World Vision
Australia
ABN 28 004 778 081

Annual Financial Statements

for the year ended 30 September 2019

I certify that this is a true copy of all accounts required to be laid before the Company at its 2019 Annual General Meeting, together with a copy of every other document required by to be laid before the Annual General Meeting.

Company Secretary

Annual Statements and Accounts
30 September 2019

Contents

These reports are presented in Australian dollars, except where denoted otherwise. World Vision Australia is a public corporation limited by guarantee, incorporated and domiciled in Australia. It is also a charity registered with the Australian Charities and Not-for-Profits Commission.

Principal Registered Office in Australia:
1 Vision Drive
East Burwood, Victoria 3151
(03) 9287 2233

Directors:
S. Adams (Chair), J. Seeley, T. McCormack, F. Pearse, D. Shepherd, W. Simpson, D. Gardiner, S. Williams, A. Scipione, C. Badenoch and C. Rogers.

Chief Executive Officer:
C. Rogers

Company Secretary:
E. Klein (appointed 19 August 2019)
J. Roche (16 February 2019 – 18 August 2019)
P. Goffin (2 November 2016 – 15 February 2019)

Independent Auditor:
Grant Thornton Audit Pty Ltd
727 Collins Street
Melbourne, Victoria 3008

Banker:
Australia and New Zealand Banking Group Limited
833 Collins Street
Docklands, Victoria 3008

Website address:
www.worldvision.com.au

Directors' Report
The Directors present their report with respect to the results of World Vision Australia (the Company) for the financial year ended 30 September 2019 and the state of the Company's affairs at that date. The Directors who were in office during the year are:

Shannon Adams
Non-executive director
LLB, FAICD

Tenure: Appointed November 2005

Board and committee responsibilities: Board Chair (World Vision Australia) and Board member (World Vision International)

Career: Shannon has been Chair of our Board since February 2018. He has also served as Deputy Chair and as Chair of the Audit and Risk Committee. Shannon has been a member of World Vision International's (WVI) Board since 2013 and sits on WVI's Audit & Risk Committee.

Shannon is a partner at Piper Alderman, a large commercial law firm with offices in Sydney, Melbourne, Adelaide and Brisbane. He advises banks, credit unions and other financial service providers, with a strong emphasis on regulatory compliance, governance and the customer-owned banking sector. After establishing his own firm in 1979, Shannon has been managing partner of several law firms. He has served on numerous Law Society of South Australia and Law Council of Australia committees and advisory groups.

Shannon and his wife Chris live in Adelaide and have three children and three grandchildren. They have served in their local church and parish for many years – Shannon as a musician since 1977. Before Shannon joined our Board, he and Chris spearheaded a project to establish a hospital and clinic in central Tanzania. They continue to be involved in the facility's successful operation.

Wendy Simpson
Non-executive director
OAM, BSocSci, GradDip Ed, BLitt, MBA, FRMIT, FAICD

Tenure: Appointed February 2013

Board and committee responsibilities: People, Culture and Governance Committee (Chair)

Career: Wendy is an experienced, versatile global business leader and entrepreneur. She was the Founding Chair of Springboard Enterprises, Australia's only internationally-focused business accelerator for women entrepreneurs seeking investment capital. Previously, Wendy was a Senior Vice President of Alcatel Asia Pacific, responsible for a sales budget of 4.2 billion euros. She implemented the sales of major mobile and broadband services to 17 countries and was on the team that negotiated with the Chinese government to bring the internet to China. She has also held global leadership roles with QBE Insurance, Alcatel and TNT International. Wendy is on the organising committee of the annual Sydney Prayer Breakfast.

Wendy was recognised in the Australia Day 2013 Honours with a Medal of the Order of Australia for service to the community through a range of women's and youth organisations. Also in 2013, she was inducted into the Australian Businesswomen's Hall of Fame on International Women's Day and named as one of the Australian Financial Review's 100 Women of Influence. She was appointed to the Board of the General Sir John Monash Foundation in January 2015.

Fiona Pearse
Non-executive director
BEc, MBA, FCPA, FAICD

Tenure: Appointed February 2011

Board and committee responsibilities: Audit and Risk Committee (Chair)

Career: Fiona is an experienced professional non-executive director, with extensive commercial, financial and risk expertise. Her commercial/finance career spanned almost two decades at leading ASX-listed global companies BHP Billiton and BlueScope Steel.

She is currently a non-executive director of U Ethical (fund manager), Scotch College and Smart Parking, an ASX-listed technology innovator with pioneering parking technology adopted in 17 countries and significant UK parking operations.

Fiona's previous non-executive directorships include City West Water, a $2 billion water utility. She has also served as an Advisory Board member to a FinTech developing state-of-the-art governance, risk and compliance software solutions for the financial services industry.

Claire Rogers
Chief Executive Officer
MBA, BA, GAICD

Tenure: Appointed November 2016

Career: Claire is a social innovator with a proven track record of strategy development and delivery for major change initiatives. She has led World Vision Australia's transformation into a digital organisation to maximise supporter engagement, build brand trust and strengthen how we serve vulnerable children and fragile communities in the 21st century.

In her previous role as head of ANZ Australia's digital banking, Claire spearheaded the bank's digital channels transformation and was recognised for her capacity to grow customer facing business across both physical and digital channels. Prior to this Claire held many executive positions in ANZ across retail, institutional wealth and corporate segments, driving revenue growth. A highly-networked influencer, Claire brings to different environments finely-honed communication and negotiation skills, strength and compassion that creates strong community buy-in and support.

