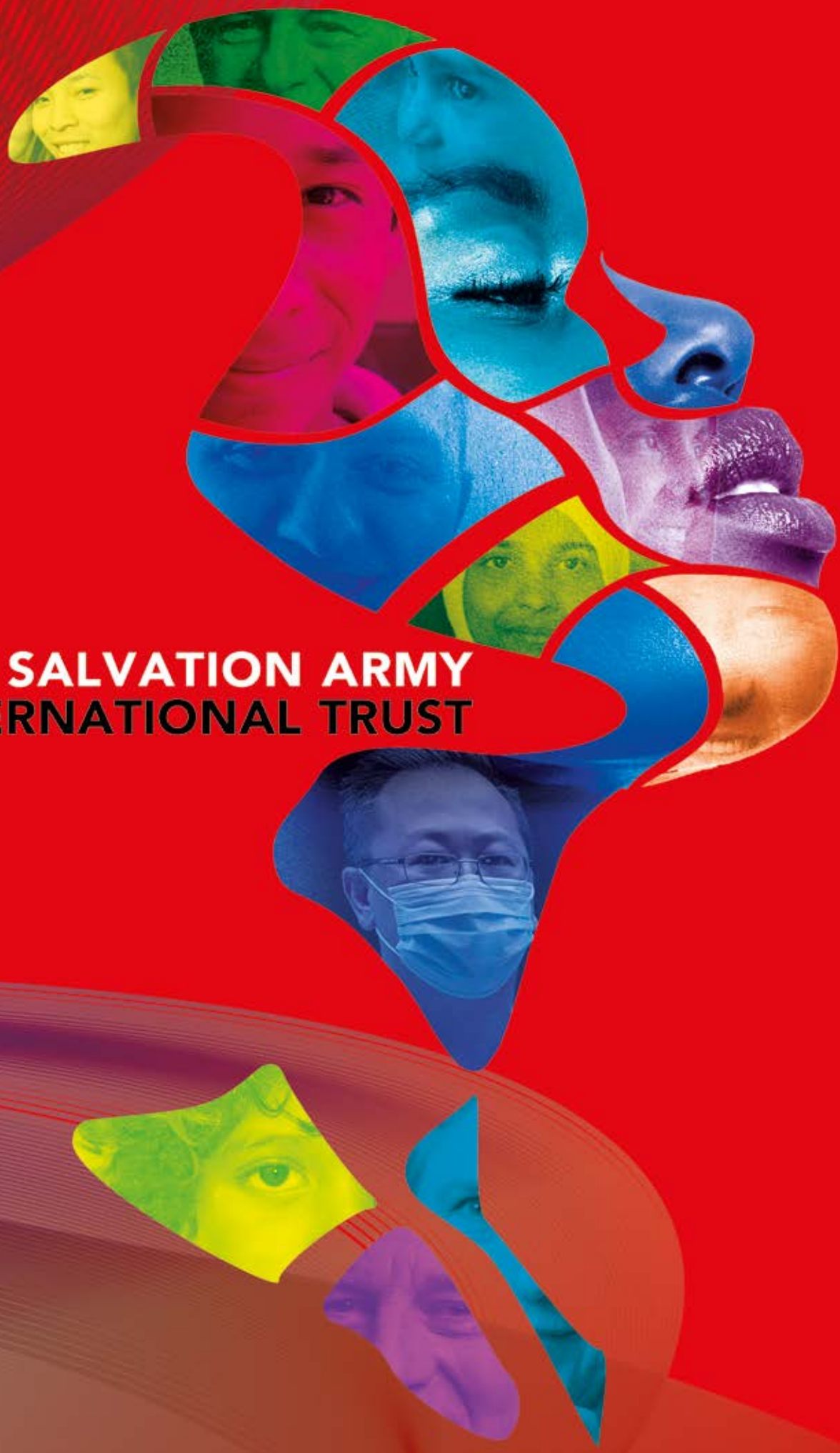


FOR THE YEAR ENDED 31 MARCH 2022

THE SALVATION ARMY INTERNATIONAL TRUST

32nd REPORT AND ACCOUNTS





THE SALVATION ARMY

International Headquarters
101 Queen Victoria Street
London EC4V 4EH

Website: www.salvationarmy.org
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 **132**
Corps, outposts, societies,
new plants and recovery churches **14,597**
Goodwill centres **72**
Officers **27,299**
Active **16,993**
Retired **10,306**
Auxiliary-captains **330**
Envoys/sergeants/non officer personnel, full-time **1,085**
Cadets **941**
Employees **105,400**



THE SALVATION ARMY MEMBERSHIP

Senior soldiers **1,251,573**
Adherents **172,438**
Junior soldiers **404,727**

CORPS PROGRAMME

Senior band musicians **29,170**
Senior songsters **135,627**
Other senior musical group members **105,079**
Senior and young people's local officers **154,959**
Women's Ministries (all groups) members **758,850**
League of Mercy – members **167,289**
SA Medical Fellowship – members **7,689**
Over-60 clubs – members **59,203**
Men's fellowships – members **104,047**
Young people's bands – members **14,875**
Young people's singing companies – members **101,275**
Other young people's music groups – members **147,676**
Corps cadets **39,893**
Sunday schools – members **577,851**
Junior youth groups
(scouts, guides, etc, and clubs) – members **250,620**
Senior youth groups – members **167,501**
Parent and toddler groups **1,005**
Capacity **44,684**
Corps-based community development programmes **34,530**
Beneficiaries/clients **805,827**
Thrift stores/charity shops (corps/territorial/social) **2,702**
Recycling centres **23**

ADDICTION DEPENDENCY

Non-residential programmes **101**
Capacity **1,580**
Residential programmes **199**
Capacity **12,682**
Harbour Light programmes **17**
Capacity **1,615**
Other services for those with addictions **61**
Capacity **2,705**



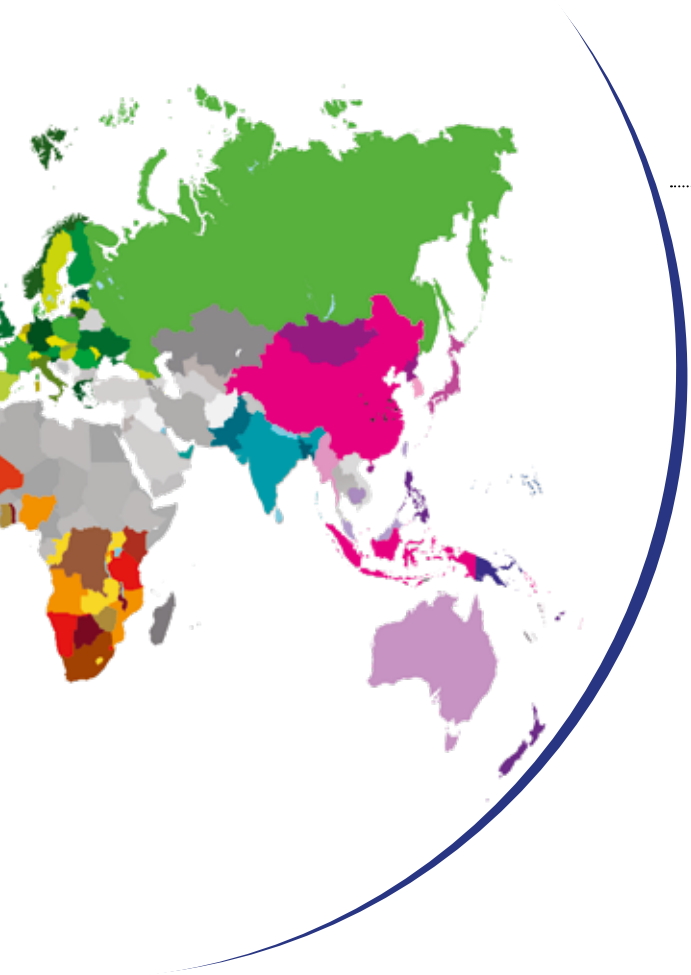
SOCIAL PROGRAMME

Residential
Accommodation for
the homeless **84,417**
Capacity **43,656**
Children's homes **200**
Capacity **6,152**
Homes for elderly persons **191**
Capacity **10,854**
Homes for disabled persons **30**
Capacity **1,465**
Homes for blind persons **4**
Capacity **82**
Remand and probation homes **136**
Capacity **991**
Mother and baby homes **30**
Capacity **930**
Training centres for families **89**
Capacity **3,500**
Care homes for vulnerable people **69**
Capacity **1,749**
Other residential care homes/hostels **29**
Capacity **1,330**

EDUCATION PROGRAMME

Pre-school/kindergarten/sub primary **780**
Primary schools **1,348**
Secondary and high schools **508**
Colleges and universities **17**
Vocational training schools/centres **47**
Pupils **471,519**
Teachers **19,075**
Schools for blind students (included in above totals) **20**
Schools for disabled students (included in above totals) **39**
Boarding schools (included in above totals) **161**
Staff training and development centres **36**
Learning centres **8**





Source of statistics: *The Salvation Army Year Book 2022* (pages 40-41)



SERVICES TO THE COMMUNITY

- Community centres **476**
Capacity **783,475**
- Day centres for the elderly **88**
Capacity **3,403**
- Day centres for street children **6**
Capacity **250**
- Day nurseries **371**
Capacity **20,907**
- Drop-in centres for youth **256**
Capacity **18,482**
- Other day care centres **1,090**
Capacity **2,036**
- Prisoners visited **50,575**
- Prisoners helped on discharge **44,284**
- Police courts – people helped **51,730**
- Missing persons – applications **2,265**
Number traced **813**
- Night patrol/anti-suicide – number helped **219,827**
- Employment bureaux – applications **61,440**
- Initial referrals **67,384**
- Counselling – people helped **204,534**
- General relief – people helped **16,939,895**
- Emergency relief (disasters) – people helped **10,152,114**
- Emergency mobile units **7,549**
- Feeding centres **42,154**
- Restaurants and cafés **145**
- Apartments for elderly **1,067**
Capacity **4,687**
- Hostels for students, workers, etc **60**
Capacity **1,141**
- Land settlements (capacity) **88**
- Social Services summer camps **47**
Participants **5,796**

HEALTH PROGRAMME



- General hospitals **29**
Capacity **2,150**
- Hospice long-term care **18**
Capacity **620**
- Maternity hospitals **38**
Capacity **892**
- Other specialist hospitals **38**
Capacity **1,775**
- Specialist clinics **21**
Capacity **3,398**
- General clinics/health centres **161**
- Mobile clinics/community health posts **1,201**
- Inpatients **467,509**
- Outpatients **747,981**
- Doctors/medics **11,208**
- Non medical staff **3,451**
- Invalid/convalescent homes **3**
Capacity **156**
- Health education programmes (HIV/Aids, etc) **3,685**
- Beneficiaries **182,963**
- Day care programmes **58**

SERVICES TO THE ARMED FORCES



- Mobile units for service personnel **20**
- Chaplains **57**



EMERGENCY DISASTER RESPONSE

- Disaster rehabilitation schemes **83**
Participants **241,407**
- Refugee programmes – host country **28**
Participants **164,765**
- Refugee rehabilitation programmes **28**
Participants **165,024**
- Other response programmes **146**
Participants **4,013,710**



Foreword by
General Brian Peddle

As I write this foreword to you, war has been raging in Eastern Europe for many months; in other parts of the world, there are protests resulting in violence and in some cases, loss of life; there are places where the government has been overturned by nationals fighting for what they believe is right; other parts of the world are experiencing disastrous heat, floods, mudslides and other natural disasters as the scientists report that the globe is warming; in some countries, political structures crumble at the hands of politicians who have been party to lies, cheating and a lack of integrity. There are many more instances that I could cite – but in each of these scenarios, 'trust' is eroding. Whether it is the trust between countries, or between people and their government, or just simply trust in a way of life that is no longer the same as it once was – it is a matter of trust.

You will read in this document, a great deal about a trust ('SAIT' – see page 8). But it draws attention to the need to be trusted. In a world where things seem to be falling apart, The Salvation Army seeks to be a trusted partner for people who are in need. The Salvation Army seeks to do that by demonstrating to the world our trust in God who is attentive to every individual, no matter what their need might be. But The Salvation Army also needs to be trusted with the hard things. The Salvation Army needs to have a framework within its structure that will provide accountability, monitor appropriate activity and keep the trust of those we serve, as well as those who support our mission.

I believe that as you read this report, you will find that level of accountability within the pages of this document. As I travel the world, I see amazing work being done in the name of Jesus, at the hands of many who are committed to the work and ministry of The Salvation Army. We can only provide you with a snapshot of this work but I believe you will quickly see that God is blessing our Salvation Army as we remain faithful to him and faithful to the trust for which we are responsible.

I must express my sincere thanks to the directors, bankers, solicitors, auditors and investment managers who work to ensure best practice, legislative compliance, fiscal responsibility and effective allocation of resources that are given to The Salvation Army in trust.

As you read through the stories of transformation, I hope that your trust in The Salvation Army will be reinforced, but even more, that your faith in God will be stronger knowing that he is doing a greater work in us than we could ever imagine.

God bless you!

Sincerely yours,

Brian Peddle
GENERAL



Foreword by the Chief of the Staff
Commissioner Lyndon Buckingham

As the Chair of the Board of Directors of The Salvation Army International Trustee Company ('SAITCo' - see page 8), it is my privilege to commend the Annual Report to readers.

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

The work of The Salvation Army globally is vital and greatly valued. At a time of significant crisis and challenge in our world, I am proud of the way in which Salvation Army resources have continued to be managed to both enable and ensure the provision of high levels of service. This has been particularly evident in our on-going response to the global pandemic and the situation involving Ukraine and Russia.

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

In response to the wide ranging and significant governance review in recent years, SAITCo has implemented a number of reforms this year including changes to the operation of subsidiary boards, committees and councils, an update of expenditure authority thresholds for financial decision-making and internal staff reorganisations. Alongside this, SAITCo has continued to embrace many governance activities outlined within the Charity Governance Code. In response to the most recent update of this code, further actions are being considered which focus on the principles of integrity and equality, diversity and inclusion as well as risk management protocols and the strategic planning process, all of which will strengthen our movement.

There is no denying COVID-19 has had its impact on the global movement. During the 2021/22 year as many territories started to move out of the grip of the pandemic and the restrictions this placed upon their ministries, new service opportunities have arisen, and adjustments have been made to better address their new realities.

SAITCo continues to monitor closely developments in relation to the COVID-19 crisis, the Russia/Ukraine crisis and other events. We are confident the Trust is well placed to continue to achieve its objectives due to a strong financial position and sound governance.

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

FOR
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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 2022.



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.

08

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AND MANAGEMENT

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SAITCO DIRECTORS

Commissioner Birgitte Brekke-Clifton *SRN*

Commissioner Lyndon Buckingham

Commissioner Keith Conrad

Commissioner Lee Graves *MBA*

Commissioner Edward Hill *MDiv, MACE*

Commissioner Debbie Horwood

Commissioner Eva Kleman

Commissioner Robyn Maxwell

Commissioner Suresh Pawar

Commissioner Mark Tillsley *BA, MSc, PhD*

Lieut-Colonel Russell Malcolm *BCom, DipApTh, MBA, CAANZ CA*

Dr Matthew Carpenter *BA, MBA, DBA, MCMI*

Ms Elizabeth Edwards *BSc (Hons), FRICS*

Mr Robin Foale

Mr James Gardner *MA*

Mr Mark Goodale *BA, FIA*

Mr Peter King *Solicitor, MA*

Mr Robert Lister

Mr Tim Sketchley *BA, MA (Cantab), FRICS*

from 1 March 2013 to 30 June 2021

from 3 August 2018

from 1 August 2019

from 1 November 2020

from 1 May 2021

from 1 July 2021

from 1 November 2020

from 1 November 2020

from 12 November 2020

from 11 May 2018 to 30 April 2021

from 1 February 2022

from 1 July 2014 to 31 January 2022

from 1 May 2013 to 30 April 2022

from 1 May 2019

from 1 May 2022

from 1 May 2019

from 1 May 2013 to 30 April 2022

from 1 January 2016

from 1 May 2022

AUDIT COMMITTEE MEMBERS

Ms Rosie Bichard *GCB.D, CFA (Chair)*

Ms Elizabeth Edwards *BSc (Hons), FRICS*

Mr Mark Goodale *BA, FIA*

Mr Tim Sketchley *BA, MA (Cantab), FRICS*

Mr Andrew Stickland *BA(Hons), FCA*

PRINCIPAL OFFICERS

Commissioner Lee Graves *MBA*

Dr Matthew Carpenter *BA, MBA, DBA, MCMI*

Dr Matthew Carpenter *BA, MBA, DBA, MCMI*

Lieut-Colonel Russell Malcolm *BCom, DipApTh, MBA, CAANZ CA*

Mr Kaloan Belito *BA, DchA, MSc, FCCA*

Managing Director

Company Secretary

Head of Finance to 31 January 2022

Head of Finance from 1 February 2022

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

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 and of its International Headquarters (IHQ), which is to advance the Christian religion and meet human need as and where it occurs throughout the world. The operation of IHQ is therefore an integral part of the work of the Trust. 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.



CONNECTED ENTITIES

The Salvation Army Retired Officers Allowance Scheme

Registered Charity 1153681

Declaration of Trust dated 13 December 2012

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

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

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

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

Reliance Bank Limited

The banking company, Reliance Bank Limited (the 'Bank'), 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. Between December 2019 and March 2022, £4 million of additional share capital was invested by the Trust in the Bank to support its strategic plan against the background of the global pandemic, ultra-low interest rates and the Bank's investments in systems and resources.

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 meets the functional banking requirements of IHQ (as distinct from territories) 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 offers employees of Salvation Army organisations personal lending and current account services at market rates. The Bank further provides banking services and lending secured on property to other UK charities and positive social impact organisations, as well as savings and mortgage products to the general public.

In 2018, SAITCo as ordinary Trustee of the Trust, undertook considerable due diligence 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, to support the investment of additional share capital, the Trust refreshed 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. The consultant's report highlighted a number of areas within the strategic plan for ongoing monitoring and assessment by SAITCo through established reporting mechanisms. From time to time, the Trust will again refresh this appraisal and critically evaluate the Bank's performance against its 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 structures and systems as it embarks on its new strategy under the sole ownership of the Trust. Historically, the Bank's business model was to invest the funds it received from customers, with treasury counterparties, and the margin received more than covered the fixed costs of running the Bank. As interest rates fell, this model became unsustainable. The new five-year strategic plan aims to build a social impact lending portfolio, not only to improve financial returns, but to align to the mission of supporting communities.

Consolidated accounts for the Trust incorporating the Bank as its banking subsidiary are presented for 2021/22 as well as charity results, assets and liabilities for the Trust (see page 64).

Whilst the Trust is the Bank's parent controlling entity, a Nominations Committee comprising Non-Executive Directors of the Bank recommends the appointment of Directors to its board. This includes consideration of proposed shareholder-representative Directors.

The Bank, in common with all banks, faces several inherent risks such as credit risk, interest rate risk, risk arising from holding foreign currencies, climate change risk, compliance 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 its Board Conduct, Risk and Compliance Committee and Executive Committee.

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

The Salvation Army Leaders' Training 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 hitherto operated 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 and during the year under review (2021/22), 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 separate legal entity in 2020 in the sum of £26,309 are not material to the Trust.

GOVERNANCE

The Trust utilises a committee structure to supervise its operations. SAITCo's Board of Directors, including five Independent Non-Executive Directors, delegates day-to-day financial management decisions to the International Finance Board ('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 with a review of terms of reference undertaken in September 2021 and November 2022.

SAITCo has a Serious Incident Reporting Policy and Procedure in place, last reviewed in July 2022, 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 framework of internal controls and local financial management systems are in place, supported by a manual of International Financial and Accounting Standards ('IFAS') for The Salvation Army issued from IHQ. Salvation Army territories also share findings of locally instructed external audits of territorial operations with IHQ for review and consideration within the internal audit process. A project is well advanced to roll out cloud-based accounting software to all financially supported territories by 2025/26 to enable more regular and more detailed reporting both within territories and from territories to IHQ. A new reporting mechanism from all territories to the IFB commenced during 2020/21 and remains in place, 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 significant enhancement to internal controls.

An Audit Committee also meets on a quarterly basis and comprises five members, including two Independent Non-

Executive Directors of SAITCo, with none of the members holding 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.

SAITCo has undertaken a wide ranging and significant governance review in recent years 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 opportunity for further development in areas such as formal monitoring of Board skills and performance. Further actions are also being considered within the ongoing governance review process 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 of IHQ was also undertaken during 2020/21 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 were implemented during 2021/22 including changes to the operation of subsidiary boards, committees and councils, update of expenditure authority thresholds for financial decision-making and internal staffing reorganisations.

A further body of agreed actions is anticipated in 2022/23, prompted by the governance review, with a particular focus on reforms to risk management protocols and the strategic planning process as well as additional items highlighted by the Charity Governance Code.



 **The Salvation Army International**

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 two 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.

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.



Headquarters, London, UK with St Paul's Cathedral in the background

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 with a further update scheduled for January 2023.

