

34TH REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024

THE SALVATION ARMY
INTERNATIONAL TRUST



Front cover photo shows a student at Joytown School in Thika, Kenya

MISSION

STATEMENT

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



THE SALVATION ARMY

International Headquarters
101 Queen Victoria Street
London EC4V 4EH

THE SALVATION ARMY

WORLDWIDE FACTS & FIGURES

GENERAL INFORMATION

Countries and territories where SA serves **134**
Corps, outposts, societies, new plants
and recovery churches **14,893**
Goodwill centres **100**
Officers **26,374**
 Active **16,077**
 Retired **10,297**
Auxiliary-Captains **353**
Envoys/sergeants/non-officer personnel, full-time **994**
Cadets **749**
Employees **100,950**



THE SALVATION ARMY MEMBERSHIP

Senior soldiers **1,249,596**
Adherents **170,629**
Junior soldiers **397,982**

CORPS PROGRAMME

Senior band musicians **27,007**
Senior songsters **101,640**
Other senior musical group members **119,598**
Senior and young people's local officers **153,464**
Women's Ministries (all groups) members **682,501**
League of Mercy - members **164,406**
SA Medical Fellowship - members **10,432**
Over-60 clubs - members **59,290**
Men's fellowships - members **130,266**
Young people's bands - members **15,327**
Young people's singing companies - members **162,862**
Other young people's music groups - members **113,331**
Corps cadets **43,618**
Sunday schools - members **730,624**
Junior youth groups (scouts, guides, etc., and clubs)
- members **216,853**
Senior youth groups - members **181,030**
Parent and toddler groups **574**
 Capacity **261,156**
Corps-based community development programmes **53,148**
 Beneficiaries/clients **664,263**
Thrift stores/charity shops (corps/territorial/social) **2,623**
Recycling centres **24**

ADDICTION DEPENDENCY

Non-residential programmes **106**
 Capacity **1,222**
Residential programmes **176**
 Capacity **97,188**
Harbour Light programmes **20**
 Capacity **1,172**
Other services for those with addictions **60**
 Capacity **1,812**



SOCIAL PROGRAMME

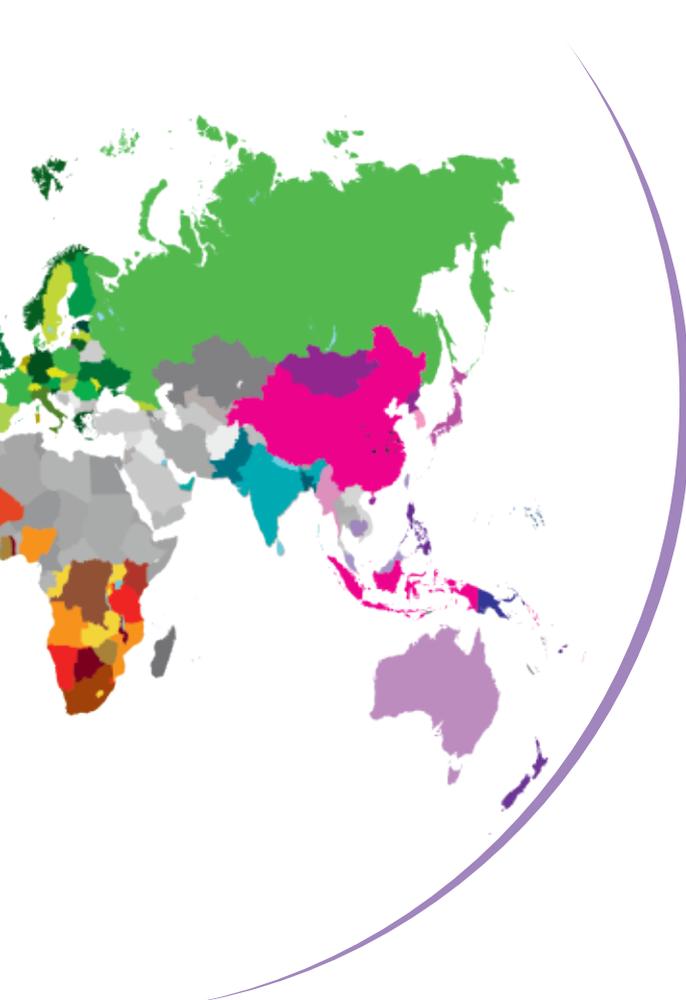
Residential accommodation for the homeless **10,611**
 Capacity **44,691**
Children's homes **199**
 Capacity **5,820**
Homes for elderly persons **144**
 Capacity **11,570**
Homes for disabled persons **37**
 Capacity **1,525**
Homes for blind persons **4**
 Capacity **107**
Remand and probation homes **140**
 Capacity **950**
Mother and baby homes **28**
 Capacity **795**
Training centres for families **66**
 Capacity **244**
Care homes for vulnerable people **284**
 Capacity **1,926**
Other residential care homes/hostels **22**
 Capacity **688**



EDUCATION PROGRAMME

Pre-school/kindergarten/sub-primary **779**
Primary schools **1,237**
Secondary and high schools **596**
Colleges and universities **19**
Vocational training schools/centres **50**
Pupils **557,460**
Teachers **19,527**
Schools for blind students (included in above totals) **17**
Schools for disabled students (included in above totals) **39**
Boarding schools (included in above totals) **110**
Staff training and development centres **79**
Learning centres **12**





Source of aggregate statistics for Salvation Army territories:
The Salvation Army Year Book 2024 (pages 40-41)
 (as recorded at 1 January 2023)

HEALTH PROGRAMMES

- General hospitals **29**
Capacity **2,303**
- Hospice long-term care **13**
Capacity **157**
- Maternity hospitals **35**
Capacity **1,020**
- Other specialist hospitals **43**
Capacity **777**
- Specialist clinics **25**
Capacity **3,412**
- General clinics/health centres **120**
- Mobile clinics/community health posts **49**
- Inpatients **314,027**
- Outpatients **1,200,901**
- Doctors/medics **5,370**
- Non-medical staff **1,909**
- Invalid/convalescent homes **3**
Capacity **106**
- Health education programmes (HIV/Aids, etc.) **3,037**
Beneficiaries **229,001**
- Day care programmes **76**



SERVICES TO THE ARMED FORCES

- Mobile units for service personnel **28**
- Chaplains **78**



SERVICES TO THE COMMUNITY

- Community centres **430**
Capacity **429,308**
- Day centres for the elderly **63**
Capacity **2,519**
- Day centres for street children **77**
Capacity **844**
- Day nurseries **528**
Capacity **33,518**
- Drop-in centres for youth **204**
Capacity **9,198**
- Other day care centres **126**
Capacity **6,193**
- Prisoners visited **31,768**
- Prisoners helped on discharge **24,124**
- Police courts - people helped **49,109**
- Missing persons - applications **1,884**
Number traced **875**
- Night patrol/anti-suicide - number helped **287,814**
- Employment bureaux - applications **98,647**
Initial referrals **61,982**
- Counselling - people helped **284,641**
- General relief - people helped **12,955,581**
- Emergency relief (disasters) - people helped **1,129,175**
- Emergency mobile units **1,889**
- Feeding centres **2,400**
- Restaurants and cafés **230**
- Apartments for elderly **1,252**
Capacity **5,436**
- Hostels for students, workers, etc. **40**
Capacity **1,501**
- Land settlements (capacity) **6**
- Social Services summer camps **147**
Participants **12,958**



EMERGENCY DISASTER RESPONSE

- Disaster rehabilitation schemes **90**
Participants **51,215**
- Refugee programmes - host country **70**
Participants **134,731**
- Refugee rehabilitation programmes **61**
Participants **106,337**
- Other response programmes **71**
Participants **68,411**





Foreword by **General Lyndon Buckingham**

Greetings in the name of our Lord and Saviour Jesus Christ! As the world continues to experience turmoil and turbulence, it is good to know that we can continue to trust in God's plan and providence each and every day.

The Salvation Army was founded with that trust in mind: faith in God's plan and reliance on his providence to sustain and provide for the ongoing mission for which he called the Army into existence. Our International Mission Statement is a clarion call: 'To preach the gospel of Jesus Christ and to meet human needs in his name without discrimination.' The Salvation Army International Trust ('SAIT') continues to be instrumental in and integral to fulfilling that mandate.

The statistics documented throughout this report testify to the scope and reach of the Army's mission: responding to emergencies and disasters - both natural and man-made; coordinating international development and support projects; supporting territories as they assess priorities and plan for the future; providing care in our hospitals and clinics around the globe; fighting against human trafficking and modern slavery - all of this and more are the remit for which SAIT's partnership and oversight is vital.

The Salvation Army has always taken a 'hands-on' approach. 'Meeting needs' is about sharing the love of God in whatever form is required; be it spiritual, physical, emotional or financial. We have always recognised that practical demonstrations of the values of the Kingdom of God are more impactful than just talking about them. The Salvation Army lives out its mission on a daily basis.

As an evangelical part of the universal Christian Church, the Army has always valued integrity, accountability and stewardship. We recognise and are deeply appreciative of the essential role played by The Salvation Army International Trustee Company ('SAITCo') and SAIT in providing robust governance structures and strong controls for use of charitable funds. I am grateful to each member of the SAITCo board, whose advice and expertise continue to ensure outstanding guidance for the Army and its resources.

We now look forward to the future as we launch our Global Strategic Framework: 'Compass.' The framework seeks to point the way; to guide The Salvation Army into the days ahead. People, Mission, Legacy - this is who we are, and where God is leading us. I look forward to SAITCo's role in this exciting opportunity to shape the future of our movement.

I also want to express my thanks for the officers, soldiers, staff and volunteers, supporters and donors who work tirelessly to deliver the Army's mission around the world. Your partnership enables the Army to do what it does best.

I am grateful for the work which this report represents, as well as for the report itself. I commend it to you with my heartfelt appreciation.

May God richly bless you.

Yours in his service,

Lyndon Buckingham
GENERAL



Foreword by the Chief of the Staff **Commissioner Edward Hill**

As Chair of the Board of Directors of The Salvation Army International Trustee Company ('SAITCo'), I am once again honoured to present the Annual Report to our readers.

The Salvation Army International Trust ('SAIT' or 'the Trust') exists to further the ministry of The Salvation Army, which is to advance the Christian religion and meet human needs as and when they occur throughout the world. It also supports the work of International Headquarters ('IHQ'), which is responsible for coordinating the international mission, as well as overseeing strategy.

The global work of The Salvation Army is widely recognised as essential and of significant value. Amidst substantial crises and challenges in our world, I appreciate the conscientious management of Salvation Army resources, which has facilitated and ensured the provision of exceptional levels of service.

In response to the wide-ranging and significant governance review in recent years, SAITCo has implemented a number of reforms, including changes to the operation of subsidiary boards, committees and councils, updates of expenditure authority thresholds for financial decision-making and internal staffing reorganisations. Additional work has also been undertaken to review both the risk management protocols and strategic planning processes of the Trust, and to introduce a programme of formal monitoring of Board skills and performance for SAITCo.

I am pleased to share that Reliance Bank Ltd, the bank of The Salvation Army, enjoyed a very productive year in 2023/24. Efforts are also progressing well to apply a manual issued from IHQ of International Financial and Accounting Standards ('IFAS') for The Salvation Army and to roll out NetSuite cloud-based accounting software and the Office 365 suite to financially supported territories.

SAITCo continues work to benchmark and align IHQ practice with the latest update to the Charity Governance Code, which focuses on integrity, equality, diversity and inclusion. IHQ is also currently engaged in a strategic planning process, which will strengthen our movement through the identification and implementation of global priorities focusing on *people, mission and legacy*. These are exciting days of development for us.

In light of recent and evolving challenges, SAITCo persistently monitors developments with regard to both internal and external events. Given our sound financial position, investment strategy and reserves policy, all of which are meticulously overseen through our governance structures, we maintain confidence in the Trust's ability to continue fulfilling its grant-making and other objectives.

I look forward to the Trust's continued engagement in assisting The Salvation Army to meet its full potential as a transformational movement in the world. Certainly, this effort will be advanced by deepening the Trust's engagement with and understanding of the various challenges and opportunities facing the international Salvation Army, particularly in those places around the globe where the need is greatest.

I extend my deepest gratitude to my fellow directors at SAITCo for their unwavering dedication, enthusiasm and professionalism.

The movement is strategically positioned to successfully fulfil its mission objectives and consistently create a beneficial global influence.

Sincerely yours,

A handwritten signature in black ink that reads "Edward Hill". The signature is written in a cursive, flowing style.

Edward Hill

CHIEF OF THE STAFF

THE SALVATION ARMY INTERNATIONAL TRUST

TRUSTEE'S REPORT

The Trustee is pleased to present the annual report for The Salvation Army International Trust (referred to as 'the Trust' or 'SAIT') for the year ended 31 March 2024.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

THE SALVATION ARMY INTERNATIONAL TRUST

Registered Charity No 1000566
Trust Settlement Deed dated 21 September 1990
(Governing Document)

THE SALVATION ARMY INTERNATIONAL TRUSTEE COMPANY - ORDINARY TRUSTEE

Company Registration No 2538134

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

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

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AND MANAGEMENT

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NOTES TO THE ACCOUNT

The SAITCo Directors who served throughout the period under review and to the date of approval of this report and accounts are as follows:

SAITCO DIRECTORS

Commissioner Lyndon Buckingham	from 3 August 2018 to 2 August 2023
Commissioner Keith Conrad	from 1 August 2019
Commissioner Lee Graves <i>MBA</i>	from 1 November 2020 to 31 August 2023
Commissioner Edward Hill <i>MDiv, MACE</i>	from 1 May 2021
Commissioner Lyn Hills	from 1 July 2024
Commissioner Debbie Horwood	from 1 July 2021
Commissioner Eva Kleman	from 1 November 2020 to 30 June 2024
Commissioner John Kumar Dasari	from 2 April 2024
Commissioner Robyn Maxwell	from 1 November 2020
Commissioner Kenneth Maynor	from 2 September 2023
Commissioner Susan McMillan <i>BCom, MBA, FCPA, FCGA</i>	from 17 July 2023
Commissioner Garth Niemand <i>MBA, BTh</i>	from 3 September 2023
Commissioner Suresh Pawar	from 12 November 2020 to 1 April 2024
Lieut-Colonel Russell Malcolm <i>BCom, DipApTh, MBA, CAANZ CA</i>	from 1 February 2022 to 21 May 2023
Mr Robin Foale	from 1 May 2019
Mr James Gardner <i>MA</i>	from 1 May 2022
Mr Mark Goodale <i>BA, FIA</i>	from 1 May 2019
Mr Robert Lister	from 1 January 2016
Mr Tim Sketchley <i>BA, MA (Cantab), FRICS</i>	from 1 May 2022

AUDIT COMMITTEE MEMBERS

Ms Rosie Bichard <i>GCB.D, CFA (Chair)</i>
Mr Mark Goodale <i>BA, FIA</i>
Mr Tim Sketchley <i>BA, MA (Cantab), FRICS</i>
Mr Andrew Stickland <i>BA (Hons), FCA</i>

PRINCIPAL OFFICERS

Commissioner Lee Graves <i>MBA</i>	Managing Director to 31 August 2023
Commissioner Garth Niemand <i>MBA, BTh</i>	Managing Director from 3 September 2023
Dr Matthew Carpenter <i>BA, MBA, DBA, MCMl</i>	Company Secretary
Lieut-Colonel Russell Malcolm <i>BCom, DipApTh, MBA, CAANZ CA</i>	Head of Finance to 21 May 2023
Commissioner Susan McMillan <i>BCom, MBA, FCPA, FCGA</i>	Head of Finance from 22 May 2023
Mr Kaloan Belito <i>BA, DchA, MSc, FCCA</i>	Chief Accountant

BANKERS

HSBC Bank plc
60 Queen Victoria Street
London EC4N 4TR

Reliance Bank Limited
Faith House, 23-24 Lovat Lane
London EC3R 8EB

National Westminster Bank
38 Strand
London WC2N 5JB

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

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 (UKI Territory) 49% interest in the Bank and invested an additional £1.5 million in the Bank's share capital. Under its new ownership 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 2023, £11 million of additional share capital was invested by the Trust in the Bank to support its new strategic plan and future growth. The Bank experienced a loss-making period for the four years to 31 March 2022, against the background of the global pandemic, ultra-low interest rates and the Bank's investments in people, systems and resources. The Bank returned to profit in 2022/23 and recorded a record profit before tax of £1.9 million in 2023/24.

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 after 2008, this model became unsustainable and since 2018 the Bank has instead built a social impact lending portfolio, not only to improve financial returns, but also to align to the

mission of supporting communities and meeting human need. Growth in the loan book, together with rising interest rates, have driven improved income levels and the return to profitability. The record profit achieved in 2023/24 can be viewed as an exceptional result and it is expected that the level of earnings will normalise in 2024/25 as interest rates moderate.

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 the 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 fee-free personal current account services at market rates. Reliance Bank more widely 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 and consideration of alternative options to proceeding with sole ownership. The Trust refreshed this diligence in 2021/22 and 2022/23, to support investment of

additional share capital, with the engagement of external consultants to review the Bank's performance to the five-year strategic plan and advise SAITCo on other related matters.

Ordinarily, it is expected that the Bank will donate a proportion of its net taxable profits to support the mission of the Trust. No donations were made during the early years of sole ownership of the Bank by the Trust, as the Bank was in an investment phase, however in 2023/24 the Bank made a Gift Aid payment of £100,000 to the Trust with this set at a level which allows for further investment of profits in the Bank's development.

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, as ordinary Trustee of the Trust and on behalf of the Trust, to which the Trust transferred assets, and so, from 1 August 2020 and during the year under review (2023/24), 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.

Consolidated accounts for the Trust incorporating the subsidiary companies Reliance Bank Limited and The Salvation Army Leaders' Training College of Africa and Resource Centre Limited are presented for 2023/24 on pages 58 to 87, as well as charity results, assets and liabilities for 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 the latest review of terms of reference undertaken in January 2024.

SAITCo has a Serious Incident Reporting Policy and Procedure in place, last reviewed in August 2024, 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. The IFAS manual was reviewed and updated during 2022/23, following a comprehensive committee-led drafting process, including formal review of consultation materials by 50 Salvation Army territories, with a revised 2023 edition of IFAS issued from IHQ in February 2023 and effective from January 2024. A project is also well advanced to roll out cloud-based accounting software to all financially supported



The Salvation Army International

territories by 2025/26, enabling more regular and more detailed reporting both within territories and from territories to IHQ, with 23 of the 41 financially supported territories using the software as at October 2024. A new reporting mechanism from all territories to the IFB commenced in 2020/21 and this was further developed in 2022/23, based upon the suite of 16 Key Financial Indicators ('KFI's') 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 four members, including two Independent Non-Executive Directors of SAITCo, with none of the members holding executive



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

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.

A Board Charter for SAITCo was developed during 2019/20 as an early action within the governance review process and remains in place. 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 was further reviewed and updated to embed reforms prompted by the governance review. An operational review of IHQ was then undertaken with a number of enhancements implemented in 2021/22 and 2022/23, including changes to the operation of subsidiary boards, committees and councils, update of expenditure authority thresholds for financial decision-making and internal staffing reorganisations.

During 2023/24, an external consultant was engaged by SAITCo to benchmark IHQ practice to the most recent update to the Charity Governance Code, which focuses on the principles of integrity and equality, and diversity and inclusion, highlighting opportunities for further development. An action plan was developed to further align SAITCo practice to the Code and was approved by SAITCo for implementation from May 2024. SAITCo already embraces many governance activities outlined within the Code, such as conducting board induction and training, board performance monitoring, 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 board consultation with beneficiaries and board review of longer-term financial strategy.

Additional work was also undertaken in 2023/24 to review the risk-management protocols of SAITCo, with a revised and refreshed SAITCo Risk Register approved by SAITCo for implementation from January 2024. A further body of agreed actions is anticipated in 2024/25, including a further review of the SAITCo Articles of Association and SAITCo Board Charter, as well as enhancements to board strategic planning processes.

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.

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 2024.