A sought-after speaker on business transformation, humanitarian work and leadership, Claire is Vice President of the Australian Council for International Development (ACFID) Board. She was Chair of Ridley Theological College from 2008 to 2016 and has volunteered as a mentor for Springboard Enterprises, supporting women entrepreneurs.

Andrew Scipione
Non-executive director
AO, APM, MMgmt, GradDip Police Mgmt, FAIM, MAICD

Tenure: Appointed May 2019

Board and committee responsibilities: People, Culture and Governance Committee

Career: Andrew was the New South Wales Police Commissioner from 2007 until his retirement in 2017, making him one of the longest-serving police chiefs in the state's history. He worked for the NSW Police Force for more than four decades in a decorated career that included targeting global organised gangs and heading up campaigns to reduce alcohol-related and domestic violence.

Andrew was a recipient of the National Medal in 1996 and Australian Police Medal in 2003. In 2016 he was named in the Queen's Birthday Honours List as an Officer in the General Division of the Order of Australia for his service to law enforcement and "advancing the professionalism of policing and leadership of international investigations and counter terrorism activities". Andrew was also named as the 2018 Macquarie University Alumni of the Year for Public and Community Service.

Charles Badenoch
Non-executive director
BA Oxon (Oxford University Degree in Philosophy, Politics and Economics), ACA (Qualified Chartered Accountant UK)

Tenure: Appointed September 2019

Board and committee responsibilities: People, Culture and Governance Committee

Career: Charles is World Vision International's Partnership Leader for Support Office engagement. Prior to this he was World Vision International's Partnership Leader for advocacy and external engagement.

Charles began his career at Arthur Andersen, where he qualified as a Chartered Accountant. He then worked for several international technology companies as Finance Director before moving to Paris to become Regional General Manager Europe Middle East Africa for SITA/Equant, an international data communications group subsequently acquired by France Telecom.

Charles moved to Xerox Europe to build a Network Services Business before starting his own boutique consultancy specialising in operational integration for mid-size mergers and acquisitions.

He served as CEO of World Vision UK from 2003 to 2009.

Darryl Gardiner
Non-executive director

Tenure: Appointed May 2016

Board and committee responsibilities: Audit and Risk Committee

Career: Darryl is an Anglican priest who has been involved in youth and community work for more than 40 years. He sits on and has helped to establish several not-for-profit boards. He has travelled extensively, training and assisting charities – particularly those in the social service sector. For eight years he was a weekly guest on television show Good Morning Australia, discussing youth and family issues. He currently works with judges in the Youth Court, focusing on communication issues.

Darryl is married with two children.

Donna Shepherd
Non-executive director
BA, MIIM, FAICD

Tenure: Appointed September 2008

Board and committee responsibilities: People, Culture and Governance Committee (World Vision Australia) and Board Chair (World Vision International)

Career: Donna is Managing Director of Creating Communities Australia, a leading social value advisory firm. She has also been Chair of the World Vision International Board since November 2016.

Donna holds a Masters in International Administration from the School for International Training in Vermont, USA. She has worked in the USA, Tunisia, Ecuador and Australia in international development, social planning and intercultural management. Her governance experience is extensive, including directorships for LandCorp, EnviroDevelopment Board for the Urban Development Institute of Australia (Western Australia Division), University of Western Australia Extension, Southern Arc, Ausdance WA, Chrissie Parrot Dance Collective and the Independent Filmmakers Association.

Donna and her husband Allan Tranter live in Perth.

Jon Seeley
Non-executive director
FCA, BEc, MBA, FAICD

Tenure: Appointed February 2017

Board and committee responsibilities: Audit and Risk Committee

Career: Jon is Group Managing Director of Seeley International, a manufacturer of heating, ventilation and air conditioning products including Breezair and Braemar. The company employs around 550 people with manufacturing plants in Adelaide, Albury and Denver.

He previously worked for Deloitte and Goldman Sachs JBWere, in addition to spending 10 years overseas in the not-for-profit sector with relief and development organisations. This included postings to Austria, Turkey, Uzbekistan and the UK.

Jon lives in Adelaide with his wife, Claire and their son who is completing high school. They have three adult daughters and two granddaughters, with whom Jon is besotted.

Sally-Ann Williams
Non-executive director
MA, BA, GAICD

Tenure: Appointed March 2019

Board and committee responsibilities: Audit and Risk Committee

Career: Sally-Ann is CEO of Cicada Innovations, a deep tech incubator. The business helps to create the industries and jobs of the future, addressing some of the most pressing global issues facing our world today. Prior to this she was Executive Program Manager at Google Australia, responsible for the company's research collaborations with universities, entrepreneurs and start-ups, and its programs in Computer Science and Science, Technology, Engineering and Mathematics (STEM) education.

She is experienced in driving global innovation through programs and platforms delivering teacher training through the Digital Technologies curriculum, and new partnership models to bridge the digital divide.

Sally works with several not-for-profits and start-ups, including as a non-executive director on the Board of Fishburners, Australia's largest non-profit tech co-working space. She mentors budding entrepreneurs in the Startmate program. Sally-Ann was also a member of the COAG STEM Partnership Forum advising on Australia's National STEM School Education Strategy and sat on several university advisory boards.

Passionate about female-led innovation, Sally-Ann has served as a mentor in the Superstars of STEM program run by Science and Technology Australia, and as a mentor and advisor to SheStarts.