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 eight 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 with a 'highly effective' or 'exceptional' performance rating. 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, last reviewed and updated in November 2022, can be accessed at <http://www.salvationarmy.org/ihq/modernslaveryact2015> and provides details of the variety of measures undertaken by SAITCo to avoid and reduce the risk of inadvertently supporting modern slavery in any way.

FUNDRAISING

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although the Trust does not actively undertake widespread fundraising from the general public, the legislation defines fundraising 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.



OBJECTIVES AND ACTIVITIES

Public Benefit

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

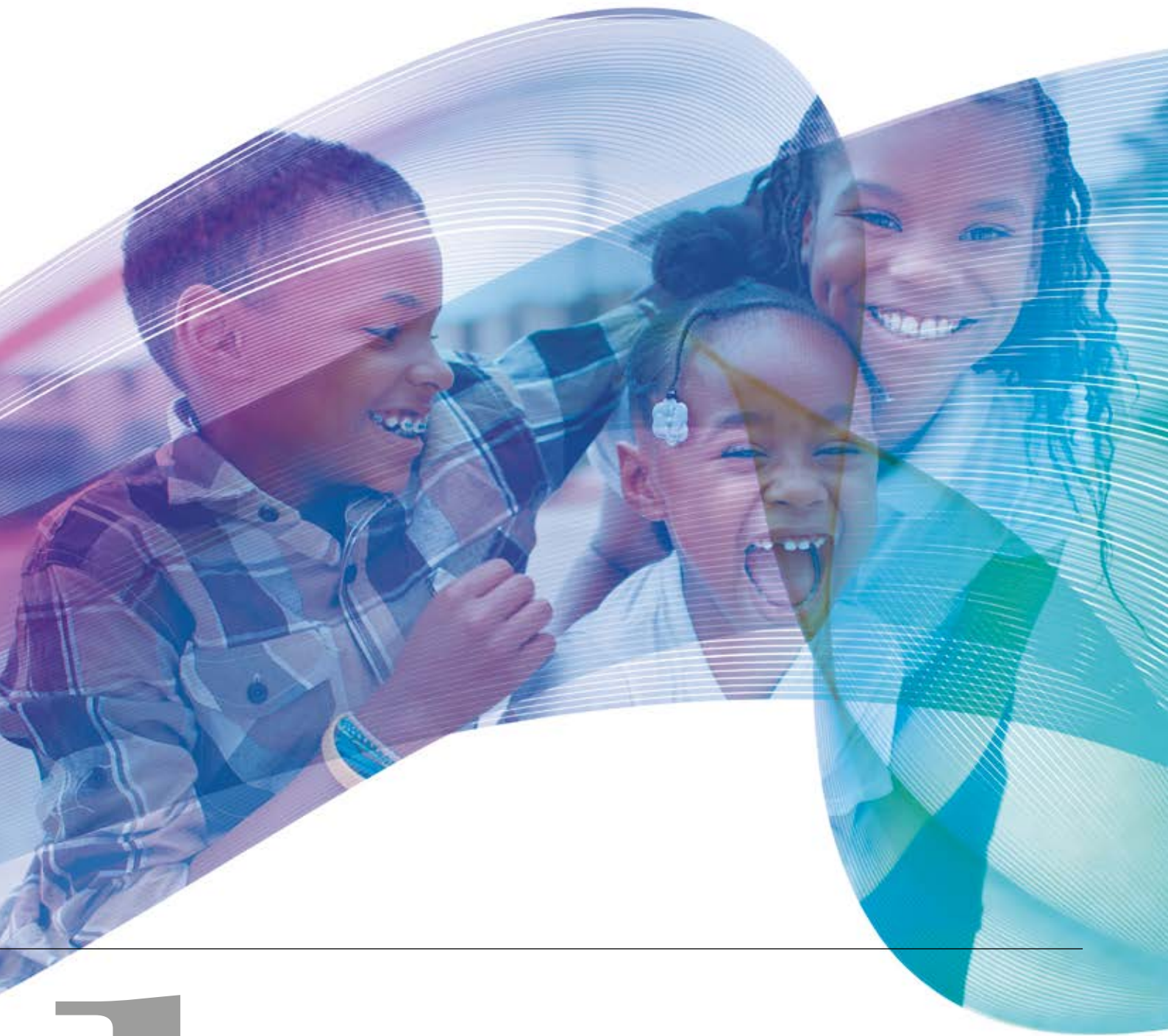
- To continue the advancement of the Christian religion through evangelistic outreach
- To continue to provide financial assistance to The Salvation Army where needed
- To provide effective leadership and share knowledge and expertise through the strategic deployment of personnel
- To respond to and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

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

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

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

World Mission	16
Assistance to Salvation Army Territories	22
International Personnel Training and Development	30
Crisis Relief	34
Health Services for the poorest people	40
Fighting Against Sexual Trafficking and for Social Justice	44



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 continued to impact travel and gatherings, international leaders offered encouragement and support to Salvationists and friends around the world through weekly devotional videos and virtual visits with

some in-person visits possible during the year. Social media was used as a platform for Salvationists to connect, share in prayer and encourage deeper connection with local communities while IHQ continued to resource Salvationists through the publication of books, magazines and online resources.

INTERNATIONAL LEADERS

General Brian Peddle and Commissioner Rosalie Peddle (World President of Women's Ministries) continued to support and encourage Salvationists around the world through virtual visits – with some in-person international visits also able to take place for the first time in many months to Liberia and Sierra Leone Command, Latin America North Territory and USA Southern Territory.

Virtual visits included congresses in USA Central, France and Belgium, Pakistan and Denmark and Greenland territories and the Easter Sunday holiness meeting in Bangladesh Command.

Online ministry: the General and Commissioner Peddle address gathered members of Bangladesh Command





General Peddle with church leaders at an ecumenical service in Glasgow, UK, held in conjunction with the COP 26 UN Climate Change Conference

In November 2021, the international leaders participated in an ecumenical service at Glasgow Cathedral, United Kingdom, in a show of ecumenical solidarity for global climate justice, in conjunction with COP26, the United Nations (UN) Climate Change Conference.

The General continued to use his social media platforms to connect with Salvationists through weekly devotional videos. In his New Year message, he challenged Salvationists to do something new. He urged: 'Find a need in your community or in the wider world and ask: "How can I make a difference?"'

COMMUNICATIONS

For Easter 2021, the IHQ Communications section created the Great Easter Trail initiative and resources to ensure the hope and life-giving power of the Easter message could still be shared even in lockdown conditions.

Later in the year saw the live-streamed global launch of the publications *Called to be a Soldier: Exploring the Soldier's Covenant* and *Day by Day: Call to Mission*, the second global wave of prayer for those affected by the COVID-19 pandemic and campaigns influenced by the UN International Day of the Girl and International Women's Day 2022.



General Peddle speaks at the live-streamed global launch of the publications 'Called to be a Soldier: Exploring the Soldier's Covenant' and 'Day by Day: Call to Mission'

The team continued to support the production of the General's weekly devotional films as well as creating social media posts in support of other IHQ sections including Women's Ministries and Spiritual Life Development. A cohesive brand and colour palette for IHQ social media visuals was also developed.

Gallery 101, the exhibition space at IHQ in London, UK, was also used to share and communicate messages and values during the year. Events opened with a thoughtful exhibition about the International Holocaust Remembrance Day, followed by a book launch and exhibition for Walking with Communities and an integrated campaign for World Water Day. The latter included the distribution of free reusable water bottles which carried a QR code directing the user to information about the exhibition. Gallery 101 is designed to bring people into the IHQ café space and inform them about the international work of The Salvation Army.

The IHQ Youth and Children team also invested in building relationships during the year, sharing and updating resources, growing its social media presence and creating platforms for young people to speak into the fabric of The Salvation Army.

Captains Marc and Mariska Potters, the International Youth and Children's Officers, started online conversations with all territorial and command youth leaders, providing opportunities for them to share their hopes and fears with IHQ, but also to ask questions and share how IHQ could support their ministry.



Exhibitions in Gallery 101 at IHQ in London, UK

LITERARY AND EDITORIAL

Salvation Books, the publishing imprint of The Salvation Army, produced several notable publications during the year. In July 2021, *Called to be a Soldier* and *Day by Day* were launched globally with the stated aim of making a copy of both books available to every senior soldier around the world.

Called to be a Soldier focuses on each of the 'I will...' statements of intention from the Soldier's Covenant, outlining the possibilities and opportunities of life as a Salvation Army soldier. Published as a companion, *Day by Day* by Commissioner Robert Street considers what following Jesus looks like in today's reality. Both books are available in more than 50 languages and dialects, ensuring as many soldiers as possible can journey together in exploring the implications of soldiership.

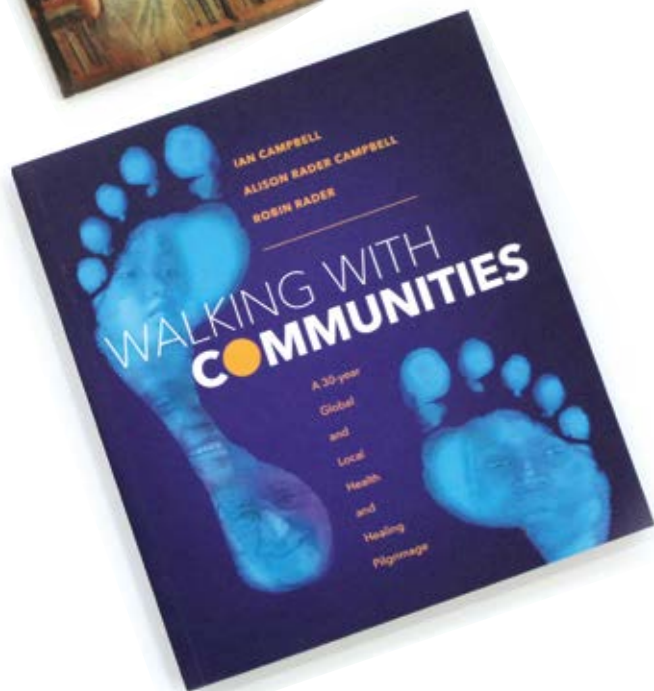
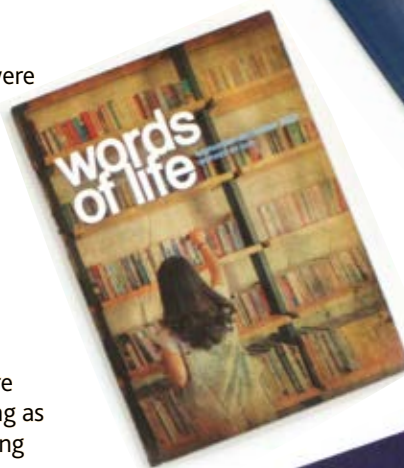
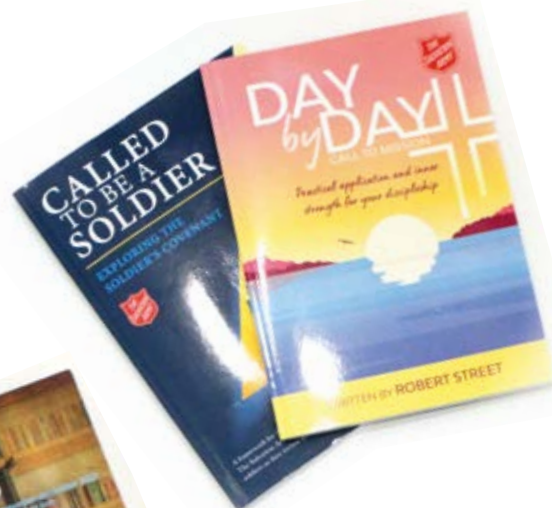
Another published title, *Walking with Communities* by Ian Campbell, Alison Rader Campbell and Robin Rader is a global and local journey of integrated mission in stories and images which demonstrates the resilience and the amazing capacity of local communities to deal with crisis and conflict when appropriately accompanied. It affirms the significance of Salvationists engaging with their local neighbourhoods and illustrates how local change can have global impact.

Words of Life is a daily devotional book published three times a year, offering bite-sized Bible readings and reflections that provoke thought and deepen understanding, written by officers from around the Army world.

TRANSLATION

Accurate translation is essential if The Salvation Army is to communicate its mission and message clearly and concisely to a global, linguistically and culturally diverse audience. Translation also allows for increased participation and involvement of members, staff and volunteers.

The IHQ Translations desk oversaw many large-scale translation projects during the year. A COVID-19 poster to promote vaccine take-up and to encourage social distancing, mask-wearing and good hygiene practices was translated into more than 25 languages. The two books, *Called to be a Soldier* and *Day by Day* were translated into more than 50 languages, which is The Salvation Army's largest translation project to date and will facilitate the goal of making the book accessible to more than one million Salvationists.



INTERNATIONAL LITERATURE PROGRAMME

The International Literature Programme (ILP) provides funding to ensure Salvation Army literature is available to financially supported territories in the language of the local people. Recent projects funded by ILP include: the Bambara translation and printing of Orders and Regulations in the Mali Region; the printing of the Easter War Cry in the Caribbean Territory; the translation of Army on its Knees, Head, Hands and Feet and Servants Together into Portuguese in the Spain and Portugal Command; and the translation of the international Women's Ministries Bible studies series in Pakistan Territory.



Salvationists in Dominican Republic with Spanish language versions of new publications

KEY STATISTICS

- The main IHQ Salvation Army social media accounts received the following impressions in the 2021 calendar year: Facebook: 586,707; Instagram: 20,904; and for Twitter in the last quarter of 2021: 125,800.
- The publications *Called to be a Soldier* and *Day by Day* have been translated into more than 50 languages and continue to be translated into further languages and dialects.
- The international leaders engaged in 19 virtual and in-person visits during the year.



FUTURE PLANS

The General will continue to travel around the world engaging with Salvationists, friends, supporters and people of influence, undertaking in-person visits where possible and virtual visits when international travel is limited due to COVID-19 or other restrictions. The General and Chief of the Staff, having engaged directly with all territorial leaders at an International Conference of Leaders in Vancouver, Canada in September/October 2022, will continue significant dialogue on how The Salvation Army can best meet its mission in the 21st century with a concentrated focus on key themes of the conference 'Our Identity, Our People and Our Priorities'.

International Headquarters will continue to resource Salvationists around the world through development of books and magazines with translation of resources to make content available to as many people as possible.

The need for increased production of digital media and video content is recognised and IHQ has recently recruited a new Production Manager with plans in place to significantly enhance video offerings over the coming year.



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 2021/22:

a. International Development Services (IDS), based at IHQ, aims to engage, equip, and empower local communities for effective development globally. This year, as many territories started to move out of the grip of the COVID-19 pandemic, it was increasingly necessary for IDS and partner territories to work closely together, seeking the best way to recommence development projects placed on hold during earlier lockdowns and restrictions. IDS aimed to facilitate necessary changes to project proposals and allow alterations to existing projects to better address new realities in territories. In addition, IDS planned to strengthen The Salvation Army's transformative impact in engagement with surrounding communities with specific objectives for the IDS team around skills development, partnerships, strengthening organisational capacity and working with development principles.

b. International Property Project, overseen by a full-time consultant based at IHQ, aims to assist territories in highest and best use reviews of underutilised property assets as a step towards financial independence. During 2021/22, despite continuing challenges in the global environment, the project aimed to work with territories to continue progression of existing property projects in Kenya and India and to explore potential new opportunities working with global property consultants to develop potential schemes through a number of recognised stages.

c. International Financial and Accounting Standards (IFAS) involves a global project team led from IHQ implementing cloud-based NetSuite accounting software to 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 continue the roll out of the software to a further group of territories, develop enhanced solutions for budgeting/reporting and point of sale and to construct e-learning resources.

d. Office 365 Project involves a large project team at IHQ and within territories rolling out a global collaboration and communication solution to provide an official Salvation Army digital identity for every officer and employee who uses technology to achieve mission tasks for The Salvation Army. Specific objectives during the year were to progress migration from a locally and internationally used legacy database system to alternative in-house or externally hosted platforms and to define the scope and approach to the next stage of the project to initiate and complete required programmes.



Learning Pathways teaching group in The Philippines Territory



In Romania, Salvation Army teams are providing information and hygiene kits to vulnerable members of the community

ACHIEVEMENTS

α. INTERNATIONAL DEVELOPMENT SERVICES

The IDS team have worked with territories to encourage sustainable, long-term positive change in communities, continuing to strengthen relationships with territorial project staff through online calls and provision of technical/financial support, while also progressing development of the Learning Pathways programme.

Learning Pathways is a skills-based training programme in community development, engagement and project management designed for use by territorial staff and volunteers. It is currently available in nine different languages with more translations being developed. Through the identification and pursuit of personal learning goals and application of action-reflection learning, students are challenged to enact positive changes in their personal life and communities. Student feedback since the launch of the pilot programme in 2017 includes the following comments: 'the course brings together several ideas and concepts that are important to the Salvation Army mission and message and integrates them in a meaningful way' and 'the most effective part of the course is the practical application and reflection questions. I found the readings inspiring and interesting and enjoyed the practical aspect, theory into action'. Since Learning Pathways was formally launched in June 2021 more than 75 delegates from 39 Salvation Army territories have participated. Currently, 42 territories have appointed Learning Pathways Coordinators and 22 learning groups have been formed of participating students.

The IDS team have also sought to better link relief, rehabilitation and development during 2021/22, working on a project to ensure a joined-up approach between delivery of emergency services and the formulation of development projects. IDS facilitated activation of 536 mission support projects in the 2021 calendar year and 251 community development projects during 2021/22 that were funded either by the Trust or financially independent Salvation Army territories.

AFRICA: IDS facilitated the activation of 74 community and institutional projects for work across Africa in 2021/22. These range from a literacy project in Mali which expanded to meet demand from neighbouring communities, to support for a school for children with disabilities in Tanzania which received letters of congratulations from the national government for their excellent results, and to a water and sanitation project in Zambia which provided safe water supplies to five communities and improved the sanitation and hygiene status in schools and health centres. In such projects African territories are striving to widen their impact beyond the immediate project through work with national governments and institutions. One excellent example of this is in Kenya where during the year the Kenya East Territory concluded a community-based anti-human trafficking project in which 62 Rights of Child groups were established and 19 community-based groups were formed. Due to The Salvation Army's strong and influential work in this sector the Kenya East Territory was selected as a member of the steering committee helping the national government to draft a Plan of Action on Anti-Human Trafficking.



RIGHT: Gaining essential life skills: literacy teaching in Kassela, Mali

BELOW: Project funding in action: a new vehicle enables community visitation in Brazil

ASIA: Across the continent, 2021/22 saw great challenges related to the COVID-19 pandemic, but alongside this a gradual and determined return to programmed activities to help the most marginalised. During 2021/22, IDS facilitated the activation of 90 community and institutional projects among territories in South Asia and 40 in South Pacific and East Asia. Schools and children’s homes reopened, and children returned to in-person studies after long periods of online education. Where social work institutions remained closed, project work moved into communities and outreach programmes focused on increasing hygiene awareness and ensuring access to safe drinking water. In India, The Salvation Army started a water, sanitation and hygiene (‘WASH’) programme in 17 villages suffering from drought to provide almost 6,000 people with water wells. In Pakistan, support to the transgender community was initiated as this group had been excluded from some local pandemic response and was therefore increasingly vulnerable. Time was also devoted to development of an active anti-human trafficking community of practice for the region.

AMERICAS AND CARIBBEAN: Territories in the Americas and Caribbean continued to implement a range of community projects including youth and children’s clubs which often serve marginalised and vulnerable children and their families. IDS facilitated the activation of 33 community and institutional projects in the region during 2021/22. In Nicaragua, The Salvation Army continued to help address the results of the socio-political crisis in the country following years of attacks and violence with specialists in mental health offering psychological workshops, spiritual support and artistic activities with the aim of supporting children to



overcome the resulting trauma. Local Salvationists recognise the importance of children for the future of their country and so are acting to improve their emotional health and quality of life.

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 continuing challenges in the global environment in 2021/22 due to COVID-19 and other factors, work continued with territories to continue progression of existing projects and explore potential new opportunities, illustrated by the following examples:



Construction of new officer accommodation (above) in Nairobi, Kenya, with groundbreaking plaque recognising IHQ funding support (right)



“

The IDS team have worked with territories to encourage sustainable, long-term positive change in communities

KENYA EAST: Construction continued on the building of 26 accommodation units for territorial headquarters (THQ) officers on unutilised land at the THQ site. The original plans were revised during the year to provide an additional accommodation block to better serve the new territorial structure following a governance review. The change extended completion of the work by four months into 2022. 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. A detailed feasibility study for this next phase of the project has been completed to determine the most appropriate plan for the site 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.

INTERNATIONAL FINANCIAL AND ACCOUNTING STANDARDS

The IFAS project involves a global project team led from IHQ implementing cloud-based accounting software (NetSuite) 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.

