Kong and Macau Command: 90th anniversary.
- The Salvation Army's International Social Justice Commission: participated in a focus on tackling racism.
- Programme Resources Consultancy Group annual conference: shared with delegates.

These virtual visits were in addition to weekly Facebook devotional films, Christmas, New Year and Easter filmed messages and the biennial International Conference of Leaders, which was due to be held in Portugal in April 2020 but instead became an online event – International Leaders Virtual Conversations – that was held over several months.

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These virtual visits were in addition to weekly Facebook devotional films, Christmas, New Year and Easter filmed messages



Modern mission: smartphone video message from the General

Major David Williamson, Private Secretary to the General, admits that the pandemic changed the way in which The Salvation Army's international leaders could undertake their expected role of visiting and encouraging Salvationists and friends worldwide, with the virtual visits often being the next best thing. He did, however, add that the change in circumstances also provided new opportunities, allowing some ministry to happen that would not have taken place otherwise.

INTERNATIONAL COVID-19 PRAYER WAVE:

Salvationists and friends around the world responded with passion and compassion to General Brian Peddle's call in April 2020 for the international Salvation Army to 'follow the sun' and pray from sunrise to sundown for the fight against the COVID-19 pandemic. Starting when the sun rose in Samoa on the morning of Sunday 19 April and carrying

on for more than 36 hours until sunset in Hawaii, USA, the 'tsunami of prayer' that had been called for by the General picked up pace quickly to follow the light of the sun on its journey around the globe.

Prayers were shared in corporate online worship and prayer meetings, through individual and family times of devotion and between staff and service users. Just as COVID-19 doesn't discriminate between rich and poor, believer and unbeliever, the wave of prayer was given impetus by people of many races, languages, economic positions and social standings.

The General's Facebook page, www.facebook.com/GeneralBPeddle and the IHQ Facebook page received more than 1,500 comments throughout the event. An 'I'm praying about coronavirus' Facebook profile frame was



COVID-19 International Prayer Wave: hundreds of people added an IHQ-Communications frame to their social media to show they were praying for the COVID-19 tragedy.



used by thousands of people, forming a worldwide visual witness that many people are still using. On Twitter, the #FollowTheSunCOVID19 hashtag featured in 361 tweets, with an astonishing potential reach of 1,483,611 users (i.e. tweets with that hashtag could be seen by that many Twitter users). Instagram, which tends to have a younger user group, received hundreds of likes across six posts relating to the day of prayer (which contained prayer prompts and suggestions of how to pray), with each additionally being shared privately by users with their own network of followers.

People also shared prayers and prayer requests through a blog which had 448 messages and received 7,601 visits from 97 countries during the Follow the Sun period. Many deeply personal prayers were shared, including those from people who had lost loved ones and others who had profound concerns for friends and family. Some wrote bravely about

the difficulties they were facing because of the pandemic, including people who had lost their jobs and even a sailor who had been on board his cargo ship for three months, with no immediate likelihood of being able to return home. The General responded to the unprecedented level of participation, telling Salvationists and friends: 'I believe God is sending our Army to serve others at such a time as this. Please be safe in all that you do – but be his Church in a world that needs our God whom we love and whom we serve.'

BULGARIA BECOMES COUNTRY NUMBER 132:

The Salvation Army officially opened work in its 132nd country during the year under review. The new ministry in Bulgaria is overseen by Captain Eduard Lebedev (Regional Leader, Bulgaria) and Captain Inna Lebedeva (Regional Director of Family Ministries, Bulgaria), who are originally from Russia and Moldova respectively. They are supported by Swedish officer Lieutenant Erik Johansson and Captain Kathleen Johansson, an Australian, who are officially designated as Pioneer Team Members. 'The Salvation Army' in Bulgarian – a Slavic language which is written using Cyrillic characters – is 'Армията на спасението'. A Bulgarian Salvation Army Red Shield has already been designed and registered.



New opening in Bulgaria: pioneering officers with Salvation Army flag

Although lockdown and other restrictions made life far from easy, this new Salvation Army ministry is already beginning to have influence. Partnerships have been started with local Christian fellowships, particularly with the Amazing Grace Church, which has a longstanding relationship with several families who live in a slum area on the outskirts of Sofia. During the Amazing Grace Church's Christmas distribution of clothes and food, The Salvation Army was able to come alongside and support with small gifts for the children. People have been helped with simple food parcels and contact has been made with two Salvationists living in different parts of Bulgaria. Home visits have been possible to share the gospel in people's homes and the Soldier's Covenant/Articles of War has been translated into Bulgarian. The pioneering officers also contacted several local churches in Sofia as well as forming relationships with representatives from an embassy and other influential organisations, all to ensure that people know about The Salvation Army's presence in Bulgaria and are aware of its mission.

EASTER COLOURING:

One of the joys of Easter for Christians is the opportunity it gives to remind people of Jesus' sacrifice on the cross and his glorious resurrection. Usually this can happen through many ways – from the personal (conversations with friends and colleagues) to the public, through marches and open-air worship.

But what if – as happened at Easter 2020 – people had to stay at home, keeping separate from friends, colleagues and family members because the government was trying to stem the tide of a deadly pandemic? This was the challenge that

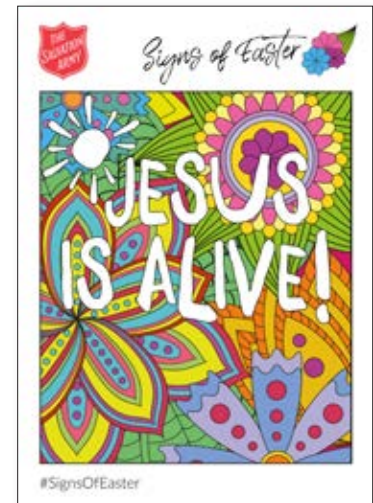
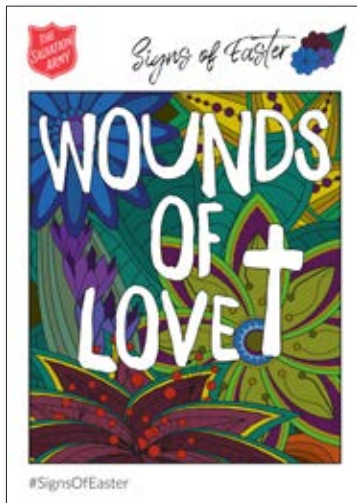
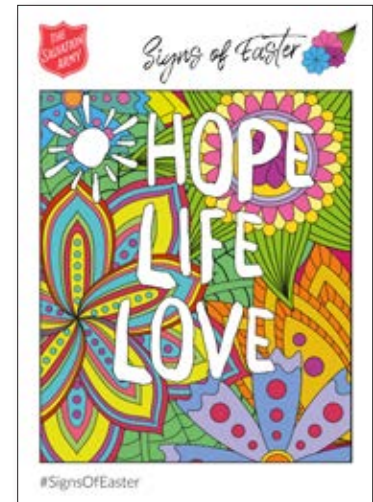
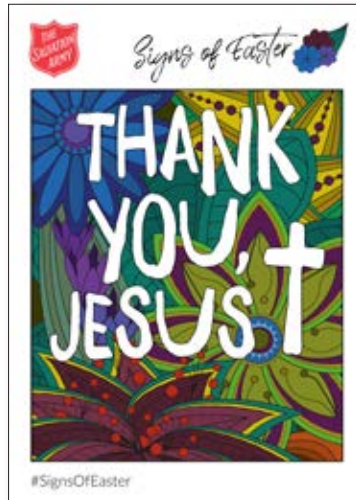
the IHQ Communications and Literary and Editorial sections attempted to address.

Colourful 'print-your-own' posters were created by designer Jooles Tostevin-Hobbs with the idea that they could be put in people's windows to share the Easter story with anyone passing by. To make things even more interactive, a version was created for children (adults too if they wished) to colour in, allowing them to play their part in sharing the message. The simple wording could be cut out of the poster so that when the sun shone through it, the words are naturally 'projected' onto a wall or floor – or the wording would be viewable at night when lights shone out. The wording was kept simple for ease of viewing. Posters for Good Friday said: 'Good Friday', 'Wounds of Love' or 'Thank You, Jesus' while the text on the Easter Sunday posters was a choice of: 'Easter Sunday', 'Hope Life Love' and 'He is Alive!' All of the posters can be downloaded from www.salvationarmy.org/ihq/signs-of-easter.

To make things even more interactive, a version was created for children (adults too if they wished) to colour in

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Colourful message: 'print-your-own' Easter posters.



KEY STATISTICS

- The General's Facebook devotionals and personal messages had an average reach of 29,120 from April 2020 to the end of the March 2021. In the first two months under consideration, when the COVID-19 pandemic forced much of the world into lockdown (including the General, who shared his words of encouragement from his home), that reach was more than 52,000.
- The International COVID-19 Prayer Wave event during 2020 using the Twitter #FollowTheSunCOVID19 hashtag featured in 361 tweets, with an astonishing potential reach of 1,483,611 users.
- Since 2000, The Salvation Army has started work in 23 'new' countries with a further opening in Bulgaria during 2020/21.

FUTURE PLANS

As travel restrictions begin to be lifted, the General hopes to recommence his travels around the world, engaging with Salvationists, friends, supporters and people of influence. Where travel limitations remain in place due to the coronavirus pandemic, he will use online resources such as video messages to raise morale and provide continuing encouragement and spiritual challenge.

The Salvation Army will seek new and innovative ways to share the gospel message, through online means (including social media) and by providing resources to enable local outreach, with new materials to be made available from IHQ to territories during 2021/22.



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 2020/21:

a. International Development Services (IDS), based at IHQ, aims to engage, equip and empower local communities for effective development globally. This year, a major focus was on emergency COVID-19 response providing funding to territories to source and purchase handwashing facilities and sanitation supplies in corps, social centres and schools; essential personal protective equipment (PPE) and other resources for frontline workers in hospitals and clinics; as well as grants to support salaries, officers' allowances and other operational costs to ensure the continuation of The Salvation Army's mission. In addition, IDS planned to further develop a Learning Pathways training programme,

encourage more intentional sharing of thematic expertise between territories and support timely, effective processing of projects

b. International Property Project, overseen by a full-time consultant based at IHQ, the project aims to assist territories in highest and best use reviews of underutilised property assets as a step towards financial independence. During 2020/21, despite COVID-related operating challenges, the project aimed to progress significant schemes in Kenya and India, 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 NetSuite accounting software for all financially supported territories alongside the roll out of new International Financial and Accounting Standards for the global Army. The software deployment replaces basic standalone systems, assists territories in complying with IFAS reporting and enables implementation of computerised internal financial controls to replace time-consuming manual processes. This year, key objectives were to assess and adapt the software deployment model in light of the COVID-19 pandemic, to continue the tailoring of the software to meet diverse and unique Salvation Army needs globally and to develop enhanced reporting tools empowering territorial



Stay safe: additional handwashing facilities for Salvation Army schools in Liberia.



Lifesaving PPE for Salvation Army healthcare staff in Indonesia.

leaders and staff by providing consistent and up-to-date financial information.

d. Office 365 Project involves a large project team at IHQ and within territories rolling out a new global collaboration and communications solution to provide an official Salvation Army digital identity for every officer and employee who uses technology to achieve mission tasks for The Salvation Army. Specific objectives for the year were to complete the migration of all existing email users to the new platform, undertake negotiations for renewal of the contract for the new platform and initiate planning for the next stage of the project.

ACHIEVEMENTS

α. INTERNATIONAL DEVELOPMENT SERVICES

As well as the obvious, tragic effects of the COVID-19 pandemic, its repercussions have caused huge logistical and financial difficulties for territories around the world. A corps (church) that gets a large proportion of its income through a weekly cash offering collected from its congregation during a meeting or service, for instance, will struggle when that meeting cannot take place because of COVID-19 regulations. Other incomes, especially from trading operations, have

also been badly hit – and all at a time when the need for Salvation Army corps, centres and outposts to reach out to their communities has been more vital than ever.

In response to emerging needs arising from the COVID-19 crisis, IHQ supplied funding that enabled territories to support salaries, officers' allowances and other operational costs that needed to be covered unexpectedly to ensure the continuation of The Salvation Army's mission. In addition, grants were provided to source and purchase handwashing facilities and sanitation supplies in corps, social centres and schools and allow purchase of essential PPE and other resources for frontline workers in Salvation Army hospitals and clinics.

During 2020/21, IDS facilitated the approval of 219 COVID-19 related project proposals that covered 39 different Salvation Army territories and were funded either by the Trust or financially independent Salvation Army territories. A 'COVID-19 International Response Group' chaired by the Chief of the Staff was established to coordinate the resources of IHQ to respond to emergency needs around the world and all project proposals were subject to due process with consideration of individual project applications by IHQ expenditure authorising board(s) within expenditure authority limits determined by SAITCo and also subject to established project monitoring mechanisms.



Mask distribution in Tamil Nadu, India

While Salvation Army territories have been significantly impacted by the pandemic, new creative opportunities have also emerged and been taken to ensure the most vulnerable people are supported, as illustrated by the following examples:

INDIA: In the state of Tamil Nadu, women's savings groups were impacted by restrictions on movement and the ongoing financial impact of the lockdown. However, they offered their own time and savings towards the COVID-19 response, delivering food rations and medicines to vulnerable groups. They stitched masks for key workers at a time when these were scarce and provided sanitary pads to teenage girls in quarantine. Their resilience and generosity, as well as their flexibility in providing effective emergency responses during the crisis, is indicative of wider Salvation Army responses across South Asia.

RUSSIA: When their centre was closed due to COVID-19 restrictions, the corps officers in St Petersburg were proactive in looking for new ways to serve God and meet the needs of the people. They contacted the city state administration to highlight vulnerable groups, particularly unemployed migrants and homeless people, to see if they could help in any way. The Salvation Army was given official authorisation and asked to help these groups, and bags of essential food and sanitary items were distributed. The Army also assisted a large non-governmental organisation to provide support to vulnerable seniors. As the wearing of

masks in St Petersburg became compulsory, these became almost impossible to buy and, if they could be found, were very expensive. Salvation Army members responded by sewing reusable cotton face masks for those in need or unable to make or source their own.

KENYA EAST: The Salvation Army joined the Kenya for Resilience Consortium, working with the Swedish Mission Council, Children's Mission Sweden, Children's Mission Africa, International Aid Services, Kenya, and Life & Peace Institute. The partnership works from a rights-based approach, ensuring reduced disaster risk and loss of life, livelihoods and health, and also in the economic, physical, social, cultural, environmental and spiritual capitals of persons and communities. The partnership provided a framework for responses by the territory to the effects of the COVID-19 pandemic, allowing creative solutions to be developed to maintain services in consultation with partner organisations.

Despite the crippling effects of COVID-19 internationally, IDS worked intentionally to strengthen relationships with territories throughout the year through online calls and provision of technical/financial support to territorial teams. IDS also developed a monitoring framework entitled 'Linking Relief, Rehabilitation and Development' for completion by territories to ensure a joined-up approach between delivery of emergency response due to COVID-19 and the formulation of 'next steps' in development terms to care for communities supported through the pandemic.

The IDS team also continued to work with territories to encourage sustainable, long-term positive change in communities through development and application of the Learning Pathways programme, a training resource designed for use by territorial staff and volunteers covering subject areas such as project management, community engagement and personal development. Certificate material in community engagement and personal development was finalised during the year with the material and supporting documents translated into nine languages.

Learning Pathways: material for Certificates in Personal Development and Community Engagement.





Above: groundbreaking ceremony for new officer accommodation in Nairobi, Kenya, with (left) Territorial Commander Commissioner Margaret Siamoya (Kenya East) at the controls of a digger.

b. INTERNATIONAL PROPERTY PROJECT

Overseen by a full-time consultant based at IHQ, the International Property Project works with globally recognised property firms to develop potential schemes for territories through the stages of scoping and identification, feasibility approval, detailed feasibility and implementation. Despite disruption due to the COVID-19 pandemic, a number of different schemes were progressed through these various stages during 2020/21, illustrated by the following examples:

KENYA EAST: Construction commenced on building 22 accommodation units for territorial headquarters (THQ) officers on unutilised land at the THQ site, though work was impacted by COVID-19 restrictions which caused delays in receipt of the authorities' approvals and certifications. Following construction, existing accommodation units on

another site will no longer be required, allowing this site to be redeveloped as a future phase of the project for income generating purposes and to incorporate a purpose-built facility for Fairtrade activities. Detailed planning for this next phase of the project is already underway with an expectation that the new income generating activities will allow the territory to raise additional ongoing funds as an important step towards self-support.

INDIA NORTHERN: Detailed feasibility and scoping work was undertaken for a scheme that identified a number of unused and underutilised properties that could be developed to provide significant income potential for the territory. Phase 1 concentrates on an unused site in Kolkata, while the Phase 2 focus is on an extensive underutilised site in the Uttar Pradesh region.

In addition to these schemes, the International Property Project team supported capital projects related to school development, children's homes and other programmes across multiple territories and provided virtual teaching seminars to develop capacity of territorial property teams within financially supported territories.

C. INTERNATIONAL FINANCIAL AND ACCOUNTING STANDARDS

The IFAS project involves a global project team led from IHQ implementing cloud-based accounting software for 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 41 financially supported territories is significant and unprecedented within the global Salvation Army.

Deployment of the NetSuite software to territories during 2020/21 was adversely impacted by the COVID-19 pandemic, particularly following international travel restrictions implemented from April 2020. At that time, roll out of the software was underway in Zambia Territory with deployments planned for multiple other territories during 2020/21. The deployment in Zambia was successfully completed despite the need for IHQ staff on site to be pulled out and the implementation concluded remotely. Other deployments planned for the year had to be

postponed as IFAS trainers could not travel to provide on-site training and territories also faced local lockdowns. The IFAS Project team used this time to make further advances in tailoring the design and testing of the accounting software to meet Salvation Army requirements, adding inter-unit/consolidation tools, a Point of Sale (POS) solution for territories with trading operations and new reporting tools allowing automatic generation of the Key Financial Indicators (KFIs) required for IFAS reporting. This reporting fulfils a key project objective of empowering territorial leaders and staff by providing the tools for consistent and up-to-date reporting of financial information. The IFAS Project team also worked during the year to adapt the project deployment model to allow 'remote' online implementations without trainers visiting territories. A pilot was successfully completed for the Pakistan Territory with only one locally based IHQ Project team member on site.