Tim McCormack
Non-executive director
LLB (Hons), PhD, FAAL

Tenure: Appointed September 2013

Board and committee responsibilities: People, Culture and Governance Committee

Career: Tim is Dean of the Faculty of Law at the University of Tasmania and a former Professor of Law at Melbourne Law School. He is the Special Advisor on International Humanitarian Law to the Prosecutor of the International Criminal Court in The Hague and is a member of the Australian Red Cross National Advisory Committee on International Humanitarian Law.

Tim was awarded a Fulbright Senior Scholarship to take up the position of Charles H Stockton Distinguished Scholar-in-Residence at the US Naval War College in Newport, Rhode Island for 2015-2016. In 2016 he was also James Barr Ames Visiting Professor at Harvard Law School in Cambridge, Massachusetts.
He has participated in multilateral treaty negotiations with Australian Government delegations in Geneva, New York, Rome and The Hague. He serves on the international advisory boards of several academic institutions in the US, Sweden, the Netherlands, Germany, Israel, Indonesia and New Zealand.

Tim was appointed the inaugural DFAT Visiting Legal Fellow for 2017-2018 and the New Zealand Law Foundation Distinguished Visiting Scholar for 2018.

Bessie Vaneris
Non-executive director
MBA, B. BUS

Tenure: March 2017 – May 2019

Board and Committee Responsibilities (until retirement): Audit and Risk Committee; People, Culture and Governance Committee.

Career: Bessie Vaneris joined our Board in 2017. She was World Vision International's (WVI) Chief People Officer from October 2008 to May 2019. Prior to World Vision, Bessie had an executive career in human resources, together with banking and finance, risk, mergers and acquisitions including senior roles in a number of major banks. Originally from Australia, Bessie is based in London, UK. Bessie brings broad experience from the banking and business sectors across Australia, New Zealand, UK and USA. Her portfolio included People and Culture, Corporate Security, Corporate Real Estate, NGO Accountability and a major procurement project - Provision.

Bessie retired from our Board in May 2019.

Gordon Allison
B.PHYSIO (Hons), GRAD. DIP. BKG and FIN, GRAD. DIP. ACCT, M APPL FIN., F FIN, GAICD

Tenure: March 2017- July 2019

Board and Committee Responsibilities (until retirement): Audit and Risk Committee (Chair).
Gordon Allison joined our Board in 2017

Career: He was recently the Executive Manager, Office of the Chief Operating Officer, National Australia Bank. Gordon has 15 years' experience in financial services, in various roles including Finance, Risk Management, Treasury, Product and Portfolio Management.
Prior to a career in finance, Gordon worked in community health, delivering health services to marginalised residents of rooming and boarding houses.

Gordon retired from our Board in July 2019. In November 2019, Gordon joined the Company as Chief Financial Officer.

COMPANY SECRETARY:

Elizabeth (Libby) Klein FGIA GAICD LLB (Hons) BAgrSc (Hons) (appointed August 2019)
Libby Klein has advised Not-for-profits on governance and legal issues for over a decade in private practice. She has a background in financial services and a particular interest in fiduciary duties and impact investing. She is a current Director of Christian Super and Churches of Christ Financial Services; a Fellow of the Governance Institute of Australia; a Graduate member of the Australian Institute of Company Directors; and a member of the Law Council of Australia Charity and Not-for-profit Committee, and the Charity Law Association of Australia and New Zealand.

Jillian Roche GAICD (appointed 16 February 2019 to 18 August 2019)
Jill brings extensive experience spanning not-for-profit organisations, management consulting, information technology, and banking and financial services.

Jill has held several roles with World Vision Australia, including as Global Director of Partnership Communications, Director of Transformational Change and Director of Internal Communications and Chief of Corporate Affairs. She joined the organisation in 2009 and is currently on sabbatical until October 2020.

Peter Goffin LLB (Hons), B.Com, FGIA FCIS (resigned 15 February 2019)
Peter Goffin is an experienced Company Secretary and Legal Counsel. Prior to his role at World Vision he worked in the Legal department at Bendigo and Adelaide Bank Group. Previous to this he was General Counsel with the former Rural Finance Corporation of Victoria and State Trustees in Melbourne. In private practice he was a Senior Associate with Hunt and Hunt Lawyers. He has experience as a Chair and Board member on local NFP Boards in Bendigo in the social welfare area. He holds a Bachelor of Law and a Bachelor of Commerce from Melbourne University and an Applied Diploma of Corporate Governance from the Governance Institute of Australia of which he is a Fellow member.

Directors' attendance in full Board and Board Committee meetings held between 1 October 2018 and 30 September 2019:

Attendance at Meetings	Full Board		People Culture and Governance Committee		Audit and Risk Committee	
	A	B	A	B	A	B
S. Adams – Chair[1]	8	8	7	7	6	6
T. McCormack	8	6	7	6	-	-
F. Pearse	8	6	-	-	6	6
D. Shepherd	8	7	7	5	-	-
W. Simpson	8	8	7	7	-	-
D. Gardiner	8	7			6	5
B. Vaneris[2]	5	5	3	3	4	4
G. Allison [3]	7	7	-	-	5	5
J. Seeley	8	5	-	-	6	5
S. Williams [4]	5	4	-	-	1	1
A. Scipione [5]	3	2	3	3	-	-
C. Badenoch [6]	1	1	2	2	-	-
C. Rogers[7]	8	7	7	7	6	6

Column A indicates the number of meetings which the director was eligible to attend.
Column B indicates the number of meetings which a director attended.