Despite ongoing operational challenges resulting from the COVID-19 crisis, the IFAS project made significant progress during the year successfully implementing NetSuite in the following territories, commands and regions: South America West, Nigeria, Sri Lanka, Southern Africa, Taiwan, Papua New Guinea and Solomon Islands as well as at IHQ.

The project is well placed to continue the momentum gained, with close to a full complement of project staff, 40 local project champions trained and in place within territories, 13 territories already live on the system at year end and a further group of territories being prepared for deployment during 2022/23.

The following chart illustrates the project status as at 31 March 2022:

The IFAS Project Team have tailored the design and testing of the accounting software to meet Salvation Army requirements, adding inter-unit/consolidation tools, a Point

DESCRIPTIONS	STATISTICS
Number of NetSuite Users Trained	254
Number of Territories Implemented in 2021/2022	6
Number of Territories Implemented to Date	13
Number of IFAS Project Staff	22
Local Project Champions in Territories	40
Number of Territories to be Implemented	28

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.

The Point of Sale solution (Zoku) was successfully deployed to Zambia Territory during 2021/22 with other territories

planned to come online soon. A budgeting and reporting solution (PBCS) is currently in its final testing phase and due to be deployed in 2022/23. During the year, the IFAS Project Team also commenced work to design and deploy an e-learning solution with pilots run with 30 users on newly formulated IFAS e-learning courses. The IFAS Project Team also ran 10 monthly webinars to educate, inform and engage local project Champions in territories.

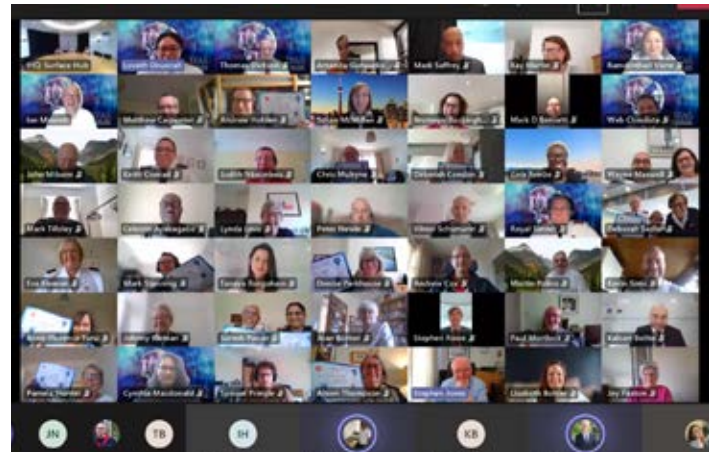


Territorial staff in Nigeria with IFAS project staff following training for NetSuite software go live





IFAS Project Team members and other staff with General Peddle during a training workshop event (above) and a remote launch for NetSuite at International Headquarters in April 2021 due to COVID-19 restrictions (right)



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, 75 per cent of IHQ provided databases were successfully migrated away from the legacy database system to alternative in-house or externally provided hosted platforms. A new and expanded service support model was successfully piloted in the following territories and commands: Zambia, Ghana, Italy and Greece, Kenya West, Sri Lanka with local IT Administrators trained to log support tickets and locally administer user accounts.

The Office 365 Project Team facilitated the purchase and shipping of laptops and other devices to territories with

398 devices shipped or awaiting delivery during 2021/22 covering 27 territories. Significant progress was also made in identifying and defining the key components of the next stage of the Office 365 programme, as well as the overall scope and approach to be taken. In particular, options and costs were identified to provide enhanced internet connectivity to all financially supported territories as well as to introduce a new lower cost and localised model for the provision of devices.

Significant progress was also made during the year 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 financially supported territories is in place as well as a Global Enterprise Agreement with Microsoft.

“
Over the next year, IDS will continue to strengthen The Salvation Army’s transformative impact in engagement with surrounding communities”



LEFT TO RIGHT:
Window to the world:
 IHQ staff testing new
 Teams Room equipment
 at International
 Headquarters

Welcome delivery:
 receipt of new IT
 equipment for South
 America West Territorial
 Headquarters, Chile

KEY STATISTICS

- IDS facilitated activation of 536 mission support projects in the 2021 calendar year and 251 community development projects during 2021/22 that were funded either by the Trust or financially independent Salvation Army territories.
- The International Property Project Team assisted territories in assessment and development of property schemes for under-utilised assets in India, Kenya, Democratic Republic of Congo and Bangladesh during 2021/22.
- The International Financial and Accounting Standards Project Team facilitated implementation of new cloud-based accounting software in six territories and IHQ during 2021/22 with 13 territories live on the system at year end.
- The Office 365 Project facilitated the purchase and shipping of 398 devices to territories during 2021/22 covering 27 territories.

FUTURE PLANS

a. INTERNATIONAL DEVELOPMENT SERVICES

Over the next year, IDS will continue to strengthen The Salvation Army's transformative impact in engagement with surrounding communities with a particular focus for the IDS team around skills development, partnerships, strengthening organisational capacity and working with development principles. IDS will also continue to develop and roll out the Learning Pathways programme to complement existing officer training programmes. Higher level studies will also be explored and 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. Continuing project support will also be offered to territories as required due to the ongoing effects of the COVID crisis and other global events.

b. INTERNATIONAL PROPERTY PROJECT

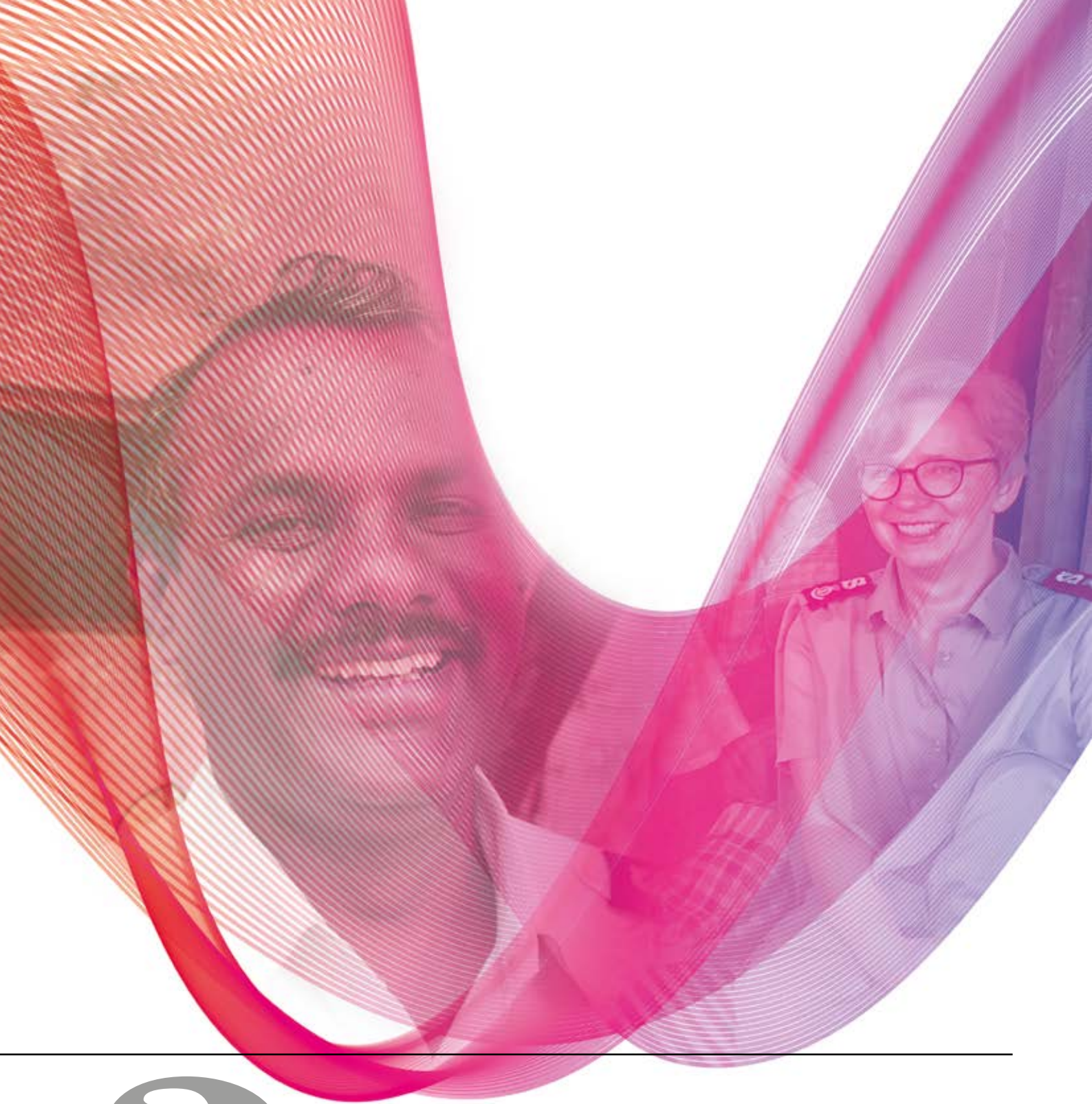
The International Property Project team will continue to support capital projects in territories and provide due diligence on property related proposals globally with particular emphasis on schools, children's homes and territorial headquarters development projects. Feasibility work is anticipated for India, Kenya, Bangladesh and Democratic Republic of Congo. A number of seminars are also planned for 2022/23 to assist territories in property assessments and business planning.

c. INTERNATIONAL FINANCIAL AND ACCOUNTING STANDARDS

The IFAS Project Team will work towards installation of the new accounting software in the remaining 28 territories, with a significant focus for 2022/23 deployments on intended roll out of NetSuite to all seven Indian territories and successful completion of all the software implementations targeted to 2025/26. Work will also continue to roll out the new Point of Sale (Zoku) solution and Budgeting/Reporting solution (PBCS) to territories. Another major objective is finalisation of the new e-learning materials with these to be formally launched to the global Army during 2022/23. It is also intended to hold an IFAS Champions Conference in 2022/23 to onboard local project Champions for the remaining group of territories to receive the NetSuite software. Finally, it is intended to refresh the International Financial and Accounting Standards manual, released in 2017, during 2022/23 through a consultative drafting process with significant consultation and involvement of territories.

d. OFFICE 365 PROJECT

During 2022/23, 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 2024/25. 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. The final batch of IHQ provided databases will also be migrated away from the legacy database system during the year to alternative in-house or externally provided hosted platforms.



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 2021/22 included supporting training colleges around the world as they train officer cadets for culturally relevant ministry, compilation of a new Divisional Leaders' Development Programme, review and clarification of territorial capability frameworks and continued delivery of an inclusive leadership course with online learning modules. Further objectives were to continue work towards a global resource repository for training and leader development needs, delivery of orientation training for new leadership in territories and restarting the residential training sessions of the International College for Officers (ICO) following disruption 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. The year in review saw the first refresh of membership, with some founder members rotating off the council and being replaced by other representatives from different territories bringing fresh perspectives.

The council this year focused on the compilation of a new Divisional Leaders' Development Programme with other projects including review of a Capability Development Framework for Salvation Army officers and review of the now published *Orders and Regulations for Officer Training and Leader Development* making language adjustments and areas of clarification in some curriculum headings. Other work of IOTALDC included initial planning and preparation for a proposed Training Principals' Conference and further development of an International Resource Repository for use by officer training colleges and programmes with a working group researching needs and options for formation of the online resources needed for this project. Other key developments during the year were as follows:

SENIOR LEADERS' ORIENTATION: When personnel are appointed to senior leadership roles in territories, they participate in an orientation conference hosted by IHQ and the first of a new-style one-week residential conference was held in March 2022. An online element of the programme continued, introducing new leaders to important aspects of their role within the first three months of their appointment. The plan for the future is that one residential conference will be held each year at Sunbury Court, London, including as delegates those who have previously participated in an online conference. Beyond the orientation, ongoing support and engagement is offered to new leaders, including mentoring/coaching for new leaders from current and recently retired leaders around the world.





Online learning: delegates from around the world attend an online Leaders' Orientation Conference

OFFICER CADET TRAINING: As with many aspects of The Salvation Army, the training of future officers has been severely affected by the COVID-19 pandemic in recent years. Training colleges sought to continue training, despite the restrictions in education and residential activities and it was encouraging to learn of the many innovative solutions, mainly through technology, that were utilised to continue a high standard of training in many parts of the world. As the impact of the pandemic lessened, the International Personnel team at IHQ worked in 2021/22 to garner details of the approaches followed and new lessons learned so these can be disseminated and shared on a wider scale to inform future development of training processes.

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. The ICO was unable to offer residential training in 2020 and much of 2021 due to the COVID-19 pandemic however early in 2022 onsite training returned with a session of 21 delegates. It was especially pleasing for ICO staff to welcome delegates and deliver a newly refreshed curriculum with new lecturers from a variety of areas of ministry including online presentations from lecturers from around the world. Many lessons were learned from this first experience since the lifting of COVID-19 restrictions with enhancements planned for future sessions. The delegate evaluations proved very helpful to ICO staff, confirming plans and ideas for future developments, with larger numbers of delegates to be included in future training sessions.



Meeting room at Sunbury Court



**Strategic Leadership
Investment Initiative
delegates at
Sunbury Court,
London**

As a new innovation, a two-week Strategic Leadership Investment Initiative conference was held in November 2021 which enabled 46 officers from 21 different territories to gather at Sunbury Court, London, for intensive leadership development training. Many of the lectures were taken from the newly refreshed ICO curriculum which gave staff a good opportunity to review the effectiveness of materials. The feedback from delegates was exceptionally good and it was clearly a beneficial event for delegates and staff alike. It is hoped that future events such as this may be possible alongside the standard ICO sessions.

INCLUSIVE LEADERSHIP COURSE: A new online course was introduced in 2019/20 for the development of officers in preparation for potential leadership roles, with course content further refined and developed during 2021/22. A focus for the year was on providing discussion and reflection material for learning communities to use as they gather to reflect on what they have learned from the course. More than 650 delegates are now registered for the Inclusive Leadership Course with in excess of 160 completions since the launch. Further developments will be considered and researched for even greater impact.

TRAINING AND CAPABILITY DEVELOPMENT: The International Personnel team during the year continued to monitor the training of officer cadets and capability development for leaders. A new style Annual Training College Report was created during 2021/22 and has already been used by several colleges around the world. Initial feedback on the report enabled improvements to be made and for the resource to become more user friendly. Work also continued on the 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.

KEY STATISTICS

- More than 650 delegates have now registered for the inclusive leadership course, designed for the development of Salvation Army officers in preparation for potential leadership roles, with in excess of 160 completions since the launch.
- 61 territorial commanders, chief secretaries, general secretaries, territorial presidents of women's ministries and territorial secretaries for women's ministries received senior leaders' orientation training during the year.

FUTURE PLANS

The International Personnel team will continue work to review, develop, and implement policies for training and leader development including frameworks for the development of Salvation Army officers, preparation and orientation of officers entering executive leadership roles and capability-building for leaders.

Other areas of future focus include continued oversight of the international resource repository for training and leader-development, creation of a Territorial Operational Leaders' development programme, additional promotion of the inclusive leadership course, encouraging coaching and mentoring of new territorial strategic leaders and continuing work on capability development frameworks. In addition, the team will work to foster and develop succession planning in territories around the world, ensuring potential future leaders are intentionally included on a development pathway opening possibilities for personal growth, wider experience and experiential learning.



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 with assistance usually given when a location does not have all the necessary resources in place at that time to provide an appropriate response to the needs presented. Key objectives are to support territories through technical assistance, funding and trained personnel to enhance relief and recovery responses. A further goal for the year was to provide training courses to strengthen local capacity, particularly in disaster prone areas, and to assist in disaster preparedness and disaster risk reduction awareness.

ACHIEVEMENTS

The IES team provided support to multiple territories around the world affected by crisis and disaster, as illustrated by the following examples:

EMERGENCY RESPONSE: IES provided support to territories responding to severe weather-related disasters such as Cyclones Yaas and Tauktae in India (May 2021), Typhoon Odette in the Philippines (December 2021) and the drought response in Madagascar (mid-2021) and Turkana, Kenya (early/mid 2021). The IES team also provided assistance to earth-related disasters such as the earthquake in Haiti (August 2021) and volcanic eruptions in St Vincent and the Grenadines (April 2021) and in Democratic Republic of Congo (May 2021). Support was also offered following man-made disasters such as the oil spill in Sri Lanka (June 2021), terrorist attacks and resulting displacement in Cabo Delgado, Mozambique (March/April 2021) and Solhan, Burkina Faso (June 2021), the social/civil unrest situation in Cuba (July 2021) and ongoing conflict situations in Myanmar and Nigeria.

COVID-19 RESPONSE: Since the start of the pandemic in 2020 IES has facilitated the approval of 179 COVID-19 related projects spanning 77 countries in 48 territories. Whilst the majority of these projects started before April 2021, 27 new COVID-19 related projects were submitted and approved between April 2021 and March 2022. Many of them came from Indian territories responding to a massive spike in cases and deaths in May 2021. Typically projects focused on good hand and respiratory hygiene,



Earthquake relief in Haiti



Vital second wave COVID-19 support to communities in India

social distancing and the provision of some hygiene and sanitising materials. Other projects concentrated on food for vulnerable people, those in quarantine or without livelihood, due to the effect of the virus across society.

RUSSIA/UKRAINE WAR: As the reporting period came to an end, a new crisis took hold with the Russia/Ukraine conflict and resulting displacement of people across Europe. By 31 March 2022, IES had already approved 11 related projects covering Ukraine and also neighbouring countries including Moldova and Poland. The projects focused on immediate relief support offering food, hygiene items, hot meals, supermarket vouchers, emergency shelter and other needs. IES also deployed international emergency teams to Poland, Romania and Moldova to support local Salvation Army staff in their response.

TRAINING: Training courses usually feature in the annual programme of events and IES is always willing to support in the capacity strengthening of territories as they plan for disaster risk reduction and enhanced response activities. Due to COVID-19 restrictions no classroom training courses took place in 2021/22 however IES developed and delivered a new online training course which ran for the first time in February/March 2022 with 33 delegates from 26 territories. The training took place over eight weeks and included online live sessions, training by other organisations, reading and assignments and a mentorship programme with every delegate allocated an experienced mentor to walk alongside them on this journey of learning.

IES also deployed international emergency and Moldova to support

CLOCKWISE FROM RIGHT: Information leaflets for refugees; refugees in The Netherlands; local Salvation Army personnel offer hot meals at Dnipro, Ukraine; IES team at a refugee reception centre at the Poland/Ukraine border



Key Statistics

- IES facilitated the approval of 95 rapid response projects in 2021/22 providing immediate lifesaving activities and 18 further projects for longer term relief and recovery activities.
- Since the start of the pandemic in 2020 IES has facilitated the approval of 179 COVID-19 related projects spanning 77 countries in 48 territories.

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 natural and man-made hazards and disasters.

During 2022/23, IES will provide continued oversight, management and technical guidance regarding Russia/ Ukraine conflict response by The Salvation Army across Europe for as long as necessary. IES will also evaluate its recently developed online training materials and make decisions on the preferred mode and mechanism for future training delivery while also working to promote and support the development of Disaster Management Strategies for territories.

teams to Poland, Romania local Salvation Army staff in their response.





Responses in Eastern Europe by the Salvation Army to the Ukraine crisis





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. A major focus for 2021/22 was continued facilitation of COVID-19 response by resourcing of Salvation Army hospitals, clinics and other healthcare facilities to adapt to emerging needs while supporting medical and administrative staff to maintain quality health services.

ACHIEVEMENTS

The Salvation Army continues to be a significant provider of faith-based, integrated, high-quality care with services offered as close to the family as possible and a high focus on care for poor and marginalised members of communities. IHS provides technical support and supervision to clinics, hospitals and nursing/biomedical colleges around the world and also facilitates activation of projects funded either by the Trust, local donors or financially independent Salvation Army territories. The following examples illustrate this significant service provision:

Crowds seeking emergency COVID admission for loved ones at Evangeline Booth Hospital, India





ABOVE: Lifesaving assistance: new ventilation equipment at Evangeline Booth Hospital, India
OPPOSITE PAGE: COVID-19 vaccination at a Salvation Army clinic in Ghana

INDIA: The Evangeline Booth Hospital in Ahmednagar is the longest established facility in the area and it was at this Salvation Army hospital where the first COVID-19 patients of Ahmednagar District were treated at the start of the pandemic. The second wave of COVID-19 hit India very hard during the reporting year and as a result, many people lost their lives across the country. During this time relatives of COVID-19 patients were constantly and desperately searching the hospitals to find beds for treatment in Ahmednagar with a daily queue of more than 50 patients for admission at the Evangeline Booth Hospital. The biggest challenge was how to treat everyone who needed care. Despite being a 100-bed hospital, 170 patients were treated daily. Patients included many senior citizens, women and children. One of the initial problems at this time was the lack of oxygen concentrators and oxygen cylinders but due to high profile work, oxygen concentrators were provided by a number of different donors and this meant that many more patients could receive oxygen and subsequently their lives were saved.