The following chart summarises the project status up to 31 March 2021:

	31 March 2019	31 March 2020	31 March 2021
IFAS trainers	2	8	10
FAAST help desk staff	1	3	2
Local project champions in territories	-	40	40
Territories live on NetSuite accounting software	3	6	7
Territories being prepared for deployment	-	3	7
IHQ being prepared for deployment	-	-	1

The project is well placed to move past the period of COVID-19 related disruption with close to a full complement of project staff, 40 local project champions trained and in place within territories, seven territories already live on the system at year end and a further seven territories and IHQ being prepared for deployment during 2021/22.



Territorial staff and IFAS Project team members at the Zambia Territory 'Go Live' event just prior to COVID-19 related disruption.



Screenshots from the 'remote' software deployment 'Go Live' event for the Pakistan Territory

In addition to this activity, the IFAS Project team also provided dedicated training to the team, conducting internal audits of territories in 2020 and facilitated reporting of KFIs from territories to IHQ as required by the IFAS manual.

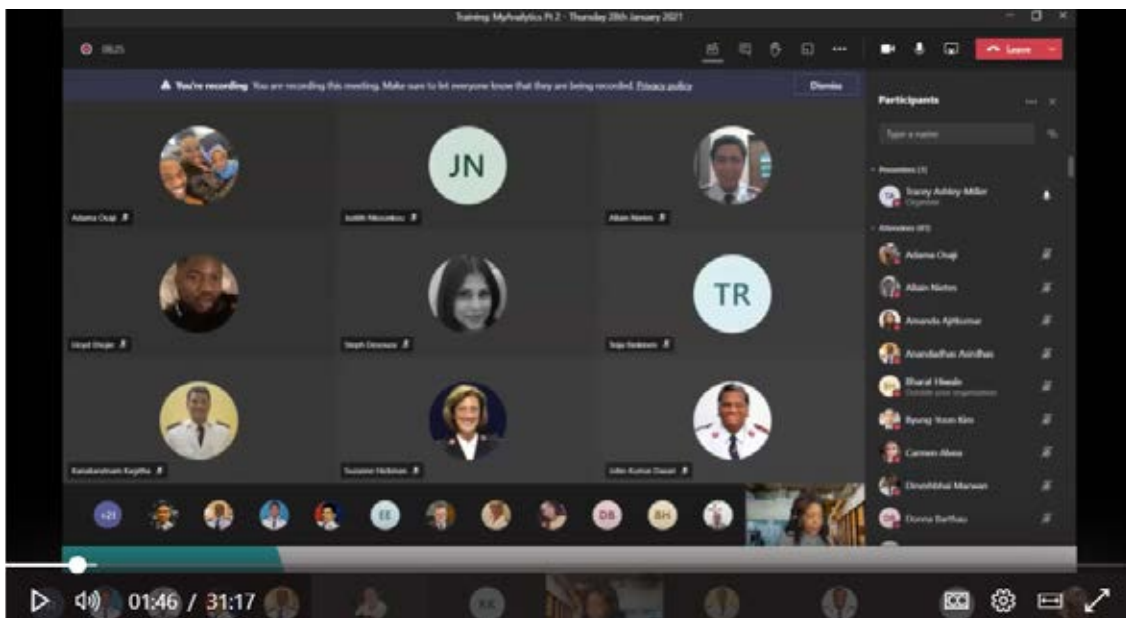
d. OFFICE 365 PROJECT

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

During the year, despite the challenges imposed by the COVID-19 pandemic, the migration of all territories from Lotus Notes email to the new Office 365 platform was successfully completed. The Office 365 Project facilitated

the addition of 20,000 Office 365 email accounts during 2020/21, including the onboarding of a number of financially supported territories, with the global number of accounts now standing in excess of 80,000. This was made possible by undertaking all migrations remotely and making available online training and support through Microsoft Teams. In addition, all senior leadership accounts were migrated to Office 365, thus enabling IHQ leadership to communicate more easily with territorial leadership teams around the world.

Significant progress was also made in strengthening the IHQ IT team and building new capabilities in the wider Microsoft 365 product set. This enabled IHQ IT to provide a greater level of support to territories as well as to the Office 365 project. A preferred global supplier for the procurement of hardware to supported territories was selected and onboarded and a new five-year term for a Global Enterprise Agreement was agreed with Microsoft



IT training in a global pandemic: screenshot of Office 365 'remote' training



David S. Massaquoi with students from a Salvation Army school in Liberia

KEY STATISTICS

- IDS facilitated the approval of 219 COVID-19 related project proposals during 2020/21, covering 39 Salvation Army territories.
- The International Property Project team assisted territories in the assessment and development of property schemes for under-utilised assets in India, Kenya, Uganda and Bangladesh during 2020/21.
- The IFAS Project team facilitated the implementation of new cloud-based accounting software in two territories during 2020/21, with seven territories live on the system at year end and a further seven territories and IHQ being prepared for deployment during 2021/22.
- The Office 365 Project facilitated the addition of 20,000 Office 365 email accounts during the year, including the onboarding of a number of financially supported territories, with the global number of accounts now standing in excess of 80,000.

FUTURE PLANS

a. INTERNATIONAL DEVELOPMENT SERVICES

Over the next year, as many territories move out of the grip of the pandemic, IDS will work closely with territories to agree the best way forward to recommence any development projects placed on hold or delayed during earlier lockdowns and restrictions. Changes may need to be made to project proposals and alterations to existing projects, ensuring they better address the new reality in territories. Additional project support will also be offered to territories as required due to any ongoing effects of the COVID-19 crisis. IDS will also continue to develop and roll out the 'Learning Pathways' programme to complement existing officer training programmes. University accreditation of 'Learning Pathways' courses will be explored and courses for diploma-level studies devised with the help of internal and external course developers seeking to

increase the capacity of Salvationists, officers, employees and volunteers worldwide in community engagement, development and project management.

b. INTERNATIONAL PROPERTY PROJECT

The International Property Project team will continue to support capital projects in territories and provide due diligence on property-related proposals globally, with particular emphasis on schools and children's homes development projects. Feasibility work is anticipated for India, Uganda and Bangladesh. A number of seminars are planned for 2021 to assist territories in property assessments and business planning.

c. INTERNATIONAL FINANCIAL AND ACCOUNTING STANDARDS

The IFAS Project team will work towards the installation of the new accounting software in the remaining 34 territories, with seven territories targeted for 2021 and deployments thereafter increasing to nine or ten per annum. The NetSuite deployment at IHQ was already prepared for the start of the new financial year and successfully achieved in April 2021. Potential disruption to the remaining programme of implementations due to the COVID-19 crisis will continue to be closely monitored and assessed. Ongoing support for frontline users will also be expanded as the FASST Help Desk for live territories is further developed.

d. OFFICE 365 PROJECT

During 2021/22, the Office 365 Project will move into a new stage encompassing scaling up of its roll out as well as the implementation of additional Microsoft 365 technologies which will enable enhanced collaboration and communications across the Salvation Army world. The programme will span multiple years and is likely to run until the end of 2023. For IHQ and financially supported territories, the next stage will also include the procurement and implementation of a new centrally managed network as well as the continuing roll out of devices.



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 2020/21 included supporting training colleges around the world as they train officer cadets for culturally relevant ministry, the creation of a capability development framework for use by territories and the continued delivery of a leader development course with online learning modules. Further objectives were to encourage resource sharing between territories, the delivery of orientation training for new leadership in territories and the operation of the International College for Officers (ICO) in the face of challenges arising from the COVID-19 crisis.

ACHIEVEMENTS

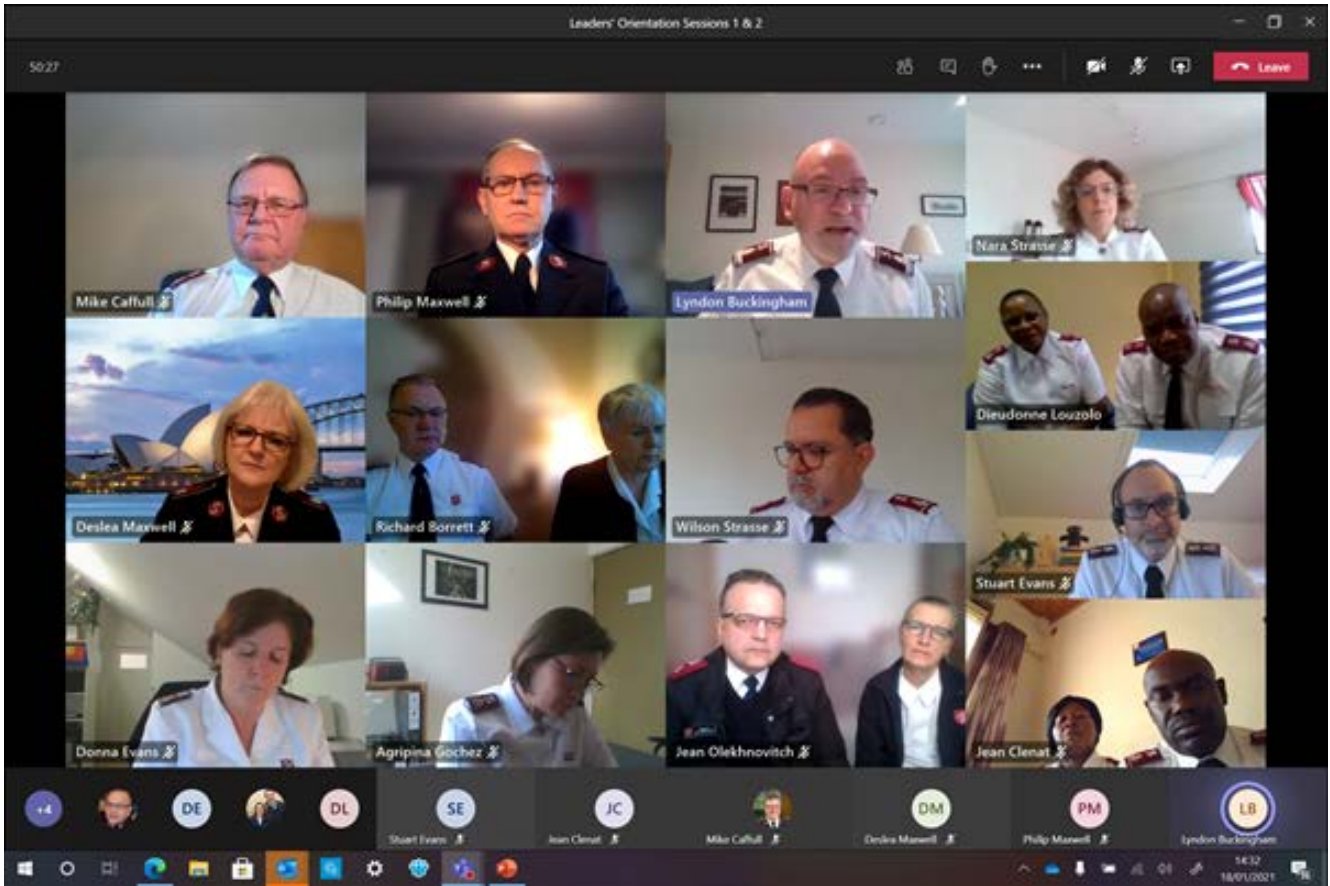
The International Officer Training and Leader Development Council (IOTALDC) met several times during the year, with membership drawn from across the global Salvation Army, to review and develop key areas of training and development for leaders within The Salvation Army. A major task completed was to review the personal reports used for

identifying and appointing officers into senior leadership roles with work projects also commenced to explore an International Resource Repository for officer training colleges and to create a tool and development plan for use by territories when preparing for new divisional leaders to be appointed. Other key developments during the year were as follows:

OFFICER CADET TRAINING: As with many aspects of Salvation Army ministry, the training of future officers was severely affected by the coronavirus pandemic in 2020/21. The International Personnel team sought to encourage and support training colleges in their endeavours to continue training, despite restrictions in educational and residential activities. Territories shared details of innovative solutions (mainly utilising technology) used during the year to continue the high standard of training with new lessons learned holding the potential to develop and enhance the training process. The International Personnel team worked to garner these new approaches and disseminate details among territories, allowing best practice examples to be shared on a wider scale.

SENIOR LEADERS' ORIENTATION: When personnel are appointed to senior leadership roles in territories, they participate in an orientation conference hosted by IHQ. The conference is usually held at Sunbury Court, London. However, due to international travel restrictions relating to the COVID-19 crisis, this was not possible in 2020/21. As an alternative, four online versions of the conference were held during the year. This allowed information sharing with other elements, which could not easily be included online, planned to be provided at residential conferences to be held in 2022. Beyond the orientation, ongoing support and engagement is offered to new leaders with mentoring/coaching by current and recently retired leaders from around the world.





Chief of the Staff Commissioner Lyndon Buckingham (top row, centre right) addresses delegates to the virtual Senior Leaders' Orientation.

INCLUSIVE LEADERSHIP COURSE: A new online course was introduced last year for the development of officers in preparation for potential leadership roles, with course content further refined and developed during 2020/21. A focus this year has been on providing discussion and reflection material for learning communities to use as they gather to reflect on learning points from the course. The course was also promoted during the year, producing a significant increase in applications with more than 400 delegates now registered for the course and in excess of 120 completions since the launch in 2019/20.

TRAINING AND CAPABILITY DEVELOPMENT: A new post was created within the International Personnel team during the year to monitor the training of officer cadets and capability development for leaders. An early focus for the role has been to review the annual report for the training of officers and to commence work on creation of a Capability Development Framework to assist in identifying areas for increased concentration on the right developmental opportunities for officers, especially in the early years of ministry.

INTERNATIONAL COLLEGE FOR OFFICERS (ICO): Based at Sunbury Court, London, the ICO brings together groups of officers from around The Salvation Army world for a six-week training experience that considers the challenges and opportunities facing Salvation Army leaders

in the 21st century. Unfortunately, due to international travel restrictions arising from the COVID-19 crisis, the ICO was unable to provide any residential training during the year. However, this provided the small team of ICO staff opportunity to give thorough consideration to the various reviews of ICO programme that have taken place in recent years. Time and prayerful review were given to all recommendations, resulting in the compilation of a plan for a renewed curriculum and enhanced faculty to deliver the programme that will be implemented as soon as training sessions are able to recommence. In addition, physical developments to the facilities at Sunbury Court were completed during 2020/21 to enhance the residential experience for future delegates to the college.

A focus this year has been on providing discussion and reflection material for learning communities to use





Sunbury Court



KEY STATISTICS

- More than 400 delegates have now registered for the inclusive leadership course, designed for the development of Salvation Army officers in preparation for potential leadership roles.
- Fifty-three territorial commanders, chief secretaries, general secretaries, territorial presidents of women's ministries and territorial secretaries for women's ministries received virtual senior leaders' orientation training during the year.

FUTURE PLANS

The IOTALDC will continue its work to review, develop and implement policies for training and leader development with a focus on implementation of recommendations for leader development, advising the General on policy matters

including modes of training delivery and providing oversight to an International Resource Repository for training and leader development.

The Senior Leaders' Orientation will continue to be delivered online, as required during 2021/22, if the COVID-19 crisis restricts physical gatherings. Following lessons learnt through holding the conference online during the past year, in future fewer residential events will be arranged with information sharing delivered online at three-monthly intervals throughout each year. The ICO will recommence residential training sessions for international officers when safe and practicable to do so in the context of COVID-19 guidance.

Other objectives are to continue development of a territorial operational leaders' training course and a capability development framework, to apply a coaching/mentoring system for new territorial strategic leaders and to assist development of succession planning in territories.



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, providing technical assistance, funding and trained personnel to support relief and recovery responses. Another key objective is to provide training courses to territories in order to strengthen local capacity, particularly in disaster-prone areas, and to assist in disaster preparedness and disaster risk reduction awareness. This year, the major focus was on emergency COVID-19 response while at the same time maintaining provision for disasters unrelated to the pandemic including terrorist incidents and weather-related events.

ACHIEVEMENTS

During the year, the COVID-19 pandemic took hold of communities right around the world with resulting difficulties on a previously unseen scale and Salvation Army personnel were called upon to serve selflessly and sacrificially as they ministered to the most vulnerable people in their communities. IES facilitated approval of 150 COVID-19 related rapid response projects in 2020/21, spanning 46 territories and 70 countries, with the global reach of organisational responses illustrated by the following chart:

Infographic: COVID-19 emergency situations in 2020 where assistance was provided by The Salvation Army





Above: Emergency food distribution to vulnerable people in Costa Rica with 4,000 beneficiaries.
Left: COVID-19 prevention measures: hand sanitising station in India



IES participated in a COVID-19 task force established to enhance IHQ assistance to territories which met regularly to share information, set strategies and determine criteria for use of resources for locations requiring additional support for programmes and activities due to the pandemic. IES facilitated the resourcing of programmes to promote good hand and respiratory hygiene, and social distancing with the provision of hygiene, sanitising and educational materials. As vaccine programmes were implemented by national governments, encouragement of vaccine take-up was also promoted with posters and information leaflets made available to territories, including in local languages on request. Due to the lengthy duration of the pandemic the need for food for vulnerable people, including migrants, refugees, sex workers and homeless people, and for those in quarantine or without livelihood due to the effect of the virus in society, was and is a key and increasing area of response. Many people who were unable to provide

sufficiently for their families' needs have been assisted with essential food items and hygiene materials, as well as educational information about keeping safe and preventing the spread of the virus. This support, along with the provision of personal protective equipment (PPE) for those serving on the frontlines was a recurring feature of assistance provided during the year.

While response to the coronavirus was a major focus of emergency provision during this period, there were also additional emergency situations that required a response. Terrorism-related incidents in Indonesia and Nigeria impacted vulnerable communities, often displacing populations. Weather-related disasters are a regular feature of the work of IES, and the year under review was no exception. Cyclones and hurricanes, as well as the regular monsoon rains, brought floods, landslides and displacement

**Due to the lengthy duration
 need for food for
 is a key and increasing**



Left: Wading through floodwater to provide relief supplies to 75 families in Mexico.

of people seeking refuge for their families. Affected territories included the Democratic Republic of Congo, Uganda, Liberia, Mozambique, Zimbabwe and Botswana, Latin America North, Mexico, Pakistan, Bangladesh, The Philippines, India Central and India Eastern. The main feature of immediate responses was the provision of food and hygiene materials, with some items distributed for house repairs in specific locations. Long-term recovery programmes were also commenced in Australia following devastating bushfires with the provision of housing, household items and livelihood/training support.