Meetings held:
- Full Board meetings took place in November 2018 and in February, May, July and September 2019. Special Board meetings took place in March, April and July 2019.
- People Culture and Governance Committee meetings took place in November 2018 and in February, May, July and September 2019. Special People, Culture and Governance Committee meetings took place in August and September. Audit and Risk Committee meetings took place in November 2018 (2) and in February, May, July and September 2019.

(1) The Chair is an ex-officio member of each of the People Culture and Governance Committee and the Audit and Risk Committee.
(2) Retired May 2019
(3) Retired July 2019
(4) Appointed member of the Audit and Risk Committee in July 2019
(5) Appointed member of the People, Culture and Governance Committee in July 2019
(6) Appointed member of the People, Culture and Governance Committee in September 2019
(7) The CEO attended 7 People Culture and Governance and 6 Audit and Risk Committee meetings by invitation.

Principal Activities

The principal activities of the Company during the year were international development, relief and advocacy. No significant change in these activities has occurred during this period.

Objectives

In 2019, the Board approved a refreshed strategy to grow the Company's income base to increase our contribution to the sustained wellbeing of the world's vulnerable children and maintain our impact focus. The strategy is continually being refined to improve our capacity to grow income and improve our alignment with the World Vision *Our Promise* Global Strategy. This continual refinement is crucial to ensure we deepen our presence where the need is greatest for direct and sustained impact for the world's most vulnerable children.

To realise this strategy, the Company has set itself performance objectives in the following four areas:

- Child well-being and investment in fragile contexts – we will invest in programs that grow the reach and depth of our contribution to the sustained well-being of the world's vulnerable children, particularly those children in some of the most challenging contexts in the world.
- Income growth and diversification – we will prioritise our portfolio to deliver our target income across existing and new emerging target markets;
- Supporter engagement – we will grow the numbers of active supporters and improve the experience and value of engaging with us; and
- Employee engagement – our employees will say great things about working at World Vision, stay with our business, and strive to deliver better outcomes for our supporters and the field.

Results

Total revenue for the year was $583.6m (2018: $398.1m). Total disbursements to international and domestic programs was $500.4m (2018 restated: $314.7m), made up of:

- Monetary funds to international programs $214.8m (2018: $209.1m)
- Monetary funds to domestic programs $5.1m (2018 restated: $4.5m)
- Non-monetary expenditure $280.6m (2018: $101.1m)

The remaining expenditure was $80.6m (2018 restated: $77.1m). The Company achieved a surplus of $2.6m (2018 restated: $6.3m). The surplus earned will be used to increase distributions to international and domestic programs in future years.

Dividends

The Company's Constitution does not permit dividends and therefore no dividends have been recommended or paid for the year under review.

Review of Operations

The Company has experienced an increase in revenue with revenue of $583.6m achieved for 2019. Cash revenue has grown by $5.6m and non-cash has increased by $179.9m.

As in previous years, there continues to be rapid change in the market conditions of the charity sector.

Contributing factors to the overall movement in revenue are:

- An increase in non-monetary income of 177.2% to $281.4m, which is primarily due to growth in the goods-in-kind support provided to the Syria Response.
- Cash grants income grew by 16.6% to $127.9m, due to increasing opportunity with a range of donors globally. The Company's grant donor mix continues to diversify and remains a key source of growth.
- Bequest income grew by 73.7% to $7.7m due to the receipt of several large bequests; and
- The above is offset by a decline in Sponsorship revenue, but the number of sponsorships through World Vision Australia during 2019 remains significant at 210,094, enabling children, families and communities to address challenges of poverty.

Costs increased by 4.53% ($3.5m) in 2019. The increase in accountability and program support costs is primarily driven by increased expenditure to invest in the strengthening of global and local program management systems to enhance compliance and efficiency. The increase in program support costs is also attributed to greater investment in field portfolio resourcing to enhance quality impact outcomes. This is to ensure we steward the funds trusted to us in the most efficient way to bring long term sustainable positive change to the lives of children, families and communities.

The provision of resources to the field has increased by 59.0% relative to the prior year mainly due to the increase in non-monetary expenditure driven by growth in goods-in-kind support provided to the Syria Response.

Review of Operations (continued)
The increase in the net asset position of the Company of $4.0m compared to the prior year is due mainly to an increase in cash of $3.0m due to the growth in cash revenue for the year.

The Company conducts regular reviews to ensure that we comply with relevant employment related legislation. As a result of a legal review on the application of Modern Awards, the Company has taken a provision for employee remuneration. The Company has identified the potential underpayment of some current and former employees. The Company is committed to taking necessary action to ensure that all employees are appropriately paid and will then move to provide back pay entitlements to impacted current and previous employees.

Legal proceedings against a staff member of World Vision Jerusalem-West Bank-Gaza are on-going and operations in Gaza continue to be suspended.

Significant Changes in the State of Affairs
No significant changes occurred in the state of affairs of the Company during the financial year.

Matters Subsequent to the End of the Financial Year
No item, transaction or event of a material or unusual nature has arisen that is likely, in the opinion of the Directors, to affect substantially the results of the Company's operations in the future.

Likely Developments and Expected Results of Operations
The Company continues to focus on international development, relief and advocacy. No change to this principal activity is likely.

Directors' Benefits
No Director of the Company has received or has become entitled to receive a material benefit, because of a contract made by the Company, other than as described in Note 12 to the accounts.