During this critical time, IHS helped facilitate support to the hospital with a range of different resources funded either by the Trust or financially independent Salvation Army territories including ventilators, oxygen lines, medicines, staff salaries and running costs. This meant the Intensive Care Unit could start to function, thereby helping many people to survive COVID-19. The hospital also received local donations including a grant from the local government in appreciation of the selfless and outstanding service rendered to COVID-19-infected patients. Other gifts from local businesses and organisations included an oxygen production plant that could fill 100 cylinders a day, a mini ambulance for critical patients, hospital equipment and monetary donations. This demonstrated a community coming together for the common good to find local solutions to the pandemic in the local area. More than 6,700 COVID-19 patients have now been treated at the hospital with a mortality rate of less than one per cent. The hospital staff are commended for their selfless service, often given at great risks to themselves.



BANGLADESH: Andulia Clinic in the Southwest of Bangladesh is based 22 km away from the nearest hospital and is funded by local fees and grants from the Trust. It is estimated that 80 per cent of the community the clinic serves live in poverty and consequently are vulnerable when it comes to accessing healthcare. Andulia Clinic treats common diseases and with a high focus on mother and child care. Whilst an outpatient clinic, they also have a Maternity Centre for safe deliveries. The outpatient services currently available include diabetes care, minor surgeries, antenatal and postnatal care and emergency medical support. Alongside this, the clinic runs an ambulance, supporting community members through emergency care and transporting patients to the nearest city to ensure the necessary treatment is received. During the pandemic, when many clinics and institutions were forced to shut down or scale back, Andulia Clinic continued to operate at all times often in very difficult circumstances. As well as offering health services, the staff continued to conduct health training amongst the community to help prevent COVID-19 including targeted campaigns around hygiene, water and sanitation practices, the importance of mask wearing and isolating when COVID positive. Mothers and children in the community also received health awareness messages around the importance of immunisations for children and the importance of pregnant women attending the clinic to receive antenatal care.

GHANA: The Salvation Army runs many clinics in Ghana including the Urban Aid Health Centre situated in Maamobi, a densely populated area of greater Accra. The health centre was pivotal in the local COVID-19 vaccination exercise and roll out with many doses of vaccines given at the premises helping to protect the most vulnerable. During the year, the Ministry of Health of Ghana initiated a door-to-door campaign to boost uptake of COVID vaccines and Urban Aid Health Centre staff together with volunteers reached hundreds of people through door-to-door contacts. The health centre has vaccinated 10,672 people, making a lifesaving difference in its local community.

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IHS provides technical support and supervision to clinics, hospitals and nursing/ biomedical colleges around the world

Key Statistics

- During 2021/22, The Salvation Army's 26 hospitals and 132 clinics around the world, with 5,667 healthcare professionals, delivered care to 361,785 inpatients and 831,129 outpatients.
- IHS personnel directly assisted 15 territories during 2021/22 monitoring operations, facilitating the activation of projects and providing technical support, help and advice.

Future Plans

IHS will continue to provide technical support and supervision to clinics, hospitals and nursing/biomedical colleges around the world, ensuring that all Salvation Army health programmes are technically sound, accountable, an integrated part of Salvation Army mission and meet required standards of the country where they are based.

IHS will facilitate increasing access to health information and education across all Salvation Army programmes (community, national, international) ensuring a relevant, holistic and integrated approach to all health-related work across different settings. The team will also work with territories to develop a more strategic approach to preventative health care in local communities and encourage partnership and mutual learning across Salvation Army health programmes, building relationships between Salvation Army medical, nursing and healthcare workers around the world.



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, a major aim was to build up modern slavery and human trafficking (MSHT) responses while also maintaining the work of the International Social Justice Commission (ISJC) and campaigning for social justice.

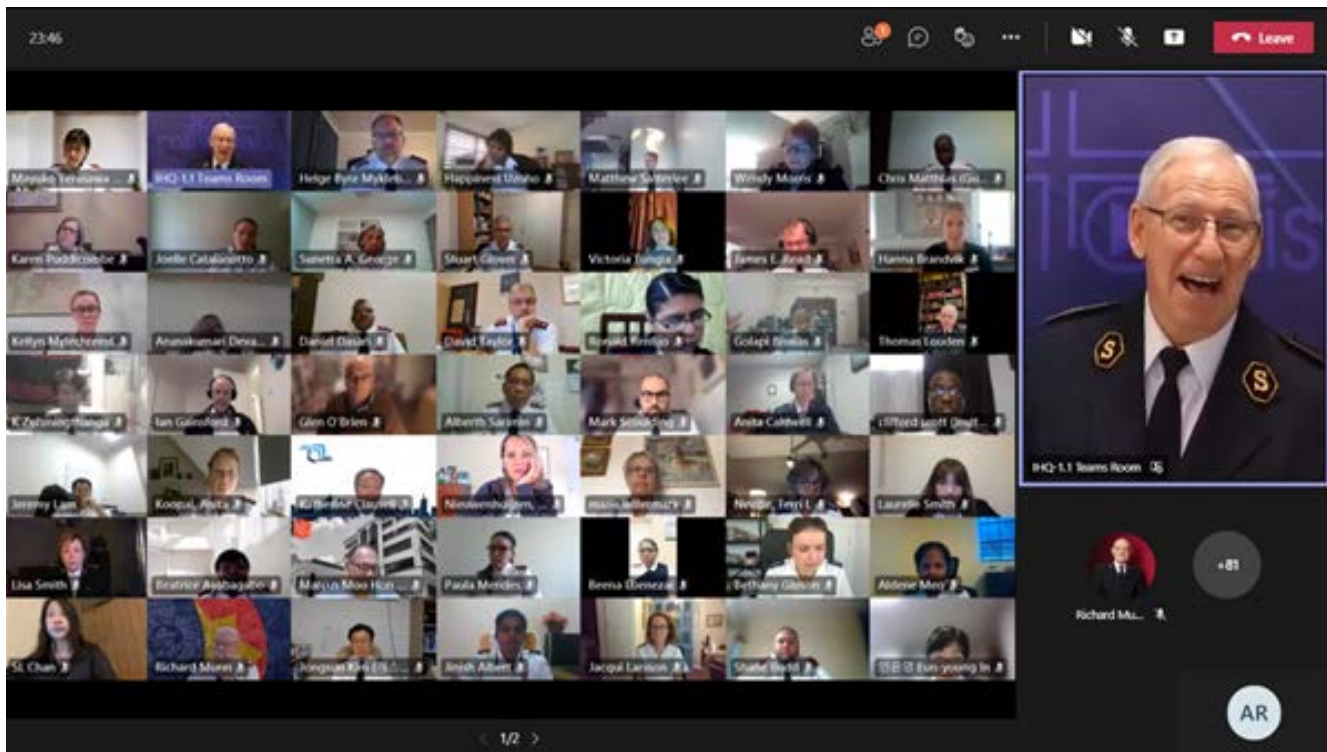
ACHIEVEMENTS

The ISJC, with its secretariat funded by the Trust and based in New York, United States, is The Salvation Army's strategic voice advocating for human dignity, human rights and social justice in all parts of the world. The ISJC, with the International Moral and Social Issues Council (IMASIC), and the International Modern Slavery and Human Trafficking Response Council (IMSHTRC), exercises leadership in determining The Salvation Army's policies and practices in the international social justice arena.

The ISJC works closely with those who have a track record of seeking God's justice for the world, in order to learn from them, distil experience and share lessons with others. 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 MSHT. In the period under review, the following were notable achievements:

SURVEY OF SOCIAL JUSTICE CONCERNS: At the end of 2021 a large-scale global survey was undertaken to explore the main social justice concerns of the international

General Brian Peddle addresses an IMASIC video symposium





ISJC staff at the United Nations Church Center, New York, USA

Salvation Army community (including soldiers, officers, employees, services users etc.). The aim of the project was to help provide an understanding of social justice topics of most concern both globally and by territory and in turn to guide the ISJC in topics of advocacy, territorial support and faith-based facilitation. More than 1,700 responses were received with, at the global level, MSHT recorded as the highest social concern, followed by domestic violence/abuse, racism and addiction.

MODERN SLAVERY AND HUMAN TRAFFICKING:

The Salvation Army international response to MSHT around the world continued to evolve during 2021/22. This global, multi-layered response surrounding advocacy, prevention and intervention is a crucial part of the work of the ISJC. According to the 2018 Global Slavery Index more than 40 million men, women and children are victims of modern slavery on any given day. Of these, almost 35 million people are in forced labour and more than 15 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. The Salvation Army is deeply committed to fighting MSHT with a theological and historical mandate, and is uniquely equipped and has a role to play in this vital work.

A particular focus for the year in review was on learning how to create spaces and opportunities so that everyone everywhere can participate in God’s mission of responding to MSHT. Together with the IMSHTRC, the ISJC worked towards implementing a new system and structure for the coordination of Salvation Army MSHT response, aiming to strengthen capacity for a strong response across the global Salvation Army, based on a Freedom Action Framework of key response areas: prayer, prevention, protection, prosecution, partnerships, policy, proof. The MSHT response was targeted towards four main outcomes:

Strengthening Systems. Growing Leaders

Establishing an international system of coordination active with appointed Modern Slavery and Human Trafficking Response (MSHTR) personnel and teams leading, coordinating and stewarding this work worldwide.

Educating and Equipping

Recognising everyone, everywhere has a role and place in responding to MSHT and no matter where you live and what language you speak, you are needed. Ensuring, around the world, The Salvation Army is growing in awareness and being equipped to recognise the signs within its local communities.

As part of this work a support booklet *Changing Behaviours to Prevent Modern Slavery and Human Trafficking* was launched to act as a guide to prepare The Salvation Army international community to go deeper in awareness-raising conversations within programmes, projects and communities.

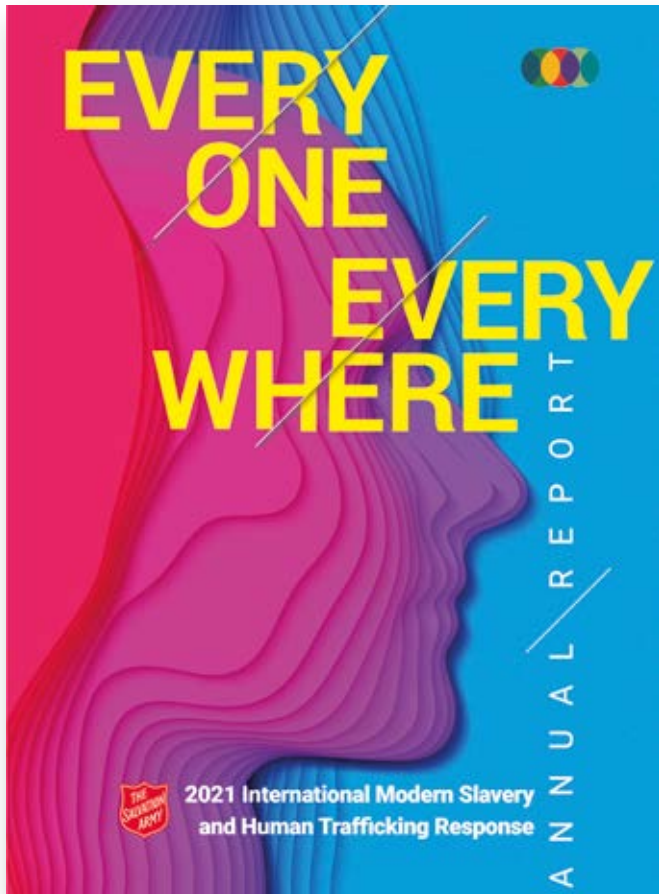
Mobilising to Respond Holistically

Building internal capacity within territories to practically address MSHT as it presents itself locally.

Expanding our Global Network

Recognising The Salvation Army’s greatest strength is people and growing a seamless global network between territories, contact people and practitioners based on communities of practice which are coordinated regionally and internationally.

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



Everyone Everywhere - MSHT annual report

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 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. 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>



SOCIAL MEDIA: The ISJC social media platforms were also actively used during 2021/22 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 MSHT response and the impact of COVID-19 upon justice. Resources can be accessed from the ISJC website at: <https://www.salvationarmy.org/isjc/resource>

Webinar advertisement for ISJC-led sustainability discussion



Exhibition at The Salvation Army International headquarters high-lighting the response to modern slavery and human trafficking

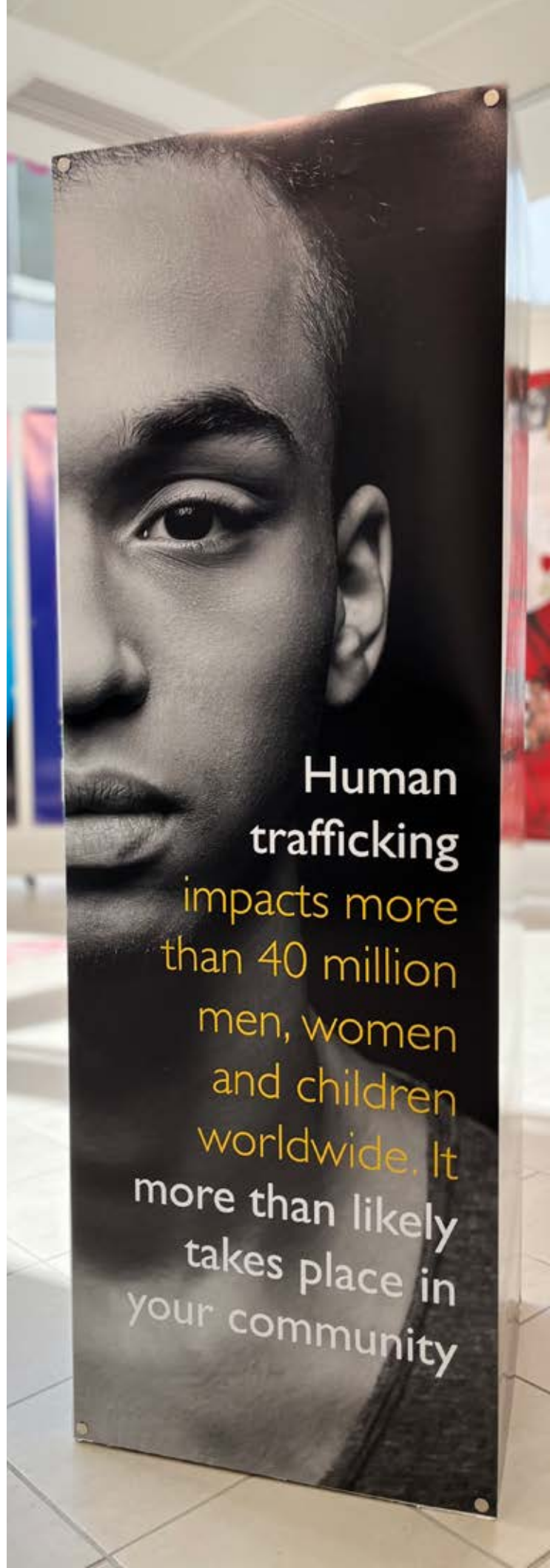
Key Statistics

- The Salvation Army is active in responding to MSHT in 108 countries with 142 prevention programmes and initiatives underway across 47 territories.
- Globally, 79 MSHT survivor leaders are part of The Salvation Army serving as officers, consultants, corps members, employees, mentors, volunteers, advocates and advisory board members.

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 worldview. 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 2022/23 will be to appoint MSHTR Divisional Resource Persons, launch international MSHTR core values and strengthen systems for participatory monitoring, measurement and shared learning approaches for all MSHTR expressions. Plans are also in place to launch an International Social Justice Survivor Network being a group of survivor leaders all over the world, organised to speak up about matters concerning responding to MSHT both within The Salvation Army and through external advocacy efforts.



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 2021/22 as well as charity results, assets and liabilities for The Salvation Army International Trust (see pages 64 to 92 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 Group Accounts exclude SAITCo which is the managing trustee.

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 59.

The net movement in funds for the year ended 31 March 2022 decreased by £39.84 million, moving from £51.38 million (2021) to £ 11.54 million (2022). 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 decreased from £53.26 million (2021) to £44.61 million (2022). External donations and legacies decreased from £7.98 million (2021) to £ 0.23 million (2022) as no significant donations were received from external donors in 2022. Contributions from Salvation Army territories to the International Self-Denial Fund decreased slightly from £25.42 million (2021) to £24.85 million (2022) with most territories able to maintain funding levels to IHQ despite ongoing COVID-19 impacts during the year. Donations from Salvation Army territories decreased from £4.84 million (2021) to £3.74 million (2022) and Headquarters Support funding from Salvation Army territories showed little movement from £9.74 million (2021) to £10.09 million (2022).

Investment income decreased slightly from £4.69 million (2021) to £4.65 million (2022) while income from charitable activities and trading income showed year-on-year increases of £65,000 and £70,000 respectively reflecting the impact of COVID-19 lockdowns easing during the year. Gains on disposal of properties increased from £122,000 (2021) to £453,000 (2022) with one functional property sold during 2022 and one during 2021.

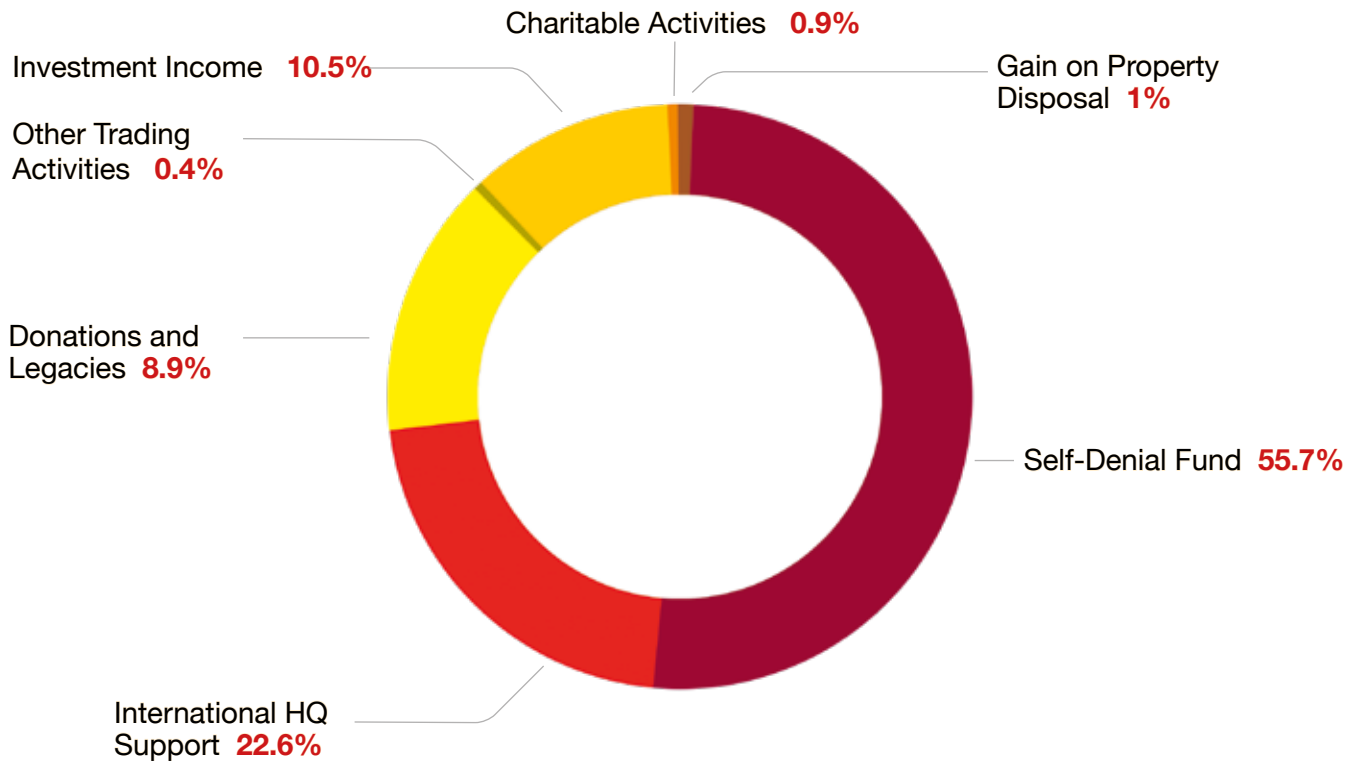
No qualifying charitable donation was received from Reliance Bank Limited in 2022 or the preceding year, as the Bank incurred losses partly as expected during this implementation period of the strategic plan, and partly in response to the challenges of the global pandemic.