SAITCo is committed to paying the living wage as set by the Living Wage Foundation to all staff as a minimum and IHQ is accredited by the Living Wage Foundation as a living wage employer.

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. The lowest full-time salary at IHQ is always set in line with or above the living wage as set by the Living Wage Foundation.

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 14 to the Accounts. The Trust did not have any UK volunteers, excluding trustees, during the reporting period.

MODERN SLAVERY ACT

The Salvation Army is very active in bringing practical assistance to those whose lives have been affected by the evil of modern slavery, and as such is sensitive to the danger of inadvertently finding itself falling short of its own beliefs and standards in this regard, as well as the standards set out in the UK Government's Modern Slavery Act 2015. The Modern Slavery Act 2015 compliance statement for SAITCo, reviewed and updated in November 2023, 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, as amended by the Charities Act 2022, requires charities to make a statement regarding fundraising activities. Although the Trust does not actively undertake widespread fundraising from the general public, the legislation defines fund raising as 'soliciting or otherwise procuring money or other property for charitable purposes'. Such amounts receivable are presented in the Accounts as 'Other Donations and Legacies'.

In relation to the above, SAITCo confirms that no fundraising activity has been undertaken 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 the involvement of commercial participators or professional fundraisers.

During the year, IHQ corresponded with the Fundraising Preference Service in connection with 10 individuals who requested that no fundraising material be sent to them by the Trust, with confirmation provided that the Trust does not hold fundraising mailing lists nor issue any fundraising correspondence to individuals seeking donations, and so the individuals' wishes have been met.



Right: Resident at the Bapatla Boys' Home, India

Below: Local farming community involved in the Muko Agriculture and Food Security Project in Rwanda





A Ukrainian refugee family in Batumi, Georgia. They are beneficiaries of The Salvation Army's feeding programme for refugees

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 healthcare 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 12 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'

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1

WORLD MISSION



OVERALL OBJECTIVE

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

SPECIFIC AIMS

World Mission objectives are to encourage and enable people linked to The Salvation Army to reach out into their communities with spiritual and practical support, to offer online 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

In May 2023, the diverse group of Salvation Army leaders known as the High Council gathered in London, UK, with the sole purpose of electing the movement's next international leader. At the end of a week of prayer, discussion and deliberations, Commissioner Lyndon Buckingham was presented to the world as General-elect. He took office on 3 August 2023 when Commissioner Bronwyn Buckingham also commenced her appointment as World President of Women's Ministries.

INTERNATIONAL LEADERS

In his first article in *The Officer* magazine, soon after his election as the 22nd General of The Salvation Army, General Lyndon Buckingham shared his priorities as he assumed the role of international

leader with a focus on 'the proclamation of the gospel of Jesus Christ, the genuine care and concern for others, and the pursuit of a life of holiness'. In following these objectives, he expressed a hope and expectation that 'God will be glorified, we will fulfil our missional mandate and the Kingdom of God will be extended'.

In the months since taking office, the General and Commissioner Bronwyn Buckingham travelled the world offering the good news of Jesus Christ and sharing a message of holiness and godliness. The General and Commissioner Buckingham shared in territorial events in New Zealand, Uganda and Sri Lanka, and participated in anniversary celebrations in Fiji (50 years), South Africa (140 years) and Kenya (100 years). An estimated 20,000 people attended the anniversary celebration events in Kenya West Territory.

In addition, the General and Commissioner Buckingham shared in regional conferences in both South Asia and Africa, and presided over two consultative councils, each of which brought together more than 50 international leaders to discuss the Army's global strategies and priorities. 'Working with leaders on the development of a global strategic framework to guide our global response over the next season is foundational in moving forward the mission of the Army,' said the General. 'I thank God for the passion and commitment of the officer leaders I have met, and marvel at what we are endeavouring to do for God through the ministry of the Army.'

Ministry to, for and by women around The Salvation Army was also a strong component of the mission and ministry of the international leaders during the year. 'Battle Cry' is a worldwide initiative with the goal of encouraging women to invest in becoming fully engaged in the fight for social justice causes in the present day - particularly those around healthcare, education and the elimination of gender-based violence. In her role as World President of Women's Ministries, Commissioner Buckingham worked to expand this programme to include local-specific issues and offer resources to help women advocate on behalf of vulnerable populations throughout the world.

'I pray for an Army clear about its mission in the world,' said the General, 'for an Army unapologetic about its confidence in the gospel of Jesus Christ to transform lives and reconcile men and women, boys and girls to the loving embrace of their heavenly Father.'

Stadium salute: The General and Commissioner Buckingham lead celebrations in Kenya West Territory



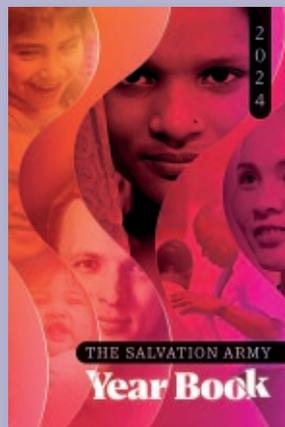
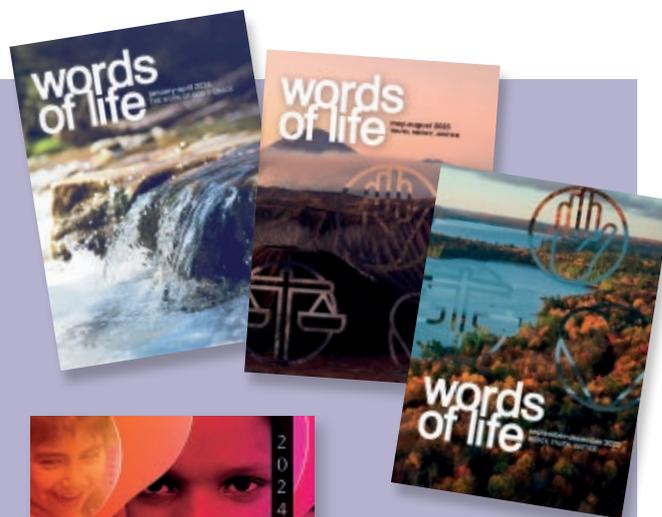
The General with Salvationists in New Zealand, Fiji, Tonga and Samoa Territory



LITERARY AND EDITORIAL

Salvation Books, the publishing imprint of The Salvation Army, aims to ensure all Salvationists are equipped and have access to materials that deepen their faith, strengthen their prayer life, and offer encouragement and inspiration. Books released during the year in review included *The Salvation Army Year Book 2024* (a 400-page compendium capturing news and events from the 134 countries in which The Salvation Army serves) and three editions of *Words of Life* (a daily devotional book).

International shipping of publications has become increasingly problematic with rising costs, customs checks and other logistical challenges. The Literary and Editorial section is committed to exploring shipping and printing options to ensure hard-copy resources remain available to Salvationists where appropriate, while also exploring avenues to increase the use of e-books and online resourcing. The team recruited two new editors during the year to increase the capacity of the section and ensure that increased content editing demands within IHQ can be met while still producing books, including new titles, on an ongoing basis.



A selection of books published by The Salvation Army

INTERNATIONAL LITERATURE PROGRAMME

The International Literature Programme ('ILP') exists to ensure that high-quality, comprehensive and appropriate Christian teaching and educational resources are accessible to financially supported territories. Grants support the purchase and production of Christian literature to aid spiritual development. The programme also has the special responsibility of providing literature in the language of local people at an affordable price.

Grants enable territories requiring support to purchase books at a significant discount or to produce resources locally. Grants can also support territories through the translation, printing or purchase of literature; the encouragement of writers' workshops; the production or purchase of music; the production of videos for teaching or worship; and the production of mission-focus material.

During the year, concerted efforts were made to promote the ILP within The Salvation Army world and grant applications subsequently increased. A central project was the translation and printing of *The Songbook of The Salvation Army* into Telugu for the India Central Territory. Other completed projects included the printing of resources for child-protection training and seminars in Pakistan, Sri Lanka, Kenya, Zimbabwe and Mozambique, and the printing of women's ministries resources and Bible-study material in numerous territories. Grant funding was also provided to the Eastern Europe Territory to fund the translation and printing of course material on pastorally supporting the LGBTQ+ community.



Delivery of local language songbooks in India Central Territory

TRANSLATIONS

The aim of the IHQ Translations desk is to make resources available for the mission to win more souls for Christ. Accurate translation is essential to ensure The Salvation Army can communicate its mission clearly and concisely to a global, linguistically and culturally diverse audience. It is also essential that relevant resources - whether online or printed materials - are accessible to all people.

Specific projects undertaken during the year included the translation of International Day of Children and Young People resources into French, Hindi, Portuguese, Spanish, Swahili and Tamil, the translation of International Positional Statements into Swahili and the translation of the General's Christmas message into French, Hindi, Portuguese, Spanish, Swahili and Tamil.



Examples of translated publications



KEY STATISTICS

- During 2023/24, the General and Commissioner Buckingham presided over two consultative councils, each bringing together more than 50 international leaders to discuss the Army's global strategies and priorities.
- Salvation Books published three editions of the daily devotional series *Words of Life* during 2023/24, with 5,000 copies of each edition distributed.



FUTURE PLANS

The General and other international leaders will continue to travel around the world engaging with Salvationists, friends, supporters and people of influence and offering encouragement and challenge.

The General and the Chief of the Staff will also keep working to develop a global strategic framework for Salvation Army ministry to guide global responses over the next season.

IHQ will continue to resource Salvationists around the world through the development of books and magazines with translation of resources to make content available and accessible to as many people as possible. Six books are planned for publication in 2024/25, including four titles written by retired Generals which should have a wide appeal.

Left: The General and Commissioner Buckingham in New Zealand

Below: Commissioner Buckingham in Kenya



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 2023/24:

A. INTERNATIONAL DEVELOPMENT SERVICES

(IDS), based at IHQ, partners with Salvation Army territories across the world to help tackle poverty and challenge injustice through a range of different projects and initiatives. IDS supports the work of the global Salvation Army by coordinating and supporting the delivery of sustainable community development projects and mission support projects for ministries including anti-modern slavery and human trafficking work, hospitals, clinics and community health services, children's homes and programmes for vulnerable children and elderly care homes. International Development projects and programmes represent an important part of The Salvation Army's mission and ministry in many countries. By supporting the delivery of such projects and programmes, IDS aims to work with partners to change societal structures and systems which exploit, marginalise and imprison human beings in poverty and injustice. Specific aims for IDS for the year were to develop projects that help to tackle the root causes of poverty, to build capacity of project staff in territories, and to encourage more cohesive and effective community development projects in Asia and other priority areas.

B. INTERNATIONAL PROPERTY PROJECT,

overseen by a staff member based at IHQ, aims to assist territories in highest and best use reviews of underutilised property assets as a step towards financial independence. In 2023/24, the project aimed to progress significant schemes in the Democratic Republic of Congo Territory and the Rwanda and Burundi Territory, and to develop commercial projects and explore new opportunities, working with existing property consultants and building relationships with new local partners 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 stand-alone systems, assists territories in complying with IFAS reporting and enables the 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 to continue to enrol new students onto a suite of e-learning courses.

D. OFFICE 365 PROJECT involves a project team at IHQ and within territories working to upgrade network infrastructure and internet connectivity in all financially supported territories, as well as providing

devices to targeted users in financially supported territories and advancing the use of Office 365 tools in day-to-day operational processes, including moving locally stored data into the cloud to improve security and resilience. Further specific tasks for 2023/24 involved the redevelopment of the HIVE project management application used by IHQ and territories, and an upgrade of the IHQ telephony service.

ACHIEVEMENTS

A. INTERNATIONAL DEVELOPMENT SERVICES

This year, the IDS team continued to work with territories to promote a holistic approach to meet the physical, emotional, social and spiritual needs of people served. By working closely with territorial development offices across the world, IDS sought to coordinate a range of programmes to make a deep, lasting difference to the lives of those in poverty. Development projects increasingly looked at ways to tackle the root causes of poverty, leading to complex and integrated programmes that dealt with the holistic needs of a community rather than a single issue. An example of this was the Safe Water and Livelihood Development Programme, which commenced in Sri Lanka Territory, aiming to provide safe, drinkable water to remote rural communities, support the establishment of small household livelihoods and agriculture techniques as a means for families and communities to meet their daily needs, and to create a means of income generation for the community as a whole. The project also increases awareness of schoolchildren

on child/sexual abuse, drug abuse and addiction, and teenage pregnancies. On top of this, the project provides an opportunity for Salvation Army staff and volunteers to continue to develop relationships with local people, and so to cement the ongoing mission and ministry of The Salvation Army into the future.

Capacity development has also been a key feature of this year's work. Alongside the support given to work with territories across Africa, IDS developed a programme to build capacity of Salvation Army staff in the provision of projects and programmes to the most vulnerable across Asia. The Asia Sharing and Learning Programme brought together partners across the two zonal regions of The Salvation Army in Asia with the goal of achieving more cohesive and effective community development projects. This engagement increased IDS understanding of ongoing work in this region and how best to utilise the available resources and lessons learned to implement high-quality community development programmes and increasing impact in the region. IDS also supported key personnel in other parts of the Army world in ongoing learning through provision of stand-alone workshops and monthly online meetings. The following examples further illustrate the significant, transformative projects supported by the IDS team:

AFRICA: IDS facilitated the activation of 78 new community and institutional projects across the territories in Africa during 2023/24. One of these projects was the Water, Sanitation and Hygiene ('WASH'), Food Security and Resilience Programme in Malawi Territory. This programme, which will run for five years, is a holistic resilience project looking

'The IDS team continued to work with territories to promote a holistic approach to meet the physical, emotional, social and spiritual needs of people served'

at aspects of WASH, agriculture, livelihoods and climate change. The project involves the use of a rights-based approach to look at outcome areas, including the right to improved water, sanitation and hygiene in communities and the right to improved agricultural production, as well as environmental justice and empowerment of women.

AMERICAS AND CARIBBEAN: IDS facilitated the activation of 17 new projects in the region in 2023/24. A significant focus was around education and social support to children and vulnerable families. Following a successful virtual conference on Urban Ministries held at the end of 2022/23, IDS worked closely with development officers in the region to further develop this area through project work. This included a project in Vila dos Pescadores, a favela in São Paulo, Brazil, which provides a thriving urban ministry with children and young people, with project funding supporting the cost of educators for this programme as well as education materials.

EUROPE: The year saw a shift towards community development work in Eastern Europe in light of the continuing conflict in Ukraine. IDS supported the Eastern Europe Territory to receive funds through the mission support scheme to provide a retreat for those working in Ukraine. Since the outbreak of the Russia/Ukraine conflict, Ukrainian Salvation Army

officers and employees have stayed in the country to serve local communities. The Eastern Europe Territory wanted to provide a space for these officers and employees to experience a retreat in order to rest and check in on their psychosocial well-being, and this event was held in May 2023 in the Carpathian Mountains.

There was time for the officers and employees to relax, have fellowship together and spend time with their families. Trauma psychologists were also brought in to provide counselling for those who needed it. The funding also accommodated the provision of small gifts for the children. A small team from IHQ also made a visit to Kyiv in September 2023 to provide additional support to officers and employees and help them to coordinate a programme of activities for 2024 as hostilities continue into a third year.

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.



Salvation Army children's ministry in Brazil



Left: New commercial office space in Democratic Republic of Congo Territory

Below: New officer training college in Rwanda and Burundi Territory

Work continued during the year with territories to continue the progression of existing projects and explore potential new opportunities, illustrated by the following examples:

DEMOCRATIC REPUBLIC OF CONGO: Following completion of a large-scale project, using capital released from the sale of under-utilised land to fund construction of income-generating assets in the form of commercial office space, villas and apartments, the IHQ team successfully worked with the territory to identify long-term tenants for the newly constructed buildings from November 2023. This will provide considerable rental income for the territory to support local ministries.

RWANDA AND BURUNDI: The International Property Project Team supported a significant project to build a new officer training college building for the territory. The development was completed on time and on budget, providing dedicated facilities for the training of future Salvation Army officers as a key resource to the territory.

In addition to these schemes, the International Property Project Team supported feasibility studies and other programmes across multiple territories, including India Western, Bangladesh, Kenya East, and Liberia, Sierra Leone and Guinea, and also provided online teaching seminars to develop the capacity of territorial property teams within financially supported territories. Work was also undertaken to migrate the international property database managed from IHQ onto a cloud-based system.



C. 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 ('IFAS') for the global Army. The IFAS Project Team has tailored the design and testing of the accounting software to meet Salvation Army requirements, adding inter-unit/consolidation tools, a Point-of-Sale ('POS') solution for territories with trading operations, and new budgeting/reporting tools allowing automatic generation of the Key Financial Indicators ('KFIs') required for IFAS reporting. The scale of this international project, covering 41 financially supported territories, is significant and unprecedented within the global Salvation Army.

The IFAS project made significant progress during 2023/24, including successfully implementing NetSuite in all six Indian territories and the India National Office, with 22 territories using the system by the year end. The chart on the following page illustrates the project status as at 31 March 2024.



Celebrating NetSuite Go-Live in India Western Territory

DESCRIPTIONS

STATISTICS

Number of NetSuite users trained	510
Number of territories implemented in 2023/24	7
Number of territories implemented to date	22
Number of countries implemented to date	36
Number of local Project Champions in territories	76
Number of territories to be implemented	19
Number of users enrolled in IFAS E-Learning Suite	836

Pre-implementation visits were also undertaken with Latin America North Territory and The Philippines Territory ahead of their planned NetSuite Go-Lives in 2024/25. A significant IFAS Conference for Live Territories was also held in Nairobi, Kenya in June 2023, which brought together more than 100 delegates from all 22 live NetSuite territories for dedicated training on IFAS and NetSuite matters.

The IFAS Learning Management System ('LMS') was launched in July 2022 and staff continued to work actively during the year to enrol new users, with 836

users enrolled by the year end (2023: 443 users). The LMS suite of e-learning materials provides online training in IFAS policies as per the approved IFAS manual, training in the NetSuite software designed to apply the IFAS principles, training in general accounting skills, and training for leaders on how to understand and interpret financial reports.



IFAS Conference for Live Territories delegates in Nairobi, Kenya

D. OFFICE 365 PROJECT

The Office 365 Project involves a project team at IHQ and within territories working to upgrade network infrastructure and internet connectivity in all financially supported territories, as well as providing devices to targeted users in financially supported territories and advancing use of Office 365 tools in day-to-day operational processes, including moving locally stored data into the cloud to improve security and resilience.

During the year, the project delivered global network upgrades with 83 firewalls installed in territories, and access points and switches provided to 33 territories. The project team also facilitated the purchase and shipping of laptops and other devices to territories, with 814 devices shipped or awaiting delivery at year end 2023/24 covering 42 territories. Increases were also achieved in the number of active users globally of OneDrive and Teams applications, with continued year-on-year growth in the number of email users.

The HIVE project management application was also redeveloped during 2023/24, but as the majority of the changes were not visible to users the release was delayed to allow for more visible changes to be included. Benefits include performance improvements, especially for users without a strong internet connection, an improved user interface and enhanced reporting.

The IHQ telephony service was also upgraded to Teams Telephony during the year, which meant that

people could be reached on their office extension number whether they were working in the office, at home or travelling. Other work was also undertaken to migrate away from the use of in-house legacy applications at IHQ.

Delivery of new laptops to staff at Tanzania Territorial Headquarters, Dar es Salaam



FUTURE PLANS

A. INTERNATIONAL DEVELOPMENT SERVICES

Over the next year, IDS aims to develop a global framework and system for monitoring, evaluation and improvement, which will allow further analysis and development of project work as well as measurement of long-term impact. The SMILES (Serve, Measure, Improve, Learn, Equip, Share) programme will also seek to enhance the effectiveness and efficiency of international development initiatives through the strategic utilisation of high-quality data and evidence-based

KEY STATISTICS

- As the global focal point for managing all Salvation Army international development and mission support projects, IDS was overseeing 2,097 active projects at the end of March 2024.
- The International Property Project Team assisted territories in the assessment and development of property schemes for under-utilised assets in India, Bangladesh, Kenya and Liberia during 2023/24.
- The International Financial and Accounting Standards Project Team facilitated the implementation of new cloud-based accounting software in six territories during 2023/24, with 22 territories live on the system at year end and 510 users.
- The Office 365 Project Team facilitated the purchase and shipping of laptops and other devices to territories, with 814 devices shipped or awaiting delivery at year end 2023/24 covering 42 territories.

practices, ensuring sustained positive impacts in the life of people and communities, and enabling informed strategic funding decisions.