Insurance of Officers
The Company has paid premiums to insure its Directors and other Officers against liabilities incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity as Director or Officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The total amount of the premium paid for this insurance was $40,109 (2018: $36,449). This premium has not been included in the notes on Remuneration of Directors and Key Management Personnel (Notes 12 and 13).

Environmental Regulations
The Company's operations are not subject to any particular or significant environmental regulations under any law of the Commonwealth or of a State or Territory. Notwithstanding, the Directors are not aware of any breaches of any environmental regulations.

Other Services (Non-Audit Services)
The Company may decide to engage the external auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Company is important and provided each such engagement does not compromise their independence and is in accordance with the requirement for the Audit and Risk Committee to pre-approve all non-assurance services. No other non-audit services have been provided by the external auditors in the current year.

Auditor's Independence Declaration
A copy of the auditor's independence declaration as required under section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is set out on page 12.

Members' Guarantee
The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member (Director), while he or she is a Member or within one year afterwards is required to contribute a maximum of $20 each towards meeting any outstanding obligations of the Company. As at the 30 September 2019 the number of present or past members having obligations to contribute on winding-up was 13 (2018: 11).

Rounding of Amounts

The Company is of a kind referred to in Legislative Instrument 2016/191 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Financial and Directors' report. Amounts in the Financial and Directors' report have been rounded off in accordance with that Legislative Instrument to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of the Directors.

Chairman

Director

Melbourne, 29th November 2019

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727 Collins Street
Melbourne VIC 3008

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Melbourne VIC 3001

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W www.grantthornton.com.au

Auditor's Independence Declaration

To the Directors of World Vision Australia

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of World Vision Australia for the year ended 30 September 2019, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

b there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Eric W Passaris

E W Passaris
Partner – Audit & Assurance

Melbourne, 29 November 2019

Annual Financial Report
30 September 2019

Contents

This financial report covers World Vision Australia as an individual entity. The financial report is presented in the Australian currency.

World Vision Australia (WVA) is a public Company limited by guarantee, incorporated and domiciled in Australia. It is also registered as a charity with the Australian Charities and Not-for-Profits Commission. Its registered office and principal place of business is:

1 Vision Drive
East Burwood, Victoria 3151

A description of the nature of its principal activities is included on page 9 in the Directors' Report, which is not part of this financial report.

The financial report was authorised for issue by the Directors on 29th November 2019. World Vision Australia has the power to amend and reissue the financial report.

World Vision Australia
A.B.N. 28 004 778 081

Income Statement
for the Year Ended 30 September 2019

	Notes	2019 $'000	2018 $'000 Restated
REVENUE			
Donations and Gifts			
Monetary			
- Pledge programs	3	134,144	146,854
- Appeals, donations and gifts	3	28,654	32,034
Non-Monetary			
- Donated goods and assets	3	5,420	4,213
- Grants (Multilateral)	3	275,961	97,291
		444,179	**280,392**
Bequests and Legacies	3	**7,733**	**4,453**
Grants			
- DFAT	3	52,802	53,274
- Other Australian	3	2,640	1,969
- Other overseas	3	72,418	54,428
		127,860	**109,671**
Investment income	3	**778**	**1,028**
Other income	3	**3,024**	**2,593**
TOTAL REVENUE		**583,574**	**398,137**
EXPENDITURE			
International Aid and Development Programs Expenditure			
International Programs			
- Funds to international programs	4	214,767	209,064
- Program support costs		7,334	5,847
		222,101	**214,911**
Community education		1,787	1,672
Fundraising Costs			
- Public		41,187	41,345
- Government, multilateral and private		2,936	2,923
Accountability and administration		27,347	25,315
Non-monetary expenditure	4, 5(b)	280,564	101,107
Total International Aid and Development Programs Expenditure		**575,922**	**387,273**
Domestic programs expenditure		5,080	4,534
TOTAL EXPENDITURE	5(a)	**581,002**	**391,807**
Net excess of Revenue over Expenditure		**2,572**	**6,330**

The above income statement should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income
for the Year Ended 30 September 2019

	Notes	2019 $'000	2018 $'000 Restated
Excess of Revenue over Expenditure		2,572	6,330
Other comprehensive income			
Items that will not be reclassified subsequently to the income statement:			
Changes in the fair value of equity instruments at FVOCI	6(b)	153	-
Items that may be reclassified subsequently to the income statement:			
Changes in the fair value of cash flow hedges	6(c)	1,300	15,144
Other comprehensive income for the year		**1,453**	**15,144**
Total comprehensive income for the year		**4,025**	**21,474**

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Note:
For the purposes of the Australian Council for International Development Code of Conduct, at the end of 30 September 2019, World Vision Australia had no transactions in the following categories; Revenue for International Political or Religious Adherence Promotion Programs and Expenditure for International Political or Religious Adherence Promotion Programs.