Training courses would usually feature in the annual programme of events for IES, which is always willing to support in the capacity strengthening of territories as they plan for disaster risk reduction and enhanced response activities. This year, several proposed face-to-face training events were unable to take place due to the COVID-19 pandemic and its impact on international and domestic travel arrangements. IES personnel instead participated in online workshops and conferences in support of locations able to hold COVID-secure training and learning activities.

6 of the pandemic the vulnerable people was and area of response

Key Statistics

- IES facilitated the approval of 150 COVID-19 related rapid response projects in 2020/21, spanning 46 territories and 70 countries. A further three projects were approved for longer-term relief and recovery activities, with a total of 2,212,119 beneficiaries for these 153 projects.
- A further 53 projects were approved during the year for non-COVID immediate life-saving activities and relief and recovery work following terrorist incidents, weather-related events and other disasters.

Future Plans

IES will continue to support territories affected by disaster and crisis, providing technical assistance, funding and trained personnel to support relief and recovery responses and mitigate continuing impacts of the COVID-19 crisis and other disasters unrelated to the pandemic during 2021/22.

In order to support territories in their desire to enhance and develop local emergency response strategies, IES will also identify existing training modules and develop new training resources which can be delivered online, seeking to assist in the strengthening of local capacity and thus delivery of relevant and effective emergency response programmes.



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

The International Health Services (IHS) desk at IHQ seeks to provide support, supervision and in-service training to healthcare facilities around the Salvation Army world. During 2020/21, a major focus was on COVID-19 response by resourcing of Salvation Army hospitals, clinics and other healthcare facilities to adapt to emerging needs and maintain quality health services in the midst of the pandemic.

ACHIEVEMENTS

The Salvation Army continues to be a significant provider of faith-based, integrated, high-quality primary healthcare with services offered as close to the family as possible, giving priority to poor and marginalised members of society. The global health crisis caused by the COVID-19 pandemic highlighted the importance of the life-giving care provided by Salvation Army health facilities around the world. The following examples illustrate this significant service provision:

INDIA WESTERN: Evangeline Booth Hospital, Ahmednagar, is a 65-bed facility that was selected by its State Government in March 2020 to be a COVID referral centre, resulting in the provision of care to 4,157 COVID-19 inpatients, many of whom were suffering from rejection





Nursing staff at the hospital set up a new ventilator for use by COVID patients

by their families. IHS was able to support the hospital during this time by facilitating approval of IHQ grants for needed personal protective equipment (PPE) and medical equipment. In March 2021, the hospital also commenced provision of COVID vaccinations providing 126 people with injections that month, while the hospital continued to admit COVID patients.

ZIMBABWE AND BOTSWANA: Tshelanyemba Hospital is a 40-bed facility situated in a remote area of Zimbabwe near the border with Botswana and South Africa. During the year under review, the hospital screened 16,200 local people for coronavirus, and reached 33,000 community members with COVID prevention campaigns to help contain the virus.

IHS facilitated approval of IHQ grants to assist with needed PPE and medical equipment so that staff were able to adequately manage patients admitted with the virus.

PAPUA NEW GUINEA: Provides an example of non-COVID work also undertaken by IHS during the year to support Salvation Army healthcare facilities. There are 25 Salvation Army health facilities in the country, 12 in the north and 13 in the south which served 150,970 outpatients in total during the year, including pregnant women and young children. IHS was able to assist by facilitating approval of IHQ grants to support the installation of three incinerators at busy rural clinics to ensure the safe disposal of medical waste.

In March 2021, the hospital also commenced provision of COVID vaccinations providing 126 people with injections that month, while the hospital continued to admit COVID patients “

Key Statistics

- The Salvation Army's 23 hospitals and 106 clinics around the world, with 3,220 healthcare professionals, delivered care to 210,339 inpatients and 1,321,470 outpatients during 2020/21.
- Although IHS personnel were physically unable to visit healthcare facilities during 2020/21 due to COVID-19 restrictions, direct contact was made through online meetings with 50 healthcare facilities in 17 territories to monitor operations and provide help and advice.

Future Plans

IHS will continue to provide support and supervision to Salvation Army healthcare facilities around the world to enable provision of high-quality health services to local communities.

IHS will continue to monitor the ongoing impact of the COVID crisis upon Salvation Army hospitals and clinics and assist territories in responding to emerging needs in the most appropriate way for each location, including offering guidance on operating in a COVID-safe manner and facilitating the purchase of PPE and other required items.

A nurse anaesthetist at Tshelanyemba Hospital, Zimbabwe and Botswana, prepares new equipment for a patient.





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. This year, the major focus was on building up modern slavery and human trafficking responses while also maintaining the work of the International Social Justice Commission (ISJC) and campaigning for social justice within the new reality of a world in the grip of the COVID-19 pandemic.

ACHIEVEMENTS

The ISJC, with its secretariat in New York, advises the General and other senior Salvation Army leaders on matters of social justice. The co-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. Areas of ISJC attention and global engagement include, though are not limited to, poverty, racism, sexism, refugees and asylum seekers, indigenous peoples, climate change, gender-based violence, and modern slavery and human trafficking. In the period under review, the following were notable achievements:

MODERN SLAVERY AND HUMAN TRAFFICKING

(MSHT): The Salvation Army international response to MSHT around the world continued to evolve during 2020/21. This global, multi-layered response surrounding advocacy, prevention and intervention is a crucial part of the work of the ISJC. An estimated 40.3 million men, women and children are victims of modern slavery on any given day. Of these, 24.9 million people are in forced labour and 15.4 million people are living in a forced marriage. Women and girls are vastly over-represented in these figures, making up 71 per cent of victims (Global Slavery Index, 2018). The Salvation Army is deeply committed to fighting modern slavery and human trafficking with a theological and historical mandate, and is uniquely equipped and has a role to play in this vital work.

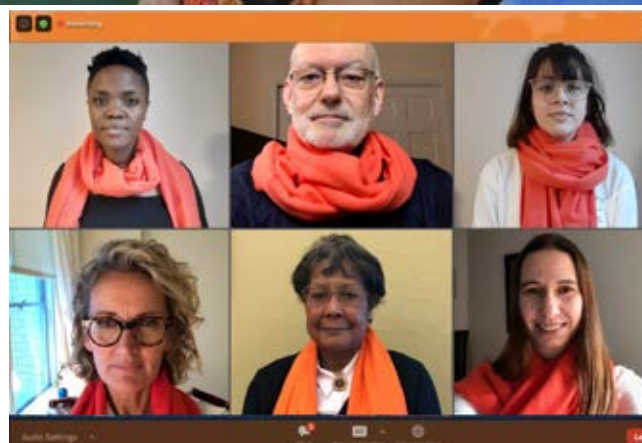
During the year under review, The Salvation Army celebrated the official launch and first year of implementing *Fight for Freedom*, the International MSHT Response Strategy, as a call to action for The Salvation Army to bring justice, peace



A procession on the Annual Day of Prayer for Victims of Human Trafficking at Shalle Chack, India Northern



Above: prayer against MSHT in Mirpur, Bangladesh; right: ISJC staff, wearing campaign-themed orange scarves, participate in a webinar as part of 16 Days of Activism Against Gender-Based Violence



and freedom to those on the margins of exploitation. The aim of the strategy is to achieve a strong and sustainable MSHT response in every territory embedded within Salvation Army structures, by:

- Implementing a new system and structure for the coordination of Salvation Army MSHT response led by an International Modern Slavery and Human Trafficking Response Coordinator under the auspices of the ISJC, and
- Building capacity for a modern slavery and human trafficking response around the world, putting in place systems that support the work of responding to MSHT through The Salvation Army and encouraging new initiatives and responses around the world.

The strategy is intended to serve victims and survivors of MSHT in all its different guises; women, girls, boys and men at risk of MSHT and the families and friends of those who have been trafficked and/or exploited. It is also intended to reduce incidence of MSHT by working with perpetrators of human trafficking and their families and those people increasing demand by using services or buying products. Practical achievements, under the strategy, during the year included:

- The appointment of an International Modern Slavery and Human Trafficking Response Coordinator following an involved interview and hiring process, with the role attracting more than 70 applicants.

- The appointment of five zonal coordinators to support MSHT response by territories within regions of the world.
- The selection of 86 territorial or national contact persons (TCPs/NCPs) who are appointed by territorial leaders and have responsibility to coordinate MSHT responses within their territory.
- The launch of five regional communities of practice, providing regular learning and development opportunities for TCPs/NCPs.
- A global day of prayer for MSHT response and victims of human trafficking was held.
- The instigation of an International Modern Slavery and Human Trafficking Response Council that is actively working to monitor and support implementation of the Fight for Freedom strategy towards stated objectives.

BE BOLD

FROM EQUALITY
TO EQUITY FOR GIRLS

For the first time ever,

THE SALVATION ARMY
IS HOSTING AN
INTERNATIONAL DAY
OF THE GIRL
CELEBRATION

GRL PWR

You can be part
of History!

OCTOBER
10
2020

SAVE
THE
DATE

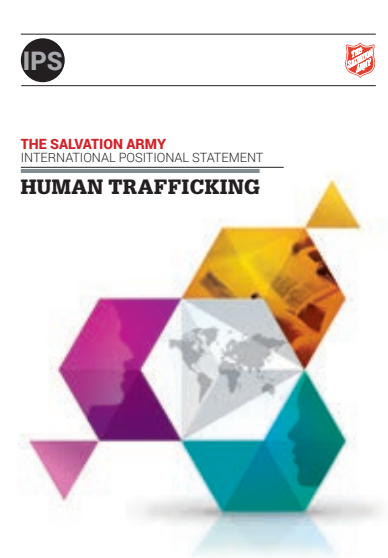
INTERNATIONAL
SOCIAL JUSTICE
COMMISSION

THE SALVATION ARMY

Bold and active campaigning: ISJC publicity materials for the 2020 UN International Day of The Girl

SOCIAL MEDIA: The ISJC social media platforms were actively used during 2020/21 to provide a framework to demonstrate the international work of The Salvation Army and to share outcomes with governments and other partners. Most notably, new resources were developed and shared exploring issues around COVID-19 and justice, including the impact of the pandemic on outworking of the United Nations Sustainable Development Goals (SDGs). Resources relating to justice and COVID-19 can be accessed from a dedicated webpage on the ISJC website at: <https://www.salvationarmy.org/isjc/covid>

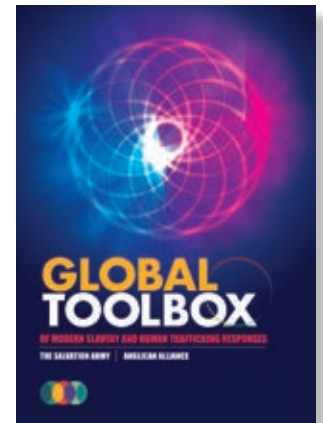
UNITED NATIONS: The ISJC, reflecting the international Salvation Army, also campaigns for a holistic understanding of people and an integrated global plan for fair, sustainable and equitable development for all nations. The Salvation Army has been an affiliated non-governmental organisation (NGO) with the United Nations (UN) since the UN's formation. As one of the founding NGOs, The Salvation Army holds 'consultative status' at the UN and may formally contribute to its work in conjunction with other non-governmental, non-profit, public or voluntary organisations, and faith-based organisations with similar status. If The



From far left: *Fight for Freedom Strategy*; *The International Positional Statement on Modern Slavery and Human Trafficking*; *Fight for Freedom: The Salvation Army Guide to Fighting Modern Slavery and Human Trafficking*; *Global Toolbox of Modern Slavery and Human Trafficking Responses*

Salvation Army wants to continue to have a voice in the global community, it is essential that Salvationists are present at the table and have global and up-to-date knowledge of issues.

During the year under review, the ISJC represented The Salvation Army at the UN (and numerous other bodies) seeking to build strong alliances to end extreme poverty and promote sustainable development. The ISJC engages by attending open (public) official meetings, submitting written statements prior to sessions, meeting official government delegations and making oral statements on behalf of The Salvation Army during general discussions and interactive events. Highlights for the year included participation in the 2020 UN International Day of the Girl and 16 Days of Activism against Gender-Based Violence, a UN Women’s Generation Equality campaign seeking to ‘Orange the World’ and amplify the call for global action to bridge funding gaps, ensure essential services for survivors of violence during the COVID-19 crisis and focus on prevention and collection of data that can improve life-saving services for women and girls. More details relating to ISJC engagement with the UN and other bodies plus additional resources can be accessed from the dedicated ISJC web page at: <https://www.salvationarmy.org/isjc/ISJCUN>.



KEY STATISTICS

- Following the official launch and first year of implementing Fight for Freedom, the International Modern Slavery and Human Trafficking Response Strategy, 86 territorial or national contact persons have been appointed by territorial leaders and have responsibility to coordinate MSHT responses within their territory.
- Five regional communities of practice for MSHT response were launched during the year, providing regular learning and development opportunities for territorial staff working actively to bring justice, peace and freedom to those on the margins of exploitation.

FUTURE PLANS

The ISJC will continue to act as the strategic voice of The Salvation Army advocating for human dignity, human rights and social justice in all parts of the world. Partnering closely with those who have a record of seeking God’s justice for the world, the ISJC will seek to both learn and contribute from a strong Salvation Army world view. The Salvation Army will continue to partner with other religious groups, other NGOs, the UN, 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 also work with territories to continue to develop locally relevant MSHT response strategies, particularly in areas where existing capacity is low and poorly resourced. A particular focus for 2021/22 will be to foster survivor leadership and inclusion; seeking to prioritise growing survivor engagement and inclusion as a strategy for change in recognition that survivors should not only be recipients of services but also contributors and agents of change. Work will also be progressed to strengthen systems and grow leaders by appointing divisional and regional MSHT posts, to educate and resource through development of an MSHT elective course, and to build capacity through the establishment of regional and local MSHT councils.

FINANCIAL REVIEW

FINANCIAL REVIEW

Group accounts for The Salvation Army International Trust, incorporating Reliance Bank Limited and The Salvation Army Leaders' Training College of Africa and Resource Centre Limited as subsidiaries of the Trust, are presented for 2020/21 as well as charity results, assets and liabilities for The Salvation Army International Trust (see pages 62 to 87 for the Accounts). The Group accounts reflect notable differences to the charity only results most especially 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 subsidiaries and Group accounts in the labelled section on page 58.

The net movement in funds for the year ended 31 March 2021 increased by £45.56 million, moving from £5.82 million (2020) to £51.38 million (2021). Variances contributing to the total net movement in funds are outlined below.

INCOME

The primary income streams of the Trust are donations from Salvation Army territories to the International Self-Denial Fund to support the work of the global Army and Headquarters Support contributions from Salvation Army territories to fund the operation of IHQ.

Total income increased from £49.44 million (2020) to £53.26 million (2021). External donations and legacies increased from £935,000 (2020) to £7.98 million (2021) as a significant donation was received from an external donor in 2021. Contributions from Salvation Army territories to the International Self-Denial Fund decreased slightly from £26.08 million (2020) to £25.42 million (2021) with most territories able to maintain funding levels to IHQ despite COVID-19 impacts during the year. Donations from Salvation Army territories decreased from £6.34 million (2020) to £4.84 million (2021) and Headquarters Support funding from Salvation Army territories showed little movement from £9.66 million (2020) to £9.74 million (2021).

Investment income decreased from £5.43 million (2020) to £4.69 million (2021) while income from charitable activities and trading income showed year-on-year decreases of £425,000 and £98,000 respectively reflecting the impact of COVID-19 lockdowns during the year. Gains on disposal of properties increased from £0 (2020) to £122,000 (2021) with one functional property sold during 2021 and none the preceding year.

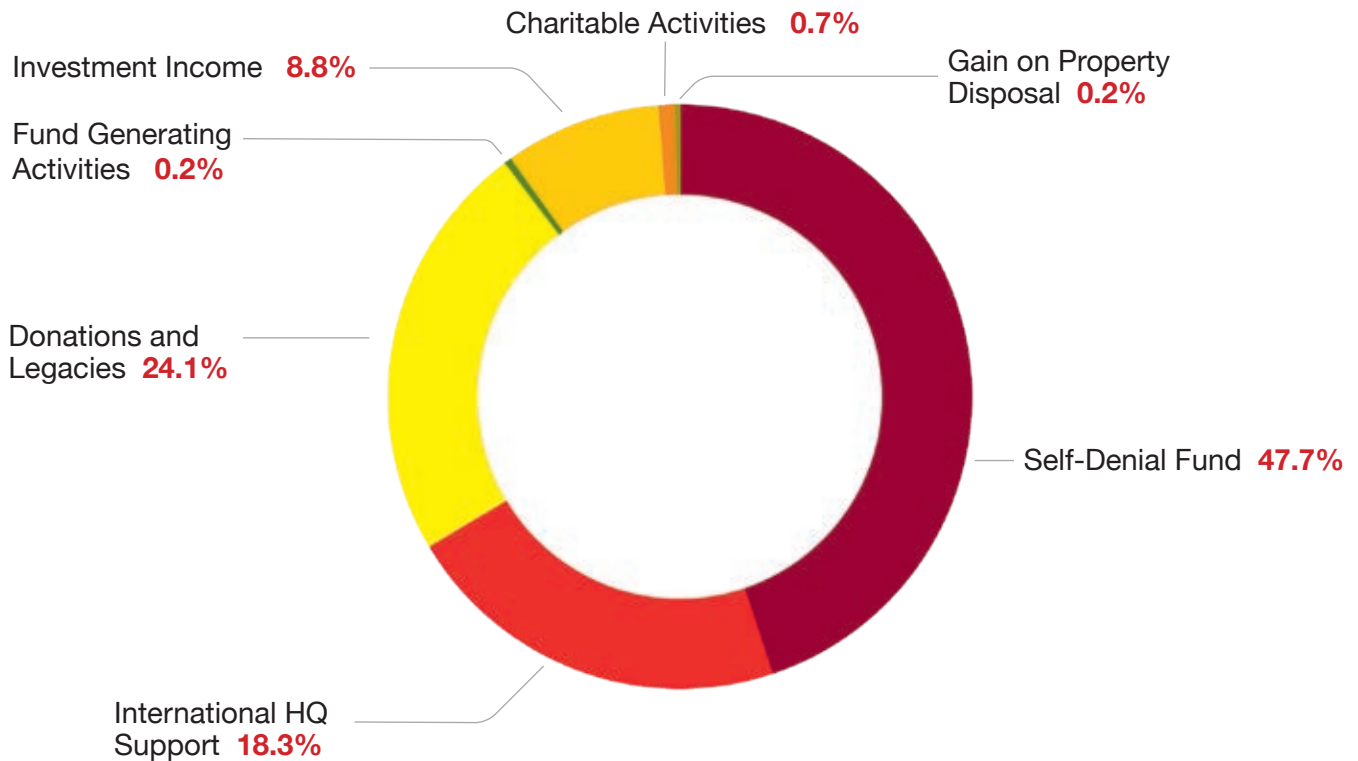
No Gift Aid donation was received from Reliance Bank Limited in 2021 or the preceding year, as the Bank incurred losses partly as expected during this implementation period of the strategic plan, and partly in response to the challenges of the global pandemic.