Work is also planned to commence a 'journey of change' for children's homes and hostels in territories, involving a formal process to assess and upgrade facilities and to enhance the service offered to the children placed in Army care in line with locally consistent modern-day social work practice, and also exploring 'alternatives to care' options in line with best practice for vulnerable children. IDS will also focus on territorial services to older people in the coming year, recognising that around the world many territories offer residential care to older people as a direct service provision, with opportunity to review and enhance this important work.

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 work projects including partnering with Indian territories to explore release or greater utilisation of property assets, and undertaking business-planning reviews for hospitals and other institutions in multiple territories to assist towards long-term financial sustainability.

Construction is anticipated to commence on a new officer training college for Liberia, Sierra Leone and Guinea, and to build new residential units for income generation in Kenya East, with feasibility work expected for India Central, Zimbabwe, Bangladesh, India Western and India South Western. A number of seminars are also planned to assist territories in property assessments and business planning.

C. INTERNATIONAL FINANCIAL AND ACCOUNTING STANDARDS

The IFAS Project Team will work towards the installation of NetSuite accounting software in the remaining 19 territories with a busy programme of implementations planned during 2024/25, and will also actively engage and enrol users onto LMS e-learning courses. An IFAS Champions Conference was held in July 2024 to resource and train staff from the final group of territories to receive the NetSuite software. The team will also undertake pre-deployment visits to prepare territories for implementations planned in 2024/25 and 2025/26, developing localisations and tailored solutions where necessary to meet local statutory, tax or regulatory requirements.

D. OFFICE 365 PROJECT

Over the next year, the Office 365 Project Team will focus on increasing collaboration, reducing risk and enhancing value for money. Key objectives are to complete the global network upgrade and roll-out of devices to territories, as well as to pilot the embedding of Office 365 in three territories and deliver security improvements for territories, such as the removal of local legacy infrastructure.

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 2023/24 included supporting training colleges around the world as they train officers for culturally relevant ministry, the compilation of a new Divisional Leaders' development programme, a review and clarification of territorial capability frameworks and the 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, and to deliver orientation training for new leadership in territories through a two-stage programme, including online content as well as a residential conference.

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. New members were welcomed to the council during the year, including a new Secretary for Leader Development based at IHQ.

CONFERENCE OF TRAINING PRINCIPALS

A major event organised by IOTALDC during the year was the International Conference of Training Principals held in Nairobi, Kenya in October 2023. More than 120 educators, involved in training

future Salvation Army officers around the world, attended the event entitled 'Called, Covenanted, Commissioned'. With support from General Lyndon Buckingham and Commissioner Bronwyn Buckingham, the conference debated and decided future learning priorities for an ever-changing global context.



Delegates at the International Conference of Training Principals in Nairobi, Kenya

SENIOR LEADERS' ORIENTATION

When officer personnel are appointed to senior leadership roles in territories, the Secretary for Leader Development enrolls them into a two-stage Leaders' Orientation Conference. The orientation offers an overview of senior leaders' responsibilities, processes and procedures, as well as providing soft-skills training for executive leadership. The first stage of the orientation includes a one-week, online programme introducing new leaders to important aspects of their roles and relevant responsibilities in the early months of their appointments. The second stage involves attending one of two residential conferences held during the year in London, UK. In this forum, leaders gather as a cohort to train and develop spiritual executive leadership skills, as well as to obtain further orientation into their roles as senior leaders.

INCLUSIVE LEADERSHIP COURSE

First launched in 2019, the Inclusive Leadership Course ('ILC') offers an online platform for skills training for officers to engage with, at any time and at any speed. The programme continued to evolve in 2023/24, blending biblical values with corporate training in such disciplines as coaching, team-building and change management. Its target audience are officers (with five-plus years of service) who serve in roles as team leaders or executive directors. At the year end, 693 delegates were registered for the ILC, with 451 current participants and 241 completions since the launch.

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. Each six-week session provides delegates with the opportunity for a deep ongoing consideration of leadership within The Salvation Army, including topics such as personal spiritual formation, leadership, ethics, social justice and

international finance and administration, plus time for personal, spiritual and emotional refreshment. During the year, 142 delegates attended the ICO from a wide range of territories and countries as an expression of the cultural diversity that enriches the reach and influence of The Salvation Army globally.

TRAINING AND CAPABILITY DEVELOPMENT

During the year, the International Personnel Team continued to monitor the training of officer cadets and capability development for leaders. A new-style Annual Training College Report was created 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. A new Training Principals Manual was also produced during the year by IOTALDC, which aims to support leaders in maintaining international standards and practices.

A diverse and global Army: officer delegates to the International College for Officers, Sunbury Court, London





‘Each six-week session provides delegates with the opportunity for a deep ongoing consideration of leadership’

KEY STATISTICS

- As at 31 March 2024, 693 delegates were registered for the Inclusive Leadership Course, designed for the development of Salvation Army officers in preparation for potential leadership roles, with 451 current participants and 241 completions since the launch.
- During the year, 142 delegates attended the International College for Officers, benefiting from a six-week taught curriculum.

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 developing a territorial training manual for officers in their first five years of service, continued oversight of the international resource repository for training and leader-development and the creation of a Territorial Operational Leaders’ development programme. Furthermore, the team will work on additional promotion of the inclusive leadership course, encouraging coaching and mentoring of new territorial strategic leaders, and continuing work on capability development frameworks. The team will also work to 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, providing technical assistance, funding and trained personnel to support relief and recovery activities.

Another key objective is to provide training courses to territories and individuals in order to strengthen local capacity, particularly in disaster-prone areas, and to assist in disaster preparedness and disaster-risk-reduction awareness. This year, a major focus continued to be on the response to the war in Ukraine, while at the same time maintaining support and provisions to other natural and human-made disasters.

ACHIEVEMENTS

During the year, IES supported 90 projects covering 37 countries and 32 territories. IES provided support to territories around the world, responding to severe weather-related disasters such as floods in Ghana (June 2023), Cuba (June 2023), Sri Lanka (October 2023), India (July 2023 and January 2024), Ecuador (February 2024) and Malawi (March 2024), as well as landslides in Uganda (May and June 2023) and storms such as Typhoon Egay (Doksuri) in the Philippines (August 2023), Hurricane Otis in Mexico (October 2023) and Cyclone Michaung in India (December 2023).

Support was also offered by IES in response to fires, including severe fire incidents in informal settlements in South Africa (May and July 2023), explosions and fires in Liberia (December 2023) and wildfires in Chile (January 2024).

IES provided assistance in the face of human-made disasters, such as conflict and displacement situations in Nigeria (June 2023 and December 2023), ethnic violence in Manipur, India (July 2023) and internal displacement in Mali (December 2023). Help was also given to address biological disasters, which included responding to the cholera epidemic in Zambia and Zimbabwe (ongoing since 2023).

Emergency response in the Philippines following Typhoon Egay



RUSSIA/UKRAINE WAR: The Russia/Ukraine conflict started on 24 February 2022 and, according to the UN's Office for the Coordination of Humanitarian Affairs, more than two years later 21.3 million people had been affected. With coordinating leadership at IHQ, The Salvation Army worked throughout the year to support people in Ukraine and to assist Ukrainian refugees in countries across Europe.

By 31 March 2024, IES had approved 118 projects associated with the Ukraine crisis, with the total beneficiaries of these projects forecast to be in excess of 500,000 people. IES not only provided the coordination, technical, operational and strategic support for this response, but the team also arranged for the deployment and management (pre, during and post) of trained and experienced international personnel to support the local relief initiatives, the administration and the coordination of the requirements and expectations of the supporting offices. During the year, a team of two people was deployed to Moldova for seven weeks to support the local development and emergency team with project administration tasks.

TRAINING: Training courses usually feature in the annual programme of events and IES is always willing to support the capacity-strengthening of territories as they plan for disaster risk reduction and enhanced response activities. During the year, classroom-based PREPARE training courses took place in Romania (for delegates from Romania, Moldova, Ukraine, Bulgaria and Georgia), Poland (for delegates from Poland, Germany, Lithuania, Latvia and the Czech Republic) and Papua New Guinea (for delegates from PNG and the Solomon Islands).

Food parcels are packed in Kyiv, Ukraine



Emergency response in Mexico after Hurricane Otis

KEY STATISTICS

- During the year, IES facilitated approval of 54 rapid-response proposals for immediate life-saving activities and 36 emergency proposals for longer-term relief and recovery activities.
- By 31 March 2024, IES had approved 118 projects associated with the Ukraine crisis, providing support in various sectors such as emergency and longer-term shelter assistance, food, hygiene, bedding and clothing items, cooked meals, cash and voucher-based assistance, food, anti-human trafficking awareness-raising and referral services.

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 human-made hazards and disasters.

During 2024/25, IES will continue oversight, management and technical guidance as required for the Ukraine crisis response across Europe, maintain work to promote and support the development of disaster-management strategies for territories and seek to improve timely reporting of project outcomes by territories to IHQ.

5

HEALTH SERVICES FOR THE POOREST PEOPLE



OVERALL OBJECTIVE:

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

SPECIFIC AIMS

The International Health Services ('IHS') desk at IHQ seeks to provide assistance, supervision and technical support to healthcare facilities and health programmes around the Salvation Army world. A particular focus for the year was upon assisting territories to provide quality health programmes as close to the family as possible, recognising The Salvation Army has a presence in more than 15,000 communities around the world through its network of churches and healthcare facilities.

ACHIEVEMENTS

Salvation Army health institutions are often situated in hard-to-reach, rural areas where others are unable or unwilling to deliver healthcare. These hospitals or clinics are often the focal point of the community, and offer a safe space and healthcare where all people are served without discrimination. Unfortunately, these conditions pose significant challenges to our delivery systems. Financial constraints, government regulations, quality staff retention and the increasing need for technology advances are all issues that confront Salvation Army health services.

The Salvation Army also provides a significant number of nursing, midwifery and biomedical science colleges around the world, developing the

skills and fulfilling the passions of thousands of young people. In addition, Salvation Army schools and colleges provide significant support to national efforts to help reduce the shortage of health workers that many countries around the world experience. As a large-scale provider of faith-based, high-quality care, particularly to poor and marginalised communities, The Salvation Army strives to treat people with dignity and respect. The following examples illustrate this significant service provision:

ZIMBABWE: In the southern rural part of Zimbabwe lies the Tshelanyemba Mission Hospital, which caters for a total catchment population of 14,052 people and is also a referral centre for four rural clinics. Once a week, the hospital uses an integrated approach through the Expanded Programme on Immunisation ('EPI') outreach clinic, which provides an opportunity for patients to receive HIV testing and counselling, growth monitoring and family-planning services, as well as maternal and child health services.

The doctors sometimes accompany the team that goes out and they do consultations simultaneously with other services. They also visit the four supported rural clinics to do clinical mentorship and patient consultations. In total, 2,550 children have been immunised, 511 clients tested for HIV and 3,597 babies have been weighed over the last year through the EPI outreach work.

'As a large-scale provider of faith-based, high-quality care... The Salvation Army strives to treat people with dignity and respect'

Seeking to offer comprehensive outreach healthcare services, EPI also worked with the Zimbabwe Eye Association to offer comprehensive ophthalmic care to the community, and in February 2024 some 53 surgeries were completed for cataract removal and 256 clients treated for other ophthalmic conditions. During the year, IHS provided help and technical support to the hospital and also facilitated support from financially independent Salvation Army territories to purchase equipment.

PAPUA NEW GUINEA: The medical work of The Salvation Army in PNG is targeted to reach the most vulnerable groups in the country. The territory has a medical presence in 28 different locations, comprising two urban clinics and 26 rural clinics, with the latter often located where the government does not offer any health facilities. Medical services provided by the territory include in-patient and out-patient care, maternal health services, child immunisation programmes, HIV and TB care

and outreach, gender-based violence services, community health awareness services, patient referrals and transport. The territory also has a community health workers training school for 80 students.

Onamuga Health Centre opened a new maternity wing in September 2023 with support from external donors. This health centre is in the heart of the highlands of PNG, where tribal fighting and poor road conditions make working an everyday challenge. This new maternity wing now allows the centre to accommodate up to 20 mothers in labour and post-partum care. During the year, IHS further assisted the centre to engage a midwife to work with nurses and community health workers and develop an enhanced child-care programme, seeking to mentor and monitor new mothers in the area and also to reach mothers not currently accessing the health centre.

Expanded Programme on Immunisation outreach clinic in rural Zimbabwe

Maternity services in Papua New Guinea



KEY STATISTICS

- During 2023/24, IHS was available as a resource to medical services provided by Salvation Army territories around the world, comprising some 24 hospitals and 136 other health-care facilities as well as a number of mobile clinics, with 5,441 health-care professionals engaged or employed who delivered care to 141,855 in-patients and 1,314,317 outpatients.
- IHS personnel directly assisted 17 territories during 2023/24 through visits, ongoing monitoring operations, regular technical support calls, and regular 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 the required standards of the country where they are based.

During 2024/25, IHS will develop a Monitoring, Evaluation and Learning System, enabling a review and update of data collection and impact measurement processes in order to have a better understanding of hospital services and effectiveness in delivering relevant health services. The system will also assist the process of connecting Salvation Army health services across the world and enable cross-territorial learning.

Work will also be undertaken to review long-term sustainability within some of the larger, general hospitals seeking to adjust and be agile in the service of poor and deprived people in response to changing operational and missional climates. Alongside this effort, projects will continue to be progressed to re-focus health services to have much stronger emphasis on community health programmes and primary healthcare as locally as possible, supporting community health workers, mobile outreach clinics and disease-prevention programmes.



A community health worker holds an under-fives clinic in Zambia



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, major aims were to engage with United Nations working committees and forums, to build up modern slavery and human trafficking responses, and to grow the work of the International Social Justice Commission ('ISJC') in campaigning for social justice.

ACHIEVEMENTS

The ISJC, with its secretariat funded by the Trust and based in New York, 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 modern slavery and human trafficking. In the period under review, the following were notable achievements:

UNITED NATIONS: The ISJC, reflecting the international Salvation Army, campaigns for a holistic understanding of people and an integrated global plan for fair, sustainable and equitable development for all nations. 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 United Nations ('UN') (and numerous other bodies) seeking to build strong alliances to end extreme poverty and promote sustainable development. ISJC staff participated in UN working committees during 2023/24, including the Committee to Stop Trafficking in Persons, Committee on Migrations, Indigenous Peoples Committee and the Commission on the Status of Women. UN special events were also supported by ISJC staff throughout the year, including the General Assembly, World Children's Day, Human Rights Day, World Social Justice Day and International Day of the Girl.

MODERN SLAVERY AND HUMAN TRAFFICKING:

The Salvation Army's international response to Modern Slavery and Human Trafficking ('MSHT') around the world continued to evolve during 2023/24. This global, multi-layered response surrounding advocacy, prevention and intervention is a crucial part of the work of the ISJC. 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. Specific outcomes from the MSHT response during the year included: the launch of a global MSHT survivor network (June 2023), the launch of a global MSHT training course (July 2023), the publication of Salvation Army International Guidelines for Return and Reintegration of Survivors of MSHT (August 2023), release of resources for the 2023 International Day of Prayer for Victims of Modern Slavery and Human Trafficking (September 2023), and holding a virtual MSHT global community of practice gathering (February 2024).

The following impact stories illustrate activity undertaken around the world by territories during the year that were supported by the global MSHT monitoring and support structures in place at ISJC:

LIBERIA: The Liberia, Sierra Leone and Guinea Territory worked to integrate comprehensive awareness of MSHT through its schools. MSHT training was incorporated into annual teachers' refresher workshops and into the curriculum of Salvation Army schools. Through various awareness and prevention initiatives, students gained an understanding of MSHT indicators and how to keep themselves and their communities safe. To further strengthen awareness, MSHT school clubs were established as part of the extracurricular activities. These clubs act as catalysts for change, conducting regular awareness activities called 'Stand Up Action Against Modern Slavery and Human Trafficking' in targeted communities that are characterised by slums and crowded market districts with a high risk of MSHT. Through these awareness and prevention efforts, the territory is building community resilience and inspiring others to join this cause.

Stand Up Action Against MSHT awareness activities in Liberia





A training seminar for anti-MSHT volunteers in the United Kingdom

UNITED KINGDOM: The United Kingdom and Ireland Territory exemplified a practical way of integrating corps (church) and other ministry units in their response to MSHT. Through dedicated volunteering programmes, volunteers played an important role in preparing survivors for the future and contributed to the important work of protecting people from exploitation or guiding people through the various stages of a survivor’s journey. Volunteering opportunities offered by the territory included acting as a first responder and being present with survivors as they explained their MSHT story to the authorities, transporting survivors to safe houses, and providing practical assistance and playing a key role - over and above the available statutory support - in helping survivors recover and realise their goals. Volunteers received face-to-face and online specialist training for their area of activity and the support continued during their volunteering. The impact of such volunteering is far-reaching and fosters communities that stand united in responding to MSHT. One survivor commented: ‘When I arrived at the safe house, I had become so safe with volunteers that I wanted to go back home with them. They stayed with me for half an hour, helped me settle [in the] safe house. I am so thankful for volunteers.’

HONG KONG: In Hong Kong, there are more than 300,000 foreign domestic helpers, many of whom are from Indonesia and the Philippines. These individuals are responsible



Aisha (pictured right), a widowed Sri Lankan woman working as a housemaid in the Middle East, became a victim of abuse. Through the support of The Salvation Army’s Beyond project, Aisha was provided with essential resources to return to Sri Lanka and pursue her dream of becoming a small-business vegetable vendor

for various roles within a household. However, many are often abused and exploited by their employers or employment agencies. In response to this, the Hong Kong and Macau Territory embarked on an initiative known as The Joy Angel Campaign, partnering with corps (churches), schools and social services to create inclusive and caring communities for domestic helpers. A network of dedicated

individuals, including students, service users, corps members and staff, distributed tissue packs with appreciation messages and thoughtful designs to domestic helpers. The messages served as a tangible reminder that these unsung heroes are valued, cherished and deserving of respect. The campaign is but one example of a city that is growing in its understanding of valuing domestic helpers and their well-being.



Annual report of the MSHT response by the ISJC

RESEARCH AND COMMUNICATIONS: A number of significant research projects were also progressed by ISJC staff during the year, exploring areas such as the eradication of poverty, global migration, immigration and refugees and the role of men within The Salvation Army as advocates and activists in social justice.

The ISJC social media platforms were also actively used during 2023/24 to provide a framework to demonstrate the international work of The Salvation Army and to share outcomes with governments and other partners. A large body of social justice resources produced by ISJC are publicly available and can be accessed from the ISJC website at: <https://www.salvationarmy.org/isjc/resource>

FUTURE PLANS

The ISJC will continue to act as the strategic voice of The Salvation Army advocating for human dignity, human rights and social justice in all parts of the world. Partnering closely with those who have a record of seeking God's justice for the world, the ISJC will seek to both learn and contribute from a strong Salvation Army world-view. The Salvation Army will continue to partner with other religious groups, other NGOs, the UN, the World Bank Group and others towards the vision of a world where all people can experience life in all its fullness.

KEY STATISTICS

- The Salvation Army engaged with the United Nations in Geneva, Nairobi and New York. In the year under review, Salvation Army personnel attended 76 UN Committee meetings.
- Global data for the 2023 calendar year showed that 48,416 people vulnerable to MSHT received support from The Salvation Army, with 1,741 Salvation Army ministry units offering some form of assistance.

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, with a template MSHT territorial policy to be developed during 2024/25. Expansion of MSHT collaborations with partner organisations will also be explored, targeting the addition of five new partnerships by 2026/27. Further work will also be undertaken to build partnerships with United Nations forums, seeking to provide not only a rich collaboration but also a synergetic space for considering new possibilities and solutions, to create a just world where all may flourish.