World Vision Australia
A.B.N. 28 004 778 081

Statement of Financial Position
as at 30 September 2019

	Notes	2019 $'000	2018 $'000 Restated
ASSETS			
Current Assets			
Cash & Investments	6(a)	51,661	48,623
Receivables		48	46
Prepayments		1,066	1,046
Australian Taxation Office - GST		379	255
Donated Goods		1,155	2,668
Inventories		132	124
Financial Assets	6(b)	2,575	317
Unrealised Currency Hedge Receivable	6(c)	8,935	7,475
Total Current Assets		**65,951**	**60,554**
Non-Current Assets			
Unrealised Currency Hedge Receivable	6(c)	957	1,117
Property, Computer Hardware & Equipment	7(a)	18,653	19,193
Intangible Assets	7(b)	1,125	1,411
Total Non-Current Assets		**20,735**	**21,721**
TOTAL ASSETS		**86,686**	**82,275**
LIABILITIES			
Current Liabilities			
Accounts Payable	6(d)	4,127	5,696
Provisions	7(c)	14,694	12,925
Total Current Liabilities		**18,821**	**18,621**
Non-Current Liabilities			
Provisions	7(c)	883	697
Total Non-Current Liabilities		**883**	**697**
TOTAL LIABILITIES		**19,704**	**19,318**
NET ASSETS		**66,982**	**62,957**
EQUITY			
Hedging Reserve	6(c)	9,892	8,592
FVOCI Reserve	6(b)	153	-
Retained Earnings		56,937	54,365
TOTAL EQUITY		**66,982**	**62,957**

The above statement of financial position should be read in conjunction with the accompanying notes.

World Vision Australia
A.B.N. 28 004 778 081

Statement of Changes in Equity
for the Year Ended 30 September 2019

	Hedging Reserve $'000	FVOCI Reserve $'000	Retained Earnings $'000	Total $'000
Balance as at 1 October 2017	**(6,552)**	**-**	**55,003**	**48,451**
Correction of error	-	-	(6,968)	(6,968)
Total equity at the beginning of the year	**(6,552)**	**-**	**48,035**	**41,483**
Excess of Revenue over Expenditure	-	-	7,294	7,294
Correction of error			(964)	(964)
Restated Excess of Revenue over Expenditure	-	-	6,330	6,330
Other comprehensive income for the year	15,144	-	-	15,144
Total comprehensive income for the year	15,144	-	6,330	21,474
Balance as at 30 September 2018 Restated	**8,592**	**-**	**54,365**	**62,957**
Excess of Revenue over Expenditure	-	-	2,572	2,572
Other comprehensive income for the year	1,300	153	-	1,453
Total comprehensive income for the year	1,300	**153**	2,572	4,025
Balance as at 30 September 2019	**9,892**	**153**	**56,937**	**66,982**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Cash Flow Statement

for the Year Ended 30 September 2019

	Notes	2019 $'000	2018 $'000
Cash flows provided by operating activities			
Receipts from donors and merchandising (inc. GST)		302,779	301,063
Interest received		733	1,075
Payments to field offices, suppliers and employees (inc. GST)		(299,916)	(294,595)
Net cash provided by operating activities	9(a)	**3,596**	**7,543**
Cash flows utilised in investing activities			
Proceeds from liquidation of investment in associate		-	83
Proceeds from sale of shares		228	66
Purchases of property, computer hardware and equipment		(625)	(1,057)
Purchases of software		(161)	(612)
Net cash utilised in investing activities		**(558)**	**(1,520)**
Net increase in cash held		3,038	6,023
Cash at beginning of financial year		48,623	42,600
Cash at end of the financial year	9(b)	**51,661**	**48,623**

The above cash flow statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements
as at 30 September 2019

Index of the Notes to the Financial Statements

Notes to the Financial Statements
as at 30 September 2019

The notes to the Financial Statements are organised into the following sections:

Section 1: Basis of Preparation: This section provides details of the basis of preparation for the Financial Statements to allow the users of the Financial Statements to understand how the Company has complied with relevant accounting requirements.

Section 2: Notes to the Numbers: This section provides a breakdown and additional information on individual line items in the financial statements, including the relevant accounting policies.

Section 3: Risk: This section discusses the exposure to various risks and how these could affect the Company's financial position and performance.

Section 4: Other Information: This section contains disclosures that are relevant to the financial report but are not directly related to individual line items in the financial statements.

SECTION 1: BASIS OF PREPARATION

1. Basis of Preparation

'World Vision Australia' or 'the Company' is a not-for-profit entity for the purpose of preparing the financial statements.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board, and the *Australian Charities and Not-for-profits Commission Act 2012*. The accounting policies have been consistently applied to all the years presented, unless otherwise stated.

Comparative figures have been revised where necessary to conform to changes in presentation for the current financial year.

The financial reports have been prepared in accordance with the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss or through other comprehensive income.

The Company's Melbourne office receives all income and is responsible for all expenditure. Branch accounting records have been maintained in accordance with statutory requirements for all State Governments.

Compliance with the Australian Council for International Development Code of Conduct
The Company adheres to the Australian Council for International Development (ACFID) Code of Conduct. The following financial statements have been prepared in accordance with the requirements set out in the ACFID Code of Conduct. For further information on the Code please refer to the ACFID website at www.acfid.asn.au

Compliance with IFRS
A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) cannot be made due to the Company applying not-for-profit specific requirements contained in the Australian Accounting Standards.

Foreign currency transactions and balances
Foreign currency transactions are converted into Australian currency at the rate of exchange applicable at the date of the transactions. Amounts receivable and payable in foreign currencies are converted at the closing rate at reporting date. Foreign currencies held at reporting date are converted to Australian dollars at exchange rates applicable at that date.

Income and other taxes
No income tax is payable as the Company is exempt under Division 50 of the Income Tax Assessment Act, 1997.

1. Basis of Preparation (continued)

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to, the taxation authority, are presented as operating cash flow.