The following pie charts illustrate the sources of income for 2021/22 and also contributions to the International Self Denial Fund:

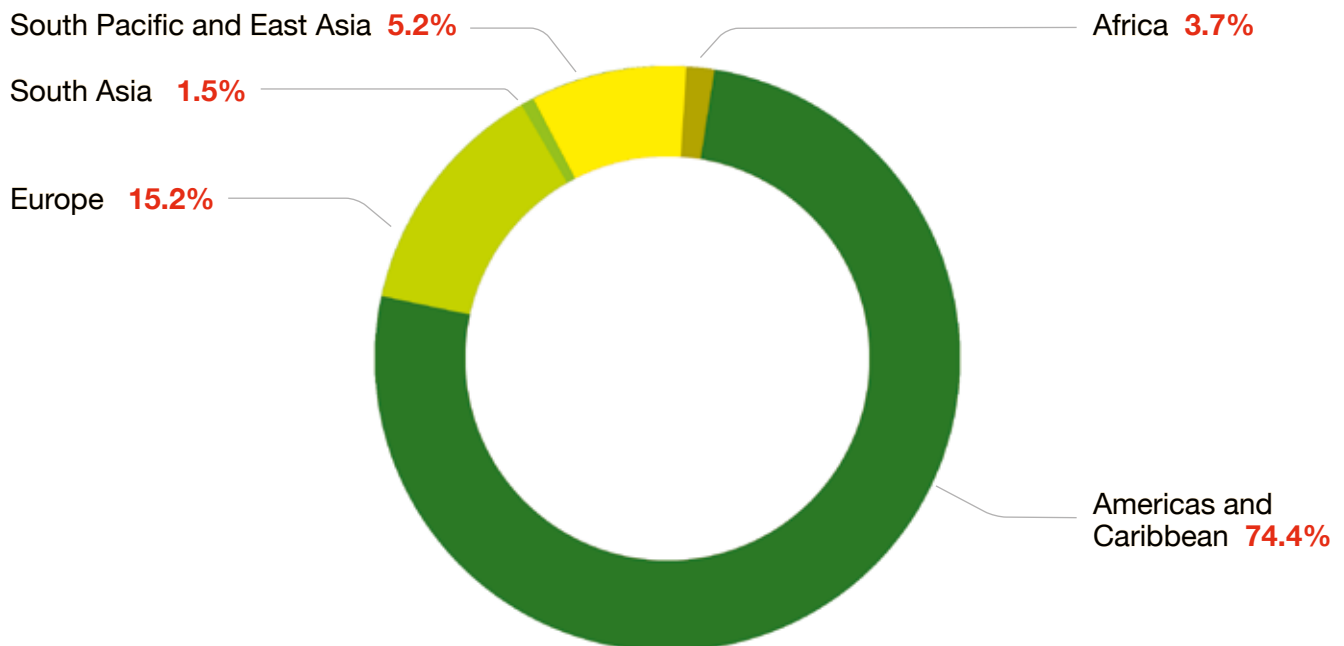
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Income from charitable activities and trading income showed year-on-year increases of £65,000 and £70,000 respectively

INCOME 2021/2022



CONTRIBUTIONS TO INTERNATIONAL SELF-DENIAL FUND 2021/2022



EXPENDITURE

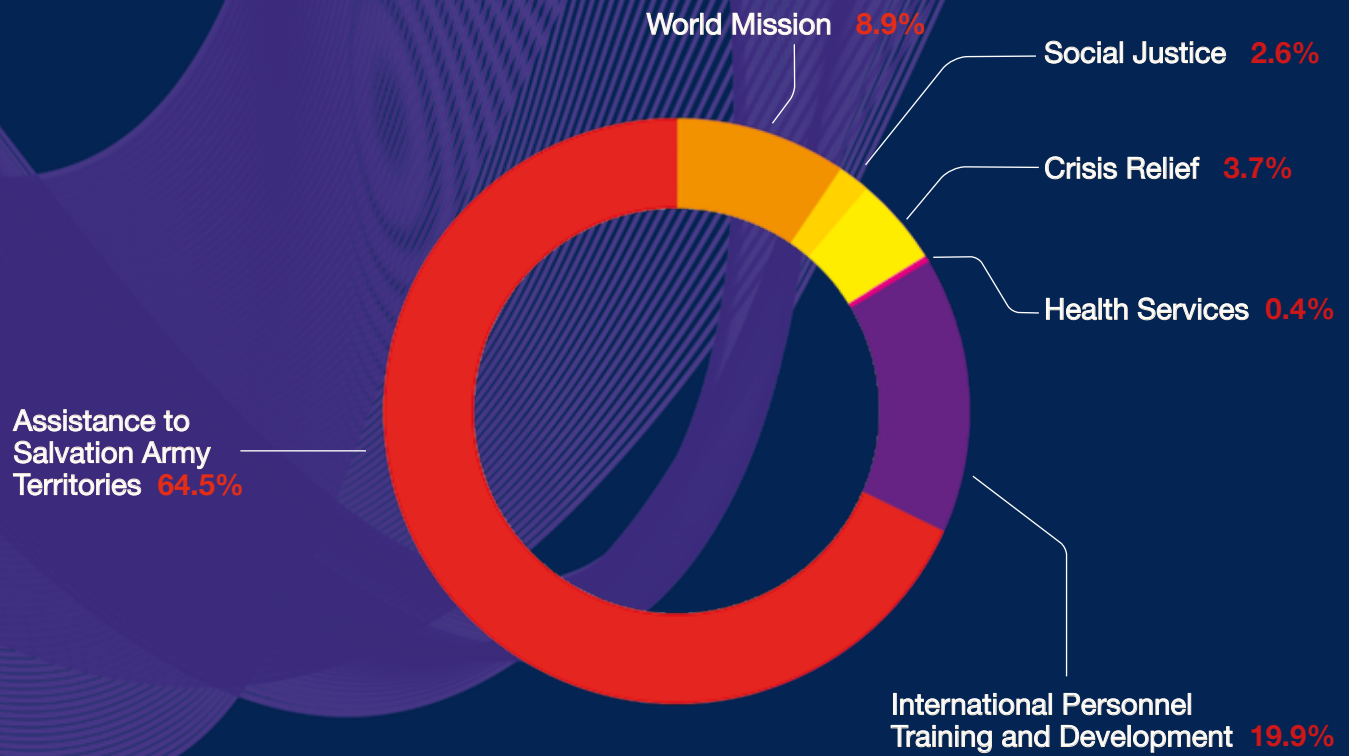
Expenditure across the six charitable activities in which The Salvation Army International Trust is engaged is detailed in Note 10 in the Accounts. Spending on charitable activities totalled £47.32 million (2022) representing a decrease of £3.84 million on the previous year. Financial assistance to Salvation Army territories decreased from £35.20 million (2021) to £30.48 million (2022) as requests for additional grants to meet needs of territories arising from the COVID-19 crisis began to reduce.

Expenditure of £9.43 million (2022) was also incurred on International Personnel and Development, £4.23 million (2022) on World Mission and £1.74 million (2022) 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 £1.66 million (2021) to £1.76 million (2022).

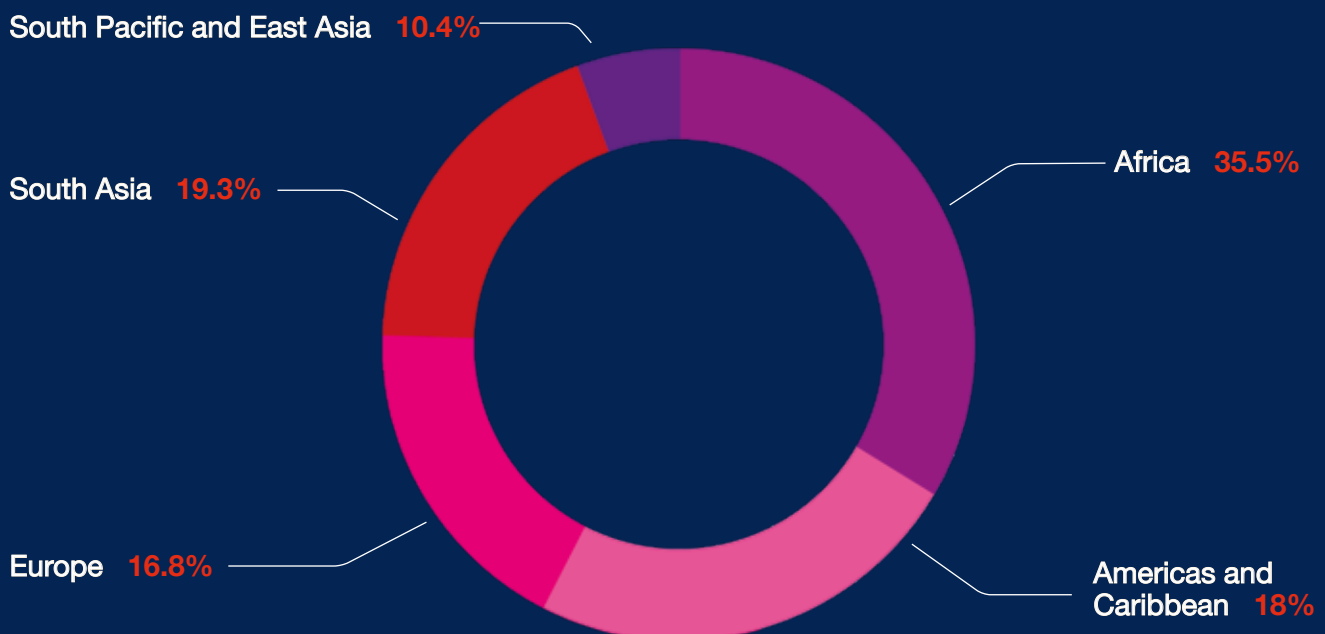
The following pie charts illustrate 2021/22 expenditure on charitable activities and also the geographic spread of support of overseas work:



EXPENDITURE ON CHARITABLE ACTIVITIES 2021/2022

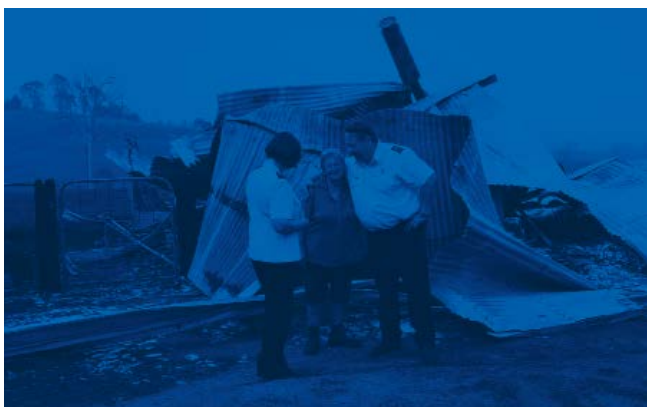


SUPPORT OF OVERSEAS WORK 2021/2022



Other notable variances contributing to the total net movement in funds include, most notably, net gains on investment assets which decreased by £35.19 million from £51.21 million (2021) to £16.02 million (2022) 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 were no additional employer contributions made to the defined benefit pension scheme during the year as the latest actuarial review reported a surplus.

The net movement in funds for the year ended 31 March 2022 was £11.54 million with a surplus on unrestricted funds of £12.64 million and a deficit of £1.10 million on restricted funds. Total funds of £347.23 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 reduce as territories move out of restrictions imposed and back to a level of normality during 2022/23 with the Trust providing a reduced amount of COVID-19-related additional funding to territories to support salaries, officers' allowances and other operational costs to ensure continuation of The Salvation Army's mission.

The two large scale international projects currently underway will materially impact the Accounts of the Trust during 2022/23 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, also receives and reviews cashflow forecasts identifying any liquidity 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, Ukraine/Russia crisis with associated global and national economic impact, inflationary pressures and other external events. Since 31 March 2022 to the date of signing of these financial statements the impact of the crises 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 COVID-19 crisis and Ukraine/

Russia crisis in particular 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 crises 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 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 2021/22 year end totalling £8.23 million against net current assets of £39.81 million of which £36.34 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 Ukraine/Russia crisis, with associated global and national economic impact, inflationary pressures 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, Ukraine/Russia 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 following review by the Audit Committee of a going concern assessment to March 2024. The Trustee has not identified any material uncertainties related to going concern and the accounts are therefore prepared on a going concern basis.

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 which is required to be followed by the appointed investment manager. No breaches to this policy have been reported to SAITCo during the year.

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 31/03/22	LONG-TERM RANGE	WEIGHTINGS
Fixed Income	10 - 30%	13.5%
Equities	70 - 90%	80.9%
Liquid Assets	0 - 5%	5.6%
TOTAL		100%

For the year ended 31 March 2022, the portfolio total return amounted to +6.2% against an ethically adjusted benchmark return of +7.9%.

Global equity markets continued to make progress throughout 2021 as economies recovered from the COVID-19 pandemic but lost some ground in the first three months of 2022, owing to the prospect of rising interest rates to combat persistently high inflation and the outbreak of war in Ukraine. The bond allocation was kept at the lower end of the permitted range as bonds continued to perform poorly against this backdrop. Cash levels remained slightly higher than the top of the permitted range which is in the process of being extended to 10% in anticipation of future withdrawals and the more uncertain economic outlook.

Investment strategy going forward will continue to be closely monitored by the Investment Committee in response to the prolonged inflationary environment currently being experienced and other emergent market conditions.

GRANTS

In supporting The Salvation 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, 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 March 2022) which outlines controls over banking transfers, assessment of overseas banking institutions for risk, identification and assessment of situations where funds paid to territories may be remitted on to third parties, controls over international payments direct to overseas suppliers, controls over transporting and controlling cash overseas and prohibitions on use of non-mainstream banking money transfer organisations.

RESERVES

The total funds of the Trust at 31 March 2022 amounted to £347.23 million comprising £27.56 million in restricted funds and £319.67 million in unrestricted funds which includes £287.28 million in designated funds. The General Reserve

held £5.50 million at year end which is 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 updates 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 or is used for support of multi-year programmes.

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 2022 of £24.69 million is equivalent to 12.4 months' expenditure. The Investment Appreciation Fund (£96.44 million) represents unrealised gains on investments which are still subject to market risk and the Investment Property Revaluation Fund (£45.15 million) represents the surplus on revaluation of tenanted properties held for investment purposes.

Other material designated amounts at 31 March 2022 relate to a reserve held to fund future replacement of the IHQ building (£19.33 million), a Property Commitments Reserve (£3.34 million) held to fund property acquisitions by the Trust and an International Property Project Reserve (£5.79 million) held to provide additional property project funding to territories over the next 2-3 years.

Other Designated Funds include reserves of £47.73 million supporting the balances held and invested in the USA on behalf of SAIT to generate income for specific purposes. These are Medical Services Support (£8.64 million), Schools Services Support (£4.20 million) and the Officers Support Endowment Fund (£34.89 million). In addition, an International Financial and Accounting Standards Implementation Reserve (£7.62 million) is held to fund provision of cloud-based accounting software to territories over the next 2-3 years and an IT Development Reserve (£4.45 million) is held to fund provision of a new global email solution to territories over the next 2-3 years.



An International Schools Development Reserve (£7.57 million) is held to provide additional schools project funding to territories over the next 2-3 years with a Leadership Development Reserve (£3.59 million) held to fund the enhancement of training and personal development for Salvation Army officers over the next 3-4 years. An Exchange Equalisation Reserve (£4.88 million) is held to fund exchange losses and a Mission Support Reserve (£2.81 million) is held to provide additional project funding to territories over the next 2-3 years. Four designated COVID-19 reserves (£2.41 million) were established to fund responses to the pandemic and are expected to be utilised within the next two years.

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, providing the Trust with adequate

working capital. The current balance of £5.50 million is at the target level for free reserves, being equivalent to 6.0 months expenditure.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustee acknowledges its responsibilities relating to the management of risk. A formal risk management programme continues to operate allowing risks to be identified, classified and prioritised in terms of potential occurrence and impact. The Board of Directors of SAITCo has appointed a Risk Management Committee, consisting of eleven members, which is chaired by an external legal/risk advisor and includes an Independent Non-Executive Director of SAITCo.

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 and the Ukraine/Russia 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 crises 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>Negative/adverse publicity affecting public perception of The Salvation Army internationally.</p>	<p>Communications Office at IHQ to monitor global press coverage and manage media relationships in consultation with Salvation Army territories.</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>Risk exposure to SAITCo and SAIT due to sole ownership of Reliance Bank Limited including financial and reputational risk.</p>	<p>An additional Director with banking expertise was recruited to the SAITCo Board in May 2019 and remains in post with two shareholder representatives appointed to the Bank board and additional performance and risk reporting mechanisms in place from the Bank to SAITCo.</p>
<p>Lack of effective financial controls and monitoring in territories 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 detailing required financial controls. Internal audits undertaken periodically depending on the extent of perceived risk.</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 and low interest rates.

Despite the impact of successive lockdowns on the Bank and its customers (individuals and businesses) the Bank continued to lend money to those who met its criteria throughout the COVID-19 pandemic. The Bank provided temporary financial support to individuals and businesses during this period and suffered no losses.

The continued focus is to grow the loan portfolio to boost income levels and return to profitability. The priority of the business lending is focussed on supporting communities, churches, healthcare services and the education sector. During the year the Bank began to add more social housing providers to the portfolio; the Salvation Army Housing Association is a long-standing customer. In 2020 the Bank introduced a Key Worker mortgage looking to support those who supported us during the pandemic, and this, together with the Shared Ownership offering, form the basis of the social impact of the mortgage book. In this way, the Bank enables home ownership for those who could not afford a sizeable deposit to buy the whole residence outright. The Bank has a small portfolio of mortgages secured on properties which have been specifically altered to accommodate disability.

The mortgage book grew by 22% to £47 million in the year, providing the Bank with an important revenue stream. Loans to organisations grew 27% to £49 million and over £54 million of Bank lending was classified as social impact lending up from £35 million last year.

In the year to 31 March 2022, growth of the loan book resulted in an increase in net interest income of 29% to £3.1 million. Administrative costs remained comparable to the prior year, but no restructuring expense was incurred (£0.5m of exceptional costs in 2021). The Bank's performance for the year ended 31 March 2022 was a loss of £0.8 million (2021: loss of £1.8 million).

During the year, the Bank received £3 million in additional capital from the Trust to support its strategic plan against the background of the global pandemic, ultra-low interest rates and the Bank's investments in systems and resources. After the operating loss and additional investment, the Bank's capital and reserves increased by £2.2 million (2021: increased by £0.5 million) to £14.4 million. Owing to the Bank's loss position this year no Gift Aid donation was made to the Trust (2021: £nil).

The Bank's total assets at 31 March 2022 remained broadly similar to last year at £251 million (2021: £244 million) split between loans to customers and balances held with other financial institutions, including the Bank of England. Balance sheet growth is primarily driven by customer deposits which increased to £236 million (2021: £232 million). The Bank continues to maintain very strong liquidity levels. The Bank has not recorded any loan losses from its mortgages or business lending during the year. The Bank has a low appetite for credit risk and has only incurred £7k of loan losses in the last five years, all of which related to unsecured personal lending.

The year ahead is expected to have different challenges for the Bank, with the impact of the global pandemic making way for inflationary pressures and increased interest rates. These challenges are reflected in the Bank's forecasts and the robust medium-term plan in place to return to profitability. The Bank continues to be focused on delivery of loan growth and investment in its resources and systems, to support the Bank's vision and demonstrate 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 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 1 August 2020 and during the year under review (2021/22), 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 operations of the new entity from 1 April 2021 to 31 March 2022. The new entity held net assets on the Group balance sheet of £293,000 up from £30,000 (2021) at the year end.

During the reporting period, the college offered adult distance learning subjects in four major languages at foundation, certificate and diploma levels, to more than 11,000 registered students across the continent of Africa.

A college website and bespoke student learning resources portal was developed during 2021/22 with a focus for the year ahead upon further enhancing online resources and providing tutors and student support personnel with additional training.

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 2021 to 31 March 2022.

The net movement in funds for the Group showed a decrease of £38.89 million. Net goodwill at year end amounted to Negative £4.04 million as set out in Note 22 to the Accounts.

Total fixed assets including investments amounted to £322.26 million. Net current assets were £26.06 million. Total funds of the Group amounted to £344.21 million at year end as set out in Note 20 to the Accounts.

A going concern assessment has been undertaken for The Salvation Army International Trust, Reliance Bank Limited and Salvation Army Leaders' Training College of Africa & Resource Centre Limited. The Trustee is satisfied the Group has sufficient resources to continue operating for the foreseeable future. The Trustee has not identified any material uncertainties related to going concern and the Group accounts are therefore prepared on a going concern basis.

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; and
- 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 2021/22 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, MCMI
Company Secretary 27 January 2023

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

Opinion

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 2022 and of the Group's and the Parent's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and The Salvation Army Act 1980.

We have audited the financial statements of The Salvation Army International Trust ('the Parent Charity') and its subsidiary ('the Group') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the statement of financial activities (charity only), the consolidated balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Conclusions related to going concern

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

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

Other information

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

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of Trustee

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

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from

material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Use of our report

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

DocuSigned by:
BDO LLP
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For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date: 30 January 2023

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).