'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'

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 2023/24 as well as charity results, assets and liabilities for The Salvation Army International Trust (see pages 58 to 87 for the Accounts). The Group accounts reflect notable differences to the charity-only results, most especially for investments, debtors and prepayments, bank balances and current liabilities (see Notes 25-28 to the Accounts). The 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 pages 51 and 52.

The net movement in funds for the year ended 31 March 2024 increased by £29.22 million, moving from £13.27 million (2023) to £42.49 million (2024). Variances contributing to the total net movement in funds are outlined below.

INCOME

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

Total income increased from £69.14 million (2023) to £74.02 million (2024). External donations and legacies increased from £2.83 million (2023) to £16.56 million (2024) as a significant donation was received from an external donor during 2024. Contributions from Salvation Army territories to the International Self-Denial Fund increased from £27.75 million (2023) to £28.17 million (2024), with most territories able to maintain funding levels to IHQ despite ongoing global financial constraints during the year. Donations from Salvation Army territories decreased from £21.96 million (2023) to £10.02 million (2024) owing mainly to an expected fall in the level of donations from USA Territories towards

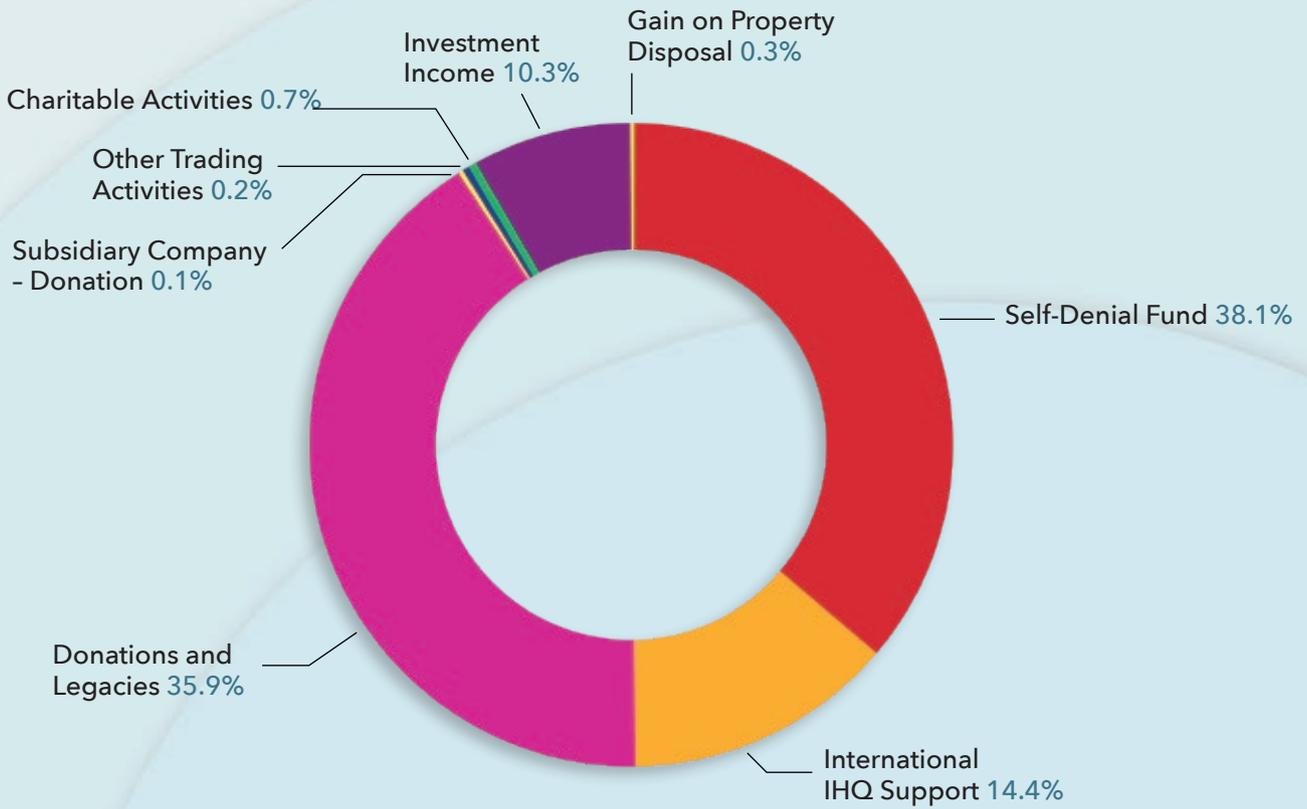
the Officers' Support Endowment Fund (OSEF). Headquarters Support funding from Salvation Army territories showed little movement from £10.42 million (2023) to £10.65 million (2024).

Investment income increased slightly from £5.58 million (2023) to £7.64 million (2024), while income from charitable activities showed a year-on-year increase of £41,000 and trading income an increase of £15,000. Gains on disposal of properties increased from a loss of £6,000 (2023) to a gain of £219,000 in 2024.

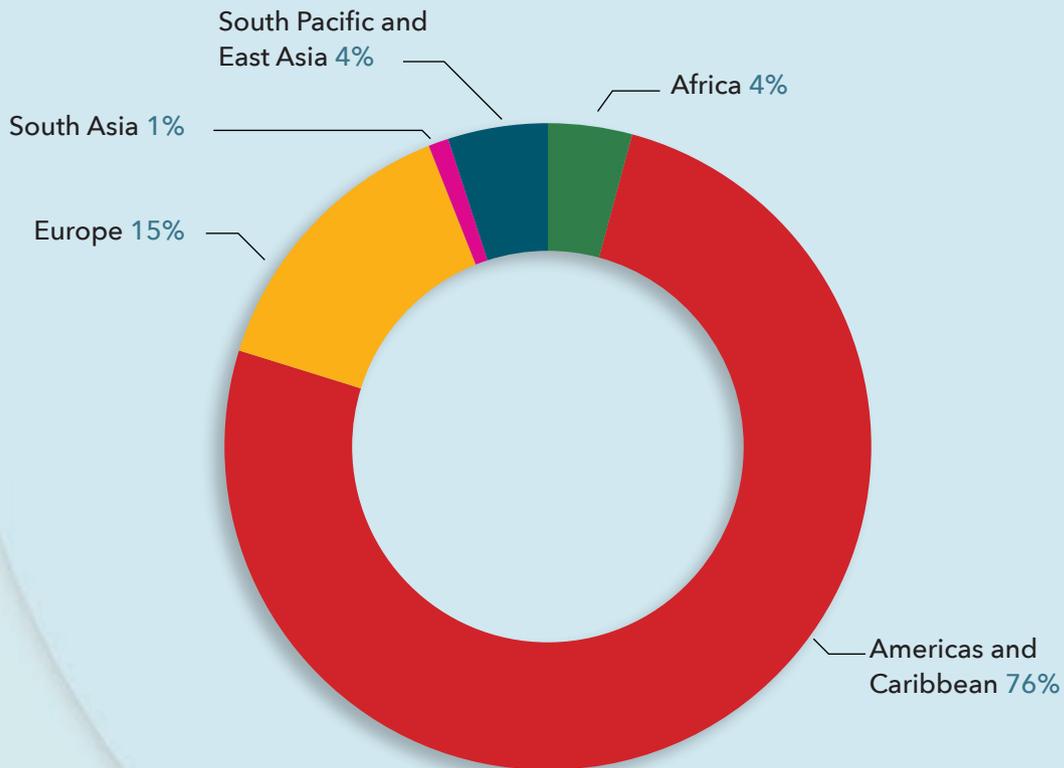
A qualifying charitable donation of £100,000 was received from Reliance Bank Limited in 2024.

The following pie charts illustrate the sources of income for 2023/24 and contributions to the International Self-Denial Fund:

INCOME 2023/24



CONTRIBUTIONS TO INTERNATIONAL SELF-DENIAL FUND 2023/24



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 £52.44 million (2024), representing a decrease of £1.95 million on the previous year. Financial assistance to Salvation Army territories decreased from £32.10 million (2023) to £30.52 million (2024).

Expenditure of £12.67 million (2024) was also incurred on International Personnel and Development, £5.57 million (2024) on World Mission and £1.35 million (2024) 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, had a small increase from £1.62 million (2023) to £1.84 million (2024).

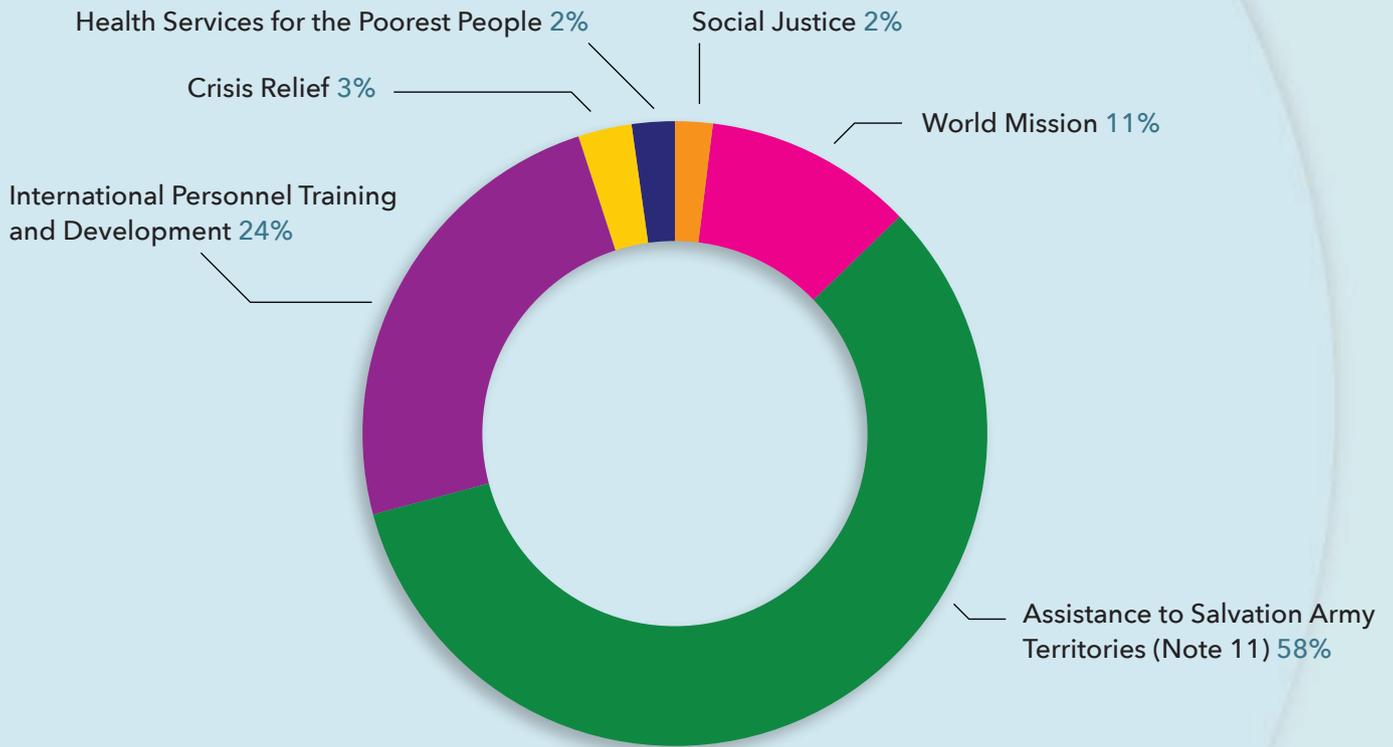
The following pie charts illustrate 2023/24 expenditure on charitable activities and the geographic spread of support of overseas work:

‘Spending on charitable activities totalled £52.44 million (2024), representing a decrease of £1.95 million on the previous year’

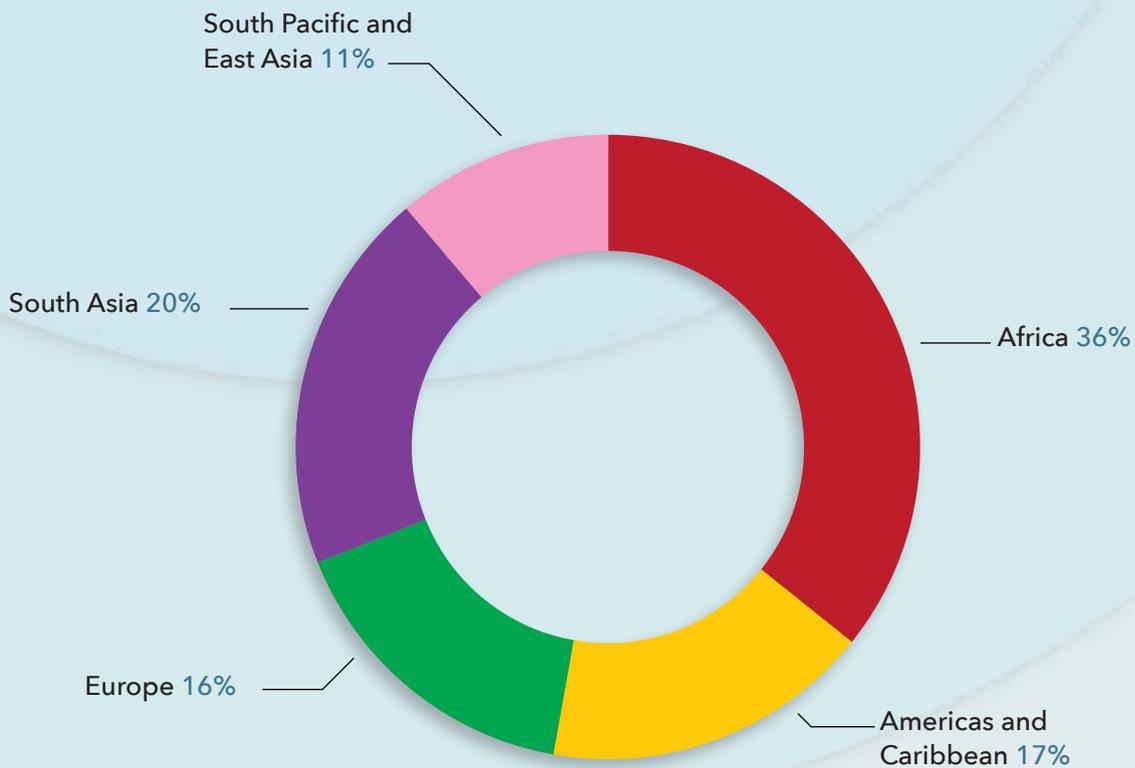


Commissioner Ted Horwood with a resident of Bumhudzo Home, Zimbabwe

EXPENDITURE ON CHARITABLE ACTIVITIES 2023/24



SUPPORT OF OVERSEAS WORK 2023/24



Other notable variances contributing to the total net movement in funds include, most notably, net gains on investment assets of £21.04 million, up from a loss of £3.79 million (2023), reflecting market conditions and representing both the realised and unrealised gains arising on sales and the market value of investments held at year-end.

The net movement in funds for the year ended 31 March 2024 was £42.49 million, with a surplus on unrestricted funds of £21.29 million and a surplus of £21.20 million on restricted funds. Total funds of £404.45 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 the provision of targeted financial support and other resources.

The two large-scale international projects currently underway will continue to materially impact the Accounts of the Trust during the next couple of years, being the roll-out of a global email solution and implementation of cloud-based accounting software to all financially supported territories. There are no anticipated property projects that will require significant grants in the next year.

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; it also receives and reviews cashflow forecasts identifying any liquidity risks.

The operation of the Trust and the ability to meet the objectives outlined throughout this report are recognised as being affected by external events with associated global and national economic impacts and inflationary pressures. Since 31 March 2024 to the date of the signing of these financial statements, the Trustee has considered the effect of external crises on the Trust as a going concern, its

resilience through this period and the impact on the assets and funds of the Trust.

The Trust holds a strong balance sheet with availability and liquidity of cash and unrestricted investments. While current liabilities – including amounts due to Salvation Army territories at the 2023/24 year-end – total £9.29 million net, current assets are £45.02 million, of which £42.97 million is held in highly liquid current asset investments and cash at bank.

The Trustee is confident that the Trust is well placed to meet the Ukraine/Russia crisis and other external events 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 is satisfied that the Trust has sufficient resources to continue operating for the foreseeable future following a review by the Audit Committee of a going-concern assessment to March 2026. 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 also occasionally 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.

The SAITCo ethical investment 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 subparagraphs (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 AT 31/03/24	LONG-TERM RANGE	YEAR-END POSITION WEIGHTINGS
Fixed Income	10–20%	17.1%
Equities	70–90%	80.7%
Liquid Assets	0–10%	2.2%
Total		100%

For the year ended 31 March 2024, the portfolio total return amounted to 9.4% against an ethically adjusted comparator return of 16.9%.

Equity markets for much of 2023 were broadly characterised by sector rotation away from the strong performers of 2022 (energy and utilities sectors) in favour of technology. Towards the end of 2023, the positive performance continued and also slightly broadened into other sectors and asset classes, with bonds staging a rally from their lows in anticipation of interest rate cuts to come. Portfolio performance was especially strong for the last quarter, with equities in particular performing well in both absolute and relative terms.

Investment strategy going forward will continue to be closely monitored by the SAIT Investment Committee in consideration of external events and emergent market conditions.

GRANTS

In supporting the Army's work overseas, territories 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 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 in March 2024), which outlines controls over banking transfers, assessment of overseas banking institutions for risk, identification and assessment of situations where funds paid to territories may be remitted on to third parties, controls over international payments direct to overseas suppliers, controls over transporting and controlling cash overseas and prohibitions on the use of non-mainstream banking money-transfer organisations.

RESERVES

The total funds of the Trust at 31 March 2024 amounted to £404.45 million, comprising £69.72 million in restricted funds and £334.73 million in unrestricted funds which includes £327.20 million in designated funds. The General Reserve held £7.54 million at year-end which meets the target level for free reserves. The Trustee continues to keep the matter of reserves under review, examining any historic fund with minimal movement in the past few years, mindful of the legislative framework in place and applicable updates to charity law. Management is formulating plans to spend down on the relevant reserves over the next few years.

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 2024 of £27.82 million is equivalent to 13.2 months' overseas expenditure. The Investment Appreciation Fund (£95.25 million) represents unrealised gains and losses on investments which are still subject to market risk, and the Investment Property Revaluation Fund (£45.67 million) represents the surplus on the revaluation of tenanted properties held for investment purposes.

Other material designated amounts at 31 March 2024 relate to a reserve held to fund future replacement of the IHQ building (£21.56 million), and an International Property Project Reserve (£2.69 million) held to provide additional property project funding to territories over the next 2-3 years.

Other material Designated Funds include reserves of £52.59 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 (£9.52 million), Schools Services Support (£4.62 million) and the Officers' Support Endowment Fund (£38.45 million). In addition, an International Financial and Accounting Standards Implementation Reserve (£2.89 million) is held to fund provision of cloud-based accounting software to territories over the next 1-2 years, and an IT Development Reserve (£2.22 million) is held to fund provision of a global email solution to territories over the next 2-3 years.

An International Schools Development Reserve (£5.61 million) is held to provide additional schools project funding to territories over the next 2-3 years, with a Leadership Development Reserve (£1.98 million) held to fund the enhancement of training and personal development for Salvation Army officers over the next 3-4 years. A Children's Homes Support Reserve (£2.67 million) is held to provide ongoing support to improve children's homes facilities over the next 2-3 years. An Exchange Equalisation Reserve (£6.99 million) is held to fund exchange losses, and a Mission Support Reserve (£6.56 million) is held to provide additional project funding to territories over the next year.

GENERAL RESERVE

The General Reserve represents the working capital required to fund the day-to-day needs of The Salvation Army International Trust. The aim of the Trustee is for



Resident at The Salvation Army's Bapatla Boys' Home, India

the balance on the General Fund Reserve to cover the equivalent of 6 months' expenditure on headquarters administration costs. The balance of £7.53 million at 31 March 2024 covers the equivalent of 6.6 months' expenditure on headquarters administration costs.