2. New Accounting Standards and Interpretations

2a) New Accounting Standards Adopted by the Company

AASB 9 Financial Instruments (December 2014)

AASB 9 Financial Instruments introduces new requirements for the recognition, classification, measurement and derecognition of financial assets and liabilities, impairment and hedge accounting. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The change to AASB 9 resulted only in a minor change of description in Note 6(b) related to share investments as outlined below.

The application of AASB 9 from 1 October 2018 has resulted in changes in accounting policies and changes to the classification of certain financial instruments. The new accounting policies are set out in Note 6. The Company has applied AASB 9 from 1 October 2018.

On 1 October 2018, the financial instruments have been assessed to determine which business models apply to them and have been classified into the appropriate AASB 9 categories. The changes had no effect on the Company's opening retained earnings or net excess of revenue over expenditure individual line items in the financial statements. The following table shows the classifications and carrying amounts of financial assets and financial liabilities as at 1 October 2018 in terms of AASB 139 and AASB 9.

	Measurement Category		Carrying Amount		
	Original (AASB 139)	**New (AASB 9)**	**Original**	**New**	**Difference**
			$'000	**$'000**	**$'000**
Financial Assets					
Cash & Investments		Amortised cost	48,623	48,623	-
Receivables	Amortised cost	Amortised cost	46	46	-
Investments in Listed Shares	FVTPL	FVTPL	258	258	-
Investments in Listed Shares (i)	Available-for-sale	FVTOCI	59	59	-
Unrealised Currency Hedge (ii)	Fair value – hedging instrument	Fair value – hedging instruments	8,592	8,592	-
			57,578	**57,578**	-
Financial Liabilities					
Accounts Payable	Amortised cost	Amortised cost	5,696	5,696	-
			5,696	**5,696**	-

2a) New Accounting Standards Adopted by the Company (continued)
(i) The Company has elected to recognise the net gain or loss from changes in the fair value of listed shares that were previously classified as available-for-sale in OCI. These shares were donated for the purposes of earning a return to contribute towards Child Sponsorship. Restrictions exist in relation to the sale of these shares and the utilisation of the returns earned on the shares and therefore this classification is considered to be more relevant.
(ii) The forward exchange currency contracts in place as at 30 September 2018 qualified as cash flow hedges under AASB 9. The risk management strategies and hedge documentation are aligned with the requirements of AASB 9 and these relationships are therefore treated as continuing hedges.

2b) New Accounting Standards and Interpretations Not Yet Adopted
Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2019 reporting periods. The Company's assessment of the impact of the relevant new standards and interpretations is set out below.

2b(i) AASB 15 *Revenue from Contracts with Customers* (effective 1 January 2019) and AASB 1058 *Income of Not-for-Profit Entities* (effective 1 January 2019)
(AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities)

AASB 15 requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services:

- Establishes a new five step methodology for recognising revenue;
- Changes the basis for deciding whether revenue is to be recognised over time or at a point in time;
- Provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing); and
- Expands and improves disclosures about revenue.
- The standard permits adoption with either a full retrospective or a modified retrospective approach.

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-to-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, previously in AASB 1004 Contributions. Under AASB 1058, the timing of income recognition depends on whether a NFP transaction related to an asset (such as cash or another asset) received by an entity, gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners.

This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment).

Upon initial recognition of the asset, AASB 1058 requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as:

- Contributions by owners;
- Revenue, or a contract liability arising from a contract with a customer;
- A lease liability;
- A financial instrument; or
- A provision.

2b) New Accounting Standards and Interpretations Not Yet Adopted (continued)

These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard. The date of initial application is 1 October 2019 and the Company has assessed the effects of applying the new standards on the financial statements. The assessment has focussed on identifying revenue streams that are likely to be impacted by the adoption of the new standards, whether such revenue streams are likely to fall within the ambit of AASB15, resulting in revenue being deferred and determining the effect on the financial statements on the date of initial application.

The Company intends to elect to apply the new standards retrospectively to each prior reporting period with the date of initial application being 1 October 2018. The cumulative effect of initially applying the standards will be recognised in the opening retained earnings on the date of initial application and a restatement of the comparatives.

The application of the new revenue standards will result in certain income, that was previously recognised when received, being deferred until performance obligations contained within the contracts are met. When revenue is deferred, a contract liability is recognised in the Statement of Financial Position. If the Company transfers goods or services before funding is received a contract asset is recognised in the Statement of Financial Position.

Funds to international programs are distributed via World Vision International. When these disbursements made by the Company meet the AASB 15 criteria for being capitalised before the fulfilment of performance obligations, they will initially be capitalised as 'fulfilment costs'. Subsequently the costs will be amortised consistent with the pattern of transfer of the good or service to which the asset relates.

The table below shows the anticipated impact that will be reflected in the financial statements for the year ending 30 September 2020 as a result of AASB 15 and AASB 1058.