The following pie charts illustrate the sources of income for 2020/21 and contributions to the International Self-Denial Fund:

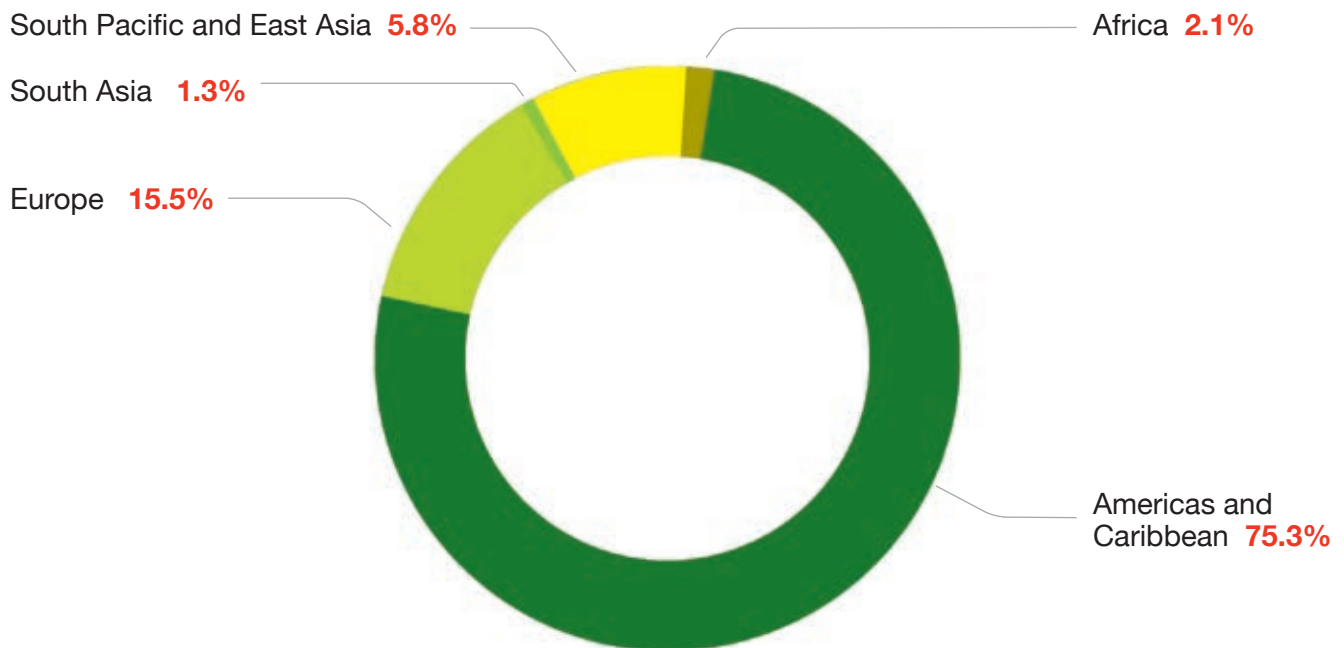
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**Total income increased
from £49.44 million (2020)
to £53.26 million (2021)**

INCOME 2020/2021



CONTRIBUTIONS TO SELF-DENIAL FUND 2020/2021



EXPENDITURE

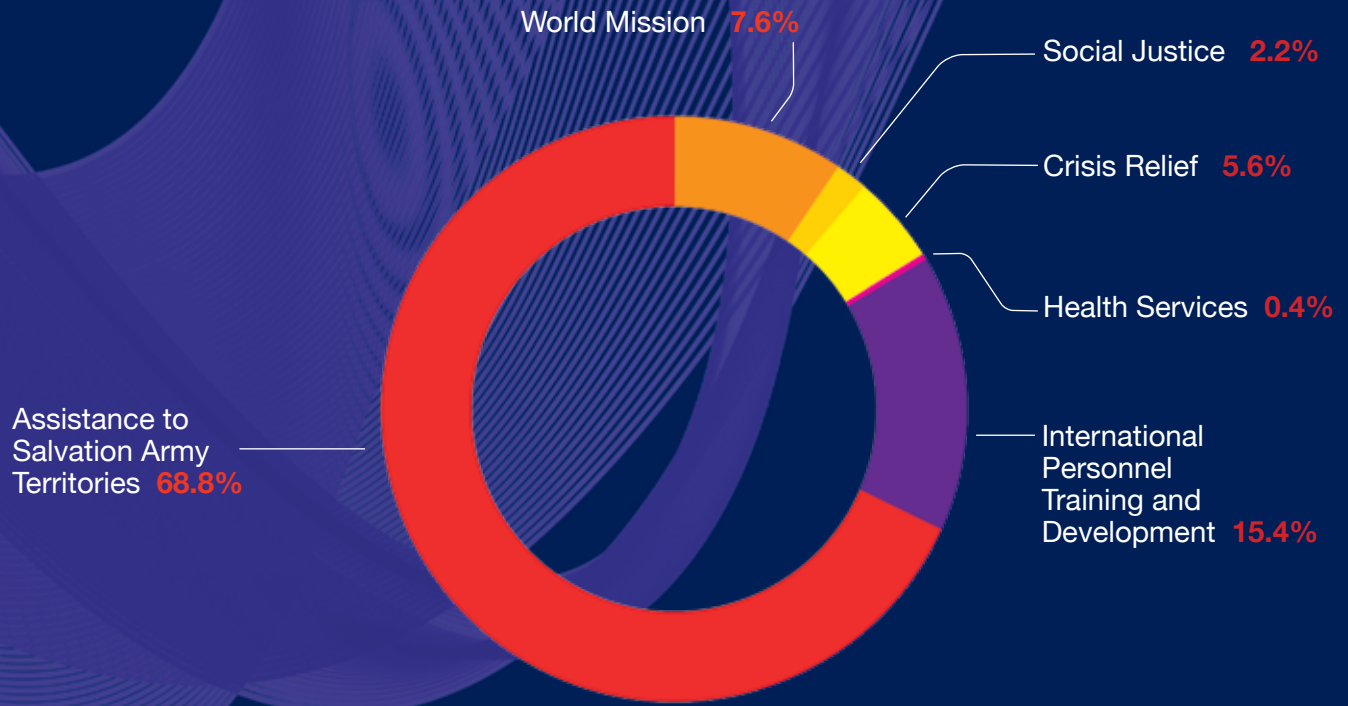
Expenditure across the six charitable activities in which The Salvation Army International Trust is engaged is detailed in Note 10 in the Accounts. Spending on charitable activities totalled £51.16 million (2021) representing an increase of £4.66 million on the previous year. Financial assistance to Salvation Army territories increased from £28.28 million (2020) to £35.20 million (2021) as additional grants were made to meet emerging needs of territories arising from the COVID-19 crisis.

Expenditure of £7.91 million (2021) was also incurred on International Personnel and Development, £3.88 million (2021) on World Mission and £2.85 million (2021) 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, relating primarily to investment management costs and the cost of letting of property, remained relatively flat with a small increase from £1.50 million (2020) to £1.66 million (2021).

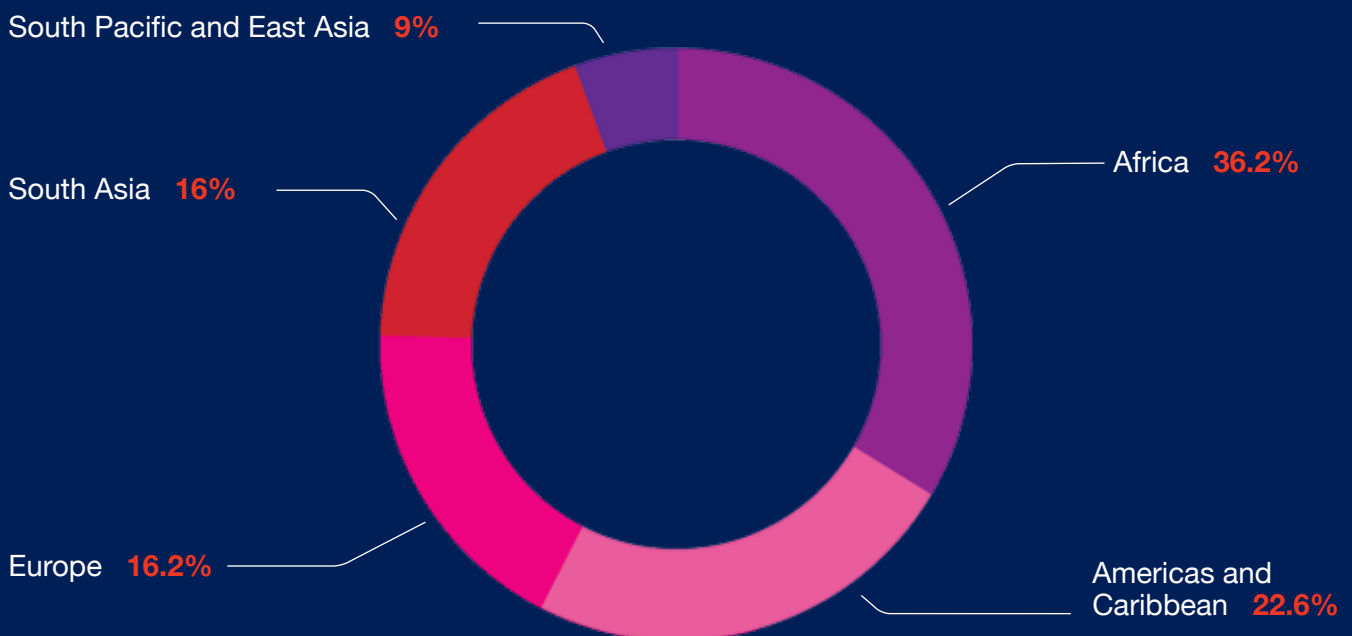
The following pie charts illustrate 2020/21 expenditure on charitable activities and the geographic spread of support of overseas work:



EXPENDITURE 2020/2021



SUPPORT OF OVERSEAS WORK 2020/2021



Other notable variances contributing to the total net movement in funds include, most notably, net gains on investments which increased by £46.56 million from £4.39 million (2020) to £50.95 million (2021) reflecting market conditions and representing both the realised and unrealised gains arising on sales and the market value of investments held at year end. There was no additional expenditure relating to the defined benefit pension scheme during the year due to the timing of the actuarial review.

The net movement in funds for the year ended 31 March 2021 was £51.38 million with a surplus on unrestricted funds of £52.38 million and a deficit of £1.00 million on restricted funds. Total funds of £335.69 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.

Emergency COVID-19 response is expected to remain a major focus during 2021/22 with the Trust providing a material amount of additional funding to territories to source and purchase handwashing facilities and sanitation supplies in corps, social centres and schools; essential PPE (personal protective equipment) and other resources for frontline workers in hospitals and clinics; as well as grants to support salaries, officers' allowances and other operational costs to ensure the continuation of The Salvation Army's mission.

The two large-scale international projects underway will also materially impact the Accounts of the Trust during 2021/22 and subsequent years, being the 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.

GOING CONCERN

The Trustee reviews the financial plans of the Trust on an ongoing basis as part of a programmed budget cycle including consideration of principal financial risks. The Trustee recognises the material pension liability arising from participation of the Trust in The Salvation Army Employees' Pension Fund (see Note 17 in the Accounts) and is well placed to meet its obligations in this regard.

The operation of the Trust and ability to meet the objectives outlined throughout this report are recognised as impacted by the ongoing COVID-19 crisis. Since 31 March 2021 to the date of signing of these financial statements the outbreak of the pandemic has had a significant economic impact across all sectors and the Trustee has considered the effect on the Trust as a going concern, its resilience through this period and the effect on the assets and funds of the Trust.

In addition to the operations of the Trust, SAITCo is actively monitoring the impact of the pandemic upon Salvation Army territories with multiple working parties undertaking tasks in specific areas and regular updates provided to the Board considering the impact of the COVID-19 crisis upon global Salvation Army operations, the financial position of the Trust, the reserves policy of the Trust, the investment portfolio of the Trust and associated logistical matters.

Material additional grants have been issued by the Trust during the year and post year end to financially supported territories in the light of emergent funding needs arising from the COVID-19 crisis with specific controls and safeguards developed for these awards in addition to standard project protocols. On 22 May 2020 SAITCo approved a reduction in the Self-Denial Reserve target for the 2020/21 year end from 12 months equivalency in support of overseas work to 9 months equivalency, allowing release of additional COVID-related grants to territories in the region of £5-6 million, however this did not prove necessary due to the level of donations received by the Trust from financially independent territories and an external donor which allowed the year-end target of 12 months equivalency to still be met. Use of the Self-Denial Reserve during 2021/22 is being kept under review by SAITCo recognising the Trust is well placed to meet its obligations as the level of grants awarded by the Trust to territories is within the control of SAITCo.

The Trust holds a strong balance sheet with availability and liquidity of cash and unrestricted investments with, for example, current liabilities including amounts due to Salvation Army territories at the 2020/21 year end totalling £9.05 million against net current assets of £84.51 million

of which £33.03 million is held in highly liquid current asset investments and cash at bank.

The Trustee is confident the Trust is well placed to meet the COVID-19 crisis and continue to achieve its grant-making and other objectives due to its strong financial position, investment strategy and reserves policy (see below) all underpinned by the governance structures of SAITCo.

The Trustee continues to monitor developments closely in relation to the COVID-19 crisis 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. The Trustee is satisfied that the Trust has sufficient resources to continue operating for the foreseeable future and accounts have been prepared in the knowledge that the Trust is a financially viable organisation

INVESTMENTS

Listed investments (see Note 25 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 31/03/21	LONG-TERM RANGE	WEIGHTINGS
Fixed Income	10 - 30%	13.2%
Equities	70 - 90%	86.2%
Liquid Assets	0 - 5%	0.6%
TOTAL		100%

For the year ended 31 March 2021, the portfolio total return amounted to +32.0% against an ethically adjusted benchmark return of +29.4%.

Global equity markets delivered very strong returns from their nadir in late March 2020, propelled by extraordinary monetary and fiscal support for economies across the world in response to the outbreak of the COVID-19 pandemic. A combination of a successful thematic strategy, detailed consideration of Environmental, Social and Governance factors, stress-testing analysis of disruption risks and careful awareness of shifting market conditions have all contributed to the positive performance of the equities in the portfolio. Bonds have been the more challenging asset class, particularly in the first quarter of the 2021 calendar year, as yields have risen (and prices fallen) on the back of improved economic growth expectations and the prospect of higher inflation.

Investment strategy going forward will continue to be closely monitored by the Investment Committee in response to the global recovery from COVID-19 and other emergent market conditions.

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 from the Trust to territories are considered as part of the annual IHQ budget process with proposals reviewed by the International Finance Board (IFB), approved by SAITCo and then 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 July 2021) 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 the use of non-mainstream banking money transfer organisations.

RESERVES

The total funds of the Trust at 31 March 2021 amounted to £335.69 million comprising £28.66 million in restricted funds and £307.04 million in unrestricted funds which includes £277.55 million in designated funds. The General Reserve held £5.00 million at year end which is almost at 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 examine any historic funds with minimal movement in the past few years, mindful of the legislative framework in place and applicable update to Charity Law.

Restricted Funds

A restricted fund can only be used for a specific charitable purpose. The restriction may be declared by the donor when making the gift. Restricted funds held by the Trust include territorial donations and legacies specified for international use. Where possible the intention continues to be 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 balance as at 31 March 2021 of £22.18 million is equivalent to 12.0 months' expenditure. Material additional grants have been issued by the Trust post year end to territories in the light of emergent funding needs arising from the COVID-19 crisis, with use of the Self-Denial Reserve during 2021/22 kept under review by SAITCo recognising the Trust is well placed to meet its obligations as the level of grants awarded by the Trust to territories is within the control of SAITCo.

Other material designated amounts at 31 March 2021 relate to a reserve held to fund future replacement of the IHQ building (£18.21 million), a Property Commitments Reserve (£3.32 million) held to fund property acquisitions by the Trust over the next two-three years and an International Property Project Reserve (£5.73 million) held to provide additional property project funding to territories over the next two-three years. In addition, an International Financial and Accounting Standards Implementation Reserve (£8.02 million) is held to fund provision of cloud-based accounting software to territories over the next two-three years and an IT Development Reserve (£5.62 million) is held to fund provision of a new global email solution to territories over the next two-three years.



An International Schools Development Reserve (£8.06 million) is also held to provide additional schools project funding to territories over the next two-three years with a Leadership Development Reserve (£3.60 million) held to fund the enhancement of training and personal development for Salvation Army officers over the next three-four years. An Exchange Equalisation Reserve (£3.16 million) is held to fund exchange losses and a Mission Support Reserve (£4.51 million) is held to provide additional project funding to territories over the next two-three years. Four designated COVID-19 reserves (totalling £4.52 million) have also been established to fund responses to the pandemic.

General Reserve

The General Reserve represents the working capital required to fund the day-to-day needs of the Trust. The aim of the Trustee is for the balance on the General Fund Reserve to cover equivalent to 6.0 months expenditure on headquarters administration costs. The current balance of £5.00 million is almost at the target level for free reserves, being equivalent to 5.9 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 10 members, which is chaired by 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.

In addition to the above framework, a range of emergency protocols are in place allowing SAITCo to actively monitor the impact of the COVID-19 crisis upon the operations of the Trust as well as those of Salvation Army territories with multiple working parties undertaking tasks in specific areas and regular updates provided to the Board considering the impact of the COVID-19 crisis upon global Salvation Army operations, the financial position of the Trust, the reserves policy of the Trust, the investment portfolio of the Trust and associated logistical matters.