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 ten 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 arise.

In addition to the above framework, a range of emergency protocols are in place allowing SAITCo to actively monitor the impact of material external crises upon the operations of the Trust, as well as those of Salvation Army territories, with working parties appointed by SAITCo as needed to undertake tasks in specific areas, and regular updates provided to the Board considering the impact of material external 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.

A significant work project has been progressed by the Risk Management Committee during 2023/24, supported by an external consultant engaged by SAITCo, to review existing risk management protocols and the formatting of the risk register against latest Charity Commission guidance and sectoral best practice. A revised and refreshed risk register format

was finalised by the Committee and approved by SAITCo for implementation from January 2024, placing additional emphasis upon the scoring of inherent and residual risks and analysis of cyber, data protection and environmental risks among other changes.

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

KEY RISK	MANAGING STRATEGY
A serious safeguarding incident resulting in harm to a child, vulnerable adult or other person, and subsequent reputational damage to the local/international Salvation Army and/or requests from territories for additional IHQ financial support.	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.
National economic and/or political crises adversely impacting Salvation Army operations in a territory, prompting additional emergency support from IHQ.	Continuous IHQ monitoring of economic and political contexts on a country-by-country basis. Development of crisis management protocols for IHQ interventions.
Negative/adverse publicity affecting the public perception of The Salvation Army internationally.	Communications Office at IHQ to monitor global press coverage and manage media relationships in consultation with Salvation Army territories.
IHQ support for territories impacted by national government controls targeted at foreign NGOs and/or Christian organisations.	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.
Risk exposure to SAITCo and SAIT due to sole ownership of Reliance Bank Limited, including financial and reputational risk.	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.
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.	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.

SUBSIDIARY COMPANY - RELIANCE BANK LIMITED

The banking company, Reliance Bank Limited (the 'Bank'), is a wholly owned subsidiary of the Trust. The bank is regulated by the PRA and FCA and is subject to regulatory capital and liquidity requirements. The Bank leverages its specialist knowledge and skills to focus on customers who share its values, offering them tailored lending and banking services.

The lending team prioritises supporting those driving positive social impact, such as charities, community and faith organisations, and social-housing providers. Additionally, the Bank has developed a shared ownership mortgage portfolio, which allows individuals to buy their homes in small, affordable tranches.

In the year to 31 March 2024, the increase in the Net Interest Income to £8.7 million (2023: £5.7 million) was driven by strong business margins across the SME lending portfolio, as well as an increase in Interest income driven by Treasury investments. Administrative costs also grew due to the Bank's workforce expanding, new investment in systems and the need to meet new regulatory requirements. The Bank's performance for the year ended 31 March 2024 was therefore a profit before tax of £1.92 million (2023: £0.23 million).

The Bank's capital and reserves have increased by £1.75 million (2023: increased by £6.81 million) to £23.0 million. The bank's Core Tier 1 Capital (CET1) ratio remains strong at 20.7% at 31 March 2024 (2023: 23.1%). There was a capital injection of £7 million, reflecting the increase in capital ratio in 2023. A Gift Aid donation of £0.10 million (2023: £nil) has been made to the Trust in the year.

The Bank's total assets at 31 March 2024 have grown since last year to £277 million (2023: £252 million), split between loans to customers and balances held with other financial institutions, including the Bank of England. This increase has been driven by the corresponding increase in higher customer deposits, growing to £252 million (2023: £230 million). The Bank continues to maintain strong liquidity levels. The mortgage loan book grew by 5% to £63.9 million in the year and SME lending grew 7% to £61.8 million.

There was a marginal increase in loan loss provision in the year. The bank continues to hold good levels of security against its loan exposures: on average, the commercial book is 42% Loan to Value (LTV, 2023: 38%) and the mortgage book is 53% LTV (2023: 54%).

The challenges of inflationary pressures and the expectation of higher interest rates for longer are reflected in the Bank's forecasts and medium-term strategic plans. The Bank remains committed to driving loan growth while investing in its resources and systems to support its vision of being an ethical bank dedicated to fostering positive 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 (2023/24), it 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 2020 totalling £26,309 are not material to the Trust.

The Group accounts reflect operations of the SALT College entity from 1 April 2023 to 31 March 2024. The SALT College entity held net assets on the Group Balance Sheet of £164,000 at the 2024 year-end, up from £159,000 in 2023.

During the reporting period, the college offered adult distance-learning subjects in four major languages at foundation, certificate and diploma levels.

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 2023 to 31 March 2024.

The net movement in funds for the Group showed an increase of £30.91 million. Net goodwill at year-end amounted to Negative £3.69 million, as set out in Note 22 to the Accounts.

Total fixed assets including investments amounted to £344.34 million. Net current assets were £64.06 million. Total funds of the Group amounted to £404.05 million at year-end.

A going-concern assessment has been undertaken for The Salvation Army International Trust, Reliance Bank Limited and Salvation Army Leaders' Training College of Africa and 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 charity law, the Trustee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity, and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

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

The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, and disclose with reasonable accuracy at any time the financial position of the charity, and enable them to ensure that the financial statements comply with The Charities Act 2011 as amended by The Charities Act 2022. 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.

In relation to the audit of financial statements, the Trustee as at the date of this report has taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the appointed auditors are aware of that information. The Trustee is not aware of any relevant audit information of which the appointed auditors are unaware.

The Trustee has approved this 2023/24 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.



Commissioner Garth Niemand MBA BTh
Managing Director
15 November 2024



Water, sanitation and hygiene in Zambia

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

OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 March 2024 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

We have audited the financial statements of the Salvation Army International Trust ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 March 2024 which comprise the consolidated statement of financial activities,

the statement of financial activities (charity only), the (consolidated and charity) 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We remain independent of the Group and the Parent Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

CONCLUSIONS RELATED TO GOING CONCERN

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

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

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. 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 (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is inconsistent in any material respect with the financial statements; 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 THE 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.

EXTENT TO WHICH THE AUDIT WAS CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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

NON-COMPLIANCE WITH LAWS AND REGULATIONS

Based on:

- Our understanding of the Group and the sector in which it operates;
- Discussion with management and those charged with governance (including the Audit Committee); and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations,

we considered the significant laws and regulations to be the applicable accounting framework, Charities Act 2011 and UK tax legislation.

The Charity is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, employment law and data protection.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax experts in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

FRAUD

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance (including the Audit Committee and internal audit function) regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and

- Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls through accounting estimates and inappropriate journal entries.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias, including valuation of investment properties, treatment of the pension scheme impairment of assets and investments.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including component engagement teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. For component engagement teams, we also reviewed the results of their work performed in this regard.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed

non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.



BDO LLP, statutory auditor
London, UK
Date: 15 November 2024

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).

Student at Joytown School
in Thika, Kenya



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024			2023		
		Unrestricted funds £000	Restricted funds £000	Total funds - Group £000	Unrestricted funds £000	Restricted funds £000	Total funds - Group £000
INCOME AND ENDOWMENTS FROM							
Donations and legacies:							
Received from Salvation Army territories							
- Self-Denial Fund	3	28,169	-	28,169	27,752	-	27,752
- IHQ Support	3	10,647	-	10,647	10,417	-	10,417
- Donations	3	-	10,021	10,021	-	21,962	21,962
Other donations and legacies	5(a)	147	16,475	16,622	2,643	212	2,855
		38,963	26,496	65,459	40,812	22,174	62,986
Charitable activities	6	536	-	536	401	93	494
Other trading activities	7	12,788	-	12,788	7,854	-	7,854
Investment Income	8	6,123	847	6,970	5,065	273	5,338
Gain/(Loss) on Disposal of Properties		219	-	219	(6)	-	(6)
Total Income		58,629	27,343	85,972	54,126	22,540	76,666
EXPENDITURE ON							
Raising funds	9	11,472	131	11,603	8,546	44	8,590
Charitable activities	10	47,458	5,022	52,480	51,442	3,043	54,485
Total Expenditure		58,930	5,153	64,083	59,988	3,087	63,075
Net Gains/(Losses) on Investments	18	21,590	(546)	21,044	(5,114)	1,321	(3,793)
Net income/(expenditure)		21,289	21,644	42,933	(10,976)	20,774	9,798
Transfers between funds	20	446	(446)	-	(125)	125	-
Other recognised Gains	18	1,708	-	1,708	3,932	-	3,932
Net Movement in Funds	20	23,443	21,198	44,641	(7,169)	20,899	13,730
Reconciliation of funds:							
Total funds brought forward		310,891	48,521	359,412	318,060	27,622	345,682
Total funds carried forward		334,334	69,719	404,053	310,891	48,521	359,412

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 62 to 86 form an integral part of these consolidated financial statements.

CONSOLIDATED AND CHARITY BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 Group	2023 Group	2024 Charity	2023 Charity
		£000	£000	£000	£000
Intangible Fixed Assets					
Goodwill	22(a)	217	260	217	260
Negative Goodwill	22(a)	(3,907)	(4,124)	-	-
Other Intangible Assets	22(b)	148	284	-	-
		<u>(3,542)</u>	<u>(3,580)</u>	<u>217</u>	<u>260</u>
Fixed Assets					
Properties	23	30,348	31,618	26,366	27,495
Other Tangible Fixed Assets	24	2,343	2,434	2,007	2,156
Investments	25(a)	315,194	288,177	335,194	295,208
		<u>347,885</u>	<u>322,229</u>	<u>363,567</u>	<u>324,859</u>
Total Fixed Assets		<u>344,343</u>	<u>318,649</u>	<u>363,784</u>	<u>325,119</u>
Current Assets					
Investments	25(a)	31,377	28,077	36,453	28,154
Stocks		124	162	124	162
Debtors and Prepayments due in more than one year	26(a)	111,558	103,849	186	242
Debtors and Prepayments due within one year	26(b)	25,371	30,439	11,027	15,157
Cash at bank and in hand	27	120,630	95,292	6,513	7,556
		<u>289,060</u>	<u>257,819</u>	<u>54,303</u>	<u>51,271</u>
Less Current Liabilities					
Other Creditors due within one year	28	(225,002)	(212,731)	(9,286)	(10,101)
Net Current Assets		<u>64,058</u>	<u>45,088</u>	<u>45,017</u>	<u>41,170</u>
Total Assets less current liabilities		<u>408,401</u>	<u>363,737</u>	<u>408,801</u>	<u>366,289</u>
Creditors: Amounts falling due after more than one year	29	(4,058)	(4,108)	(4,058)	(4,108)
Provisions for liabilities	30	(290)	(217)	(290)	(217)
Net Assets	21	<u>404,053</u>	<u>359,412</u>	<u>404,453</u>	<u>361,964</u>
Funds					
Restricted Funds					
Property Fund		14,380	15,150	14,380	15,150
Other Restricted Funds		55,339	33,371	55,339	33,371
	20	<u>69,719</u>	<u>48,521</u>	<u>69,719</u>	<u>48,521</u>
Unrestricted Funds					
Board Designated Funds					
Property Fund		18,861	19,745	18,861	19,745
Other Fixed Assets Fund		2,007	2,156	2,007	2,156
Share Capital Fund		12,500	12,500	12,500	12,500
Other Board Designated Funds		293,847	272,676	293,827	272,656
General Reserve		7,119	3,814	7,539	6,386
	20	<u>334,334</u>	<u>310,891</u>	<u>334,734</u>	<u>313,443</u>
Total Funds		<u>404,053</u>	<u>359,412</u>	<u>404,453</u>	<u>361,964</u>

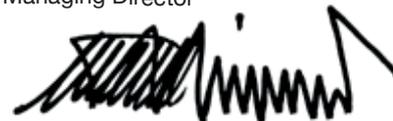
The accompanying notes on pages 62 to 86 form an integral part of these consolidated financial statements.

Approved by The Salvation Army International Trustee Company and signed on its behalf on 15 November 2024 by:

Edward Hill – Chairman



Garth Niemand – Managing Director



STATEMENT OF FINANCIAL ACTIVITIES (CHARITY ONLY)

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024			2023		
		Unrestricted funds	Restricted funds	Total funds Charity	Unrestricted funds	Restricted funds	Total funds Charity
		£000	£000	Note	£000	£000	£000
INCOME AND ENDOWMENTS FROM							
Donations and legacies:							
Received from Salvation Army territories							
- Self-Denial Fund	3	28,169	-	28,169	27,752	-	27,752
- IHQ Support	3	10,647	-	10,647	10,417	-	10,417
- Donations	3	-	10,021	10,021	-	21,962	21,962
Subsidiary Company - Donation	4	100	-	100	-	-	-
Other donations and legacies	5(b)	85	16,475	16,560	2,622	212	2,834
		39,001	26,496	65,497	40,791	22,174	62,965
Charitable activities	6	510	-	510	376	93	469
Other trading activities	7	150	-	150	135	-	135
Investment Income	8	6,793	847	7,640	5,306	273	5,579
Gain/(Loss) on Disposal of Properties		219	-	219	(6)	-	(6)
Total Income		46,673	27,343	74,016	46,602	22,540	69,142
EXPENDITURE ON							
Raising funds	9	1,709	131	1,840	1,576	44	1,620
Charitable activities	10	47,419	5,022	52,441	51,413	2,977	54,390
Total Expenditure		49,128	5,153	54,281	52,989	3,021	56,010
Net Gains/(Losses) on Investments	18	21,590	(546)	21,044	(5,114)	1,321	(3,793)
Net income/(expenditure)		19,135	21,644	40,779	(11,501)	20,840	9,339
Transfers between funds	20	446	(446)	-	(125)	125	-
Other recognised Gains	18	1,710	-	1,710	3,928	-	3,928
Net Movement in Funds		21,291	21,198	42,489	(7,698)	20,965	13,267
Reconciliation of funds:							
Total funds brought forward		313,443	48,521	361,964	321,141	27,556	348,697
Total funds carried forward		334,734	69,719	404,453	313,443	48,521	361,964

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 62 to 86 form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

	2024 £000 Group	2023 £000 Group
Net cash generated by/(used in) operating activities	25,920	(22,756)
Cash flows from investing activities:		
Dividends, interest and rents from investments	6,970	5,579
(Increase) in Long Term Bank Deposits	(23)	(7)
Proceeds from the sale of property, plant and equipment	376	16
Purchases of property, plant and equipment	(529)	(1,045)
Purchase of Intangible Fixed Assets	(39)	(43)
Proceeds from the sale of investments (including Investments Held in the USA)	154,226	119,062
Purchase of Investments	(163,976)	(122,846)
Net cash (used in)/by investing activities	<u>(2,995)</u>	<u>716</u>
Change in cash and cash equivalents in the reporting period	22,925	(22,040)
Cash and cash equivalents at the beginning of the reporting period	102,347	123,540
Effects of currency translation on cash and cash equivalents	(32)	847
Cash and cash equivalents at the end of the reporting period (see note B)	<u>125,240</u>	<u>102,347</u>

Note A

Reconciliation of net income to net cash flow generated by operating activities

Net income for the reporting period (as per the statement of financial activities)	44,641	13,730
Adjustments for:		
Depreciation and amortisation	1,184	774
Movement in value of debt securities	387	(813)
(Gain)/Loss on investments	(21,044)	3,793
Dividends, interest and rents from investments	(6,970)	(5,579)
(Gain) on revaluation of Properties transferred to Investments	(1,749)	(3,799)
(Gain)/Loss on disposal of fixed assets	(219)	6
Decrease/(Increase) in Stocks	38	(31)
(Increase)/Decrease in Debtors	(2,387)	(25,841)
Increase/(Decrease) in Creditors	11,966	(5,213)
Increase in provisions	73	217
Net cash generated by/(used in) operating activities	<u>25,920</u>	<u>(22,756)</u>

Note B

Analysis of Cash and Cash Equivalents – Group

	Balance 2023 £000	Movement in year £000	Balance 2024 £000
Cash at bank	83,958	16,412	100,370
RBL Loans and Advances to Banks – Recoverable on demand	11,333	(3,023)	8,310
Cash Held by Investment Managers	7,056	(2,447)	4,609
Notice deposits (less than 3 months)	-	11,951	11,951
Total cash and cash equivalents	<u>102,347</u>	<u>22,893</u>	<u>125,240</u>

(i) Analysis of changes in Net Debt

	01-Apr-23 £000	Cash flows £000	31-Mar-24 £000
Cash and cash equivalents			
Cash	91,014	13,965	104,979
Overdrafts	-	-	-
Cash Equivalents	11,333	8,928	20,261
	<u>102,347</u>	<u>22,893</u>	<u>125,240</u>

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES

The Trust is a registered Charity in England and Wales and a public benefit entity (see pages 8-9 of the Annual report for further details) 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 (UKI 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. Judgements would include assessing for indicators of impairment of assets or whether the Trust is party to lease arrangements and their nature.

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.

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

The Investment Property portfolio is independently valued by a Chartered Surveyor. This valuation is based on, at a minimum, a rolling three-year revaluation 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 25). Estimations made in calculating the depreciation of non-investment properties are detailed in paragraph (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. The 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 was estimated at acquisition date based on the projections of future profitability of the bank and no adjustment was made as the calculated amount was not material.

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 cash flows 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.

NOTES TO THE CONSOLIDATED ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES – continued

(b) Income

- (i) 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 is only recognised where there is entitlement of the rights or other access to the economic benefits, it is probable that the economic benefits of the transaction or gift will flow to the organisation and the monetary value of the income can be reliably measured. Income relating to a specific future period, where applicable, is deferred. Refunds are shown as negative income.
- (ii) 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 these particular triggers have not occurred, income will be accrued provided all applicable income recognition criteria (per Note 1(b)(i)) 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.
- (iii) Contributions to International Headquarters support are set annually and apply from April 1st of each year. Contributions from individual territories are recognised when they become due, which is quarterly from independent territories, and either quarterly or annually from financially supported territories.
- (iv) 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. Donations are recognised in the period in which they are received, unless there is a basis to accrue (per Note 1(b)(i)).
- (v) Grant income subject to specific performance conditions is recognised when there is evidence that the relevant conditions have been met by the Charity.
- (vi) Investment income is recognised on an Accruals basis and includes returns on funds held in the US. 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 to overseas Salvation Army territories to support their operating costs and are allocated for a duration of one year. The expenditure is recognised when the grants are approved and notified to the relevant territories, in the year the obligations arise. They are payable at the beginning of each quarter.
- (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 historically 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 and contributions are charged to the Statement of Financial activities 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 or following Board Approval of the Grant as appropriate. Expenditure arising from performance-related grants is recognised where there is evidence that the recipient of the grant has fulfilled the performance conditions.
- (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.
- (ix) Termination payments are payable when employment is terminated before the normal retirement date or end of employment contract. The costs are recognised at the earlier of when the offer of the benefits can no longer be withdrawn or when the group recognises any related restructuring costs.

(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 applicable at the balance sheet date.

All profits and losses on exchange are included in the Statement of Financial Activities.

NOTES TO THE CONSOLIDATED ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES – continued

(e) Going Concern

The Trustee has reviewed the Trust's financial position, taking account of satisfactory levels of reserves and cash, the annual plan, and its system of financial and risk management considering potentially adverse future scenarios. The Trustee recognises the 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 £42.97 million (2023: £35.71 million) held in cash or short-term bank deposits and current liabilities amounting to £9.29 million (2023: £10.1 million).

The Trustee is confident the Trust is well placed to meet the ongoing global crises and other external events, including general inflationary pressures, and continues 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. The Group and the Trust 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 (50 years from acquisition), any excess beyond the fair value of non-monetary assets acquired recognised in profit or loss in the periods expected to be benefited (10 years from acquisition). Computer Software, where capitalised, is amortised over a period of 4 years.

(g) Fixed Assets

Tangible fixed assets 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
- 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.

A Fixed Asset Property is transferred to or from Investment Properties when it first met or ceases to meet the definition of Investment Property per FRS 102 and is transferred at its fair value at the date of change in use. Any difference between the fair value of the property at transfer date and its previous carrying amount is recognised in the SOFA under Other Recognised Gains/(Losses) for transfer to Investment Properties, and under Net Gain/(Loss) on investments for transfers from Investment Properties.