A beneficiary at a Salvation
Army outpost, Sri Lanka



THE SALVATION ARMY INTERNATIONAL TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an Income and Expenditure account)

FOR THE YEAR ENDED 31 MARCH 2022

Notes	2022		Total funds - Group £000	2021		Total funds - Group £000 (Restated)	
	Unrestricted funds £000	Restricted funds £000		Unrestricted funds £000 (Restated)	Restricted funds £000 (Restated)		
INCOME AND ENDOWMENTS FROM							
Donations and legacies:							
Received from Salvation Army territories							
- Self-Denial Fund	3	24,847	-	24,847	25,419	-	25,419
- IHQ Support	3	10,085	-	10,085	9,743	-	9,743
- Donations	3	34	3,703	3,737	-	4,843	4,843
Other donations and legacies	5(a)	168	274	442	7,827	152	7,979
		35,134	3,977	39,111	42,989	4,995	47,984
Charitable activities	6	377	55	432	303	52	355
Other trading activities	7	1,093	-	1,093	1,166	-	1,166
Investments	8	7,818	140	7,958	7,108	133	7,241
Gain on Disposal of Properties		453	-	453	122	-	122
Total Income		44,875	4,172	49,047	51,688	5,180	56,868
EXPENDITURE ON							
Raising funds	9	6,582	29	6,611	6,622	25	6,647
Charitable activities	10	41,345	5,820	47,165	43,798	7,217	51,015
Total Expenditure		47,927	5,849	53,776	50,420	7,242	57,662
Net gains on investments	18	15,388	627	16,015	50,031	1,176	51,207
Net income/(expenditure)		12,336	(1,050)	11,286	51,299	(886)	50,413
Transfers between funds	20	(2)	2	-	90	(90)	-
Other recognised Gains/(Losses)	18	(10)	1	(9)	(253)	(10)	(263)
Tax on Loss on Subsidiary Activities	19	-	-	-	13	-	13
Net Movement in Funds	20	12,324	(1,047)	11,277	51,149	(986)	50,163
Reconciliation of funds:							
Total funds brought forward 1 April		304,268	28,669	332,937	253,119	29,655	282,774
Total funds carried forward 31 March		316,592	27,622	344,214	304,268	28,669	332,937

All activities reported above, in both the current and preceding year, include Gains and Losses and relate to continuing activities. The accompanying notes on pages 68 to 92 form an integral part of these consolidated financial statements.

THE SALVATION ARMY INTERNATIONAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CHARITY ONLY) FOR THE YEAR ENDED 31 MARCH 2022

	2022			2021			
Notes	Unrestricted funds £000	Restricted funds £000	Total funds Charity Note	Unrestricted funds £000 (Restated)	Restricted funds £000 (Restated)	Total funds Charity £000 (Restated)	
INCOME AND ENDOWMENTS FROM							
Donations and legacies:							
Received from Salvation Army territories							
- Self-Denial Fund	3	24,847	-	24,847	25,419	-	25,419
- IHQ Support	3	10,085	-	10,085	9,743	-	9,743
- Donations	3	34	3,703	3,737	-	4,843	4,843
Other donations and legacies	5(b)	9	222	231	7,827	152	7,979
		34,975	3,925	38,900	42,989	4,995	47,984
Charitable activities	6	354	55	409	292	52	344
Other trading activities	7	189	-	189	119	-	119
Investments	8	4,514	140	4,654	4,559	133	4,692
Gain on Disposal of Properties		453	-	453	122	-	122
Total Income		40,485	4,120	44,605	48,081	5,180	53,261
EXPENDITURE ON							
Raising funds	9	1,726	29	1,755	1,639	25	1,664
Charitable activities	10	41,499	5,820	47,319	43,928	7,231	51,159
Total Expenditure		43,225	5,849	49,074	45,567	7,256	52,823
Net gains on investments	18	15,388	627	16,015	50,031	1,176	51,207
Net income/(expenditure)		12,648	(1,102)	11,546	52,545	(900)	51,645
Transfers between funds	20	(2)	2	-	90	(90)	-
Other recognised Gains/(Losses)	18	(9)	1	(8)	(251)	(10)	(261)
Net Movement in Funds		12,637	(1,099)	11,538	52,384	(1,000)	51,384
Reconciliation of funds:							
Total funds brought forward 1 April		307,036	28,655	335,691	254,652	29,655	284,307
Total funds carried forward 31 March		319,673	27,556	347,229	307,036	28,655	335,691

All activities reported above, in both the current and preceding year, include Gains and Losses and relate to continuing activities. The accompanying notes on pages 68 to 92 form an integral part of these financial statements.

THE SALVATION ARMY INTERNATIONAL TRUST

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2022

	Notes	2022 Group £000	2021 Group (Restated) £000	2022 Charity £000	2021 Charity (Restated) £000
Intangible Fixed Assets					
Goodwill	22(a)	304	347	304	347
Negative Goodwill	22(a)	(4,342)	(4,560)	-	-
Other Intangible Assets	22(b)	443	392	-	-
		<u>(3,595)</u>	<u>(3,821)</u>	<u>304</u>	<u>347</u>
Fixed Assets					
Properties	23	31,346	32,177	27,085	27,802
Other Tangible Fixed Assets	24	2,369	2,488	2,306	2,422
Investments	25(a)	292,143	277,244	281,830	279,811
		<u>325,858</u>	<u>311,909</u>	<u>311,221</u>	<u>310,035</u>
Current Assets					
Investments	25(a)	20,888	49,244	27,360	23,649
Stocks		131	131	131	131
Debtors and Prepayments due in more than one year	26(a)	87,385	64,660	308	393
Debtors and Prepayments due within one year	26(b)	21,100	18,437	11,264	4,922
Cash at bank and in hand	27	114,541	105,691	8,983	9,376
		<u>244,045</u>	<u>238,163</u>	<u>48,046</u>	<u>38,471</u>
Less Current Liabilities					
Salvation Army Employees' Pension Fund	17	(39)	(76)	-	-
Other Creditors due within one year	28	(217,947)	(209,092)	(8,234)	(9,054)
Net Current Assets		<u>26,059</u>	<u>28,995</u>	<u>39,812</u>	<u>29,417</u>
Total Assets less current liabilities		<u>348,322</u>	<u>337,083</u>	<u>351,337</u>	<u>339,799</u>
Creditors: Amounts falling due after more than one year					
Salvation Army Employees' Pension Fund	17	-	(38)	-	-
Other Creditors due after more than one year	29	(4,108)	(4,108)	(4,108)	(4,108)
Net Assets	21	<u>344,214</u>	<u>332,937</u>	<u>347,229</u>	<u>335,691</u>
Funds					
Restricted Funds					
Property Fund		14,246	14,492	14,246	14,492
Other Restricted Funds		13,376	14,177	13,310	14,163
		<u>27,622</u>	<u>28,669</u>	<u>27,556</u>	<u>28,655</u>
Unrestricted Funds					
Property Fund		19,089	19,560	19,089	19,560
Other Fixed Assets Fund		2,306	2,422	2,306	2,422
Share Capital Fund		5,500	2,500	5,500	2,500
Designated Funds		287,455	277,566	287,282	277,553
General Reserve		2,242	2,220	5,496	5,001
		<u>316,592</u>	<u>304,268</u>	<u>319,673</u>	<u>307,036</u>
Total Funds	20	<u>344,214</u>	<u>332,937</u>	<u>347,229</u>	<u>335,691</u>

The accompanying notes on pages 68 to 92 form an integral part of these consolidated financial statements.

Approved by The Salvation Army International Trustee Company and signed on its behalf on 27th January 2023 by:

Lyndon Buckingham - Chairman



Lee Graves - Managing Director



THE SALVATION ARMY INTERNATIONAL TRUST

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	2022 £000 Group	2021 £000 Group (Restated)
Net cash (used in)/provided by operating activities	(24,883)	4,748
Cash flows from investing activities:		
Dividends, interest and rents from investments	4,654	4,549
Decrease/(Increase) in Long Term Bank Deposits	14,499	(3,776)
Proceeds from the sale of property, plant and equipment	499	210
Purchases of property, plant and equipment	(889)	(1,183)
Purchase of Intangible Fixed Assets	(255)	(177)
Proceeds from the sale of investments (including Investments Held in the USA)	98,041	149,474
Purchase of Investments	(75,257)	(118,663)
Net cash provided by investing activities	41,292	30,434
Change in cash and cash equivalents in the reporting period	16,409	35,182
Cash and cash equivalents at the beginning of the reporting period	106,327	72,235
Effects of currency translation on cash and cash equivalents	804	(1,090)
Cash and cash equivalents at the end of the reporting period (see note B)	123,540	106,327

Note A

Reconciliation of net income to net cash flow (used in)/ provide by operating activities

Net income for the reporting period (as per the statement of financial activities)	11,277	50,163
Adjustments for:		
Depreciation and amortisation	1,570	1,218
(Gain) on investments	(16,015)	(51,207)
Dividends, interest and rents from investments	(4,654)	(4,549)
(Profit) on disposal of fixed assets	(453)	(122)
Decrease in Stocks	-	8
(Increase) in Debtors	(25,388)	(20,148)
Increase in Creditors	8,780	29,385
Net cash (used in)/provided by operating activities	(24,883)	4,748

Note B

Analysis of Cash and Cash Equivalents - Group

	Balance 2021 £000	Movement in year £000	Balance 2022 £000
Cash at bank	78,021	13,795	91,816
RBL Loans and Advances to Banks - Recoverable on demand	27,670	(4,945)	22,725
Cash held by Investment Managers	627	8,362	8,989
Notice deposits (less than 3 months)	9	1	10
Total cash and cash equivalents	106,327	17,213	123,540

(i) Analysis of changes in Net Debt

	01-Apr-21 £000	Cashflows £000	31-Mar-22 £000
Cash and cash equivalents			
Cash	78,648	22,157	100,805
Overdrafts	-	-	-
Cash Equivalents	27,679	(4,944)	22,735
	106,327	17,213	123,540

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

The Trust is a registered Charity in England and Wales and a public benefit entity as defined in FRS 102.

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. Other than investment properties, it is the Trustees' opinion that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

One of the key sources of estimation uncertainty relates to the cost of its proportion of The Salvation Army Employees' Pension Fund (a multi-employer defined benefit pension scheme accounted for as a defined contribution scheme as per FRS102- see Note 17) which is determined using actuarial valuations for the purpose of the provision for contributions payable in respect of past service deficits. 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.

Other key judgements and estimates relevant to the charity, include property valuations, depreciation and amortisation.

The Investment Property portfolio is independently valued by a Chartered Surveyor based on a three-year revaluation rolling plan carried out using the comparable method in accordance with the RICS Valuation Global Standards effective at the time and the fair values of properties not due for an external valuation are updated using the UK House Price Index provided by the Land Registry (See Note 26). The judgements made in calculating the depreciation of non-investment properties are detailed in note (g) below.

Negative Goodwill arising from the acquisition of Reliance Bank Ltd is amortised on the basis of the excess up to the fair value of non-monetary assets which is recognised in profit or loss in the periods when the non-monetary assets are recovered, and any excess beyond the fair value of non-monetary assets acquired recognised in profit or loss in the periods expected to be benefited. The periods within which the benefits are expected is 10 years based on an anticipated return to profitability of Reliance Bank Ltd. Consideration for the acquisition is payable over a long period and is linked to qualifying charitable donation payable by Reliance Bank Ltd. The potential impact of discounting the consideration payable is estimated based on the projections of future profitability of the bank and, as the calculated amount is not material, an adjustment has not been made.

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). Contributions are recognised in the period they relate to when territories submit results of their respective Self-Denial appeals to the International Trust and these are formally accepted by the Trust or upon receipt of the cash, whichever is earlier. In rare cases where the above triggers have not occurred, income will be accrued provided all applicable income recognition criteria have been met. 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, on a discounted basis where applicable and material.
- (iv) Investment income is recognised on an Accruals basis and includes returns on funds held in the US.
- (v) All income is recognised in the Statement of Financial Activities on an Accruals basis or on receipt of cash if there is no basis to accrue. Income relating to a specific future period is deferred. Refunds are shown as negative income.
- (vi) 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.

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

1. ACCOUNTING POLICIES - continued

(d) Foreign Currencies

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

(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 potentially material pension liability arising from participation of the Trust in The Salvation Army Employees' Pension Fund (see Note 17) remains well placed to meet its obligations in this regard. The Trustee has a reasonable expectation that the Trust has adequate resources to continue in operational existence in the foreseeable future following projections of the cash position under adverse income performance scenarios over 12 months following the signing of the accounts. The Trust holds a strong balance sheet with £36.34 million (2021: £33.03 million) held in cash or short-term bank deposits and current liabilities amounting to £8.23 million (2021: £9.05 million). The Trustee is confident the Trust is well placed to meet the COVID-19 crisis and Ukraine/Russia crisis with associated global and national economic impacts, inflationary pressures and continue to achieve its grant-making and other objectives due to its strong financial position, investment strategy and reserves policy all underpinned by the governance structures of SAITCo.

A going concern assessment has been undertaken for The Salvation Army International Trust, Reliance Bank Limited and Salvation Army Leaders' Training College of Africa & Resource Centre Limited. The Trustee is satisfied the Group has sufficient resources to continue operating for the foreseeable future. The Trustee has not identified any material uncertainties related to going concern and the Group accounts are therefore prepared on a going concern basis.

(f) Intangible Fixed Assets

Negative Goodwill arising from the acquisition of Reliance Bank Ltd is amortised on the following basis of: the excess up to the fair value of non-monetary assets which is recognised in profit or loss in the periods when the non-monetary assets are recovered, any excess beyond the fair value of non-monetary assets acquired recognised in profit or loss in the periods expected to be benefited. 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 includes Land values deemed immaterial.
- Internal Fit-Out Costs of the Headquarters building are depreciated over 15 years.
- 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.

The Bank opted during year ended March 2021 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 historical cost, which is usually the transaction price, and subsequently measured at their settlement value. Financial investments are recognised at fair value through Profit and Loss - See Note 1(i) below. Trade and other debtors are recognised at the settlement amount due. 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 historical cost, 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 2022 (Continued)

1. ACCOUNTING POLICIES - continued

- (i) **Investments** - To comply with the Statement of Recommended Practice, Financial 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 held at fair value at the balance sheet date and no depreciation is provided. The aggregate surplus or deficit arising on revaluation at each period end is transferred to the Investment Property Revaluation Fund (see Note 20). Investments in subsidiary undertakings are held at cost less impairment.

- (j) **Stocks** are valued at the lower of cost or net realisable value.

(k) **Funds :**

- (i) The Restricted Funds are held for restricted purposes, as specified by the donors.
 (ii) 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. (See Note 20 for further details).

(l) **Subsidiary Companies**

Wholly owned subsidiary companies are consolidated with the Financial Statements of the Trust on a line-by-line basis.

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 has invested a total of £5.5 million in the Bank's share capital since acquisition, £3 million of which during 2022, 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) **Prepayments**

Prepayments are valued at the amount prepaid net of any trade discount offered.

(r) **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.

(s) **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 2022 (Continued)

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 Limited 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>13,199,631</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 contingent 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 2022 (Continued)

3. CONTRIBUTIONS RECEIVED FROM SALVATION ARMY TERRITORIES

Territory	Self-Denial Fund		International Headquarters Support		Donations Received	
	Unrestricted		Unrestricted		Restricted	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Angola	7	6	1	1	-	-
Australia	434	519	733	712	229	123
Bangladesh	1	1	1	1	-	-
Brazil	-	19	2	2	-	-
Canada and Bermuda	1,434	1,520	575	558	741	571
Caribbean	-	52	5	5	-	-
Congo (Brazzaville)	82	64	5	5	-	-
Democratic Republic of Congo	64	23	6	5	-	-
Denmark	26	25	17	16	8	-
Eastern Europe	11	10	1	1	1	-
Finland and Estonia	52	56	29	29	51	60
France and Belgium	15	11	52	50	-	2
Germany, Lithuania and Poland	30	30	36	35	38	54
Ghana	31	21	3	3	-	-
Hong Kong and Macau	53	26	27	26	-	7
India Central	62	30	8	7	-	-
India Eastern	125	128	4	3	-	-
India Northern	24	25	6	6	-	-
India South Eastern	83	85	7	7	-	4
India South Western	34	33	7	7	-	-
India Western	30	23	7	6	-	-
Indonesia	42	40	12	11	-	-
Italy and Greece	4	4	1	1	2	2
Japan	40	43	70	68	-	-
Kenya East	221	134	8	7	-	-
Kenya West	203	154	8	8	-	-
Korea	158	129	12	12	34	-
Latin America North	-	31	2	2	-	-
Liberia	14	5	1	1	-	-
Malawi	9	5	1	1	-	-
Mali	3	2	1	1	-	-
Mexico	-	10	3	3	-	-
Middle East	11	14	1	1	-	-
Mozambique	2	1	1	1	-	-
The Netherlands, Czech Republic and Slovakia	189	200	113	110	173	98
New Zealand, Fiji and Tonga	402	540	267	260	113	386
Nigeria	27	16	5	5	-	-
Norway, Iceland and The Faeroes	400	398	100	97	(3)	179
Pakistan	3	3	6	6	-	-
Papua New Guinea	35	33	3	3	-	-
The Philippines	16	17	4	4	-	-
Russia	3	3	1	1	-	-
Rwanda and Burundi	3	3	1	1	-	-
Singapore, Malaysia and Myanmar	93	114	18	18	-	15
South America East	-	9	2	2	-	-
South America West	-	15	4	4	-	-
Southern Africa	39	28	4	3	4	2
Spain and Portugal	16	12	1	1	7	3
Sri Lanka	1	1	2	2	-	-
Sweden and Latvia	106	103	82	79	33	15
Switzerland, Austria and Hungary	712	888	158	154	162	39
Taiwan	6	7	1	1	-	-
Tanzania	8	7	2	2	-	-
Uganda	7	4	1	1	-	-
United Kingdom with the Republic of Ireland	2,220	2,190	873	847	1,063	688
USA Central	4,092	4,443	1,827	1,738	9	36
USA Eastern	4,424	4,713	1,521	1,473	367	421
USA Southern	4,792	4,688	1,919	1,865	143	641
USA Western	3,755	3,645	1,452	1,397	400	713
USA National HQ	-	-	55	57	162	784
Zambia	50	22	3	3	-	-
Zimbabwe	143	38	7	7	-	-
	24,847	25,419	10,085	9,743	3,737	4,843

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

4. RELIANCE BANK LIMITED (registered in England & Wales - Company Number 00068835)

Unrestricted income to the Salvation Army International Trust from Reliance Bank Limited for the year was therefore £nil (2021: £nil)

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

RELIANCE BANK LIMITED	2022	2021
	£000	£000
Summary Profit and Loss Account		
Interest Receivable and other operating income	4,195	3,231
Interest Payable and other operating expenditure	(693)	(542)
Administration Expenditure	(4,252)	(4,509)
Operating Loss	(750)	(1,820)
Taxation	141	459
Retained Deficit for year	(609)	(1,361)
Retained Reserves brought forward	934	1,652
Change in Accounting Policy and Transfer from Revaluation Reserve	-	643
Deferred tax change	(45)	-
Transfer from Revaluation reserve	31	-
Retained Reserves carried forward	311	934
Share Capital owned	13,000	10,000
Summary Balance Sheet		
Fixed Assets	5,170	5,249
Current Assets		
Less than one year	159,000	167,378
Loans over one year	87,077	71,699
	251,247	244,326
Liabilities		
Current	(236,804)	(232,134)
Net Assets	14,443	12,192
Share Capital	13,000	10,000
Revaluation Reserve	1,132	1,258
Reserves	311	934
Shareholders' Funds	14,443	12,192

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 £000	Restricted £000	2022 £000	Unrestricted £000	Restricted £000	2021 £000
a) Group						
Other Donations	163	128	291	7,748	87	7,835
Legacies	5	146	151	79	65	144
	168	274	442	7,827	152	7,979
b) Charity						
Other Donations	4	76	80	7,748	87	7,835
Legacies	5	146	151	79	65	144
	9	222	231	7,827	152	7,979

Total external donations and legacies reduced from £7.98 million (2021) to £0.44 million (2022) due to one-off gifts from an external donor not being repeated in 2022.