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	MANAGING STRATEGY
<p>A serious safeguarding incident resulting in harm to a child or vulnerable adult and subsequent reputational damage to the local/international Salvation Army.</p>	<p>Ongoing development of safeguarding policies and procedures for IHQ and all Salvation Army territories. IHQ support offered to territories to address safeguarding incidents involving child protection and legal specialists.</p>
<p>National economic and/or political crises adversely impacting Salvation Army operations in a territory prompting additional emergency support from IHQ.</p>	<p>Continuous IHQ monitoring of economic and political contexts on a country-by-country basis. Development of crisis management protocols for IHQ interventions.</p>
<p>IHQ support for territories impacted by national government controls targeted at foreign NGOs and/or Christian organisations.</p>	<p>Continuous IHQ monitoring of national political contexts on a country-by-country basis. External consultants and/or legal counsel offer training, resources and advice to IHQ staff to address specific circumstances.</p>
<p>Local issues in a territory resulting in demands for additional IHQ financial support and/or reputational damage to the local/international Salvation Army.</p>	<p>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.</p>
<p>Local issues resulting in use of donor restricted funds within a territory for non-specified purposes.</p>	<p>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.</p>
<p>Negative/adverse publicity affecting public perception of The Salvation Army internationally.</p>	<p>Communications section at IHQ to monitor global press coverage and manage media relationships in consultation with Salvation Army territories.</p>

SUBSIDIARY COMPANY – RELIANCE BANK LIMITED

The banking company, Reliance Bank Limited (the 'Bank'), is a wholly owned subsidiary of the Trust. The Bank has incurred losses for the full financial year, reflecting its continued investment in its organisational structure and systems, and also the impact of the global pandemic. Previously the Bank was able to place surplus liquidity in the market, to achieve returns in excess of the Bank of England Base Rate (0.75% for much of the prior year). In March 2020, in response to the economic risks posed by COVID-19, the Base Rate was reduced to an emergency 0.1% and remained there for the full financial year in review. Suitable opportunities for market placements were challenging to find as the economic impacts of the pandemic gave rise to forecasts of 0% or even negative rates.

Despite the impact of successive lockdowns on the Bank and its customers (individuals and businesses) the Bank has continued to lend money to those who meet its criteria. The continued focus is to support those delivering a positive social impact and as part of this, in 2020 a key worker mortgage product was launched. The mortgage book grew by 58% to £38.6 million in the year, providing the Bank with an important revenue stream which partly offsets the reduction in investment income. Loans to businesses also showed record growth in the year, almost doubling to £38.6 million with 55% of lending now social impact up from 45% last year.

The Bank's performance for the full year ended 31 March 2021 was also impacted by some exceptional costs and resulted in an Operating Loss of £1,820,258 (2020: Operating Loss of £1,488,327). During the year the Bank revalued its Freehold Head Office which increased reserves by £2.3 million. After taking into account the operating loss and the revaluation, the Bank's capital and reserves have increased by £540,229 (2020: decreased by £490,764) to £12.2 million noting that the revaluation amounts are eliminated in the Group Accounts in accordance with group accounting policies.

Owing to the Bank's loss position this year, no Gift Aid donation has been made to the Trust (2020: £0). The total of the Bank's assets at 31 March 2021 amounted to £244.3 million (2020: £198.5 million) with growth mainly in lending to customers and balances held with other financial institutions, including the Bank of England. Total liabilities amounted to £232.1 million (2020: £186.8 million). This reflects increased deposits from Salvation Army customers and other UK charity and business customers. The Bank continues to maintain excellent liquidity and funding levels.

The COVID-19 crisis has had an unprecedented disruption impacting on people's livelihoods and businesses' ability to continue trading. The Bank continued to support its

customers during this time, providing payment holidays and facility extensions. The Bank was not part of the Coronavirus Business Interruption Loan or 'Bounce Back' government schemes due to its size but has continued to support new lending requests to existing customers. All mortgage customers have now returned to full repayment. A small number of business customers will remain on interest only terms until restrictions are fully lifted in July. The Bank has not recorded any loan losses from its mortgages or business lending during the year.

Despite a promising UK roll out of vaccines, there continue to be a number of unknowns around the extent of the impact that COVID-19 will eventually have, including the medium-term trend for property prices; there is also an expectation that there will be increased credit risk as government support schemes fall away. The people cost of the pandemic, in terms of lives lost and the impact on survivors, has yet to be fully understood and we have learned over the crisis period that a new resurgence in infections can unexpectedly result in a return to business restrictions. The Bank continues to plan for this possibility and to support its customers and staff to adjust to the new ways of working, in line with government guidance.

The year ahead is expected to be less disruptive, but one focused on delivery of growth and the transformation programme, supporting the Bank's vision and demonstrating its social impact.

SUBSIDIARY COMPANY– THE SALVATION ARMY LEADERS' TRAINING COLLEGE OF AFRICA AND RESOURCE CENTRE LIMITED

The Salvation Army Leaders' Training College of Africa and Resource Centre Limited (SALT College) is a wholly owned subsidiary of the Trust.

During 2020/21 a restructuring was progressed for SALT College, a training facility in Nairobi, Kenya, for Salvation Army territories in Africa that has hitherto been operated and managed as an integral part of the Trust. This was registered in Kenya as a separate legal entity controlled by SAITCo to which the Trust transferred assets and so, from 1 August 2020, is no longer reported within the charity only accounts of the Trust but within the Group accounts. The assets transferred from the Trust to the new entity in the sum of £26,309 are not material to the Trust.

The Group accounts reflect eight-month operations of the new entity from commencement of business on 1 August

2020 to 31 March 2021. The new entity held net assets on the Group Balance Sheet of £30,000 at the year end.

During the reporting period, the College offered distance learning subjects in four major languages at foundation, certificate and diploma levels, to 11,000+ registered students across the continent of Africa. A major focus for the year ahead will be delivery of a bespoke Internet-based student registration database and learning portal

GROUP ACCOUNTS

The Group Accounts comprise the results of The Salvation Army International Trust plus the subsidiary companies Reliance Bank Limited and The Salvation Army Leaders' Training College of Africa and Resource Centre Limited for the period 1 April 2020 to 31 March 2021.

The net movement in funds for the Group showed an increase of £50.16 million. Net goodwill at year end amounted to Negative £4.21 million as set out in Note 22 to the Accounts.

Total fixed assets including investments amounted to £286.11 million. Net current assets were £50.98 million.

Total funds of the Group amounted to £332.94 million at year end as set out in Note 20 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 charity 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 charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 2020/21 Annual Report and Accounts on this basis.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein

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

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

21 January 2022

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

Opinion on the financial statements

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 2021 and of the Group'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.

We have audited the financial statements of The Salvation Army International Trust ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 March 2021 which comprise the consolidated statement of financial activities (incorporating an income and expenditure account), the statement of financial activities (charity only) the consolidated and charity balance sheets, 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The Trustee is responsible for the 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: Worldwide Fact & Figures, The General's Introduction, The Chief of the Staff's Introduction, The Trustee's Report and Direct Contributions from Territories Towards Special Projects. 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. 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 Trustee's 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 Trustees

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 intend 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of the audit we gained an understanding of the legal and regulatory framework applicable to the Group and the sector in which it operates, and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud. We considered the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error, the Group's compliance with laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011, the Salvation Army Act 1980 and other laws and regulations applicable to the group such as employment law, taxation legislation, data protection and health and safety legislation. We considered financial performance, key performance indicators and other performance targets. We also considered the risks of non-compliance with requirements imposed by the Charity Commission, and other regulators, and we considered the extent to which non-compliance might have a material effect on the group financial statements.

We also communicated relevant identified laws and regulations, potential fraud risks and that there were no known matters of significant non-compliance with laws and regulations, to all engagement team members including internal specialists audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

As a result of these procedures we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: contributions received from other Salvation Army Territories, donations and grants revenue recognition, supplier and overseas grant payments.

Our tests included:

- agreeing the financial statement disclosures complied with applicable legislation
- enquiries of the Audit Committee, management and internal audit, review of minutes of meetings of those charged with governance
- sample testing income from Territories and other donors including agreeing recognition to agreements to ensure conditions have been met
- audit testing a sample of overseas expenditure and grant awards, ensuring these have been made in accordance authority limits, agreements and internal control procedures
- challenging assumptions made by management in their significant accounting estimates in particular in relation to property valuations, amortisation of goodwill and repayment of deferred consideration
- enquiries of third parties, where information from that third party has been used by the Group in the preparation of the financial statements
- review of Serious Incident Reports submitted to the Charity Commission and performing an assessment of these and any Whistleblowing matters
- vouching balances and reconciling items in key control account reconciliations to supporting documentation as at 31 March 2021; and
- performing audit procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

As in all of our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluations, whether there was evidence of bias in accounting estimates by management or the Board that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of

not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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. Our audit work has been undertaken so that we might state to the Charity's trustee 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 trustee, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

BDO LLP

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BDO LLP, statutory auditor

London, UK.

Date: 31 January 2022

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

(incorporating an Income and Expenditure account)

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021			2020		
		Unrestricted funds £000	Restricted funds £000	Total funds - Group £000	Unrestricted funds £000	Restricted funds £000	Total funds - Group £000
INCOME AND ENDOWMENTS FROM							
Donations and legacies:							
Received from Salvation Army territories							
- Self-Denial Fund	3	25,419	-	25,419	26,082	-	26,082
- IHQ Support	3	9,743	-	9,743	9,660	-	9,660
- Donations	3	-	4,843	4,843	-	6,341	6,341
Other donations and legacies	5	7,827	152	7,979	875	60	935
		42,989	4,995	47,984	36,617	6,401	43,018
Charitable activities	6	303	52	355	709	60	769
Other trading activities	7	1,166	-	1,166	1,492	-	1,492
Investments	8	7,108	133	7,241	7,956	206	8,162
Gain on Disposal of Properties		122	-	122	-	-	-
Total Income		51,688	5,180	56,868	46,774	6,667	53,441
EXPENDITURE ON							
Raising funds	9	6,622	25	6,647	6,476	22	6,498
Charitable activities	10	43,798	7,217	51,015	41,212	5,259	46,471
Total Expenditure		50,420	7,242	57,662	47,688	5,281	52,969
Net gains on investments	18	49,778	1,166	50,944	4,082	309	4,391
Net income/(expenditure)		51,046	(896)	50,150	3,168	1,695	4,863
Transfers between funds	20	90	(90)	-	136	(136)	-
Tax on Loss/(Profit) on Subsidiary Activities	19	13	-	13	(2)	-	(2)
Net Movement in Funds	20	51,149	(886)	50,163	3,302	1,559	4,861
Reconciliation of funds:							
Total funds brought forward 1 April		253,119	29,655	282,774	249,817	28,096	277,913
Total funds carried forward 31 March		304,268	28,669	332,937	253,119	29,655	282,774

All activities reported above, in both the current and preceding year, include Gains and Losses and relate to continuing activities. The accompanying notes are an integral part of this consolidated statement of financial activities.

THE SALVATION ARMY INTERNATIONAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES (Charity only) FOR THE YEAR ENDED 31 MARCH 2021

Notes	2021		2021 Total funds Charity Note	2020		2020 Total funds Charity £000	
	Unrestricted funds £000	Restricted funds £000		Unrestricted funds £000	Restricted funds £000		
INCOME AND ENDOWMENTS FROM							
Donations and legacies:							
Received from Salvation Army territories							
- Self-Denial Fund	3	25,419	-	25,419	26,082	-	26,082
- IHQ Support	3	9,743	-	9,743	9,660	-	9,660
- Donations	3	-	4,843	4,843	-	6,341	6,341
Other donations and legacies	6	7,827	152	7,979	875	60	935
		42,989	4,995	47,984	36,617	6,401	43,018
Charitable activities	6	292	52	344	709	60	769
Other trading activities	7	119	-	119	217	-	217
Investments	8	4,559	133	4,692	5,227	206	5,433
Gain on Disposal of Properties		122	-	122	-	-	-
Total Income		48,081	5,180	63,261	42,770	6,667	49,437
EXPENDITURE ON							
Raising funds	9	1,639	25	1,664	1,480	22	1,502
Charitable activities	10	43,928	7,231	51,159	41,245	5,259	46,504
Total Expenditure		45,567	7,256	62,823	42,725	5,281	48,006
Net gains on investments	18	49,780	1,166	50,946	4,082	309	4,391
Net income/(expenditure)		52,294	(910)	51,384	4,127	1,695	5,822
Transfers between funds	20	90	(90)	-	136	(136)	-
Net Movement in Funds		52,384	(1,000)	61,384	4,263	1,559	6,822
Reconciliation of funds:							
Total funds brought forward 1 April		254,652	29,655	284,307	250,389	28,096	278,485
Total funds carried forward 31 March		307,036	28,655	335,691	254,652	29,655	284,307

All activities reported above, in both the current and preceding year, include Gains and Losses and relate to continuing activities. The accompanying notes are an integral part of this consolidated statement of financial activities.

THE SALVATION ARMY INTERNATIONAL TRUST

CONSOLIDATED AND CHARITY BALANCE SHEETS

AS AT 31 MARCH 2021

	Notes	2021 Group £000	2020 Group £000	2021 Charity £000	2020 Charity £000
Intangible Fixed Assets					
Goodwill	22(a)	347	390	347	390
Negative Goodwill	22(a)	(4,560)	(5,130)	-	-
Other Intangible Assets	22(b)	392	394	-	-
		<u>(3,821)</u>	<u>(4,346)</u>	<u>347</u>	<u>390</u>
Tangible Fixed Assets					
Properties	23	32,177	33,506	27,802	29,045
Other Tangible Fixed Assets	24	2,488	1,000	2,422	916
Investments	25	255,261	244,020	224,721	193,810
		<u>289,926</u>	<u>278,526</u>	<u>254,945</u>	<u>223,771</u>
Current Assets					
Investments	25(c)	16,137	13,571	23,649	15,093
Stocks		131	139	131	139
Debtors and Prepayments	26	138,187	108,424	60,405	54,817
Cash at bank and in hand	27	105,691	70,389	9,376	5,362
		<u>260,146</u>	<u>192,523</u>	<u>93,561</u>	<u>75,411</u>
Less Current Liabilities					
Salvation Army Employees' Pension Fund	17	(76)	(416)	-	(378)
Other Creditors due within one year	28	(209,092)	(179,315)	(9,054)	(10,779)
Net Current Assets		<u>50,978</u>	<u>12,792</u>	<u>84,507</u>	<u>64,254</u>
Total Assets less current liabilities		<u>337,083</u>	<u>286,972</u>	<u>339,799</u>	<u>288,415</u>
Creditors: Amounts falling due after more than one year					
Salvation Army Employees' Pension Fund	17	(38)	(76)	-	-
Other Creditors due after more than one year	29	(4,108)	(4,122)	(4,108)	(4,108)
Net Assets	21	<u>332,937</u>	<u>282,774</u>	<u>335,691</u>	<u>284,307</u>
Funds					
Restricted Funds					
Property Fund		14,492	14,287	14,492	14,287
Other Restricted Funds		14,177	15,368	14,163	15,368
		<u>28,669</u>	<u>29,655</u>	<u>28,655</u>	<u>29,655</u>
Unrestricted Funds					
Property Fund		19,560	20,558	19,560	20,558
Other Fixed Assets Fund		2,422	916	2,422	916
Share Capital Fund		2,500	2,500	2,500	2,500
Designated Funds		277,566	224,856	277,553	224,856
General Reserve		2,220	4,289	5,001	5,822
		<u>304,268</u>	<u>253,119</u>	<u>307,036</u>	<u>254,652</u>
Total Funds	20	<u>332,937</u>	<u>282,774</u>	<u>335,691</u>	<u>284,307</u>

The accompanying notes are an integral part of these Consolidated and Charity Balance Sheets.

Approved by The Salvation Army International Trustee Company and approved on its behalf on 21 January 2022 by:

Lyndon Buckingham – Chairman



Lee Graves – Managing Director



THE SALVATION ARMY INTERNATIONAL TRUST

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	2021 £000 Group	2020 £000 Group
Net cash (used in)/provided by operating activities (see note A)	(10,392)	(1,865)
Cash flows from investing activities:		
Dividends, interest and rents from investments	4,549	10,103
Gain/(Loss) on US held investments	17,071	(1,978)
(Increase)/Decrease in Long Term Bank Deposits	(3,776)	9,811
Proceeds from the sale of property, plant and equipment	210	444
Purchases of property, plant and equipment	(1,183)	(3,010)
Purchase of Intangible Fixed Assets	(177)	(253)
Proceeds from the sale of investments	147,543	39,104
Purchase of Investments	(118,663)	(38,605)
Net cash provided by investing activities	45,574	15,616
Change in cash and cash equivalents in the reporting period	35,182	13,751
Cash and cash equivalents at the beginning of the reporting period	72,235	57,924
Effects of currency translation on cash and cash equivalents	(1,090)	560
Cash and cash equivalents at the end of the reporting period (see note B)	106,327	72,235

Note A

Reconciliation of net income to net cash flow from operating activities

Net income for the reporting period (as per the statement of financial activities)	50,163	4,861
Adjustments for:		
Depreciation charges	1,218	1,098
(Gain) on investments	(56,732)	(2,190)
Dividends, interest and rents from investments	(4,549)	(5,103)
(Profit) on sale of fixed assets	(122)	-
Decrease/(Increase) in Stocks	8	(29)
(Increase)/Decrease in Debtors	(29,763)	(4,936)
(Decrease)/Increase in Creditors	29,385	4,420
Tax Refund	-	14
Net cash (used in) operating activities	(10,392)	(1,865)

Note B

Analysis of Cash and Cash Equivalents - Group

	Balance 2020 £000	Movement in year £000	Balance 2021 £000
Cash at bank	56,787	21,234	78,021
Bank Balances - Recoverable on demand	13,602	14,068	27,670
Cash held by Investment Managers	1,835	(1,208)	627
Notice deposits (less than 3 months)	11	(2)	9
Total cash and cash equivalents	72,235	34,092	106,327

(i) Analysis of changes in Net Debt

	01-Apr-20 £000	Cashflows £000	31-Mar-21 £000
Cash and cash equivalents			
Cash	58,622	20,026	78,648
Overdrafts	-	-	-
Cash Equivalents	13,613	14,066	27,679
	72,235	34,092	106,327

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

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 2019), 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 of 2018, 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.
- The Salvation Army Leaders Training College of Africa & Resource Centre Limited (SALT), which was previously part of the Salvation Army International Trust, became a separate company wholly owned by the Trust from 01 August 2020 by way of a transfer of assets equivalent to £26k to the new SALT entity and is consolidated 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 and are completed by an External Chartered Surveyor. The judgements made in calculating depreciation are detailed in note (g) below. Negative Goodwill arising from the acquisition of Reliance Bank Ltd will be amortised over a period of 10 years based on an anticipated return to profitability within 10 years of acquisition.