The Bank opted during year ended March 2021 to follow the revaluation approach to its freehold property, under FRS 102 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.

NOTES TO THE CONSOLIDATED ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES – continued

(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 unless another basis is required under applicable accounting standards, which is usually the transaction price, and are subsequently measured at their settlement value aside from Reliance Bank Debt instruments below.

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 per the policy as stated above, but Debt instruments are thereafter measured at amortised cost less impairment using the effective interest method.

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.

(i) Investments – To comply with the Statement of Recommended Practice, financial investments are included at fair value (see Note 25). Listed investments are valued at the year end bid price.

The freehold reversionary interest (see Note 25(g)) is externally valued at least every three years, subject to any significant change in value in the intervening years.

Investment properties are held for the purpose of earning rental income or for capital appreciation or both. They are measured at fair value at the balance sheet date as detailed in the Accounting Estimates (Note 1(a)) above and no depreciation is provided. Passing rents levels are guided by estimated market rents assessed as part of investment properties valuations to the extent possible. A property achieving below market rent level at a given point in time shall continue to be classified as an Investment property for as long as the purpose listed above remains true. Salvation Army employees may occupy properties held for investment purposes on comparable terms to members of the public, in which case these properties remain Investment properties in line with FRS 102.

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) Provisions for liabilities

A provision is recognised when there is 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.

(m) Prepayments

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

(n) 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 (UKI 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 £12.5 million in the Bank's share capital since acquisition, £7 million of which during 2023, 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 had not been the case in the earlier years as the Bank was investing in its organisational structure and systems, but it returned to profit last year with opportunity to now target a self-sustaining business model where future capital requirements are minimised. 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.

NOTES TO THE CONSOLIDATED ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES – continued

(o) Subsidiary Company – Set-off

The Bank does not 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.

(p) Subsidiary Company – Contingent Liabilities

Contingent liabilities are recognised as memorandum items on the face of the Balance Sheet and further analysed in Note 33 to the accounts at their contract amounts unless the possibility of any transfer on settlement is remote.

(q) 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.

(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, and cash held with investment managers as it is available to meet short-term cash needs of the organisation.

(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.

Properties reclassified to Investments are transferred at Fair Value on transfer date. Any difference between the fair value of the property at that date and its previous carrying amount is recognised in the Statement of Financial Activities.

Further details on Gains and Losses can be found in Note 18.

NOTES TO THE CONSOLIDATED ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

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 benefited from a fair value uplift associated with Property, Plant and Equipment as below:

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

Calculation of Goodwill

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

The cost of acquisition represented a contingent consideration of £4,108,397 estimated at the time to be payable over 15 years and over 8 years as at March 2024. The outstanding balance at March 2024 was £4,058,397 (2023: £4,108,397) (see Note 29).

NOTES TO THE CONSOLIDATED ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

3. CONTRIBUTIONS RECEIVED FROM SALVATION ARMY TERRITORIES

Territory	Self-Denial Fund		International Headquarters Support		Donations Received	
	Unrestricted		Unrestricted		Restricted	
	2024	2023	2024	2023	2024	2023
	£000	£000	£000	£000	£000	£000
Angola	7	13	1	1	-	-
Australia	416	484	778	755	268	105
Bangladesh	1	1	2	1	-	-
Brazil	69	-	2	2	-	-
Canada and Bermuda	1,791	1,665	610	592	486	624
Caribbean	76	105	5	5	-	-
Congo (Brazzaville)	82	79	5	5	-	-
Democratic Republic of Congo	77	95	6	6	-	-
Denmark	26	25	18	17	8	13
Eastern Europe	14	12	1	1	1	-
Finland and Estonia	50	58	31	30	54	27
France and Belgium	17	17	55	53	15	43
Germany, Lithuania and Poland	32	31	38	37	4	61
Ghana	27	17	3	3	-	-
Hong Kong and Macau	55	52	28	28	8	1
India Central	43	41	8	8	-	-
India Eastern	115	101	4	4	-	-
India Northern	17	17	7	7	-	-
India South Eastern	67	64	8	7	-	-
India South Western	22	22	8	7	-	-
India Western	26	28	7	7	-	-
Indonesia	48	46	12	12	-	-
Italy and Greece	4	5	1	1	2	6
Japan	26	33	75	72	6	12
Kenya East	212	272	8	8	-	-
Kenya West	215	291	8	8	-	-
Korea	173	166	13	13	61	9
Latin America North	35	72	2	2	-	-
Liberia	15	12	1	1	-	-
Malawi	6	9	1	1	-	-
Mali	2	3	1	1	-	-
Mexico	21	30	3	3	-	-
Middle East	8	18	1	1	-	-
Mozambique	3	3	1	1	-	-
The Netherlands, Czech Republic and Slovakia	176	200	120	117	160	179
New Zealand, Fiji and Tonga	396	441	284	275	45	119
Nigeria	23	39	5	5	-	-
Norway, Iceland and The Færoes	400	400	106	103	109	229
Pakistan	2	3	6	6	-	-
Papua New Guinea	44	39	4	4	-	-
The Philippines	20	21	4	4	2	10
Russia	2	3	1	1	2	-
Rwanda and Burundi	6	4	1	1	-	-
Singapore, Malaysia and Myanmar	93	99	19	19	33	2
South America East	19	-	3	3	-	-
South America West	95	-	4	4	-	-
Southern Africa	40	49	4	4	-	-
Spain and Portugal	19	18	1	1	7	-
Sri Lanka	1	1	2	2	-	-
Sweden and Latvia	89	105	87	84	33	86
Switzerland, Austria and Hungary	676	660	168	163	85	25
Taiwan	8	7	1	1	-	1
Tanzania	10	12	2	2	-	-
Uganda	11	8	1	1	-	-
United Kingdom and Ireland	2,734	2,402	926	899	1,076	91
USA Central	4,809	4,499	1,888	1,869	3,128	4,605
USA Eastern	5,008	4,980	1,605	1,571	950	9,031
USA Southern	5,439	5,354	2,049	2,000	3,282	3,285
USA Western	3,989	4,266	1,533	1,505	(33)	2,347
USA National HQ	-	-	60	63	229	1,051
Zambia	53	61	4	3	-	-
Zimbabwe	209	194	7	7	-	-
	28,169	27,752	10,647	10,417	10,021	21,962

NOTES TO THE CONSOLIDATED ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

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 £100k (2023: £nil) to support the mission of the Trust.

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 (UKI Territory) 49% interest. Under this ownership model and its strategic plan, the Bank aims to become an important social impact bank with an expanded remit in this market segment.

Reliance Bank Limited provides banking facilities to The Salvation Army and the general public. The Bank offers transactional banking services to more than 30 Salvation Army territories, providing a vital 'safe haven' for project funds and IHQ operational grants and a secure platform for international fund transfers for the global Army. A pre-tax profit of £1,918k (2023: £234k) has been made in the year.

RELIANCE BANK LIMITED	2024	2023
	£000	£000
Summary Profit and Loss Account		
Interest Receivable and other operating income	12,504	7,632
Interest Payable and other operating expenditure	(3,414)	(1,517)
Administration Expenditure	(7,172)	(5,881)
Operating Profit	1,918	234
Taxation	(68)	(107)
Retained Profit for year	1,850	127
Retained Reserves brought forward	438	311
Less qualifying charitable donations	(100)	-
Retained Reserves carried forward	2,188	438
Share Capital owned	20,000	20,000
Loss on Revaluation of Property included in the Revaluation Reserve	-	(320)
Summary Balance Sheet		
Fixed Assets	4,183	4,509
Assets		
Less than one year	161,338	144,073
Loans over one year	111,372	103,607
	276,893	252,189
Liabilities		
Current	(253,893)	(230,939)
Net Assets	23,000	21,250
Share Capital	20,000	20,000
Revaluation Reserve	812	812
Reserves	2,188	438
Shareholders' Funds	23,000	21,250

The effects of differences between subsidiary and Group policies in relation to the Bank's building property valuation, including the revaluation reserve balance, were eliminated on consolidation and the impacted amounts are presented in the Group Financial Statements in accordance with Group Accounting policies (see Note 1(g)).

5. OTHER DONATIONS AND LEGACIES

	Unrestricted £000	Restricted £000	2024 £000	Unrestricted £000	Restricted £000	2023 £000
a) Group						
Other Donations	66	16,300	16,366	2,501	144	2,645
Legacies	81	175	256	142	68	210
	147	16,475	16,622	2,643	212	2,855
b) Charity						
Other Donations	4	16,300	16,304	2,480	144	2,624
Legacies	81	175	256	142	68	210
	85	16,475	16,560	2,622	212	2,834

Total external donations and legacies increased to £16.62 million (2023: £2.86 million) mainly from a large restricted donation towards the Officers' Support Endowment Fund.

NOTES TO THE CONSOLIDATED ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023	2024	2023
	Group	Group	Charity	Charity
	£000	£000	£000	£000
6. INCOME FROM CHARITABLE ACTIVITIES				
Rents from charitable activities	105	116	105	116
Software Charges	30	22	30	22
Income from publications	212	113	212	113
Income from Café 101	146	125	146	125
International Personnel Training and Development	43	118	17	93
	<u>536</u>	<u>494</u>	<u>510</u>	<u>469</u>
Restricted income for the year was £Nil (2023: £93k)				
7. OTHER TRADING ACTIVITIES				
Conference Centre income	47	36	47	36
Rents from letting of property	103	99	103	99
Fees and Commissions receivable	834	766	-	-
Release of Negative Goodwill	174	175	-	-
	<u>1,158</u>	<u>1,076</u>	<u>150</u>	<u>135</u>
Interest on Loans and Advances to Bank and Customers	11,630	6,778	-	-
	<u>12,788</u>	<u>7,854</u>	<u>150</u>	<u>135</u>
Unrestricted income for the year was £12,788k (2023: £7,854k)				
8. INVESTMENT INCOME				
Income from fixed interest securities	1,187	488	1,187	488
Dividends from equities	2,041	1,667	2,041	1,667
Interest on bank deposits	395	174	1,065	415
Income from funds held in USA	1,230	1,065	1,230	1,065
Rental on Freehold Reversionary Interest	204	212	204	212
Rents from letting of investment properties	1,913	1,732	1,913	1,732
	<u>6,970</u>	<u>5,338</u>	<u>7,640</u>	<u>5,579</u>
Restricted income for the year was £847k (2023: £273k)				

NOTES TO THE CONSOLIDATED ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

	2024 Group £000	2023 Group £000	2024 Charity £000	2023 Charity £000
9. RAISING FUNDS				
Cost of letting of property	791	660	791	660
Investment management costs	964	917	964	917
Goodwill Amortisation	-	-	43	43
Costs of subsidiary banking operations	9,848	7,013	42	-
	11,603	8,590	1,840	1,620

Restricted expenditure for the year was £131k (2023: £44k).

10. CHARITABLE ACTIVITIES

Activity	Grant and Donation funding of activities £000	Activities undertaken directly £000	Support costs (Note 12) £000	2024 Group Total £000	2023 Group Total £000	2024 Charity Total £000	2023 Charity Total £000
World Mission	-	3,647	1,913	5,560	4,718	5,568	4,735
Assistance to Salvation Army territories (Note 11)	22,665	5,106	2,733	30,504	32,081	30,515	32,105
International Personnel Training and Development	-	8,271	4,460	12,731	14,498	12,670	14,354
Crisis Relief	-	1,056	292	1,348	1,435	1,349	1,438
Health Services for the Poorest People	-	1,002	73	1,075	161	1,075	162
Fighting Against Sexual Trafficking and Social Justice	-	825	437	1,262	1,592	1,264	1,596
	22,665	19,907	9,908	52,480	54,485	52,441	54,390

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 £5.02 million (2023: £3.04 million).

Activity	Grant and Donation funding of activities £000	Activities undertaken directly £000	Support costs (Note 12) £000	2023 Group Total £000	2022 Group Total £000	2023 Charity Total £000	2022 Charity Total £000
World Mission	-	2,888	1,830	4,718	*(as Restated) 4,225	4,735	*(as Restated) 4,225
Assistance to Salvation Army territories (Note 11)	24,912	4,556	2,613	32,081	30,483	32,105	30,483
International Personnel Training and Development	-	10,237	4,261	14,498	9,272	14,354	9,426
Crisis Relief	-	1,157	278	1,435	1,742	1,438	1,742
Health Services for the Poorest People	-	92	69	161	203	162	203
Fighting Against Sexual Trafficking and Social Justice	-	1,174	418	1,592	1,236	1,596	1,236
	24,912	20,104	9,469	54,485	47,161	54,390	47,315

NOTES TO THE CONSOLIDATED ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

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

Territory	2024				Total £000	Total £000
	International Service Costs*	Grant funding of activities	Additional grant for specific costs	Activities funded by donations		
	£000	£000	£000	£000		
Africa, General	-	-	37	-	37	35
Angola	21	47	46	16	130	98
Australia	-	-	-	112	112	-
Bangladesh	28	209	4	29	270	450
Brazil	7	604	4	35	650	686
Canada and Bermuda	-	-	-	2	2	7
Caribbean	2	743	8	57	810	820
Congo (Brazzaville) and Gabon	19	534	40	252	845	930
Czech Republic and Slovakia (Netherlands)	-	492	3	1	496	512
Democratic Republic of Congo	2	542	81	436	1,061	1,781
Denmark	-	136	-	1	137	142
Eastern Europe	10	1,127	3	40	1,180	1,247
Estonia (Finland)	3	233	4	8	248	244
Fiji and Tonga	3	-	-	1	4	1
France and Belgium	-	-	-	1	1	1
Germany, Lithuania and Poland	-	217	-	(7)	210	225
Ghana and Togo	40	146	30	140	356	329
Hong Kong and Macau	-	-	-	-	-	1
India National Secretariat	-	172	1	16	189	584
India Central	-	231	2	127	360	359
India Eastern	1	-	3	1	5	14
India Northern	-	284	3	90	377	187
India South Eastern	-	326	3	55	384	412
India South Western	-	315	6	93	414	384
India Western	-	239	5	122	366	354
Indonesia	1	-	34	190	225	224
Italy and Greece	-	315	1	6	322	537
Kenya East	-	275	10	116	401	639
Kenya West	19	624	74	218	935	877
Korea	-	-	-	3	3	1
Latin America North	-	654	2	89	745	944
Latvia (Sweden)	-	145	-	1	146	157
Liberia, Sierra Leone and Guinea	37	215	2	122	376	291
Malawi	12	132	1	83	228	373
Mali and Burkina Faso	6	123	16	8	153	159
Mexico	10	388	4	38	440	607
Middle East	-	281	1	49	331	295
Mozambique	15	273	1	16	305	345
Nigeria	11	139	21	164	335	337
Norway	-	-	-	1	1	1
Pakistan	2	1,119	31	53	1,205	1,265
Papua New Guinea	29	801	66	289	1,185	1,388
The Philippines	-	424	3	59	486	474
Russia**	-	741	1	(33)	709	770
Rwanda and Burundi	22	185	1	58	266	258
Singapore, Malaysia and Myanmar	-	208	5	39	252	245
South America East	1	547	4	23	575	612
South America West	63	394	9	203	669	689
Southern Africa	-	89	10	23	122	226
Spain and Portugal	1	683	1	66	751	751
Sri Lanka	2	192	2	423	619	458
Switzerland, Austria and Hungary	-	-	-	8	8	8
Taiwan	-	95	1	13	109	100
Tanzania	1	163	20	170	354	418
Uganda	25	162	32	338	557	437
United Kingdom and Ireland	1	-	-	1	2	2
USA Southern	-	-	-	-	-	1
USA Western	-	-	-	1	1	1
Zambia	20	402	23	124	569	624
Zimbabwe and Madagascar	43	433	32	128	636	595
General	-	-	(31)	31	-	-
Total	457	16,799	660	4,749	22,665	24,912

*International Service Costs, previously shown as 'Allowable Deductions from Self Denial Funds', are those incurred in facilitating Salvation Army officers' service outside of their home territories.

**Grants to Russia Territory cannot be transferred into Russia in accordance with current banking restrictions imposed by the United Kingdom Government. They are transferred to the territory's UK bank account held at Reliance Bank, where the territory will draw on them once permitted under banking regulations.

NOTES TO THE CONSOLIDATED ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

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

Territory	2023				Total	2022
	International Service Costs*	Grant funding of activities	Additional grant for specific costs	Activities funded by donations		
	£000	£000	£000	£000	£000	£000
Africa, General	-	-	35	-	35	101
Americas, General	-	-	-	-	-	-
Angola	-	48	1	49	98	291
Australia	-	-	-	-	-	23
Bangladesh	-	216	4	230	450	258
Brazil	-	624	4	58	686	1,161
Canada and Bermuda	6	-	-	1	7	-
Caribbean	-	767	8	45	820	824
Congo (Brazzaville) and Gabon	34	551	76	269	930	1,062
Czech Republic and Slovakia (Netherlands)	-	508	1	3	512	460
Democratic Republic of Congo	7	560	114	1100	1,781	1,012
Denmark	-	141	-	1	142	126
Eastern Europe	38	1164	3	42	1,247	1,087
Estonia (Finland)	6	240	-3	1	244	229
Fiji and Tonga	-	-	-	1	1	1
France and Belgium	-	-	-	1	1	1
Germany, Lithuania and Poland	-	224	-	1	225	198
Ghana and Togo	-	151	49	129	329	267
Hong Kong and Macau	-	-	-	1	1	2
India National Secretariat	-	293	3	288	584	864
India Central	-	238	2	119	359	329
India Eastern	2	-	3	9	14	19
India Northern	-	112	55	20	187	101
India South Eastern	-	336	2	74	412	506
India South Western	-	325	4	55	384	339
India Western	-	247	4	103	354	383
Indonesia	-	-	25	199	224	166
Italy and Greece	-	326	1	210	537	453
Kenya East	23	284	105	227	639	384
Kenya West	-	644	47	186	877	948
Korea	-	-	-	1	1	-
Latin America North	-	675	2	267	944	683
Latvia (Sweden)	-	149	-	8	157	133
Liberia, Sierra Leone and Guinea	4	222	21	44	291	687
Malawi	21	170	-2	184	373	271
Mali and Burkina Faso	20	127	3	9	159	280
Mexico	10	400	5	192	607	394
Middle East	-	290	1	4	295	259
Mozambique	38	282	7	18	345	339
Nigeria	23	143	4	167	337	349
Norway	-	-	-	1	1	1
Pakistan	1	1123	35	106	1,265	1,386
Papua New Guinea	67	736	71	514	1,388	1,287
The Philippines	-	438	3	33	474	646
Russia	-	767	1	2	770	727
Rwanda and Burundi	25	191	7	35	258	318
Singapore, Malaysia and Myanmar	-	215	4	26	245	222
South America East	13	565	4	30	612	845
South America West	-	407	11	271	689	453
Southern Africa	17	92	8	109	226	230
Spain and Portugal	25	706	1	19	751	634
Sri Lanka	-	198	2	258	458	229
Switzerland, Austria and Hungary	-	-	-	8	8	7
Taiwan	-	98	1	1	100	163
Tanzania	1	168	32	217	418	496
Uganda	55	167	18	197	437	436
United Kingdom and Ireland	-	-	1	1	2	1
USA Southern	-	-	-	1	1	-
USA Western	-	-	-	1	1	4
Zambia	48	373	36	167	624	511
Zimbabwe and Madagascar	24	447	10	114	595	619
Total	508	17,148	829	6,427	24,912	24,205

*International Service Costs, previously shown as 'Allowable Deductions from Self Denial Funds', are those incurred in facilitating Salvation Army officers' service outside of their home territories.