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

	2022 Group £000	2021 Group £000	2022 Charity £000	2021 Charity £000
6. INCOME FROM CHARITABLE ACTIVITIES				
Rents from charitable activities	131	125	131	125
Software Charges	14	-	14	-
Income from publications	150	167	150	167
Income from Café 101	73	-	73	-
International Personnel Training and Development	64	63	41	52
	432	355	409	344
Restricted income for the year was £55k (2021: £52k)				
7. OTHER TRADING ACTIVITIES				
Conference Centre income	42	1	42	1
Rents from letting of property	147	118	147	118
Fees and Commissions receivable	729	520	-	-
Release of Negative Goodwill	175	527	-	-
	1,093	1,166	189	119
Unrestricted income for the year was £1,093k (2021: £1,166k)				
8. INVESTMENT INCOME				
Income from fixed interest securities	416	533	416	533
Dividends from equities	1,511	1,277	1,511	1,277
Interest on bank deposits	7	3	45	41
Income from funds held in USA	988	990	988	990
Rental on Freehold Reversionary Interest	225	470	225	470
Rents from letting of investment properties	1,469	1,385	1,469	1,381
	4,616	4,658	4,654	4,692
Interest on Loans and Advances to Bank Customers	3,342	2,583	-	-
	7,958	7,241	4,654	4,692
Restricted income for the year was £140k (2021: £133k)				

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

	2022 Group £000	2021 Group £000	2022 Charity £000	2021 Charity £000
9. RAISING FUNDS				
Cost of letting of property	701	720	701	720
Investment management costs	1,011	901	1,011	901
Release of Goodwill	-	-	43	43
Costs of subsidiary banking operations	4,899	5,026	-	-
	6,611	6,647	1,755	1,664

Restricted expenditure for the year was £29k (2021: £25k)

10. CHARITABLE ACTIVITIES

Activity	2022						
	Grant and Donation funding of activities £000	Activities undertaken directly £000	Support costs (Note 12) £000	2022	2021	2022	2021
				Group Total £000	Group Total £000	Charity Total £000	Charity Total £000
World Mission	-	2,485	1,741	4,226	3,868	4,226	3,862
Assistance to Salvation Army territories (Note 11)	24,205	3,792	2,487	30,484	35,173	30,484	35,195
International Personnel Training and Development	-	5,218	4,056	9,274	7,820	9,428	7,908
Crisis Relief	-	1,476	266	1,742	2,831	1,742	2,846
Health Services for the Poorest People	-	137	66	203	220	203	221
Fighting Against Sexual Trafficking and for Social Justice	-	838	398	1,236	1,103	1,236	1,107
	24,205	13,946	9,014	47,165	51,015	47,319	51,159

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 £5.8m (2021: £7.2m)

Activity	2021						
	Grant and Donation funding of activities £000	Activities undertaken directly £000	Support costs (Note 12) £000	2021	2020	2021	2020
				Total £000	Total £000	Total £000	Total £000
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

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

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

Territory	2022				Total	2021 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	-	-	100	1	101	77
Americas, General	-	-	-	-	-	4
Angola	-	43	1	247	291	95
Australia	-	6	-	17	23	107
Bangladesh	-	191	3	64	258	460
Brazil	-	552	3	606	1,161	1,799
Canada and Bermuda	-	-	-	-	-	2
Caribbean	-	679	5	140	824	1,181
Congo (Brazzaville) and Gabon	15	488	42	517	1,062	1,313
Czech Republic and Slovakia (Netherlands)	-	449	1	10	460	491
Democratic Republic of Congo	28	496	39	449	1,012	807
Denmark	-	125	-	1	126	141
Eastern Europe	18	1,030	3	36	1,087	1,184
Estonia (Finland)	5	213	4	7	229	233
Fiji and Tonga	-	-	-	1	1	2
France and Belgium	-	-	-	1	1	1
Germany, Lithuania and Poland	-	198	-	-	198	315
Ghana and Togo	-	133	14	120	267	470
Hong Kong and Macau	-	-	1	1	2	-
India National Secretariat	-	259	2	603	864	129
India Central	-	211	1	117	329	556
India Eastern	2	-	2	15	19	(688)
India Northern	-	99	1	1	101	686
India South Eastern	-	297	2	207	506	496
India South Western	-	288	3	48	339	510
India Western	-	219	15	149	383	517
Indonesia	19	-	16	131	166	152
Italy and Greece	-	288	1	164	453	695
Kenya East	34	251	8	91	384	1,164
Kenya West	28	570	(20)	370	948	1,198
Korea	-	-	-	-	-	1
Latin America North	-	597	2	84	683	1,017
Latvia (Sweden)	-	132	-	1	133	200
Liberia, Sierra Leone and Guinea	9	190	1	487	687	533
Malawi	26	121	17	107	271	463
Mali and Burkina Faso	8	112	3	157	280	174
Mexico	-	354	4	36	394	543
Middle East	-	257	1	1	259	355
Mozambique	15	249	7	68	339	384
Nigeria	13	127	26	183	349	461
Norway	-	-	-	1	1	1
Pakistan	-	909	305	172	1,386	1,363
Papua New Guinea	16	795	68	408	1,287	1,123
The Philippines	11	388	3	244	646	634
Russia	2	677	1	47	727	740
Rwanda and Burundi	22	169	20	107	318	389
Singapore, Malaysia and Myanmar	-	190	2	30	222	437
South America East	-	500	3	342	845	1,275
South America West	-	362	5	86	453	773
Southern Africa	4	81	7	138	230	259
Spain and Portugal	3	625	1	5	634	714
Sri Lanka	-	176	2	51	229	294
Switzerland, Austria and Hungary	-	-	-	7	7	-
Taiwan	-	87	1	75	163	173
Tanzania	16	149	6	325	496	430
Uganda	25	148	15	248	436	583
United Kingdom with the Republic of Ireland	-	-	-	1	1	4
USA Eastern	-	-	-	-	-	24
USA Western	-	-	-	4	4	-
Zambia	36	330	5	140	511	830
Zimbabwe and Madagascar	77	396	8	138	619	962
2022 - Total	432	15,206	760	7,807	24,205	29,236

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

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

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

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

12. ANALYSIS OF SUPPORT COSTS BY ACTIVITY

Charitable Activities	Management	Finance & IT	Human Resources	Property	Depreciation	Governance (see note 13)	2022	2021
	£000	£000	£000	£000	£000	£000	£000	£000
World Mission	240	614	127	224	236	300	1,741	1,246
Assistance to Salvation Army territories	343	878	181	321	337	427	2,487	1,978
International Personnel Training and Development	560	1,431	296	522	550	697	4,056	3,295
Crisis Relief	37	94	19	34	36	46	266	206
Health Services for the Poorest People	9	23	5	9	9	11	66	51
Fighting Against Sexual Trafficking and for Social Justice	55	140	29	51	54	69	398	308
	1,244	3,180	657	1,161	1,222	1,550	9,014	7,084

Depreciation on Vehicles and IT Equipment of £145k (2021: £131k) 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	Finance & IT	Human Resources	Property	Depreciation	Governance (see note 13)	2021	2020
	£000	£000	£000	£000	£000	£000	£000	£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

13. GOVERNANCE COSTS

	2022	2021
	£000	£000
Charitable Activities		
Internal Audit	409	437
External Audit	108	79
Legal and Administration (includes Trustees' Indemnity Insurance)	531	448
International Child Protection Governance	257	183
Finance and Property	245	203
	1,550	1,350
Raising Funds		
External Audit - Reliance Bank	144	102
Total	1,694	1,452

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 2022 (Continued)

	2022 £000	2021 £000
14. PERSONNEL COSTS		
Salaries and Allowances	8,372	7,372
Employer's Social Security Costs	885	769
Employer's Pension Costs	790	762
	<u>10,047</u>	<u>8,903</u>

The Trust made Termination payments of £58k during the year.

The number of employees earning greater than £60,000 per annum (including employee benefits but excluding employer's pension costs) was as follows:

	No.	No.
£60,001 - £70,000	9	5
£70,001 - £80,000	8	5
£80,001 - £90,000	1	-
£90,001 - £100,000	1	4
£100,001 - £110,000	2	2
£110,001 - £120,000	5	1
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001 - £150,000	1	-
£150,001 - £160,000	-	1

The highest paid employee within the above had employer pension contributions of £Nil (2021: £Nil).

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

	2022 Headcount	2021 Headcount	2022 FTE	2021 FTE
Average number of officers and employees				
Salvation Army International Trust	182	176	172	166
Reliance Bank Limited	40	39	40	39
SALT College of Africa	17	14	17	14
TOTAL	<u>239</u>	<u>229</u>	<u>229</u>	<u>219</u>

(i) The Salvation Army International Trust

The key management personnel of The Salvation Army International Trust and the Group, 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 £227k (2021: £229k).

(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 Chief Risk Officer.

The total taxable remuneration and benefits plus employers NIC of the Bank's key management personnel was £616k (2021: £585k). Two Executive Directors of Reliance Bank received emoluments during the year, their remuneration was £283k (2021: £266k) and includes pension contributions of £13,905 (2021: £20,522). The highest paid Director received emoluments of £152,296 of which pension contributions were £Nil (2021: £142,148). 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.

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

15. TRUSTEES

(i) Remuneration

The Salvation Army International Trustee Company directors, fourteen trustees (see Trustee's report for details), comprise nine senior Salvation Army officers, an employee who acts as Director/Company Secretary (until January 2022) and four non-executive directors with specialist expertise. All Salvation Army officers receive an allowance based on length of service and other personal circumstances and, as ministers of religion, are provided with furnished accommodation and transport facilities. Salvation Army officers are required to use the accommodation provided, or another agreed alternative, as part of their ministry. Taxable allowances and benefits received during the year by the officers serving as directors ranged from £2,262 to £32,657 (2021: £9,387 to £25,578) with total emoluments of £198,916 (2021: £161,651) and they did not receive any additional remuneration for their duties as directors.

The employee serving until January 2022 as Director/Company Secretary received remuneration of £92,857 (2021: £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 trustee (2021: one) received any expenses of £832 (2021: £191) 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.

16. AUDIT COSTS

The amount payable to the auditors for the audit of these financial statements amounts to £65,000 excluding VAT (2021: £59,000) and a one-off fee of £10,000 due to the implementation of the new Accounting software. An additional payment of £15,000 excluding VAT was made in relation to additional work undertaken in respect of the 2021 audit. Their remuneration for services in connection with audits of overseas territories was £41,000 excluding VAT (2021: £51,250) and payments to BDO International offices amounted to £230,000 (2021: £215,000). The audit of Reliance Bank Limited's financial statements amounts to £120,000 excluding VAT (2021: £85,000).

17. PENSION COSTS

(a) Salvation Army Employees' Defined Benefit Pension Scheme

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 administered by The Salvation Army United Kingdom with Republic of Ireland 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 provisional results from the most recent one, performed on 31 March 2021, reported a surplus of £2.547million relative to the technical provisions which corresponded to an on-going funding ratio of 101.2%. A proposed increase in the employers' contribution rate was agreed to be funded from the surplus until 31 March 2022 and for an increase in contribution payments to take effect from 01 April 2022.

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 2022, the Trust had 35 employees in the scheme out of a total active membership of 309.

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, with a remaining final payment of £38k due as at March 2022.

As at 31 March 2022, the Bank had 1 employee in the scheme respectively out of a total active membership of 309.

	2022 Group £000	2021 Group £000	2022 Charity £000	2021 Charity £000
Salvation Army Employees' Pension Fund				
Amounts falling due within one year	39	76	-	-
Amounts falling due after more than one year	-	38	-	-
	39	114	-	-

(b) Salvation Army Employees' Defined Contribution Pension Scheme

A Defined Contributions Scheme was introduced from 1 October 2011 and 53 members of staff of The Salvation Army International Trust and 35 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.

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

18. NET GAINS AND LOSSES

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

	2022 Group	2021 Group (as Restated)	2022 Charity	2021 Charity (as Restated)
Net Gains on Investments	£000	£000	£000	£000
Gains on Listed Investments	7,867	38,787	7,867	38,787
Foreign Exchange Gains/(Losses) on Investments	804	(1,090)	804	(1,090)
Gain on Revaluation of Investment Properties	3,164	2,042	3,164	2,042
Transfer of Investment Property to Fixed Assets	-	(528)	-	(528)
Gain on revaluation of Freehold Reversionary Interest	-	450	-	450
Exchange Gain/(Loss) on revaluation of funds held in the USA	3,112	(5,525)	3,112	(5,525)
Gain on Investments held in the USA	1,068	17,071	1,068	17,071
	16,015	51,207	16,015	51,207

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

	2022 Group	2021 Group (as Restated)	2022 Charity	2021 Charity (as Restated)
Other recognised gains/(losses)	£000	£000	£000	£000
Foreign Exchange (Losses)	(9)	(205)	(8)	(203)
(Loss) on properties reclassified back to Fixed Assets	-	(58)	-	(58)
	(9)	(263)	(8)	(261)

The significant volume of transactions denominated in US dollars has given rise to exchange losses, as rates moved between \$1.3798 and \$1.3122 between March 2021 and March 2022.

Net Gains on Investments were restated (see Note 35 (c)) in the financial statements and split between the elements pertaining to Net Gains on Investments and those pertaining to Other Recognised Gains/(Losses).

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:

	2022 £000	2021 £000
Accelerated capital allowances:		
Liability at start of the year	-	13
Deferred tax (Credited) to profit and loss account for the Year	-	(13)
Liability at end of the year	-	-

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 CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

20. MOVEMENT IN FUNDS

	Balance 31/03/2021	Transfers	Income	Expenditure	Balance 31/03/2022
	£000	£000	£000	£000	£000
RESTRICTED					
Property Fund	14,492	-	-	(246)	14,246
Other Fixed Assets Fund	-	-	-	-	-
Officers' Support Endowment Fund	5,248	-	243	-	5,491
Inf'l Social Justice Commission Fund	2,515	-	-	-	2,515
Inf'l Financial Accounting Standards Training	1,196	-	1,515	(2,317)	394
Other Restricted	5,218	2	3,042	(3,286)	4,976
	<u>28,669</u>	<u>2</u>	<u>4,800</u>	<u>(5,849)</u>	<u>27,622</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 of cloud-based accounting software 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 31/03/2021	Transfers	Income	Expenditure	Balance 31/03/2022
	£000	£000	£000	£000	£000
UNRESTRICTED					
Property Fund	19,560	158	-	(629)	19,089
Other Fixed Assets Fund	2,422	231	-	(347)	2,306
Reliance Bank Share Fund	2,500	3,000	-	-	5,500
Designated Funds					
Property Commitments Fund	27,362	663	2,292	(1,861)	28,456
Self-Denial Fund	22,182	(1,987)	25,463	(20,966)	24,692
Investment Appreciation Fund	92,796	-	3,639	-	96,435
Investment Property Revaluation Fund	41,984	-	3,164	-	45,148
Exchange Equalisation Fund	3,155	-	1,720	-	4,875
Other Designated Funds	90,087	(2,547)	7,546	(7,237)	87,849
	<u>277,566</u>	<u>(3,871)</u>	<u>43,824</u>	<u>(30,064)</u>	<u>287,455</u>
General Reserve					
Held by Trust	5,001	480	12,210	(12,195)	5,496
Held by subsidiaries	(2,781)	-	4,841	(5,314)	(3,254)
	<u>304,268</u>	<u>(2)</u>	<u>60,875</u>	<u>(48,549)</u>	<u>316,592</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 Reliance Bank Share Fund represents funds which have been used to finance the acquisition of additional Reliance Bank Share Capital.

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 (£19.33m), and an International Property Project reserve (£5.79m) 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 12.4 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 (including the investment funds held by the US National office and recognised as a debtor within these accounts) 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, including reserves of £47.73m supporting the balances held and invested in the USA on behalf of SAIT to generate income for specific purposes, which are Medical Services Support (£8.64m), Schools Services Support (£4.20m) and the Officers Support Endowment Fund (£34.89m).

The income generated from the Officers Support Endowment Fund has resulted in a reserve (£2.57m) which provides grants to Salvation Army Officers around the world to support basic needs.

Also included is a Mission Support Reserve (£2.81m) held to provide additional project funding to territories over the next 2-3 years and an International Schools Development reserve (£7.57m) 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 (£7.62m) and IT Development Reserve (£4.45m) 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 (£3.59m) is held to fund the enhancement of training and personal development of Officers over the next 3-4 years. The Children's Homes Support Reserve (£1.75m) is held to provide ongoing support to improve children's homes facilities around the world over the next 2-3 years.

Four designated Covid-19 Reserves (totalling £2.41m at 31 March 2022) were established to fund responses to the pandemic and are expected to be utilised within the next 2 years.

The remainder of the Other Designated Funds balance is made up of a number of smaller reserves, none of which are individually material.

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

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

20. MOVEMENT IN FUNDS - continued	Balance 31/03/2020 £000	Transfers £000	Income £000	Expenditure £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 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. This fund is made up of restricted donations and is not a permanent endowment.

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 31/03/2020 £000	Transfers £000	Income £000	Expenditure £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 Trading Subsidiary	(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, including reserves of £43.63m supporting the balance held and invested in the USA on behalf of SAIT to generate income for specific purposes, Medical Services Support (£7.90m), Schools Services Support (£3.82m) and the Officers Support Endowment Fund (£31.91m).

Also included is 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 CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total 2022	Unrestricted Funds (Restated)	Restricted Funds	Total 2021 (Restated)
	£000	£000	£000	£000	£000	£000
Goodwill	(4,038)	-	(4,038)	(4,213)	-	(4,213)
Other Intangible Assets	443	-	443	392	-	392
Property Assets	17,100	14,246	31,346	17,685	14,492	32,177
Other Tangible Fixed Assets	2,369	-	2,369	2,488	-	2,488
Investments	299,855	13,376	313,031	312,322	14,166	326,488
Current Assets	135,772	-	135,772	124,259	-	124,259
Current Liabilities	(217,986)	-	(217,986)	(209,168)	-	(209,168)
Debtors over one year	87,385	-	87,385	64,660	-	64,660
Creditors over one year	(4,108)	-	(4,108)	(4,146)	-	(4,146)
	<u>316,592</u>	<u>27,622</u>	<u>344,214</u>	<u>304,279</u>	<u>28,658</u>	<u>332,937</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).

Release of the Negative Goodwill for the year was £175k (2021: £527k) per accounting policies as set out in Note 1(a) and Note 1(f).

	Acquisition
	£000
Calculation of Negative Goodwill	
Cost of 49% acquisition at October 2018	4,108
Share Capital Purchased	(3,675)
Positive Goodwill on acquisition	<u>433</u>
Original cost of 51% shareholding	3,825
Cost of 49% acquisition at October 2018	4,108
Total cost of acquisition	<u>7,933</u>
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
	<u>189,342</u>
Liabilities including customer accounts	(176,142)
Net Assets Acquired	<u>13,200</u>
Net Negative Goodwill	<u>(5,267)</u>
Write back Positive Goodwill on Acquisition	(433)
Negative Goodwill on Consolidation	<u>(5,700)</u>

Amortised Goodwill

	Book Value 2021	Amortisation 2022	Book Value 2022
	£000	£000	£000
Negative Goodwill	(4,560)	218	(4,342)
Positive Goodwill on Acquisition	347	(43)	304
Net Goodwill (Group)	<u>(4,213)</u>	<u>175</u>	<u>(4,038)</u>

(b) OTHER INTANGIBLE FIXED ASSETS

	Computer Software	Total (Charity)	Subsidiary Computer Software	Total (Group)
	£000	£000	£000	£000
Cost:				
Brought Forward	-	-	724	724
Additions	-	-	255	255
Disposals	-	-	-	-
	<u>-</u>	<u>-</u>	<u>979</u>	<u>979</u>
Amortisation:				
Brought Forward	-	-	331	331
Charge for the year	-	-	205	205
Disposals	-	-	-	-
	<u>-</u>	<u>-</u>	<u>536</u>	<u>536</u>
Net Book Value at 31 March 2022	<u>-</u>	<u>-</u>	<u>443</u>	<u>443</u>
Net Book Value at 31 March 2021	<u>-</u>	<u>-</u>	<u>393</u>	<u>393</u>

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

23. PROPERTY ASSETS

	Freehold	Long Leasehold	Overseas	Schemes in Progress	Total (Charity)	Subsidiaries Land & Buildings	Total (Group)
	£000	£000	£000	£000	£000	£000	£000
Cost							
Balance at 1 April 2021	30,888	8,488	226	-	39,602	4,647	44,249
Additions during the year	183	59	-	298	540	14	554
	31,071	8,547	226	298	40,142	4,661	44,803
Less: Disposals	(96)	-	-	-	(96)	-	(96)
Transfer to Investment Property	(31)	(344)	-	-	(375)	-	(375)
Balance at 31 March 2022	30,944	8,203	226	298	39,671	4,661	44,332
Depreciation							
Balance at 1 April 2021	9,612	2,155	33	-	11,800	272	12,072
Charge for the year	707	164	5	-	876	128	1,004
	10,319	2,319	38	-	12,676	400	13,076
Eliminated: on Disposals	(50)	-	-	-	(50)	-	(50)
on Transfer to Investment Property	(6)	(34)	-	-	(40)	-	(40)
Balance at 31 March 2022	10,263	2,285	38	-	12,586	400	12,986
Net Book Value at 31 March 2022	20,681	5,918	188	298	27,085	4,261	31,346
Net Book Value at 31 March 2021	21,276	6,333	193	-	27,802	4,375	32,177

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)	Subsidiaries Office Equipment	Total (Group)
	£000	£000	£000	£000	£000	£000	£000
Cost							
Balance at 1 April 2021	7,078	286	629	59	8,052	509	8,561
Additions during the year	-	43	188	-	231	6	237
	7,078	329	817	59	8,283	515	8,798
Less Disposals	-	-	-	-	-	-	-
Balance at 31 March 2022	7,078	329	817	59	8,283	515	8,798
Depreciation							
Balance at 1 April 2021	5,160	56	355	59	5,630	443	6,073
Charge for the year	155	47	145	-	347	9	356
	5,315	103	500	59	5,977	452	6,429
Eliminated on disposals	-	-	-	-	-	-	-
Balance at 31 March 2022	5,315	103	500	59	5,977	452	6,429
Net Book Value at 31 March 2022	1,763	226	317	-	2,306	63	2,369
Net Book Value at 31 March 2021	1,918	230	274	-	2,422	66	2,488

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

25. INVESTMENTS

	2022		2021 (Restated)	
	Cost £000	Market Value £000	Cost £000	Market Value £000
(a)(i) Group				
Fixed Assets Investments				
Listed Investments (See Note (d) below)				
Fixed Interest				
UK Government	22,399	21,020	20,796	20,490
Overseas	98	98	565	581
Sterling Certificates of Deposit maturing after One Year (see Note (b))	23,313	23,313	7,433	7,433
Equities				
UK Directly Held Equities	14,148	14,342	9,658	11,466
Overseas Directly Held Equities	87,934	116,669	91,771	126,077
	147,892	175,442	130,223	166,047
Investment Property (see Note (f) below)	8,306	53,454	7,873	49,857
Property - Freehold Reversionary Interest (see Note (g) below)	2,990	6,250	2,990	6,250
Funds held in the USA (see Note (e) below)	-	56,997	-	55,090
	159,188	292,143	141,086	277,244
Current Assets Investments				
Bank Deposits (see Note (c) below)	10,000	10,000	16,137	16,137
Listed Investments (See Note (d) below)				
Sterling Certificates of Deposit maturing within One Year (see Note (b))	10,888	10,888	33,107	33,107
	20,888	20,888	49,244	49,244
	180,076	313,031	190,330	326,488
(a)(ii) Charity				
Listed Investments				
Fixed Interest				
UK Government	22,399	21,020	20,796	20,490
Overseas	98	98	565	581
Equities				
UK Directly Held Equities	14,148	14,342	9,658	11,466
Overseas Directly Held Equities	87,934	116,669	91,771	126,077
	124,579	152,129	122,790	158,614
Subsidiary Company (Note 4)				
Reliance Bank Ltd. - Shares	13,000	13,000	10,000	10,000
Investment Property (see Note (f) below)	8,306	53,454	7,873	49,857
Property - Freehold Reversionary Interest (see Note (g) below)	2,990	6,250	2,990	6,250
Funds held in the USA (see Note (e) below)	-	56,997	-	55,090
	148,875	281,830	143,653	279,811
Bank Deposits (see Note (c) below)	27,360	27,360	23,649	23,649
	176,235	309,190	167,302	303,460

(b) Debt Securities

Debt securities are generally held to maturity and are valued at amortised cost less impairment. £9.88m of Sterling Certificates of Deposit held at the balance sheet date mature within three months (2021: £10.10m), with £nil maturing between three and six months (2021: £Nil) and £1.00m maturing between six months and one year (2021: £23.01m), £10.36m maturing between one and two years (2021: £Nil), and £12.95m maturing between two and five years (2021: £7.43m). Debt Securities maturing in less than One year at March 2021 were reclassified as Current Assets Investments in these financial Statements and prior period comparatives consequently adjusted (see Note 35 (a)).