The consideration for the acquisition is payable over a long period of time and is linked to gift aid payable by Reliance Bank Ltd. 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

- (i) 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. The Self Denial appeals are separate annual appeals within each Territory, whereby church members of The Salvation Army offer a monetary gift to support the work of The Salvation Army worldwide. In addition to this, some Territories make contributions to the Self Denial fund from other funds available to them. These contributions are used to fund grants and other support payments to financially supported territories, as set out in Note 11.
- (ii) Contributions to International Headquarters support are receivable quarterly from financially independent territories, and either quarterly or annually from financially supported territories.
- (iii) Legacies are accounted for on receipt, or on earlier notification where the value can be reliably measured and receipt is probable.
- (iv) 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.
- (v) 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.
- (i) Irrecoverable Value Added Tax is charged to the related expenditure categories.
- (ii) 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.
- (iii) 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 the obligations arise (see Note (b) (i) above).
- (iv) 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.
- (v) Pension costs are accounted for in accordance with FRS 102 and are charged to the Statement of Financial Activities when payable. SAIT and Reliance Bank both participate alongside other entities in a multi-employer defined benefit plan scheme. The actuary has confirmed that it is not possible to split the share of the scheme's assets and liabilities between employers. Pension costs are accounted for as if they were made to a defined contribution plan. Details are provided in Note 17.
- (vi) Grants payable to Salvation Army Territories are recognised as expenditure when they are committed and communicated to the territories, in accordance with the annual budget.
- (vii) There are no assets held under Finance lease. Rentals payable and licensing arrangements under operating leases are charged to Expenditure on a straight line basis of over the lease term.
- (viii) 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 under 'Other Gains and Losses' in the Statement of Financial Activities.

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

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 considering potentially adverse future scenarios. The Trustee recognises the material pension liability arising from participation of the Trust in The Salvation Army Employees' Pension Fund (see Note 17) and is well placed to meet its obligations in this regard.

Particular attention has been given to the impact of the ongoing COVID-19 Crisis as part of the monitoring of the financial standing of the Trust and, following this review, the Trustee has a reasonable expectation that the Trust has adequate resources to continue in operational existence in the foreseeable future. The Trust holds a strong balance sheet with availability and liquidity of cash and unrestricted investments with, for example, current liabilities including amounts due to Salvation Army territories at the 2020/21 year end totalling £9.05 million against net current assets of £84.51 million of which £33.03 million is held in highly liquid current asset investments and cash at bank. The Trustee continues to monitor developments closely in relation to the COVID-19 crisis 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. Further details can be found within the trustee report commentary (see Page 52).

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 current 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

Negative Goodwill arising from the acquisition of Reliance Bank Ltd is amortised over a period of 10 years, beginning during the Financial Year 2019/2020 (See Note 22). The Trust has based this amortisation rate on a prudent assessment of future profits which will be generated by the bank.

Computer Software, where capitalised, is depreciated over a period of 4 years.

(g) Fixed Assets

Tangible fixed assets for the Trust are stated at cost (£1,000 or more) less accumulated depreciation.

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 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
The depreciation on some historic property costs include Land values deemed immaterial.
- Fixtures, Fittings and Office Equipment are depreciated over 5 - 10 years
- Vehicles are depreciated over 6 years
- IT Equipment is depreciated over 3 - 4 years

During the year the Bank opted to follow the revaluation approach to its freehold property, under FRS102 section 17.

The associated entries relating to this change in policy, including Deferred Tax, were eliminated on Consolidation into the Group Accounts and the property carrying value restated under the historical cost model and in accordance with the Group accounting policy.

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

(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 2021

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 Companies**
- The banking company, Reliance Bank Limited (the 'Bank'), is a wholly owned subsidiary of the Trust. In 2018, the Trust purchased The Salvation Army Trust's (UK Territory) 49% interest in the Bank and invested an additional £1.5 million in the Bank's share capital. Under its new ownership model and through the delivery of its 5-year strategic plan, the Bank aims to become an important, positive social impact bank with an expanded remit in this market segment. The Trust invested an additional £1.0 million in the Bank's share capital in 2019 and a further £1.0 million in the Bank's share capital following the 2021 year end to support its business transformation plans. Whilst the Trust is the Bank's controller, a Nominations Committee comprising Non-Executive Directors of the Bank recommends appointments 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 the last few years, 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. Losses have continued in the year under review, partly as expected during this implementation strategic plan, while this initial investment takes place, of the strategic plan, and partly in response to the challenges of the global pandemic. Full details of the subsidiary company's Profit and Loss Account and Balance Sheet are set out in Note 4.
- The Salvation Army Leaders Training College of Africa & Resource Centre Limited (SALT) is a wholly owned subsidiary of the Trust. During 2020/21 a restructuring was progressed for SALT College, a training facility in Nairobi, Kenya for Salvation Army territories in Africa that had hitherto been operated and managed as an integral part of the Trust. This was registered in Kenya as a separate legal entity controlled by SAITCo to which the Trust transferred assets and so, from August 2020 is no longer reported within the charity only accounts of the Trust but within the Group accounts. The assets transferred from the Trust to the new entity are not material to the Trust.
- (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) **Gains and Losses**
- 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 2021

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 Prudential 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.

Equity transaction: Preceding the acquisition the outstanding Reliance Bank Ltd had allotted, called up and fully paid £7.5 million of £1 ordinary shares.

The Salvation Army International Trust already held 51% of Reliance Bank and purchased the remaining 49% shareholding held by The Salvation Army Trust on 31st October 2018.

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
Other Net Assets per Accounts	8,799,631
Total	<u><u>13,199,631</u></u>

Calculation of Goodwill

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

The cost of acquisition represents deferred consideration of £4,108,397 estimated as payable over 15 years (see Note 29).

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

3. CONTRIBUTIONS RECEIVED FROM SALVATION ARMY TERRITORIES

Territory	Self-Denial Fund		International Headquarters Support		Donations Received	
	Unrestricted		Unrestricted		Restricted	
	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000
Angola	6	10	1	1	-	-
Australia	519	607	712	691	123	489
Bangladesh	1	1	1	1	-	-
Brazil	19	27	2	2	-	-
Canada and Bermuda	1,520	1,509	558	542	571	553
Caribbean	52	66	5	4	-	6
Congo (Brazzaville)	64	88	5	4	-	-
Democratic Republic of Congo	23	70	5	5	-	-
Denmark	25	25	16	16	-	-
Eastern Europe	10	11	1	1	-	-
Finland and Estonia	56	50	29	28	60	34
France and Belgium	11	15	50	49	2	21
Germany, Lithuania and Poland	30	30	35	34	54	85
Ghana	21	25	3	3	-	-
Hong Kong and Macau	26	82	26	25	7	19
India Central	30	65	7	7	-	-
India Eastern	128	8	3	3	-	-
India Northern	25	27	6	6	-	-
India South Eastern	85	97	7	7	4	-
India South Western	33	38	7	7	-	-
India Western	23	37	6	6	-	-
Indonesia	40	55	11	11	-	25
Italy and Greece	4	5	1	1	2	1
Japan	43	59	68	66	-	41
Kenya East	134	292	7	7	-	-
Kenya West	154	212	8	7	-	-
Korea	129	108	12	12	-	10
Latin America North	31	34	2	2	-	-
Liberia	5	5	1	1	-	-
Malawi	5	6	1	1	-	2
Mali	2	1	1	1	-	-
Mexico	10	18	3	3	-	-
Middle East	14	17	1	1	-	-
Mozambique	1	2	1	1	-	-
The Netherlands, Czech Republic and Slovakia	200	196	110	107	98	114
New Zealand, Fiji and Tonga	540	501	260	252	386	133
Nigeria	16	27	5	5	-	-
Norway, Iceland and The Færoes	398	415	97	94	179	49
Pakistan	3	8	6	5	-	-
Papua New Guinea	33	38	3	3	-	-
The Philippines	17	15	4	4	-	5
Russia	3	4	1	1	-	-
Rwanda and Burundi	3	8	1	1	-	-
Singapore, Malaysia and Myanmar	114	106	18	17	15	23
South America East	9	10	2	2	-	-
South America West	15	37	4	4	-	-
Southern Africa	28	46	3	3	2	1
Spain and Portugal	12	14	1	1	3	4
Sri Lanka	1	1	2	2	-	-
Sweden and Latvia	103	94	79	77	15	85
Switzerland, Austria and Hungary	888	829	154	149	39	126
Taiwan	7	9	1	1	-	10
Tanzania	7	11	2	2	-	-
Uganda	4	6	1	1	-	-
United Kingdom with the Republic of Ireland	2,190	2,138	847	823	688	152
USA Central	4,443	4,204	1,738	1,774	36	872
USA Eastern	4,713	4,991	1,473	1,452	421	1,685
USA Southern	4,688	4,760	1,865	1,888	641	937
USA Western	3,645	3,815	1,397	1,370	713	787
USA National HQ	-	-	57	57	784	72
Zambia	22	53	3	3	-	-
Zimbabwe	38	46	7	6	-	-
Total	25,419	26,082	9,743	9,660	4,843	6,341

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

4. CORPORATE 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') in October 2018, following the purchase of The Salvation Army Trust's (UK Territory) 49% interest (See Note 1(i))

	2021	2020
	£000	£000
Summary Profit and Loss Account		
Interest Receivable and other operating income	3,231	3,825
Interest Payable and other operating expenditure	(542)	(1,145)
Administration Expenditure	(4,509)	(4,169)
Operating Loss	(1,820)	(1,489)
Taxation	459	(2)
Loss after Tax	(1,361)	(1,491)
Less donation	-	-
Retained Deficit for year	(1,361)	(1,491)
Retained Reserves brought forward	1,652	3,143
Change in Accounting Policy and Transfer from Revaluation Reserve	643	-
Retained Reserves carried forward	934	1,652
Donation received in year		
Share Capital owned	10,000	10,000
Summary Balance Sheet		
Fixed Assets	5,249	2,994
Current Assets		
Less than one year	167,378	152,206
Loans over one year	71,699	43,250
	244,326	198,450
Liabilities		
Over one year	-	-
Current	(232,134)	(186,798)
Net Assets	12,192	11,652
Share Capital	10,000	10,000
Revaluation Reserve	1,258	-
Reserves	934	1,652
Shareholders' Funds	12,192	11,652

Unrestricted income to the Salvation Army International Trust from Reliance Bank Limited for the year was £nil (2020: £nil). Differences from Group policy related to the Bank's building property valuation, including the revaluation reserve balance, were eliminated on consolidation and the impacted amounts were restated in the Group Financial Statements (see Note 1(g)).

5. OTHER DONATIONS AND LEGACIES

	Unrestricted	Restricted	2021	Unrestricted	Restricted	2020
	£000	£000	£000	£000	£000	£000
Other Donations	7,748	87	7,835	116	60	176
Legacies	79	65	144	759	-	759
	7,827	152	7,979	875	60	935

External donations and legacies increased from £935,000 (2020) to £7.98 million (2021) as a significant donation was received from an external donor in 2021.

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

	2021 Group £000	2020 Group £000	2021 Charity £000	2020 Charity £000
6. INCOME FROM CHARITABLE ACTIVITIES				
Rents from charitable activities	125	125	125	125
Income from publications	167	308	167	308
Income from Café 101	-	277	-	277
International Personnel Training and Development	63	59	52	59
	355	769	344	769
Restricted income for the year was £52k (2020: £60k)				
7. OTHER TRADING ACTIVITIES				
Conference Centre income	1	129	1	129
Rents from letting of property	118	84	118	84
Fees and Commissions receivable	520	752	-	4
Release of Negative Goodwill	527	527	-	-
	1,166	1,492	119	217
Unrestricted income for the year was £1,166k (2020: £1,492k)				
8. INVESTMENT INCOME				
Income from fixed interest securities	533	1,120	533	526
Dividends from equities	1,277	1,718	1,277	1,718
Interest on bank deposits	3	706	41	210
Income from funds held in USA	990	1,319	990	1,319
Rental on Freehold Reversionary Interest	470	244	470	244
Rents from letting of investment properties	1,385	1,454	1,381	1,416
	4,658	6,561	4,692	5,433
Interest on Loans and Advances to Bank Customers	2,583	1,601	-	-
	7,241	8,162	4,692	5,433
Restricted income for the year was £133k (2020: £206k)				
9. RAISING FUNDS				
Cost of letting of property	720	607	720	607
Investment management costs	901	852	901	852
Release of Goodwill	-	-	43	43
Costs of subsidiary banking operations	5,026	5,039	-	-
	6,647	6,498	1,664	1,502
Restricted expenditure for the year was £25k (2020: £22k)				

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

10. CHARITABLE ACTIVITIES

Activity	Grant and Donation funding of activities £000	Activities undertaken directly £000	Support costs (Note 12) £000	2021		2021 Charity £000	2020 Charity £000
				2021 Group	2020 Group		
				Total	Total		
World Mission	-	2,622	1,246	3,868	4,038	3,882	4,038
Assistance to Salvation Army territories (Note 11)	29,236	3,959	1,978	35,173	28,246	35,195	28,279
International Personnel Training and Development	-	4,525	3,295	7,820	10,149	7,908	10,149
Crisis Relief	-	2,625	206	2,831	1,739	2,846	1,739
Health Services for the Poorest People	-	169	51	220	1,000	221	1,000
Fighting Against Sexual Trafficking and for Social Justice	-	795	308	1,103	1,177	1,107	1,177
Retired Officers Allowance Scheme	-	-	-	-	122	-	122
	29,236	14,695	7,084	51,015	46,471	51,159	46,504

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). SALT College costs are included under the International Personnel Training and Development heading. Restricted expenditure for the year was £7.2m (2020: £5.3m)

Activity	Grant and Donation funding of activities £000	Activities undertaken directly £000	Support costs (Note 12) £000	2020		2020 £000	2019 £000
				2020	2019		
				Total	Total		
World Mission	-	2,658	1,380	4,038	4,165	4,038	4,165
Assistance to Salvation Army territories (Note 11)	21,778	4,218	2,250	28,246	31,450	28,279	31,464
International Personnel Training and Development	-	6,705	3,444	10,149	9,811	10,149	9,811
Crisis Relief	-	1,499	240	1,739	1,676	1,739	1,676
Health Services for the Poorest People	-	940	60	1,000	686	1,000	686
Fighting Against Sexual Trafficking and for Social Justice	-	817	360	1,177	998	1,177	998
Retired Officers Allowance Scheme	-	122	-	122	-	122	-
	21,778	16,959	7,734	46,471	48,786	46,504	48,800

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

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

Territory	2021				Total	2020 Total
	Allowable deductions from Self-Denial funds (see note 1(b)(i))	Grant funding of activities	Additional grant for specific costs	Activities funded by donations		
	£000	£000	£000	£000	£000	£000
Africa, General	-	-	77	-	77	59
Americas, General	-	-	-	4	4	4
Angola	-	46	-	49	95	83
Australia	99	-	-	8	107	169
Bangladesh	20	208	2	230	460	330
Brazil	17	600	-	1,182	1,799	1,124
Canada and Bermuda	-	-	-	2	2	35
Caribbean	81	738	3	359	1,181	821
Congo (Brazzaville) and Gabon	13	537	23	740	1,313	657
Czech Republic and Slovakia (Netherlands)	-	488	-	3	491	501
Democratic Republic of Congo	4	539	35	229	807	904
Denmark	-	136	-	5	141	145
Eastern Europe	13	1,081	2	88	1,184	1,106
Estonia (Finland)	1	231	-	1	233	227
Fiji and Tonga	-	-	-	2	2	1
France and Belgium	-	-	-	1	1	3
Germany, Lithuania and Poland	-	216	1	98	315	211
Ghana and Togo	10	145	27	288	470	274
Hong Kong and Macau	-	-	-	-	-	2
India National Secretariat	-	108	-	21	129	117
India Central	-	229	1	326	556	335
India Eastern	6	-	1	(695)	(688)	110
India Northern	-	282	1	403	686	342
India South Eastern	2	324	1	169	496	428
India South Western	-	313	2	195	510	382
India Western	4	238	2	273	517	415
Indonesia	6	-	17	129	152	109
Italy and Greece	5	254	-	436	695	374
Kenya East	27	274	32	831	1,164	534
Kenya West	55	620	36	487	1,198	954
Korea	-	-	-	1	1	1
Latin America North	8	650	-	359	1,017	731
Latvia (Sweden)	-	144	-	56	200	155
Liberia, Sierra Leone and Guinea	9	198	1	325	533	226
Malawi	19	131	-	313	463	230
Mali and Burkina Faso	-	80	-	94	174	120
Mexico	2	386	1	154	543	622
Middle East	-	279	-	76	355	301
Mozambique	9	271	-	104	384	299
Nigeria	13	138	12	298	461	434
Norway	-	-	-	1	1	2
Pakistan	1	1,113	-	249	1,363	1,263
Papua New Guinea	18	540	56	509	1,123	693
The Philippines	4	422	-	208	634	444
Russia	3	736	-	1	740	770
Rwanda and Burundi	9	184	13	183	389	253
Singapore, Malaysia and Myanmar	6	207	2	222	437	314
South America East	3	544	1	727	1,275	571
South America West	34	392	2	345	773	646
Southern Africa	18	89	3	149	259	166
Spain and Portugal	-	680	-	34	714	713
Sri Lanka	17	191	1	85	294	243
Switzerland, Austria and Hungary	-	-	-	-	-	8
Taiwan	-	94	-	79	173	154
Tanzania	9	162	12	247	430	305
Uganda	28	161	7	387	583	261
United Kingdom with the Republic of Ireland	-	-	-	4	4	6
USA Eastern	-	-	-	24	24	-
Zambia	29	359	19	423	830	185
Zimbabwe and Madagascar	108	431	5	418	962	896
2021 - Total	710	16,189	398	11,939	29,236	21,778

Prior year commitments made to India Eastern Territory over several years were reversed out due to the passage of time and inability to transfer these funds, resulting in a net negative figure of £688k in the year.