NOTES TO THE CONSOLIDATED ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

12. ANALYSIS OF SUPPORT COSTS BY ACTIVITY

Charitable Activities	Management £000	Finance & IT £000	Human Resources £000	Property £000	Depreciation £000	Governance (see note 13) £000	2024	2023
							Total £000	Total £000
World Mission	308	678	102	240	234	351	1,913	1,830
Assistance to Salvation Army territories	440	970	145	342	334	502	2,733	2,613
International Personnel Training and Development	717	1,581	237	558	544	823	4,460	4,261
Crisis Relief	47	104	15	37	35	54	292	278
Health Services for the Poorest People	12	26	4	9	9	13	73	69
Fighting Against Sexual Trafficking and for Social Justice	70	155	23	55	53	81	437	418
	<u>1,594</u>	<u>3,514</u>	<u>526</u>	<u>1,241</u>	<u>1,209</u>	<u>1,824</u>	<u>9,908</u>	<u>9,469</u>

Depreciation on Vehicles and IT Equipment of £159k (2023: £137k) 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 9).

Charitable Activities	Management £000	Finance & IT £000	Human Resources £000	Property £000	Depreciation £000	Governance (see note 13) £000	2023	2022
							Total £000	Total £000
World Mission	224	666	166	297	116	361	1,830	1,740
Assistance to Salvation Army territories	320	951	236	425	165	516	2,613	2,486
International Personnel Training and Development	522	1,548	385	693	270	843	4,261	4,054
Crisis Relief	34	101	25	45	18	55	278	266
Health Services for the Poorest People	9	25	6	11	4	14	69	66
Fighting Against Sexual Trafficking and for Social Justice	51	152	38	68	26	83	418	398
	<u>1,160</u>	<u>3,443</u>	<u>856</u>	<u>1,539</u>	<u>599</u>	<u>1,872</u>	<u>9,469</u>	<u>9,010</u>

*(as Restated)

13. GOVERNANCE COSTS

	2024 £000	2023 £000
Charitable Activities		
Internal Audit	550	562
External Audit	218	190
Legal and Administration (includes Trustees' Indemnity Insurance)	514	563
International Child Protection Governance	266	303
Finance and Property	276	254
	<u>1,824</u>	<u>1,872</u>
Raising Funds		
External Audit – Reliance Bank	331	253
Total	<u>2,155</u>	<u>2,125</u>

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.

NOTES TO THE CONSOLIDATED ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

	2024 £000	2023 £000
14. PERSONNEL COSTS		
Salaries and Allowances	10,625	9,057
Employer's Social Security Costs	1,143	1,033
Employer's Pension Costs	810	1,289
	<u>12,578</u>	<u>11,379</u>

The Trust made termination payments of £169k related to the cessation of certain IHQ publications during the year and necessary changes to some employee roles which led to redundancies (2023: £31k).

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	18	17
£70,001 – £80,000	13	7
£80,001 – £90,000	8	5
£90,001 – £100,000	1	2
£100,001 – £110,000	3	1
£110,001 – £120,000	1	1
£120,001 – £130,000	1	-
£130,001 – £140,000	1	-
£160,001 – £170,000	-	1
£180,001 – £190,000	1	-

The highest paid employee within the above had employer pension contributions of £22k (2023: £Nil).

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

	2024 Headcount	2023 Headcount
Average number of officers and employees		
Salvation Army International Trust	191	184
Reliance Bank Limited	63	47
SALT College of Africa	16	17
Total	<u>270</u>	<u>248</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 employer's NIC of key management personnel amounted to £258k (2023: £260k).

(ii) Reliance Bank Limited

The Bank's key management personnel are considered to be its Directors (both Executive and Non-Executive), and other members of its Executive Committee, the Chief Operating Officer, the Commercial Director and the Head of Risk and Compliance. The total taxable remuneration and benefits plus employer's NIC of the Bank's key management personnel was £838k (2023: £636k). Two Executive Directors of Reliance Bank received emoluments during the year, their remuneration was £373k (2023: £304k) and includes pension contributions of £38k (2023: £15k). The highest-paid Director received emoluments of £184k (2023: £165k) with pension contributions of £22k (2023: £Nil). Non-Executive Directors received no remuneration from the Bank and are not members of the pension scheme. Executive Directors are eligible to apply for loans on terms that are available to all employees of the Bank.

NOTES TO THE CONSOLIDATED ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

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 and five non-executive directors with specialist expertise.

All Salvation Army officers receive an allowance based on length of service and other personal circumstances and, as ministers of religion, are provided with furnished accommodation and transport facilities. Salvation Army officers are required to use the accommodation provided, or another agreed alternative, as part of their ministry. Taxable allowances and benefits received during the year by the officers serving as directors ranged from £4k to £27k (2023: £23k to £28k) with total emoluments of £233k (2023: £196k) and they did not receive any additional remuneration for their duties as directors.

The non-executive directors did not receive any remuneration for their services.

(ii) Expenses

Two trustees (2023: One) received expenses in relation to travel and accommodation of £2,670 (2023: £2,230) 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 £160k excluding VAT (2023: £131k). An additional payment of £30k (2023: £25k) excluding VAT was made in relation to additional work undertaken in respect of the 2023 audit. Their remuneration for services in connection with audits of overseas territories was £31k excluding VAT (2023: £31k) and payments to BDO International offices amounted to £339k (2023: £464k).

The audit of Reliance Bank Limited's financial statements amounts to £331k excluding VAT (2023: £253k).

The audit of SALT College for Africa's financial statements amounts to £4k (2023: £2k).

17. PENSION COSTS

(a) Salvation Army Employees' Defined Benefit Pension Scheme

The Salvation Army International Trust participates in a multi-employer defined benefit and a defined contribution employee pension schemes, both administered by The Salvation Army United Kingdom and Ireland Territory.

The Trust contributed to The Salvation Army Employees' Pension Fund, a funded defined benefit scheme, until April 2023 in respect of those members of staff who were eligible and had joined the scheme prior to its closure to new members on 31 December 2011.

In March 2023, members of the defined benefit scheme voted to close the scheme to future service accrual with the final salary link retained. From 01 May 2023, eligible members began to contribute instead to the defined contribution scheme with enhanced employer contributions for an agreed period with the scheduled receipt of three annual lump sum payments. The costs of the 2023 lump sum payments were recognised at their actual value at 31 March 2023 and a new provision created for the subsequent two annual payments (see Note 30). Active members of the Fund, as at 30 April 2023 were re-categorised as "Employed Deferred Members".

As at 31 March 2024, the Trust and the Bank respectively had 29 and 1 Employed Deferred Members (2023: 33 and 1) in the scheme.

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 FRS 102.

The scheme is subject to triennial actuarial valuations and results from the most recent one, performed on 31 March 2021, reported a surplus of £2.6 million relative to the technical provisions which corresponded to an ongoing funding ratio of 101.2%. The relevant share of any liability to fund past service deficits as agreed with the pension scheme trustees is charged to the SOFA.

(b) Salvation Army Employees' Defined Contribution Pension Scheme

A Defined Contributions Scheme was introduced from 1 October 2011 and 60 members of staff of The Salvation Army International Trust and 40 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.

NOTES TO THE CONSOLIDATED ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

18. NET GAINS AND LOSSES

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

	2024 Group	2023 Group	2024 Charity	2023 Charity
	£000	£000	£000	£000
Net Gains/(Losses) on Investments				
Gains/ (Losses) on Listed Investments (see Note 25)	12,686	(9,028)	12,686	(9,028)
Net (Loss)/Gain on revaluation of Investment Property	(1,635)	2,985	(1,635)	2,985
Release of revaluation loss on disposal of Investment Property	62	-	62	-
Realised (loss) on disposal of Investment Property	(55)	-	(55)	-
Release of revaluation surplus on transfer of Investment to Property Asset	-	(16)	-	(16)
(Loss)/Gain on revaluation of Freehold Reversionary Interest	(525)	1,150	(525)	1,150
(Loss)/Gain on revaluation of US Dollar Deposits	(114)	817	(114)	817
(Loss)/Gain on Cash Held by Investment Managers	(4)	34	(4)	34
Exchange Gain on revaluation of funds held in the USA	6,582	3,806	6,582	3,806
Gain/(Loss) on funds held in the USA	4,047	(3,541)	4,047	(3,541)
	<u>21,044</u>	<u>(3,793)</u>	<u>21,044</u>	<u>(3,793)</u>

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

	2024 Group	2023 Group	2024 Charity	2023 Charity
	£000	£000	£000	£000
Other recognised (losses)/gains				
Foreign Exchange (Losses)/Gains	(41)	133	(39)	129
Gains on revaluation of Properties transferred to Investments	1,749	3,799	1,749	3,799
	<u>1,708</u>	<u>3,932</u>	<u>1,710</u>	<u>3,928</u>

The significant volume of transactions denominated in US dollars has given rise to exchange losses, as rates moved between \$1.2398 and \$1.2623 between March 2023 and March 2024.

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.

NOTES TO THE CONSOLIDATED ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

20. MOVEMENT IN FUNDS

	Balance 31/03/2023 £000	Transfers £000	Income £000	Expenditure £000	(Losses) £000	Balance 31/03/2024 £000
RESTRICTED						
Property Fund	15,150	-	-	(245)	(525)	14,380
Officers' Support Endowment Fund	23,813	-	20,973	-	-	44,786
International Social Justice Commission Fund	2,515	-	-	-	-	2,515
International Financial Accounting Standards Training	2,598	(205)	3,508	(3,104)	-	2,797
Other Restricted	4,445	(241)	2,862	(1,804)	(21)	5,241
	<u>48,521</u>	<u>(446)</u>	<u>27,343</u>	<u>(5,153)</u>	<u>(546)</u>	<u>69,719</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. Although this fund is called 'Endowment' for historical reasons, it does not meet the definition of an endowment per the relevant Accounting Standards and is not accounted for as such in these accounts.

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.

Transfers from Restricted Reserves primarily related to the return of bridge funding previously met from Board Designated Reserves to cover temporary funding gaps for specific projects resulting from timing differences in restricted funds meeting the applicable recognition criteria.

	Balance 31/03/2023 £000	Transfers £000	Income £000	Expenditure £000	Gains/(Losses) £000	Balance 31/03/2024 £000
UNRESTRICTED						
Board Designated Funds						
Property Fund	19,745	(293)	-	(591)	-	18,861
Other Fixed Assets Fund	2,156	224	-	(373)	-	2,007
Reliance Bank Share Fund	12,500	-	-	-	-	12,500
Other Board Designated Funds						-
Property Commitments Fund	32,941	(1,033)	2,286	(2,154)	1,694	33,734
Self-Denial Fund	26,199	(3,595)	29,079	(23,864)	-	27,819
Investment Appreciation Fund	74,900	-	-	-	20,353	95,253
Investment Property Revaluation Fund	47,244	-	-	-	(1,573)	45,671
Exchange Equalisation Fund	7,423	-	-	-	(435)	6,988
Other Designated Funds	83,969	4,517	1,265	(8,629)	3,261	84,383
	<u>272,676</u>	<u>(111)</u>	<u>32,630</u>	<u>(34,647)</u>	<u>23,300</u>	<u>293,848</u>
General Reserve						
Held by Trust	6,386	626	14,044	(13,517)	-	7,539
Held by subsidiaries	(2,572)	-	11,955	(9,802)	(2)	(421)
	<u>310,891</u>	<u>446</u>	<u>58,629</u>	<u>(58,930)</u>	<u>23,298</u>	<u>334,334</u>

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

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

The 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 (£21.56 million), and an International Property Project reserve (£2.69 million) held to provide additional property project funding to territories over the next 3–4 years.

The Self-Denial Fund (£27.82 million) 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 13.2 months of the budgeted grants and support costs payable to overseas territories for the following year.

The Investment Appreciation Fund (£95.25 million) represents unrealised gains and losses on investments which are still subject to market risk.

The Investment Property Revaluation Fund (£45.67 million) represents the surplus on revaluation of tenanted properties held for investment purposes.

The Exchange Equalisation Fund represents exchange gains made, not as part of the Investment Appreciation Fund which are held to offset future exchange losses.

Other Designated Funds are held for particular purposes as designated by the directors in the exercise of their discretionary powers. These include reserves of £52.59 million, which support the balance held and invested in the USA on behalf of SAIT to generate income for specific purposes: Medical Services Support (£9.52 million), Schools Services Support (£4.62 million) and the Officers' Support Endowment Fund (£38.45 million).

The income generated from the Officers' Support Endowment Fund is held in a reserve (£3.12 million) which provides grants to Salvation Army officers around the world to support basic needs, and income generated from the Medical Services Support designated funds have resulted in a reserve (£0.78 million) to fund projects for Salvation Army Medical Service centres around the world.

Also included is a Mission Support Reserve (£6.56 million) held to provide additional project funding to territories over the next year and an International Schools Development Reserve (£5.61 million) 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 (£2.89 million) and IT Development Reserve (£2.22 million) are held to fund provision of cloud-based accounting software and adequate Information Technology infrastructures to territories over the next 2 years. A Leadership Development Reserve (£1.98 million) 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 (£2.67 million) is held to provide ongoing support to improve children's homes facilities around the world over the next 3–4 years. The International Literature Programme Reserve (£1.07 million) is held to fund the promotion, production and translation of Salvation Army literature around The Salvation Army globally. A new reserve (£1.75 million) has been established to meet the ongoing challenges of funding out of budget grants to territories.

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. The aim of the Trustee is for the balance on the General Fund Reserve to cover the equivalent of 6 months' expenditure on headquarters administration costs. The balance of £7.53 million at 31 March 2024 covers the equivalent of 6.6 months' expenditure on headquarters administration costs.

NOTES TO THE CONSOLIDATED ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

20. MOVEMENT IN FUNDS – continued

	Balance 31/03/2022 £000	Transfers £000	*Income £000	*Expenditure £000	Gains £000	Balance 31/03/2023 £000
RESTRICTED						
Property Fund	14,246	-	-	(246)	1,150	15,150
Officers' Support Endowment Fund	5,491	-	18,322	-	-	23,813
International Social Justice Commission Fund	2,515	-	-	-	-	2,515
International Financial Accounting Standards Training	394	-	2,282	(78)	-	2,598
Other Restricted	4,910	125	1,936	(2,697)	171	4,445
	<u>27,556</u>	<u>125</u>	<u>22,540</u>	<u>(3,021)</u>	<u>1,321</u>	<u>48,521</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.

Transfers to Restricted Reserves primarily related to transfers from the Board-designated Mission Support Reserve to cover funding gaps at year end in Restricted projects reserves.

	Balance 31/03/2022 £000 **(as Restated)	Transfers £000	*Income £000	*Expenditure £000	Gains/(Losses) £000	Balance 31/03/2023 £000
UNRESTRICTED						
Board Designated Funds						
Property Fund	18,933	825	-	(13)	-	19,745
Other Fixed Assets Fund	2,306	196	-	(346)	-	2,156
Reliance Bank Share Fund	5,500	7,000	-	-	-	12,500
Other Board Designated Funds						
Property Commitments Fund	30,379	(11)	1,880	(3,096)	3,789	32,941
Self-Denial Fund	24,692	(127)	27,946	(26,415)	103	26,199
Investment Appreciation Fund	96,435	(4,974)	-	-	(16,561)	74,900
Investment Property Revaluation Fund	44,849	(574)	-	-	2,969	47,244
Exchange Equalisation Fund	4,875	(4)	-	-	2,552	7,423
Other Designated Funds	87,676	(3,933)	3,585	(9,311)	5,952	83,969
	<u>288,906</u>	<u>(9,623)</u>	<u>33,411</u>	<u>(38,822)</u>	<u>(1,196)</u>	<u>272,676</u>
General Reserve						
Held by Trust	5,496	1,497	13,191	(13,808)	10	6,386
Held by Trading Subsidiary	(3,254)	(20)	7,848	(7,146)	-	(2,572)
	<u>317,887</u>	<u>(125)</u>	<u>54,450</u>	<u>(60,135)</u>	<u>(1,186)</u>	<u>310,891</u>

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

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

The Reliance Bank Share Fund represents funds which have been used to finance the acquisition of additional Reliance Bank Share Capital. Transfers from the Investment Appreciation Fund and Other Designated Funds totalling £7.00 million (2022: £3.00 million) were made to fund the purchase of additional share capital in the Bank.

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 (£20.33 million), and an International Property Project Reserve (£4.86 million) held to provide additional property project funding to territories over the next 2–3 years.

The Self-Denial Fund (£26.20 million) 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 (£74.90 million) represents unrealised gains and losses on investments which are still subject to market risk.

The Investment Property Revaluation Fund (£47.24 million) represents the surplus on revaluation of tenanted properties held for investment purposes.

The Exchange Equalisation Fund represents exchange gains made, not as part of the Investment Appreciation Fund which are 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 £51.09 million are supporting the balance held and invested in the USA on behalf of SAIT to generate income for specific purposes, which are Medical Services Support (£9.25 million), Schools Services Support (£4.49 million) and the Officers' Support Endowment Fund (£37.35 million).

The income generated from the Officers' Support Endowment Fund is held in a reserve (£3.25 million) which provides grants to Salvation Army officers around the world to support basic needs, and income generated from the Medical Services Support designated funds have resulted in a reserve (£1.21 million) to fund projects for Salvation Army Medical Service centres around the world.

Also included is a Mission Support Reserve (£727k) held to provide additional project funding to territories over the next year and an International Schools Development Reserve (£7.77 million) 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 (£3.94 million) and IT Development Reserve (£2.51 million) 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 (£3.56 million) 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 (£2.70 million) is held to provide ongoing support to improve children's homes facilities around the world over the next 2–3 years. The High Council reserve (£1.07 million) is held to fund the typically quinquennial election process of a new General of The Salvation Army, with the next due to take place in May/June 2024. 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 5.9 months' expenditure on headquarters administration costs.

NOTES TO THE CONSOLIDATED ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total 2024	Unrestricted Funds	Restricted Funds	Total 2023
	£000	£000	£000	£000	£000	£000
Goodwill	(3,690)	-	(3,690)	(3,864)	-	(3,864)
Other Intangible Assets	148	-	148	284	-	284
Property Assets	15,968	14,380	30,348	16,468	15,150	31,618
Other Tangible Fixed Assets	2,343	-	2,343	2,434	-	2,434
Investments	291,232	55,339	346,571	282,883	33,371	316,254
Current Assets	146,125	-	146,125	125,893	-	125,893
Current Liabilities	(225,002)	-	(225,002)	(212,731)	-	(212,731)
Debtors over one year	111,558	-	111,558	103,849	-	103,849
Creditors over one year	(4,058)	-	(4,058)	(4,108)	-	(4,108)
Provisions for liabilities	(290)	-	(290)	(217)	-	(217)
	<u>334,334</u>	<u>69,719</u>	<u>404,053</u>	<u>310,891</u>	<u>48,521</u>	<u>359,412</u>

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

Restricted Property Assets funds include, for analysis purposes, historical contributions towards 99 Queen Victoria Street which is recognised in investment property assets.

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 Net Goodwill for the year was £175k (2023: £175k) per accounting policies as set out in Note 1(a) and Note 1(f).