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

	2022	2021	2022	2021
	Group £000	Group £000	Charity £000	Charity £000
Sterling - Notice Deposits (less than 3 months)	-	-	6,540	8,514
US Dollars & Euros	10	9	11,831	14,508
Loans and Advances to Banks - Deposits	1,001	15,501	-	-
Cash held by Investment Managers	8,989	627	8,989	627
	10,000	16,137	27,360	23,649

THE SALVATION ARMY INTERNATIONAL TRUST

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FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

25. INVESTMENTS - continued

	2022 Group	2021 Group	2022 Charity	2021 Charity
	£000	£000	£000	£000
(d) Movement in Listed Investments				
Market Value at 1 April	199,154	189,350	158,614	129,140
Purchases in year	75,257	118,663	48,416	63,230
Sales proceeds	(95,768)	(147,543)	(62,768)	(72,543)
Amortisation	(180)	(103)	-	-
Net Gains- Listed Investments	7,867	38,787	7,867	38,787
Market Value at 31 March	186,330	199,154	152,129	158,614
(e) Gains/(Losses) on Investment Assets				
Listed Investments (see Note (d) above)	7,867	38,787	7,867	38,787
Net Surplus on revaluation of Investment Property	3,164	2,042	3,164	2,042
Release of revaluation surplus on transfer of Investment Property to Fixed Assets	-	(528)	-	(528)
Gain on revaluation of Freehold Reversionary Interest (see Note (f) below)	-	450	-	450
Gain/(Loss) on revaluation of US Dollar Deposits	792	(1,092)	792	(1,092)
Gain on Cash Held by Investment Managers	12	2	12	2
Exchange Gain/(Loss) on revaluation of funds held in the USA	3,112	(5,525)	3,112	(5,525)
Gain on funds held in the USA	1,068	17,071	1,068	17,071
	16,016	51,207	16,016	51,207

Funds held in the USA are held and invested by a USA Salvation Army entity on behalf of SAIT. These funds are intended to be invested with the USA in this way for the long term and for investment appreciation purposes. Net income is remitted quarterly to SAIT, including investment income as well as fair value gains and losses. Due to the nature of these funds held with the USA, SAIT are unable to accurately determine the cost of the investment funds and as such the cost is not disclosed. The net movement in the funds held in the USA of £1,907k is as a result of, £2,273k of the £4,180k gains included within total gains above being disbursed.

(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 £433,144 and fair value as at 31 March 2022 of £667,500 giving rise to a revaluation gain of £234,356. In line with the three-year revaluation rolling plan, twenty-eight investment properties were valued individually at fair value 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 and generated a revaluation gain of £885,500. Fair value of the remaining one hundred and three properties was measured by using the applicable Land Registry house price indices to 31 March 2022, resulting in an additional revaluation gain of £2,243,608. Total net gains on revaluations amounted to £3,163,464. No investment properties were sold during 2021-22.

(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 £225k (2021: £232.7k) per annum is receivable. The freehold reversionary interest has been valued at the year end by the Trustee, based on advice from an external consulting surveyor, at £6.25 million (2021: £6.25 million).

	2022 Group	2021 Group	2022 Charity	2021 Charity
	£000	(as Restated) £000	£000	(as Restated) £000
26. DEBTORS AND PREPAYMENTS				
(a) Debtors and Prepayments due in more than one year				
Amounts falling due after more than one year:				
Loans and Advances to Bank Customers (see (i) below)	87,077	64,267	-	-
Loans due from Salvation Army territories.	308	393	308	393
	87,385	64,660	308	393
(b) Debtors and Prepayments due within one year				
Due from Salvation Army territories	9,836	4,066	9,836	4,066
Prepayments	1,176	532	1,005	341
Other Debtors	643	600	423	515
	11,655	5,198	11,264	4,922
Loans and Advances to Bank customers (see Note (i) below)	9,445	13,239	-	-
	21,100	18,437	11,264	4,922

Debtors and Prepayments previously aggregated were restated (see Note 35 (b)) in the financial statements and split between those due within one year and those due in more than one year.

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FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

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.

	2022 £000	2021 £000
Recoverable on Demand:		
Overdrafts	459	287
Other Loans and Advances:		
Mortgages	47,009	38,615
Loans	49,054	38,604
	<u>96,063</u>	<u>77,219</u>
	<u>96,522</u>	<u>77,506</u>
Loans and advances to customers analysed by periods to maturity:		
Recoverable:		
On demand	2,449	7,832
In 3 months or less	1,387	1,288
In 1 year or less but more than 3 months	5,609	4,119
	<u>9,445</u>	<u>13,239</u>
Loans and advances to customers analysed by periods to maturity:		
In 2 years or less but more than one year	6,724	222
In 5 years or less but more than 2 years	12,939	3,368
Over 5 years	67,552	60,831
Collective impairment provision	(138)	(154)
	<u>87,077</u>	<u>64,267</u>
	<u>96,522</u>	<u>77,506</u>

27. BANK BALANCES

	2022 Group £000	2021 Group £000	2022 Charity £000	2021 Charity £000
Sterling - Interest-bearing current accounts	177	253	2,988	5,413
- Ordinary current accounts	346	172	262	238
US Dollars and Euros	6	37	5,733	3,725
	<u>529</u>	<u>462</u>	<u>8,983</u>	<u>9,376</u>
Loans and Advances to Banks (see (i) below)	22,725	31,302	-	-
Cash and Balances at Central Bank (see (ii) below)	91,287	73,927	-	-
	<u>114,541</u>	<u>105,691</u>	<u>8,983</u>	<u>9,376</u>

	2022 £000	2021 £000
(i) Loans and Advances to Banks		
Bank Balances		
Recoverable on Demand	21,584	27,670
Interbank Loans recoverable in 3 months or less	1,141	3,632
	<u>22,725</u>	<u>31,302</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 (2021: £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 expected funding requirements with a comfortable margin. Term deposits and debt securities have well spread maturities to match expected cash outflows. Some deposits and debt securities are used to directly match significant customer term deposits, in terms of both interest rate risk and liquidity.

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

27. BANK BALANCES - continued

	2022	2021
	£000	£000
(ii) Cash and Balances at Central Bank		
Balances at Central Bank	91,287	73,927
	<u>91,287</u>	<u>73,927</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).

	2022	2021	2022	2021
	Group	Group	Charity	Charity
	£000	£000	£000	£000
28. CURRENT LIABILITIES - Other Creditors due within one year				
Due to Salvation Army territories	5,576	7,323	5,576	7,322
Bank customer Accounts (see (i) below)	209,043	199,535	-	-
Other Creditors and Accruals	3,328	2,234	2,658	1,732
	<u>217,947</u>	<u>209,092</u>	<u>8,234</u>	<u>9,054</u>

	2022	2021
	£000	£000
(i) Reliance Bank Customer Accounts		
Current Accounts	92,737	108,580
Deposit Accounts	116,306	90,955
	<u>209,043</u>	<u>199,535</u>
With agreed maturity dates or periods of notice by remaining maturity:		
Repayable on demand	149,270	152,842
3 months or less but not repayable on demand	48,159	42,538
1 year or less but over 3 months	11,614	4,155
	<u>209,043</u>	<u>199,535</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 £59,000,000 are subject to 3 months' written notice (2021: £69,000,000). The Bank's liquidity position, under the current regulatory liquidity regime, reflects these assurances provided to the Bank.

	2022	2021	2022	2021
	Group	Group	Charity	Charity
	£000	£000	£000	£000
29. OTHER CREDITORS DUE AFTER MORE THAN ONE YEAR				
Contingent Payments due to Salvation Army Territories	4,108	4,108	4,108	4,108
	<u>4,108</u>	<u>4,108</u>	<u>4,108</u>	<u>4,108</u>

30. OPERATING LEASE COMMITMENTS

At the 31 March 2022 The Salvation Army International Trust were committed to making the following payments in respect of operating leases:

	2022	2021	2022	2021
	Group	Group	Charity	Charity
	£000	£000	£000	£000
Within one year	374	239	28	53
Between one to five years	579	599	48	76
Over five years	-	2	-	-
	<u>953</u>	<u>840</u>	<u>76</u>	<u>129</u>

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

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:

	2022 Contract Amount £000	2021 Contract Amount £000
Commitments:		
Undrawn formal standby facilities of one year or less	16,555	12,688
Contingent Liabilities:		
Guarantees	7,694	7,694
	<u>24,249</u>	<u>20,382</u>

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. TRANSACTIONS WITH SALVATION ARMY TERRITORIES AND SUBSIDIARIES

The Salvation Army International Trust receives contributions for the International Self-Denial Fund, International Headquarters Support and for 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). Salvation Army Territories are separate and independent legal entities.

The International Trust solely owns Reliance Bank Limited. Related party transactions between the two entities during the financial year include interest received of £38k (2021: £42k) from the Bank, donation of £Nil (2021: £Nil) received from the Bank, rent and services of £112k (2021: £142k) paid to the Bank and bank charges of £12k (2021: £18k) paid to the bank. The balance of connected deposits at Reliance Bank Limited due to Parent Undertaking was £27.5m (2021: £32.0m). Additional Share Capital of £3 million of the bank was purchased by the Trust during the year.

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 grant payments to the College totalling £296k (2021: £63k and £26k Transfer of Assets).

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.

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

35. PRIOR PERIOD ADJUSTMENTS

The balance sheet and cashflow statement have been restated to rectify a number of errors as detailed below.

Summary of the prior year accounting impact:

	2021 Group Previously Reported	2021 Group Restatement	2021 Group Restated	2021 Charity Previously Reported	2021 Charity Restatement	2021 Charity Restated
Balance Sheet	£000	£000	£000	£000	£000	£000
Fixed Assets - Investments (see note (a) below)	255,261	21,983	277,244	224,721	55,090	279,811
Current Assets - Investments (see note (a) below)	16,137	33,107	49,244	23,649	-	23,649
Debtors and Prepayments (see note (a) and (b) below)	138,187	(138,187)	-	60,405	(60,405)	-
Debtors and Prepayments due in more than one year (see note (b) below)	-	64,660	64,660	-	393	393
Debtors and Prepayments due within one year (see note (b) below)	-	18,437	18,437	-	4,922	4,922

The cashflow statement has been restated as a result of the reclassification of funds held in the USA from Debtors and Prepayments to Fixed Asset investments (see also note 35(a)(ii) below). The funds held in and invested for the International Trust by the USA National Headquarters are intended to be held for investment appreciation and constitute a fixed asset investment in the financial statements rather than a debtor. £17,071k was incorrectly disclosed in the prior year as an investing cashflow instead of a non-cashflow adjustment.

The associated Gains and the Proceeds from the sale of relevant Investments were restated accordingly on the Statement of Cashflows.

Impact on Consolidated Cashflow Statement - Group

	2021 Group Total funds Previously Reported	2021 Group Total funds Restatement	2021 Group Total funds Restated
Cashflow Statement	£000	£000	£000
Cash flows from investing activities - Gain on US held investments	17,071	(17,071)	-
Cash flows from investing activities - Proceeds from the sale of investments	147,543	1,931	149,474
Cash flows from investing activities - Total	45,574	(15,140)	30,434
Cash (used in)/provided by operating activities - (Gain) on investments	(56,732)	5,525	(51,207)
Cash (used in)/provided by operating activities - (Increase) in Debtors	(29,763)	9,615	(20,148)
Cash (used in)/provided by operating activities - Total	(10,392)	15,140	4,748

(a) Investments

(i) The financial statements have been restated to rectify an error whereby Debt securities with maturity dates of less than one year were included as part of the Fixed Asset Investments instead of being included within Current Assets Investments at 31 March 2021.

This adjustment (£33,107k) does not impact the opening/closing funds as it is a balance sheet reclassification.

This impacted the Group figures, Charity only amounts were unaffected.

(ii) The financial statements have been restated to reclassify funds held in the USA (£55,090k) as Fixed Asset investments from Debtors and Prepayments. Funds held in the USA are held and invested by a USA Salvation Army entity on behalf of SAIT.

These funds are intended to be invested with the USA in this way for the long term and for investment appreciation purposes.

This impacted both the Group and Charity figures.

Summary of the prior year accounting impact:

	2021 Group Previously Reported	2021 Group Restatement	2021 Group Restated	2021 Charity Previously Reported	2021 Charity Restatement	2021 Charity Restated
Balance Sheet	£000	£000	£000	£000	£000	£000
Fixed Assets - Investments (see (a)(i))	255,261	(33,107)	222,154	-	-	-
Current Assets - Investments (see (a)(i))	16,137	33,107	49,244	-	-	-
Fixed Assets - Investments (see (a)(ii))	222,154	55,090	277,244	224,721	55,090	279,811
Debtors and Prepayments (see (a)(ii))	138,187	(55,090)	83,097	60,405	(55,090)	5,315

(b) Debtors and Prepayments

(i) The financial statements have been restated to rectify an error whereby all Debtors and Prepayments balances (£83,097k Group: £5,315k Charity) were reported under a single line of Debtors and Prepayments on the Balance Sheet without distinction between those due in less than one year and those due in more than one year.

FRS102 (Paragraph 4.4A) requires that debtors due after one year be separately disclosed on the face of the balance sheet where those amounts are so material in the context of the total net current assets that readers may misinterpret the financial statements in the absence of the disclosure.

This adjustment does not impact the opening/closing funds as it is a balance sheet reclassification.

Summary of the prior year accounting impact:

	2021 Group Previously Reported	2021 Group Restatement	2021 Group Restated	2021 Charity Previously Reported	2021 Charity Restatement	2021 Charity Restated
Balance Sheet	£000	£000	£000	£000	£000	£000
Debtors and Prepayments (see (b)(i))	83,097	(83,097)	-	5,315	(5,315)	-
Debtors and Prepayments due in more than one year (see (b)(i))	-	64,660	64,660	-	393	393
Debtors and Prepayments due within one year (see (b)(i))	-	18,437	18,437	-	4,922	4,922

THE SALVATION ARMY INTERNATIONAL TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

35. PRIOR PERIOD ADJUSTMENTS - Continued

(c) Net Gains and Losses

The financial statements have been restated to rectify an error in the presentation of Gains and Losses which were reported under a single line of Net Gains on Investments on the Statement of Financial Activities which included entries relating to 'Other Recognised Gains and Losses' as per FRS 102. These adjustments do not impact the opening/closing funds as they are reclassifications within lines on the Statement of Financial Activities.

Summary of the prior year accounting impact - Group

	2021 Group		2021 Group		2021 Group Total		2021 Group		2021 Group	
	Unrestricted funds	Unrestricted funds	Unrestricted funds	Restricted funds	Restricted funds	Restricted funds	Total funds	Total funds	Total funds	
	Previously Reported	Restatement	Restated	Previously Reported	Restatement	Restated	Previously Reported	Restatement	Restated	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Statement of Financial Activities										
Net gains on investments	49,778	253	50,031	1,166	10	1,176	50,944	263	51,207	
Other recognised Gains/(Losses)	-	(253)	(253)	-	(10)	(10)	-	(263)	(263)	

Summary of the prior year accounting impact - Charity

	2021 Charity		2021 Charity		2021 Charity Total		2021 Charity		2021 Charity	
	Unrestricted funds	Unrestricted funds	Unrestricted funds	Restricted funds	Restricted funds	Restricted funds	Total funds	Total funds	Total funds	
	Previously Reported	Restatement	Restated	Previously Reported	Restatement	Restated	Previously Reported	Restatement	Restated	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Statement of Financial Activities										
Net gains on investments	49,780	251	50,031	1,166	10	1,176	50,946	261	51,207	
Other recognised Gains/(Losses)	-	(251)	(251)	-	(10)	(10)	-	(261)	(261)	

DIRECT CONTRIBUTIONS FROM TERRITORIES TOWARDS SPECIAL PROJECTS FOR THE YEAR ENDED 31 MARCH 2022

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	1,750,093	Angola	220,387
Canada and Bermuda	766,322	Australia	286,366
Denmark and Greenland	31,200	Bangladesh	441,762
The Netherlands, Czech Republic and Slovakia	1,340,966	Brazil	641,409
New Zealand, Fiji, Tonga and Samoa	115,261	Canada and Bermuda	990
Norway, Iceland and The Faeroes	1,039,811	Caribbean	1,153,588
Sweden and Latvia	484,900	Congo (Brazzaville) with Gabon	384,349
Switzerland, Austria and Hungary	1,434,565	Democratic Republic of Congo	83,877
United Kingdom with the Republic of Ireland	1,723,131	Denmark and Greenland	89,286
USA Central	2,240,731	Eastern Europe	1,110,275
USA Eastern	2,693,296	Finland and Estonia	104,825
USA Southern	1,895,042	France and Belgium	14,881
USA Western	1,437,153	Germany, Lithuania and Poland	150,030
USA SAWSO	5,969,004	Ghana with Togo	447,409
		Hong Kong and Macau	205
	<u>£22,921,475</u>	India National Secretariat	7,868
		India Central	70,197
		India Eastern	314,401
		India Northern	324,327
		India South Eastern	453,967
		India South Western	121,860
		India Western	498,457
		Indonesia	587,479
		Italy and Greece	338,570
		Kenya East	1,042,261
		Kenya West	864,116
		Korea	66,754
		Latin America North	602,104
		Liberia and Sierra Leone with Guinea	706,388
		Malawi	1,113,336
		Mali with Burkina Faso	394,407
		Mexico	1,065,734
		Middle East Region	29,926
		Mozambique	108,808
		The Netherlands, Czech Republic and Slovakia	160,052
		New Zealand, Fiji, Tonga and Samoa	73,792
		Nigeria	517,571
		Norway, Iceland and The Faeroes	146,209
		Pakistan	394,652
		Papua New Guinea and Solomon Islands	603,324
		The Philippines	1,003,435
		Russia	214,185
		Rwanda and Burundi	226,504
		Singapore, Malaysia and Myanmar	276,985
		South America East	871,828
		South America West	622,905
		Southern Africa	763,279
		Spain and Portugal	199,183
		Sri Lanka	348,621
		Sweden and Latvia	89,509
		Taiwan	155,849
		Tanzania	523,517
		Uganda	380,443
		United Kingdom with the Republic of Ireland	95,109
		Zambia	692,172
		Zimbabwe and Botswana with Madagascar	721,752
			<u>£22,921,475</u>



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