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

11. GRANTS AND DONATIONS ALLOCATED TO SALVATION ARMY TERRITORIES IN SUPPORT OF OVERSEAS WORK (Continued)

Territory	2020				Total	2019 Total
	Allowable deductions from Self-Denial funds (see note 1(b)(i))	Grant funding of activities	Additional grant for specific costs	Activities funded by donations		
	£000	£000	£000	£000		
Africa, General	-	-	62	(3)	59	245
Americas, General	-	-	-	4	4	2
Angola	-	48	-	35	83	59
Australia	165	-	-	4	169	86
Australia Southern	-	-	-	-	-	3
Bangladesh	8	203	1	118	330	373
Brazil	26	927	-	171	1,124	666
Canada and Bermuda	35	-	-	-	35	-
Caribbean	27	726	3	65	821	804
Congo (Brazzaville) and Gabon	13	514	28	102	657	769
Czech Republic and Slovakia (Netherlands)	-	493	-	8	501	480
Democratic Republic of Congo	7	560	21	316	904	688
Denmark	-	132	-	13	145	1
Eastern Europe	8	1,052	1	45	1,106	1,116
Estonia (Finland)	1	225	-	1	227	229
Fiji and Tonga	-	-	-	1	1	1
France and Belgium	-	-	-	3	3	1
Germany, Lithuania and Poland	-	210	-	1	211	203
Ghana and Togo	7	149	8	110	274	388
Hong Kong and Macau	-	-	1	1	2	2
India National Secretariat	-	117	-	-	117	134
India Central	-	268	1	66	335	377
India Eastern	9	-	1	100	110	323
India Northern	-	304	1	37	342	550
India South Eastern	2	347	1	78	428	960
India South Western	-	337	2	53	392	458
India Western	4	256	1	154	415	331
Indonesia	-	-	19	90	109	118
Italy and Greece	36	253	2	83	374	470
Kenya East	60	311	35	128	534	584
Kenya West	42	603	30	279	954	784
Korea	-	-	-	1	1	1
Latin America North	7	671	-	53	731	712
Latvia (Sweden)	-	140	-	15	155	145
Liberia, Sierra Leone and Guinea	3	180	17	26	226	234
Malawi	54	128	4	44	230	218
Mali and Burkina Faso	-	109	-	11	120	93
Mexico	5	388	1	228	622	434
Middle East	-	272	-	29	301	268
Mozambique	21	264	3	11	299	318
Nigeria	7	161	34	232	434	290
Norway	-	-	-	2	2	-
Pakistan	3	1,117	-	143	1,263	1,096
Papua New Guinea	28	427	148	90	693	565
The Philippines	7	410	-	27	444	458
Russia	9	754	-	7	770	769
Rwanda and Burundi	13	179	14	47	253	209
Singapore, Malaysia and Myanmar	12	201	2	99	314	264
South America East	6	547	1	17	571	567
South America West	34	407	2	203	646	481
Southern Africa	26	108	3	29	166	183
Spain and Portugal	17	684	-	12	713	706
Sri Lanka	11	186	3	43	243	354
Switzerland, Austria and Hungary	-	-	-	8	8	33
Taiwan	-	95	-	59	154	294
Tanzania	8	157	22	118	305	307
Uganda	4	156	22	79	261	207
United Kingdom with the Republic of Ireland	-	-	-	6	6	245
Zambia	53	368	18	(254)	185	3,838
Zimbabwe and Madagascar	172	545	28	151	896	783
2020 - Total	950	16,689	540	3,599	21,778	25,277

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

12. ANALYSIS OF SUPPORT COSTS BY ACTIVITY

Charitable Activities	Management £000	Finance & IT £000	Human Resources £000	Property £000	Depreciation £000	Governance (see note 13) £000	2021	2020
							Total £000	Total £000
World Mission	112	428	121	131	217	237	1,246	1,380
Assistance to Salvation Army territories	178	678	192	209	344	377	1,978	2,250
International Personnel Training and Development	296	1,131	320	348	572	628	3,295	3,444
Crisis Relief	19	70	20	22	36	39	206	240
Health Services for the Poorest People	4	18	5	5	9	10	51	60
Fighting Against Sexual Trafficking and for Social Justice	28	106	30	32	53	59	308	360
	637	2,431	688	747	1,231	1,350	7,084	7,734

Depreciation on Vehicles and IT Equipment of £131,000 (2020: £125,000) 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 on a per capita basis (see note 10).

Charitable Activities	Management £000	Finance & IT £000	Human Resources £000	Property £000	Depreciation £000	Governance (see note 13) £000	2020	2019
							Total £000	Total £000
World Mission	291	332	63	141	221	332	1,380	1,402
Assistance to Salvation Army territories	475	542	103	230	360	540	2,250	1,711
International Personnel Training and Development	726	829	158	353	552	826	3,444	3,219
Crisis Relief	50	58	11	25	38	58	240	280
Health Services for the Poorest People	13	14	3	6	10	14	60	168
Fighting Against Sexual Trafficking and for Social Justice	76	87	16	37	58	86	360	337
	1,631	1,862	354	792	1,239	1,856	7,734	7,117

Depreciation on Vehicles and IT Equipment of £125,000 (2019: £137,000) 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

	2021 £000	2020 £000
Charitable Activities		
Internal Audit	437	463
External Audit	79	64
Legal and Administration (includes Trustees' Indemnity Insurance)	448	816
International Child Protection Governance	183	367
Finance and Property	203	146
	1,350	1,856
Raising Funds		
External Audit - Reliance Bank	102	70
Total	1,452	1,926

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 is 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 2021

14. PERSONNEL COSTS

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

2021 £000	2020 £000
7,372	7,050
769	701
762	731
8,903	8,482

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

	No.	No.
£60,001 - £70,000	5	5
£70,001 - £80,000	5	3
£80,001 - £90,000	-	1
£90,001 - £100,000	4	5
£100,001 - £110,000	2	2
£110,001 - £120,000	1	-
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001 - £150,000	1	1

The highest paid employee within the above had employer pension contributions of £Nil (2020: £Nil).

The above amounts include employee and staff costs relating to the subsidiary company.

Average number of officers and employees

Salvation Army International Trust
Reliance Bank Limited
SALT College of Africa
TOTAL

2021 FTE	2020 FTE
166	161
39	36
14	-
219	197

(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 seven International Secretaries. The total taxable allowances and benefits plus employers NIC of key management personnel were £229k (2020: £243k).

(ii) Reliance Bank Limited

The Bank's key management personnel are considered to be its Directors (both Executive and Non-Executive), and other members of its Executive Committee, the Chief Operating Officer, the Commercial Director and the Head of Risk and Compliance. The total taxable remuneration and benefits plus employers NIC of the Bank's key management personnel were £585k (2020: £648k). Three Directors of Reliance Bank received emoluments during the year, their remuneration were £266k (2020, £258k) and includes pension contributions of £20,522 (2020: £23,570 from acquisition). The highest paid Director received emoluments of £142,148 of which pension contributions were £Nil (2020: £145,460). 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, the fourteen trustees (see Trustee's report for details), comprise nine senior Salvation Army officers, an employee who acts as Director/Company Secretary and five 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. Salvation Army Officers are required to use the accommodation provided, or another agreed alternative, as part of their ministry. The taxable allowances and benefits received during the year by the officers serving as directors ranged from £9,387 to £25,578 (2020: £5,256 to £27,887) and they did not receive any additional remuneration for their duties as directors. The employee serving as Director/Company Secretary received remuneration of £98,909 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 (2020:two) trustee received a total of £191 (2020: £3,554) for travel expenses in their capacity as directors of The Salvation Army International Trustee Company. Expenses paid on behalf of Executive Directors, in respect of their executive roles 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 2021

16. AUDIT COSTS

The amount payable to the Auditors for the audit of these financial statements amounts to £59,000 excluding VAT (2020: £52,500). SALT College audit review fees amounting to £4,000 excluding VAT were incurred and local Audit fees in the first audit period following incorporation amounted to £3,000 (2020: £Nil). Their remuneration for non-audit services represents direct liaison and coordination for the audits of African Territories amounts to £51,250 excluding VAT (2020: £51,500) with additional payments of £215,000 (2020: £353,600) due to overseas BDO Network Member Firms for the audits of the African territories. The audit of Reliance Bank Limited's financial statements amounts to £85,000 excluding VAT (2020: £70,000).

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. 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, and the most recent 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%. Employers were allowed a maximum of five years to fund the shortfall by paying additional contributions. The Salvation Army International Trust made the third and final payment to meet its share of the shortfall in March 2021. The results of the triennial actuarial valuation performed on 31 March 2021 were not finalised at the time of the signing of these financial statements. Reliance Bank Ltd's shortfall from the 2018 valuation amounted to £188k and the bank elected to pay its share over a 5-year period and had paid two of the five instalments as at March 2021 with the third one paid in August 2021. 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 2021, the Trust and Bank had 40 and 2 employees in the scheme respectively out of a total active membership of 360.

A Defined Contributions Scheme was introduced from 1 October 2011 and 44 members of staff of The Salvation Army International Trust and 25 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. All pension costs relating to the International Trust are met from Unrestricted funds.

18. NET GAINS ON INVESTMENTS

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

	2021	2020	2021	2020
	Group	Group	Charity	Charity
	£000	£000	£000	£000
Gains on Investment	56,732	2,190	56,732	2,190
Foreign Exchange (Losses)/gains on Investments	(5,730)	2,201	(5,728)	2,201
(Loss) on properties reclassified back to Fixed Assets	(58)	-	(58)	-
	50,944	4,391	50,946	4,391

Further details on Gains on Investments can be found in Note 25(e).

The significant volume of transactions denominated in US dollars has given rise to exchange losses, as rates moved between \$1.2455 and \$1.3798 between March 2020 and March 2021.

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:

	2021	2020
	£000	£000
Accelerated capital allowances:		
Liability at start of the year	13	11
Deferred tax (Credited)/charged to profit and loss account for the Year	(13)	2
Liability at end of the year	-	13

No deferred tax asset has been provided for at this point in respect of tax recoverable on losses except to the extent that it offsets timing differences which will crystallise a tax charge in future periods.

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

20. MOVEMENT IN FUNDS

	Balance 31/03/2020 £000	Transfers £000	Incoming Resources £000	Outgoing Resources £000	Balance 31/03/2021 £000
RESTRICTED					
Property Fund	14,287	-	450	(245)	14,492
Other Fixed Assets Fund	-	-	-	-	-
Officers' Support Endowment Fund	5,062	-	186	-	5,248
Int'l Social Justice Commission Fund	2,515	-	-	-	2,515
Int'l Financial Accounting Standards Training	2,138	-	1	(943)	1,196
Other Restricted	5,653	(90)	5,733	(6,078)	5,218
	<u>29,655</u>	<u>(90)</u>	<u>6,370</u>	<u>(7,266)</u>	<u>28,669</u>

The Property Fund represents restricted funds used for specific property acquisitions.
 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.
 The International Financial Accounting Standards Training represents restricted project funds to support the work of the roll out and training of internally established International Financial Accounting Standards around the world.
 All other restricted reserves are funds held for specific overseas areas of work.

	Balance 31/03/2020 £000	Transfers £000	Incoming Resources £000	Outgoing Resources £000	Balance 31/03/2021 £000
UNRESTRICTED					
Property Fund	20,558	(1,043)	679	(634)	19,560
Other Fixed Assets Fund	916	1,858	-	(352)	2,422
Reliance Bank Share Fund	2,500	-	-	-	2,500
Designated Funds					
Property Commitments Fund	28,012	423	1,876	(2,949)	27,362
Self-Denial Fund	23,211	(6,076)	25,805	(20,758)	22,182
Investment Appreciation Fund	41,056	-	51,740	-	92,796
Investment Property Revaluation Fund	40,513	(43)	1,514	-	41,984
Exchange Equalisation Fund	5,327	-	-	(2,172)	3,155
Other Designated Funds	86,737	7,965	10,293	(14,908)	90,087
	<u>224,856</u>	<u>2,269</u>	<u>91,228</u>	<u>(40,787)</u>	<u>277,566</u>
General Reserve					
Held by Trust	5,822	(2,981)	11,978	(9,818)	5,001
Held by subsidiaries	(1,533)	(13)	3,289	(4,524)	(2,781)
	<u>253,119</u>	<u>90</u>	<u>107,174</u>	<u>(56,115)</u>	<u>304,268</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 21).

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 (£18.21m), and an International Property Project reserve (£5.73m) 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 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.

This includes a Mission Support Reserve (£4.51m) held to provide additional project funding to territories over the next 2-3 years and an International Schools Development reserve (£8.06m) 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 (£8.02m) and IT Development Reserve (£5.62m) are held to fund provision of cloud-based accounting software and adequate Information Technology infrastructures to territories over the next 2-3 years. A Leadership Development Reserve (£3.60m) is held to fund the enhancement of training and personal development of Officer over the next 3-4 years.

Four designated Covid-19 Reserves (totalling £4.52m) have been established to fund responses to the pandemic.

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 5.9 months expenditure on headquarters administration costs.

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

20. MOVEMENT IN FUNDS - continued	Balance 31/03/2019 £000	Transfers £000	Incoming Resources £000	Outgoing Resources £000	Balance 31/03/2020 £000
RESTRICTED					
Property Fund	14,533	-	-	(246)	14,287
Other Fixed Assets Fund	141	-	-	(141)	-
Officers' Support Endowment Fund	4,848	-	214	-	5,062
Int'l Social Justice Commission Fund	2,515	-	-	-	2,515
Int'l Financial Accounting Standards Training	-	-	3,335	(1,197)	2,138
Other Restricted	6,059	(136)	3,427	(3,697)	5,653
	<u>28,096</u>	<u>(136)</u>	<u>6,976</u>	<u>(5,281)</u>	<u>29,655</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 21).

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.

The International Financial Accounting Standards Training represents restricted project funds to support the work of the roll out of cloud-based accounting software and training of staff on internally established International Financial Accounting Standards around the world.

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

Transfers from Restricted Reserves relate to transfers to the Self Denial Fund to fund operational grants to specific Territories for activities which meet the restrictions criteria.

	Balance 31/03/2019 £000	Transfers £000	Incoming Resources £000	Outgoing Resources £000	Balance 31/03/2020 £000
UNRESTRICTED					
Property Fund	18,930	2,128	109	(609)	20,558
Other Fixed Assets Fund	883	276	-	(243)	916
Reliance Bank Share Fund	1,500	1,000	-	-	2,500
Designated Funds					
Property Commitments Fund	29,116	(1,738)	2,021	(1,387)	28,012
Self-Denial Fund	22,926	(2,893)	26,435	(23,457)	23,211
Investment Appreciation Fund	43,163	(2,515)	408	-	41,056
Investment Property Revaluation Fund	40,462	-	51	-	40,513
Exchange Equalisation Fund	4,930	-	556	(159)	5,327
Other Designated Funds	83,771	5,378	4,208	(6,620)	86,737
	<u>224,368</u>	<u>(1,568)</u>	<u>33,679</u>	<u>(31,623)</u>	<u>224,956</u>
General Reserve					
Held by Trust	4,708	(1,700)	13,182	(10,368)	5,822
Held by Trading Subsidiary	(572)	-	4,004	(4,965)	(1,533)
	<u>249,817</u>	<u>136</u>	<u>50,974</u>	<u>(47,808)</u>	<u>253,119</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 21).

Transfers between designated reserves relates mainly to the provision for future or development expenses, such as a sinking fund to fund the replacement of the Headquarters office, funding for the High Council held to elect a new General, provision for Information Technology and Finance developments worldwide.

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 (£17.08m), and an International Property Project reserve (£6.39m) 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 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.

This includes a Mission Support Reserve (£2.62m) held to provide additional project funding to territories over the next 2-3 years and an International Schools Development reserve (£8.88m) 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 (£7.53m) and IT Development Reserve (£6.32m) are held to fund provision of cloud-based accounting software and adequate Information Technology infrastructures to territories over the next 2-3 years.

A Leadership Development Reserve (£3.60m) 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 7.1 months expenditure on headquarters administration costs.

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total 2021	Unrestricted Funds	Restricted Funds	Total 2020
	£000	£000	£000	£000	£000	£000
Goodwill	(4,213)	-	(4,213)	(4,740)	-	(4,740)
Other Intangible Assets	392	-	392	394	-	394
Property Assets	17,685	14,492	32,177	19,219	14,287	33,506
Other Tangible Fixed Assets	2,488	-	2,488	-	1,000	1,000
Investments	241,095	14,166	255,261	228,652	15,368	244,020
Current Assets	195,487	-	195,487	148,848	-	148,848
Current Liabilities	(209,168)	-	(209,168)	(179,731)	-	(179,731)
Debtors over one year	64,659	-	64,659	43,675	-	43,675
Creditors over one year	(4,146)	-	(4,146)	(4,198)	-	(4,198)
	<u>304,279</u>	<u>28,658</u>	<u>332,937</u>	<u>253,119</u>	<u>29,655</u>	<u>282,774</u>

Unrestricted Funds also include Funds held by the Trust as Designated.

22. INTANGIBLE FIXED ASSETS

(a) GOODWILL

The negative goodwill arising at acquisition (October 2018) represents the excess of net assets acquired over the cost of the shares purchased in Reliance Bank Limited (see note 2).