	Acquisition
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
	189,342
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 2023	Amortisation 2024	Book Value 2024
	£000	£000	£000
Negative Goodwill	(4,124)	217	(3,907)
Positive Goodwill on Acquisition	260	(43)	217
Net Goodwill (Group)	<u>(3,864)</u>	<u>174</u>	<u>(3,690)</u>

(b) OTHER INTANGIBLE FIXED ASSETS

	Computer Software	Total (Charity)	Subsidiary Computer Software	Total (Group)
	2024	2024	2024	2024
	£000	£000	£000	£000
Cost:				
Brought Forward	-	-	1,022	1,022
Additions	-	-	39	39
Disposals	-	-	-	-
	<u>-</u>	<u>-</u>	<u>1,061</u>	<u>1,061</u>
Amortisation:				
Brought Forward	-	-	737	737
Charge for the year	-	-	176	176
Disposals	-	-	-	-
	<u>-</u>	<u>-</u>	<u>913</u>	<u>913</u>
Net Book Value at 31 March 2024	<u>-</u>	<u>-</u>	<u>148</u>	<u>148</u>
Net Book Value at 31 March 2023	<u>-</u>	<u>-</u>	<u>284</u>	<u>284</u>

NOTES TO THE CONSOLIDATED ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

23. PROPERTY ASSETS

	Freehold Land & Buildings	Long Leasehold Buildings	Overseas	Schemes in Progress	Total (Charity)	Subsidiaries Land & Buildings	Total (Group)
	£000	£000	£000	£000	£000	£000	£000
Cost							
Balance at 1 April 2023	31,369	8,208	204	427	40,208	4,661	44,869
Additions during the year	58	64	-	109	231	-	231
Revaluation on Transfers to Investment Property	696	894	-	-	1,590	-	1,590
	32,123	9,166	204	536	42,029	4,661	46,690
Less: Disposals	-	-	(182)	-	(182)	-	(182)
Transfer to Investment Property	(702)	(1,413)	-	-	(2,115)	-	(2,115)
Balance at 31 March 2024	31,421	7,753	22	536	39,732	4,661	44,393
Depreciation							
Balance at 1 April 2023	10,275	2,405	33	-	12,713	538	13,251
Charge for the year	681	155	1	-	837	141	978
	10,956	2,560	34	-	13,550	679	14,229
Eliminated: on Disposals	-	-	(26)	-	(26)	-	(26)
on Transfer to Investment Property	(2)	(156)	-	-	(158)	-	(158)
Balance at 31 March 2024	10,954	2,404	8	-	13,366	679	14,045
Net Book Value at 31 March 2024	20,467	5,349	14	536	26,366	3,982	30,348
Net Book Value at 31 March 2023	21,094	5,803	171	427	27,495	4,123	31,618

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

24. OTHER TANGIBLE FIXED ASSETS

	Fit-Outs, Fixtures & Fittings	Office Equipment	IT Equipment	Vehicles	Total (Charity)	Subsidiaries' Equipment	Total (Group)
	£000	£000	£000	£000	£000	£000	£000
Cost							
Balance at 1 April 2023	7,177	349	893	38	8,457	741	9,198
Additions during the year	54	6	165	-	225	73	298
	7,231	355	1,058	38	8,682	814	9,496
Balance at 31 March 2024	7,231	355	1,058	38	8,682	814	9,496
Depreciation							
Balance at 1 April 2023	5,478	148	637	38	6,301	463	6,764
Charge for the year	163	52	159	-	374	15	389
	5,641	200	796	38	6,675	478	7,153
Balance at 31 March 2024	5,641	200	796	38	6,675	478	7,153
Net Book Value at 31 March 2024	1,590	155	262	-	2,007	336	2,343
Net Book Value at 31 March 2023	1,699	201	256	-	2,156	278	2,434

Subsidiaries' Equipment includes Office Equipment, capitalised Computer Hardware and Fixtures & Fittings.

NOTES TO THE CONSOLIDATED ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

25. INVESTMENTS

	2024		2023	
	Cost	Market Value	Cost	Market Value
	£000	£000	£000	£000
(a)(i) Group				
Fixed Assets Investments				
Listed Investments (See Note (d) below)				
Fixed Interest				
UK Government	11,237	10,989	33,541	29,070
UK Non-Government	19,151	19,923	-	-
Overseas	890	804	950	895
Sterling Certificates of Deposit maturing after One Year (see Note (b))	-	-	12,969	12,969
Equities				
UK Directly Held Equities	15,145	14,422	19,548	19,468
Overseas Directly Held Equities	102,486	136,425	87,750	102,084
	148,909	182,563	154,758	164,486
Investment Property (see Note (f) below)	16,544	62,215	14,385	61,629
Property – Freehold Reversionary Interest (see Note (g) below)	2,990	6,875	2,990	7,400
Funds held in the USA (see Note (e) below)	-	63,541	-	54,662
	168,443	315,194	172,133	288,177
Current Assets Investments				
Bank Deposits (see Note (c) below)	5,642	5,642	8,065	8,065
Listed Investments (See Note (d) below)				
Sterling Certificates of Deposit maturing within One Year (see Note (b))	25,735	25,735	20,012	20,012
	31,377	31,377	28,077	28,077
	199,820	346,571	200,210	316,254
(a)(ii) Charity				
Listed Investments				
Fixed Interest				
UK Government	11,237	10,989	33,541	29,070
UK Non-Government	19,151	19,923	-	-
Overseas	890	804	950	895
Equities				
UK Directly Held Equities	15,145	14,422	19,548	19,468
Overseas Directly Held Equities	102,486	136,425	87,750	102,084
	148,909	182,563	141,789	151,517
Subsidiary Company (Note 4)				
Reliance Bank Ltd – Shares at cost	20,000	20,000	20,000	20,000
Investment Property (see Note (f) below)	16,544	62,215	14,385	61,629
Property – Freehold Reversionary Interest (see Note (g) below)	2,990	6,875	2,990	7,400
Funds held in the USA (see Note (e) below)	-	63,541	-	54,662
	188,443	335,194	179,164	295,208
Current Assets Investments				
Bank Deposits (see Note (c) below)	36,453	36,453	28,154	28,154
	224,896	371,647	207,318	323,362

(b) Debt Securities

Reliance Bank held £17.82 million of Sterling Certificates of Deposit at the balance sheet date mature within three months (2023: £11.47 million), with £Nil maturing between three and six months (2023: £3.27 million) and £7.92 million maturing between six months and one year (2023: £5.28 million) and £Nil maturing between one and two years (2023: £12.97 million).

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.

	2024	2023	2024	2023
	Group	Group	Charity	Charity
	£000	£000	£000	£000
(c) Bank Deposits				
Sterling – Notice Deposits (less than 3 months from 31 March 2024)	-	-	7,634	4,058
Sterling – Notice Deposits (greater than 3 months from 31 March 2024)	-	-	4,196	-
US Dollars & Euros	-	-	10,780	9,730
US Dollars & Euros-Notice Deposits (greater than 3 months from 31 March 2024)	-	-	9,234	7,310
Loans and Advances to Banks – Deposits	1,032	1,009	-	-
Cash Held by Investment Managers	4,609	7,056	4,609	7,056
	5,641	8,065	36,453	28,154

NOTES TO THE CONSOLIDATED ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

25. INVESTMENTS – continued

	2024 Group	2023 Group	2024 Charity	2023 Charity
(d) Movement in Listed Investments	£000	£000	£000	£000
Market Value at 1 April	184,498	186,330	151,517	152,129
Purchases in year	163,976	122,846	116,463	75,185
Sales proceeds	(152,476)	(116,463)	(98,103)	(66,769)
Amortisation	(386)	813	-	-
Net Gains/(Losses) – Listed Investments	12,686	(9,028)	12,686	(9,028)
Market Value at 31 March	208,298	184,498	182,563	151,517
(e) Gains/(Losses) on Investment Assets				
Gains/ (Losses) on Listed Investments (see Note (d) above)	12,686	(9,028)	12,686	(9,028)
Net (Loss)/Gain on revaluation of Investment Property	(1,635)	2,985	(1,635)	2,985
Release of revaluation deficit on disposal of Investment Property Realised	62	-	62	-
Loss on disposal of Investment Property	(55)	-	(55)	-
Release of revaluation surplus on transfer of Investment to Property Asset	-	(16)	-	(16)
(Loss)/Gain on revaluation of Freehold Reversionary Interest (see Note (g))	(525)	1,150	(525)	1,150
(Loss)/Gain on revaluation of US Dollar Deposits	(114)	817	(114)	817
(Loss)/Gain on Cash Held by Investment Managers	(4)	34	(4)	34
Exchange Gain on revaluation of funds held in the USA	6,582	3,806	6,582	3,806
Gain/(Loss) on funds held in the USA	4,047	(3,541)	4,047	(3,541)
	21,044	(3,793)	21,044	(3,793)

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 is unable to accurately determine the cost of the investment funds and as such the cost is not disclosed.

The net increase in Funds held in USA of £8,779k (2023: £2,335k decrease) results from £1,750k (2023: £2,600k) being disposed out of the portfolio, offset by net gains of £10,629k (2023: £265k gain).

(f) Investment Property

	2024 Group	2024 Charity
	£000	£000
Cost or valuation at 01 April 2023	61,629	61,629
Additions	216	216
Net (Loss) from Fair Value Adjustments	(1,635)	(1,635)
Transfers from Property Fixed Asset at Fair Value	2,115	2,115
Disposals	(110)	(110)
Cost or valuation at 31 March 2024	62,215	62,215

The investment property represents tenanted properties that are held for investment purposes. During the year there were additions to investment property at a cost of £2,331k (2023: £4,179k) and fair value as at 31 March 2024 of £2,120k (2023: £4,060k) giving rise to a revaluation loss of £211k (2023: £119k).

In line with the three-year revaluation rolling plan, 38 investment properties were individually valued at fair value by an external chartered surveyor using the comparison method. This valuation primarily considered vacant sales comparable evidence, with due regard to the resulting gross yields, and resulted in a revaluation loss of £101k (2023: £2,664k gain).

Fair value of the remaining 111 properties was measured using the applicable Land Registry house price indices to 31 March 2024, resulting in an additional revaluation loss of £1,323k (2023: £440k gain).

Total net losses on revaluations amounted to £1,635k (2023: £2,985k gain). One investment property was sold during 2023–2024 (2022–23: Nil). During the year, no properties were transferred back to Fixed Assets for operational use.

(g) Property – Freehold Reversionary Interest

The freehold reversionary interest represents the value of the freehold interest in 99 Queen Victoria Street (adjacent to the International Headquarters building) on which a long lease has been granted and rental income of £204k (2023: £212k) 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 £6.9 million (2023: £7.4 million).

NOTES TO THE CONSOLIDATED ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

	2024 Group	2023 Group	2024 Charity	2023 Charity
26. DEBTORS AND PREPAYMENTS	£000	£000	£000	£000
(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)	111,372	103,607	-	-
Loans due from Salvation Army territories	186	242	186	242
	111,558	103,849	186	242

(b) Debtors and Prepayments due within one year

	2024 Group	2023 Group	2024 Charity	2023 Charity
	£000	£000	£000	£000
Due from Salvation Army territories	7,919	12,350	7,919	12,350
Due from Reliance Bank Ltd	-	-	-	12
Due from Salvation Army Leaders' Training College of Africa	-	-	42	51
Prepayments	1,477	1,278	1,291	1,145
Other Debtors	1,598	1,600	1,775	1,599
	10,994	15,228	11,027	15,157
Loans and Advances to Bank customers (see Note (i) below)	14,377	15,211	-	-
	25,371	30,439	11,027	15,157

(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.

	2024 £000	2023 £000
Recoverable on Demand:		
Overdrafts	447	327
Other Loans and Advances:		
Mortgages	63,860	60,907
Loans	61,442	57,584
	125,302	118,491
	125,749	118,818
Loans and advances to customers analysed by periods to maturity:		
Recoverable:		
On demand	830	3,221
In 3 months or less	6,669	3,541
In 1 year or less but more than 3 months	6,878	8,450
	14,377	15,211
Loans and advances to customers analysed by periods to maturity:		
In 2 years or less but more than 1 year	1,608	1,225
In 5 years or less but more than 2 years	37,231	21,340
Over 5 years	72,902	81,400
Collective impairment provision	(369)	(359)
	111,372	103,607
	125,749	118,818

	2024 Group	2023 Group	2024 Charity	2023 Charity
27. BANK BALANCES	£000	£000	£000	£000
Sterling – Interest-bearing current accounts	243	375	3,053	5,701
– Ordinary current accounts	170	166	277	233
US Dollars, Euros and other foreign currencies	299	156	3,183	1,622
	712	697	6,513	7,556
Loans and Advances to Banks (see (i) below)	8,310	4,596	-	-
Monetary Market Funds (*)	11,951	6,737	-	-
Cash and Balances at Central Bank (see (ii) below)	99,657	83,262	-	-
	120,630	95,292	6,513	7,556

(*) The Bank holds balances with MMFs that allow withdrawal at short notice without penalties. These were reclassified in Reliance Bank's accounts from "Loans and Advances to Banks" and included into "Other Assets" in 2024, with the 2023 comparatives being adjusted accordingly. The Group's primary Financial Statements are not impacted and do not require to be restated as these balances were already correctly classified within Bank balances from a Group perspective. There was no error from a Group perspective and this disclosure note provides further clarity of the breakdown of these balances, including a more detailed view of the 2023 balances.

(i) Loans and Advances to Banks

	2024 £000	2023 £000
Bank Balances		
Recoverable on Demand (*)	8,310	4,596
	8,310	4,596

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 (2023: £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.

NOTES TO THE CONSOLIDATED ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

27. BANK BALANCES – continued

	2024	2023
	£000	£000
(ii) Cash and Balances at Central Bank	99,657	83,262
Balances at Central Bank	<u>99,657</u>	<u>83,262</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 liquidity policy to treasury investments in light of agreements in place with some of the larger depositors, maintenance of sufficient High Quality Liquid Assets to cover net cash outflows over a 30-day period is a regulatory requirement, monitored through the calculation of a Liquidity Coverage Ratio (LCR).

28. CURRENT LIABILITIES – Other Creditors due within one year

	2024	2023	2024	2023
	Group	Group	Charity	Charity
	£000	£000	£000	£000
Due to Salvation Army territories	6,833	7,122	6,833	7,122
Bank Customer Accounts (see (i) below)	214,000	201,886	10	-
Other Creditors, Accruals and Deferred Income	4,169	3,723	2,443	2,979
	<u>225,002</u>	<u>212,731</u>	<u>9,286</u>	<u>10,101</u>

(i) Deposit Accounts

	2024	2023
	£000	£000
Current Accounts	124,835	93,335
Deposit Accounts	89,165	108,551
	<u>214,000</u>	<u>201,886</u>
With agreed maturity dates or periods of notice by remaining maturity:		
Repayable on demand	179,200	154,307
3 months or less but not repayable on demand	4,617	34,208
1 year or less but over 3 months	30,183	13,371
	<u>214,000</u>	<u>201,886</u>

The Bank has entered into an overarching minimum credit balance agreement with the Charity 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 £75,000,000 are subject to 3 months' written notice (2023: £49,000,000). The Bank's liquidity position, under the current regulatory liquidity regime, reflects these assurances provided to the Bank.

29. OTHER CREDITORS DUE AFTER MORE THAN ONE YEAR

	2024	2023	2024	2023
	Group	Group	Charity	Charity
	£000	£000	£000	£000
Contingent Payments due to Salvation Army Territories	4,058	4,108	4,058	4,108
	<u>4,058</u>	<u>4,108</u>	<u>4,058</u>	<u>4,108</u>

Salvation Army International Trust agreed during 2018 to pay consideration of £4,108k to Salvation Army Trust (UKI Territory) for the purchase of 49% of the shareholding of Reliance Bank Limited. This payment is contingent on the profitability of the bank. The impact of the discount on the consideration amount was deemed immaterial at the time of the acquisition.

30. PROVISIONS FOR LIABILITIES

Salvation Army Employees' Pension Fund - Provision for

	Onerous Contract	Defined benefit Pension scheme	2024 Group	2024 Charity
	£000	£000	£000	£000
Provisions at beginning of the year - 01 April 2023	-	217	217	217
Charged to Statement of Financial Activities	65	8	73	73
Provisions at the end of the year - 31 March 2024	<u>65</u>	<u>225</u>	<u>290</u>	<u>290</u>

The International Trust is required to make contractual payments until 2025 in relation to software which no longer meets the needs of the organisation and therefore not expected to generate any future economic benefits for the Trust.

A provision for payments due to eligible Salvation Army International Trust employees participating in the Employees' Pension Fund Defined Benefit scheme was created at 31 March 2023 in relation to payments due to them in April 2024 and April 2025 with the payment amounts subject to change in the respective years.

The provisions have not been discounted as the time value of money is deemed immaterial to the amounts.

31. OPERATING LEASE COMMITMENTS

At 31 March 2024, The Charity and Group subsidiaries committed to making the following payments in respect of non-cancellable operating leases:

	2024	2023	2024	2023
	Group	Group	Charity	Charity
	£000	£000	£000	£000
Within 1 year	96	484	96	121
Between 1 to 5 years	217	371	217	303
Over 5 years	-	-	-	-
	<u>313</u>	<u>855</u>	<u>313</u>	<u>424</u>

Operating lease payments recognised as expense in the period amounted to £457k (2023: £499k).

NOTES TO THE CONSOLIDATED ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

32. CAPITAL COMMITMENTS

There are no capital commitments at the year end.

33. GUARANTEES AND COMMITMENTS

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

	2024	2023
	Contract Amount	Contract Amount
Commitments:	£000	£000
Undrawn formal standby facilities of 1 year or less	8,199	7,394
Contingent Liabilities:		
Guarantees	7,694	7,694
	<u>15,893</u>	<u>15,088</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.

34. TRANSACTIONS WITH SALVATION ARMY TERRITORIES AND RELATED PARTIES

a) Salvation Army Territories

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.

b) Related Parties

The International Trust solely owns Reliance Bank Limited. Related party transactions between the two entities during the financial year include interest received of £630k (2023: £240k) from the Bank, donation of £100k (2023: £Nil) received from the Bank, rent and services of £30k (2023: £77k) paid to the Bank and bank charges of £9k (2023: £12k) paid to the bank. An outstanding balance of £10k due from Reliance Bank was recorded at 31 March 2024.

The balance of connected deposits at Reliance Bank Limited due to Parent Undertaking was £38.7 million (2023: £28.1 million). Additional Share Capital of £Nil million (2023: £7 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 £251k (2023: £173k). An outstanding balance due of £42k (2023: £51k) due from SALT College of Africa was recorded at 31 March 2024.

35. ULTIMATE CONTROLLING PARTY

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

DIRECT CONTRIBUTIONS FROM TERRITORIES TOWARDS SPECIAL PROJECTS

FOR THE YEAR ENDED 31 MARCH 2024

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	2,355,508	Angola	150,235
Canada and Bermuda	1,515,410	Australia	7,994
Denmark and Greenland	194,535	Bangladesh	269,930
Finland and Estonia	69,428	Brazil	797,317
Japan	29,729	Caribbean	1,233,778
Korea	55,122	Congo (Brazzaville) with Gabon	264,303
The Netherlands, Czech Republic and Slovakia	831,141	Democratic Republic of Congo	111,194
New Zealand, Fiji, Tonga and Samoa	112,995	Denmark and Greenland	79,938
Norway, Iceland and The Faeroes	1,338,875	Eastern Europe	3,884,628
South America East	3,997	Finland and Estonia	123,779
Spain and Portugal	5,833	France and Belgium	261,207
Sweden and Latvia	1,010,839	Germany, Lithuania and Poland	152,590
Switzerland, Austria and Hungary	2,392,506	Ghana with Togo	116,970
Taiwan	7,994	Hong Kong and Macau	13,239
United Kingdom and Ireland	1,369,603	India Central	102,327
USA Central	1,615,615	India Eastern	125,593
USA Eastern	1,705,541	India Northern	131,980
USA Southern	1,702,604	India South Eastern	211,978
USA Western	622,345	India South Western	26,664
USA SAWSO	7,429,682	India Western	305,247
		Indonesia	863,406
		Italy and Greece	174,007
		Kenya East	1,457,360
		Kenya West	737,646
		Latin America North	799,688
		Liberia and Sierra Leone with Guinea	135,873
		Malawi	572,370
		Mali with Burkina Faso	129,137
		Mexico	1,051,838
		Middle East Region	207,863
		Mozambique	47,613
		The Netherlands, Czech Republic and Slovakia	154,835
		New Zealand, Fiji, Tonga and Samoa	7,370
		Nigeria	334,748
		Norway, Iceland and The Faeroes	97,995
		Pakistan	253,487
		Papua New Guinea and Solomon Islands	828,757
		The Philippines	759,737
		Rwanda and Burundi	765,528
		Singapore, Malaysia and Myanmar	337,502
		South America East	217,420
		South America West	470,562
		Southern Africa	571,868
		Spain and Portugal	152,462
		Sri Lanka	242,464
		Sweden and Latvia	144,210
		Switzerland, Austria and Hungary	316,153
		Taiwan	161,759
		Tanzania	638,552
		Uganda	512,482
		United Kingdom and Ireland	21,290
		USA National	21,971
		Zambia	1,962,529
		Zimbabwe and Botswana with Madagascar	847,929
	<u>£24,369,302</u>		<u>£24,369,302</u>

THE SALVATION ARMY

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