	Acquisition
	£000
Calculation of Negative Goodwill	£000
Cost of 49% acquisition in the year	4,108
Share Capital Purchased	(3,675)
Positive Goodwill on acquisition	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)
Write back Positive Goodwill on Acquisition	(433)
Negative Goodwill on Consolidation	(5,700)

Goodwill is being released to the Statement of Financial Activities over a period of 10 years, commencing from 31 March 2020

Amortised Goodwill

	Book Value 2020	Amortisation 2021	Book Value 2021
	£000	£000	£000
Negative Goodwill	(5,130)	570	(4,560)
Positive Goodwill on Acquisition	390	(43)	347
Net Goodwill (Group)	(4,740)	527	(4,213)

(b) OTHER INTANGIBLE FIXED ASSETS

	Computer Software	Total (Charity)	Subsidiary Computer Software	Total (Group)
	£000	£000	£000	£000
Cost:				
Brought Forward	-	-	1,912	1,912
Additions	-	-	177	177
Disposals	-	-	(1,365)	(1,365)
	-	-	724	724
Amortisation:				
Brought Forward	-	-	1,518	1,518
Charge for the year	-	-	179	179
Disposals	-	-	(1,365)	(1,365)
	-	-	332	332
Net Book Value at 31 March 2021	-	-	392	392
Net Book Value at 31 March 2020	-	-	394	394

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

23. PROPERTY ASSETS

	Freehold	Long Leasehold	Overseas	Schemes in Progress	Total (Charity)	Subsidiary Land & Buildings	Total (Group)
	£000	£000	£000	£000	£000	£000	£000
Cost							
Balance at 1 April 2020	30,796	7,426	226	1,506	39,954	4,601	44,555
Transfers from Investment Property	114	649	-	-	763	-	763
Additions during the year	201	434	-	-	635	46	681
	31,111	8,509	226	1,506	41,352	4,647	45,999
Less: Disposals							
Transfer to Tangible Fixed Assets	-	-	-	(1,506)	(1,506)	-	(1,506)
Transfer to Investment Property	(87)	(21)	-	-	(108)	-	(108)
Balance at 31 March 2021	30,888	8,488	226	-	39,602	4,647	44,249
Depreciation							
Balance at 1 April 2020	8,927	1,954	28	-	10,909	140	11,049
Reinstated on Transfer from Investment Property	44	39	-	-	83	-	83
Charge for the year	706	170	5	-	881	132	1,013
	9,677	2,163	33	-	11,873	272	12,145
Eliminated: on Disposals							
on Transfer to Investment Property	(48)	-	-	-	(48)	-	(48)
	(17)	(8)	-	-	(25)	-	(25)
Balance at 31 March 2021	9,612	2,155	33	-	11,800	272	12,072
Net Book Value at 31 March 2021	21,276	6,333	193	-	27,802	4,375	32,177
Net Book Value at 31 March 2020	21,869	5,472	198	1,506	29,045	4,461	33,506

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)	Subsidiary Office Equipment	Total (Group)
	£000	£000	£000	£000	£000	£000	£000
Cost							
Balance at 1 April 2020	5,627	75	604	59	6,365	1,138	7,503
Additions during the year	1,451	211	195	-	1,857	23	1,880
	7,078	286	799	59	8,222	1,161	9,383
Less Disposals							
	-	-	(170)	-	(170)	(652)	(822)
Balance at 31 March 2021	7,078	286	629	59	8,052	509	8,561
Depreciation							
Balance at 1 April 2020	5,006	15	369	59	5,449	1,054	6,503
Charge for the year	154	41	156	-	351	41	392
	5,160	56	525	59	5,800	1,095	6,895
Eliminated on disposals							
	-	-	(170)	-	(170)	(652)	(822)
Balance at 31 March 2021	5,160	56	355	59	5,630	443	6,073
Net Book Value at 31 March 2021	1,918	230	274	-	2,422	66	2,488
Net Book Value at 31 March 2020	621	60	235	-	916	84	1,000

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

25. INVESTMENTS

	2021		2020	
	Cost	Market Value	Cost	Market Value
	£000	£000	£000	£000
(a)(i) Group				
Listed Investments				
Fixed Interest				
UK Government	20,796	20,490	20,123	22,785
Overseas	565	581	517	577
Sterling Certificates of Deposit (see Note (b) below)	40,540	40,540	60,210	60,210
Equities				
UK Directly Held Equities	9,658	11,466	9,576	8,944
Overseas Directly Held Equities	91,771	126,077	86,362	96,834
	163,330	199,154	176,788	189,350
Investment Property (see Note (f) below)	7,873	49,857	8,400	48,870
Property - Freehold Reversionary Interest (see Note (g) below)	2,990	6,250	2,990	5,800
	174,193	255,261	188,178	244,020
Bank Deposits (see Note (c) below)	16,137	16,137	13,571	13,571
	190,330	271,398	201,749	257,591
(a)(ii) Charity				
Listed Investments				
Fixed Interest				
UK Government	20,796	20,490	20,123	22,785
Overseas	565	581	517	577
Equities				
UK Directly Held Equities	9,658	11,466	9,576	8,944
Overseas Directly Held Equities	91,771	126,077	86,362	96,834
	122,790	158,614	116,578	129,140
Subsidiary Company (Note 4)				
Reliance Bank Ltd. - Shares	10,000	10,000	10,000	10,000
Investment Property (see Note (f) below)	7,873	49,857	8,400	48,870
Property - Freehold Reversionary Interest (see Note (g) below)	2,990	6,250	2,990	5,800
	143,653	224,721	137,968	193,810
Bank Deposits (see Note (c) below)	23,649	23,649	15,093	15,093
	167,302	248,370	153,061	208,903

(b) Debt Securities

Debt securities are generally held to maturity and are valued at amortised cost less impairment. £10.10m of Sterling Certificates of Deposit held at the balance sheet date mature within three months (2020: £15.04m), with £nil maturing between three and six months (2020: £15.08m) and £23.01m maturing between six months and one year (2020: £30.09m). The Bank also held Covered Bonds of £7.43m maturing between two and three years.

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. Fixed rate 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)
US Dollars & Euros
Loans and Advances to Banks - Deposits
Cash held by Investment Managers

	2021	2020	2021	2020
	Group	Group	Charity	Charity
	£000	£000	£000	£000
Sterling - Notice Deposits (less than 3 months)	-	-	8,514	1,001
US Dollars & Euros	9	10	14,508	12,257
Loans and Advances to Banks - Deposits	15,501	11,726	-	-
Cash held by Investment Managers	627	1,835	627	1,835
	16,137	13,571	23,649	15,093

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

25. INVESTMENTS - continued

	2021 Group £000	2020 Group £000	2021 Charity £000	2020 Charity £000
(d) Movement in Listed Investments				
Market Value at 1 April	189,350	191,594	129,140	126,309
Purchases in year	118,663	118,605	63,230	38,605
Sales proceeds	(147,543)	(124,104)	(72,543)	(39,104)
Amortisation	(103)	(75)	-	-
Net Gains- Listed Investments	38,787	3,330	38,787	3,330
Market Value at 31 March	199,154	189,350	158,614	129,140
(e) Gains/(Losses) on Investment Assets				
Listed Investments (see Note (d) above)	38,787	3,330	38,787	3,330
Net Surplus on revaluation of Investment Property	2,042	1,316	2,042	1,316
Realised Gain on disposal of Investment Property	-	81	-	81
Release of revaluation surplus on disposal of Investment Property		(207)	-	(207)
Release of revaluation surplus on transfer of Investment Property to Fixed Assets	(528)	(912)	(528)	(912)
Gain on revaluation of Freehold Reversionary Interest (see Note (f) below)	450	-	450	-
Gain/(Loss) on revaluation of US Dollar Deposits	(1,092)	560	(1,092)	560
Gain on Cash Held by Investment Managers	2	-	2	-
Gain/(Loss) on US held investments	17,071	(1,978)	17,071	(1,978)
	56,732	2,190	56,732	2,190

(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 £235,359 and fair value as at 31 March 2021 of £1,100,000 giving rise to a revaluation gain of £864,641.

As part of the three-year revaluation rolling plan, sixty-nine investment properties have been valued at fair value as at 31 March 2021 resulting in an additional revaluation gain of £1,177,250.

During the year no investment properties were sold and two were transferred back to Fixed Assets.

Valuations are provided using the comparison method by an external Chartered Surveyor, with primary regard to vacant sales comparable evidence paying due regard to the resulting gross yields. The properties have been valued individually.

(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 £232,750 per annum is receivable. An additional £237,000 was received in the year, in relation to a break in the lease. The freehold reversionary interest has been valued at the year end by the Trustee, based on advice from an external consulting surveyor, at £6.25 million (2020: £5.80 million).

This valuation is reported on the basis of "material valuation uncertainty", as per VPS 3 and VPGA 10 of the RICS Red Book Global. This means that although the valuation can be relied upon, less certainty can be attached in the current Covid-19 circumstances than would otherwise be the case.

26. DEBTORS AND PREPAYMENTS

	2021 Group £000	2020 Group £000	2021 Charity £000	2020 Charity £000
Due from Salvation Army territories	4,066	7,049	4,066	7,049
Funds held in USA	55,090	45,475	55,090	45,475
Prepayments	532	699	341	290
Other Debtors	600	1,434	515	1,441
Amounts falling due after more than one year:				
Loans due from Salvation Army territories.	393	562	393	562
	60,681	55,219	60,405	54,817
Loans and Advances to Bank customers (see Note (i) below)	13,239	10,092	-	-
Amounts falling due after more than one year:				
Loans and Advances to Bank Customers (see (i) below)	64,267	43,113	-	-
	77,506	53,205	-	-
	138,187	108,424	60,405	54,817

Funds held in USA are held and invested by a US Salvation Army entity on behalf of SAIT.

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

26. DEBTORS AND PREPAYMENTS - Continued

(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.

No loans have been made to group undertakings.

	2021 £000	2020 £000
Recoverable on Demand:		
Overdrafts	287	1,115
Other Loans and Advances:		
Mortgages	38,615	24,504
Loans	38,604	27,586
	<u>77,219</u>	<u>52,090</u>
	<u>77,506</u>	<u>53,205</u>
Loans and advances to customers analysed by periods to maturity:		
Recoverable:		
On demand	7,832	9,861
In 3 months or less	1,288	1
In 1 year or less but more than 3 months	4,119	230
	<u>13,239</u>	<u>10,092</u>
In 2 years or less but more than one year	222	681
In 5 years or less but more than 2 years	3,368	1,689
Over 5 years	60,831	40,881
Collective impairment provision	(154)	(138)
	<u>77,506</u>	<u>53,205</u>

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)

	2021 Group £000	2020 Group £000	2021 Charity £000	2020 Charity £000
	253	348	5,413	4,998
	172	142	238	360
	37	4	3,725	4
	<u>462</u>	<u>494</u>	<u>9,376</u>	<u>5,362</u>
	31,302	18,126	-	-
	73,927	51,769	-	-
	<u>105,691</u>	<u>70,389</u>	<u>9,376</u>	<u>5,362</u>

(i) Loans and Advances to Banks

Bank Balances

Recoverable on Demand
Interbank Loans recoverable in 3 months or less
Recoverable on Demand

	2021 £000	2020 £000
	27,670	13,602
	3,632	4,524
	<u>31,302</u>	<u>18,126</u>

All the loans and advances to banks represent deposits with financial institutions whose credit ratings meet the risk appetite of the Board. No impairment provisions have been raised against these balances (2020: £nil). In both financial years, none of these loans and advances to banks were extended to related parties and none are secured.

Deposits with, and debt instruments issued by, these financial institutions play an important role in Reliance Bank's strategy and day-to-day liquidity management. Instant access bank deposits are held at a sufficient level to meet

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

27. BANK BALANCES - continued

	2021 £000	2020 £000
(ii) Cash and Balances at Central Bank		
Cash in Hand	-	-
Balances at Central Bank	73,927	51,769
	<u>73,927</u>	<u>51,769</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. The Bank maintains a low risk approach to treasury investments, with risk appetite limits set on maintenance of various liquidity thresholds. Sufficient High Quality Liquid Assets must be held to cover net cash outflows over a 30-day period as a regulatory requirement, monitored through the calculation of a Liquidity Coverage Ratio (LCR).

28. CURRENT LIABILITIES

	2021 Group £000	2020 Group £000	2021 Charity £000	2020 Charity £000
Due to Salvation Army territories	7,323	7,650	7,322	7,650
Bank customer Accounts (see (i) below)	199,535	168,295	-	-
Other Creditors and Accruals	2,234	3,370	1,732	3,129
	<u>209,092</u>	<u>179,315</u>	<u>9,054</u>	<u>10,779</u>

(i) Reliance Bank Customer Accounts

	2021 £000	2020 £000
Current Accounts	108,580	63,637
Deposit Accounts	90,955	104,658
	<u>199,535</u>	<u>168,295</u>

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

	2021 £000	2020 £000
Repayable on demand	152,842	89,755
3 months or less but not repayable on demand	42,538	56,138
1 year or less but over 3 months	4,155	22,402
	<u>199,535</u>	<u>168,295</u>

The Bank has entered into an overarching minimum credit balance agreement with its parent and a similar arrangement exists with another key customer. The Bank agreed to adjust these minimum balance agreements during the year and total credit balances with the Bank to £69,000,000 are subject to 3 months' written notice (2020: £79,000,000). The Bank's liquidity position, under the current regulatory liquidity regime, reflects these assurances provided to the Bank.

29. OTHER CREDITORS DUE AFTER MORE THAN ONE YEAR

	2021 Group £000	2020 Group £000	2021 Charity £000	2020 Charity £000
Deferred Payments due to Salvation Army Territories	4,108	4,108	4,108	4,108
Deferred Tax Liability	-	14	-	-
	<u>4,108</u>	<u>4,122</u>	<u>4,108</u>	<u>4,108</u>

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

30. OPERATING LEASE COMMITMENTS

At the 31 March 2021 The Salvation Army International Trust were committed to making the following payments in respect of operating leases:

	2021 Group £000	2020 Group £000	2021 Charity £000	2020 Charity £000
Within one year	239	195	53	81
Between one to five years	599	122	76	26
Over five years	2	-	-	-
	840	317	129	107

31. CAPITAL COMMITMENTS

There are 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:

	2021 Contract Amount £000	2020 Contract Amount £000
Commitments:		
Undrawn formal standby facilities of one year or less	12,688	7,465
Contingent Liabilities:		
Guarantees	7,694	7,694
	20,382	15,159

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.

Commitments reflect approved mortgage and loan commitments awaiting drawdown.

33. RELATED PARTY TRANSACTIONS

The Salvation Army International Trust receives contributions for the International Self-Denial Fund, International Headquarters Support and other items from Salvation Army territories (see Note 3). Annual grants from the Trust to territories are considered as part of the annual IHQ budget process and paid quarterly in advance to each financially supported territory (see Note 11)

The banking company, Reliance Bank Limited (Company Registration Number: 00068835, Faith House, 23-24 23-24 Lovat Lane, London, EC3R 8EB) is a wholly owned subsidiary of the Trust. Related party transactions between the two entities during the financial year include bank interest received of £42k (2020:£271k), services invoiced £18k (2020:£11k), rent and services, paid of £142k (2020:£59k) and bank charges paid of £18k (2020:£14k).

The Salvation Army Leaders Training College of Africa & Resource Centre Limited (Company Registration Number: PVT-DLUKBDP Kabete Children's Home Complex, PO Box 40575-00100, Nairobi, Kenya) is a wholly owned subsidiary of the Trust. Related party transactions between the two entities include a transfer of assets of £26k (2020:Nil) at 31 July 2020 and grants totalling £63k (2020:£Nil) from August 2020.

Trustee remuneration and expenses for SAITCo Directors are listed in Note 15.

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.

DIRECT CONTRIBUTIONS FROM TERRITORIES TOWARDS SPECIAL PROJECTS FOR THE YEAR ENDED 31 MARCH 2021

In addition to the contributions made by the International Trust for work overseas, contributions were made directly by territories towards special projects as stated below. This information is provided by the Trustee and is not included in the opinion on the financial statements by the external auditor.

CONTRIBUTIONS FROM TERRITORIES	£	RECIPIENT TERRITORIES	£
Australia	981,161	Angola	59,250
Canada and Bermuda	817,171	Australia	463,518
Denmark and Greenland	39,273	Bangladesh	263,362
Hong Kong and Macau	871,603	Brazil	926,781
Japan	49,364	Canada and Bermuda	20,052
Korea	6,114	Caribbean	1,094,506
The Netherlands, Czech Republic and Slovakia	425,049	Congo (Brazzaville) with Gabon	336,156
New Zealand, Fiji, Tonga and Samoa	332,281	Denmark and Greenland	17,540
Norway, Iceland and The Faeroes	464,042	Democratic Republic of Congo	452,006
Switzerland, Austria and Hungary	1,589,627	Eastern Europe	412,036
United Kingdom with the Republic of Ireland	64,670	Finland and Estonia	1,334
USA Central	3,196,428	Germany, Lithuania and Poland	154,548
USA Eastern	3,245,866	Ghana with Togo	100,568
USA Southern	1,970,302	Hong Kong and Macau	78,690
USA Western	1,322,790	India National Secretariat	81,489
USA SAWSO	4,356,354	India Central	315,739
		India Eastern	4,038
	<u>£19,732,095</u>	India Northern	272,696
		India South Eastern	686,441
		India South Western	233,229
		India Western	448,544
		Indonesia	647,708
		Italy and Greece	391,798
		Japan	1,530,187
		Kenya East	413,284
		Kenya West	596,212
		Korea	31,544
		Latin America North	839,663
		Liberia and Sierra Leone with Guinea	303,522
		Malawi	429,837
		Mali with Burkina Faso	321,847
		Mexico	695,784
		Middle East Region	167,600
		Mozambique	116,874
		The Netherlands, Czech Republic and Slovakia	157,704
		New Zealand, Fiji, Tonga and Samoa	37,302
		Nigeria	195,746
		Norway, Iceland and The Faeroes	189,819
		Pakistan	95,882
		Papua New Guinea and Solomon Islands	452,464
		The Philippines	530,206
		Russia	144,315
		Rwanda and Burundi	242,758
		Singapore, Malaysia and Myanmar	425,130
		South America East	345,446
		South America West	591,801
		Southern Africa	448,895
		Spain and Portugal	240,892
		Sri Lanka	421,592
		Sweden and Latvia	96,675
		Switzerland, Austria and Hungary	57,136
		Taiwan	183,678
		Tanzania	375,665
		Uganda	216,613
		United Kingdom with the Republic of Ireland	6,525
		Zambia	689,298
		Zimbabwe and Botswana with Madagascar	678,170
			<u>£19,732,095</u>



TOGETHER
WE CAN BEAT
COVID-19

Keep hands Clean

Wash thoroughly with soap and warm water. Hand sanitizer should have at least 60% alcohol content.

Leave space Between

Apart from those you share a home with, you should avoid being any closer than two metres (six feet) from other people.

Mask for Hygiene

Wipe coverings or masks should be worn in crowded and covered public spaces.

Get the Vaccine

Getting the COVID-19 vaccine adds a layer of protection for you, your co-workers, partners, and friends.

To protect yourself and others from COVID-19, it all starts with YOU. Save lives by following these simple guidelines. Adhere to all national regulations and requirements, and take the advice of your own healthcare professionals. Download this poster and find out more about the vaccine at sar.my/beatcovid19





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