Income Statement (extract)	**Amounts under AASB 1004 / 118**	**Adjustments**	**Restated Amounts under AASB 15 / 1058**	**Amounts under AASB 1004 / 118**	**Adjustments**	**Restated Amounts under AASB 15 / 1058**
	1/10/2018	**2018**	**30/9/2019**	**30/9/2019**	**2019**	**30/9/2019**
	$'000	**$'000**			**$'000**	**$'000**
At 30 September 2019						
Income Statement						
REVENUE						
Grant revenue	127,860	-	-	127,860	(10,416)	117,444
EXPENDITURE						
International Programs						
- Funds to International Programs	214,767	-	-	214,767	(15,117)	199,650
Net excess of Revenue over Expenditure	**2,572**	**-**	**-**	**2,572**	**4,701**	**7,273**
Balance Sheet						
Current Assets						
Fulfilment costs	-	43,286	43,286	-	15,117	58,403
ASSETS	**86,686**	**43,286**	**129,972**	**-**	**15,117**	**145,089**
Current Liabilities						
ct liabilities	-	40,868	40,868	-	10,416	51,284
LIABILITIES	**19,704**	**40,868**	**60,572**	**-**	**10,416**	**70,988**
Retained Earnings	56,937	2,418	59,355	-	4,701	64,056
EQUITY	**66,982**	**2,418**	**69,400**	**-**	**4,701**	**74,101**

2b(ii) *AASB 16 Leases (effective 1 January 2019)*

AASB 16 replaces AASB 117 Leases and some lease-related Interpretations and:

- Requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases;
- Provides new guidance on the application of the definition of lease and on sale and lease back accounting;
- Largely retains the existing lessor accounting requirements in AASB 117; and
- Requires new and different disclosures about leases.

The Company has performed an assessment to identify all relevant leases and is party to operating leases for the following assets: Property, Vehicles and Photocopiers. The Company intends to elect the short-term and low value exemptions when applicable. The impact of the adoption of the standard on the remaining leases will be an increase to the assets and liabilities of the Company through the creation of the right-of-use asset and a lease liability.

The Company intends to apply the standard retrospectively to each prior reporting period presented by applying AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The initial application of AASB 16 is expected to result in an initial lease liability on 1 October 2018 of $2.1m which represents the present value of future payments on the Company's lease commitments. A corresponding right-of-use asset will be recognised of $1.9m, with an impact of decreasing the retained earnings by $200k. The impact of AASB 16 on the 2019 financial year will be a closing lease liability of $1.9m and right-of-use asset balance of $1.6m, with a minimal impact on the profit for the year.

Notes to the Financial Statements
as at 30 September 2019 (continued)

SECTION 2: NOTES TO THE NUMBERS

3 Revenue

The following provides a further breakdown of the Company's revenue by category of revenue and by source:

	2019	2018
	$'000	$'000
Donations and Gifts - Monetary	**162,798**	**178,888**
Pledge programs	134,144	146,854
- Sponsorship	124,667	137,479
- Other	9,477	9,375
Appeals, donations and gifts	28,654	32,034
- Emergency relief appeals	3,047	2,502
- Other appeals	17,645	21,098
- Other cash donations and gifts	7,962	8,434
Donations and Gifts - Non-Monetary	**281,381**	**101,504**
Donated goods and assets	5,420	4,213
Donated goods		
- Australian Corporations	3,090	3,869
Donated assets		
- Bequests and Legacies	2,330	344
Grants (Multilateral)	275,961	97,291
Food and vouchers donated by International Agencies	275,961	97,291
Total	**444,179**	**280,392**
Bequests and Legacies		
Child Sponsorship	141	120
Other	7,592	4,333
Total	**7,733**	**4,453**
Grants		
DFAT	52,802	53,274
Other Australian	2,640	1,969
Other overseas	72,418	54,428
Total	**127,860**	**109,671**
Investment income	**778**	**1,028**
Other income	**3,024**	**2,593**
Total Revenue	**583,574**	**398,137**

3 Revenue (continued)

The following specific recognition criteria must be met before revenue is recognised:

Donations and Gifts - Monetary

The Company is a not-for-profit organisation and receives the principal part of its income from donations. Amounts donated can be recognised only when they are received by the Company.

Donated Goods and Assets

These are accepted on the basis they will provide a future benefit. Revenue is brought to account when the goods or assets are received by the Company and are recorded at fair value.

Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the company becomes legally entitled to the shares or property.

Grants (Multilateral)

Revenue from Multilateral grants is recognised when the Company obtains control of the funds, economic benefits are probable and the amount can be measured reliably.

Bequests and Legacies

Bequests are recognised when the legacy is received.

Grants

A number of the Company's programs are supported by grants received from federal, state and foreign governments.

If conditions are attached to a grant which must be satisfied before the Company is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Where a grant is received on the condition that specified services are delivered to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year end a liability is recognised until the service is delivered.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the Company obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Where the Company receives a non-reciprocal contribution of an asset from a government or other party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

Investment Income

Interest income is recognised on a time proportion basis using the effective interest method. Dividend income is recognised as it is received.

Other Income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Company and the income can be reliably measured.

Notes to the Financial Statements
as at 30 September 2019 (continued)

4 Disbursement to Overseas Projects by Region/Country

	2019	2018
	$'000	$'000
Burundi	7,011	4,636
Central African Republic	-	22
Ethiopia	6,692	7,561
Kenya	15,386	13,522
Northern Sudan	1,907	14
Rwanda	3,091	2,753
Somalia	11,377	19,902
South Sudan	25,591	20,838
Tanzania	1,945	2,496
Uganda	19,088	33,115
Regional Office (i)	-	7
East Africa	**92,088**	**104,866**
Angola	1,235	27
Congo	9,099	5,963
Lesotho	442	1,744
Malawi	2,987	1,931
Mozambique	2,334	1,328
South Africa	218	115
Swaziland	339	264
Zambia	8,098	3,265
Zimbabwe	2,459	4,006
Southern Africa	**27,211**	**18,643**
Chad	945	772
Ghana	520	603
Mali	95	28
Niger	308	169
Senegal	732	709
West Africa	**2,600**	**2,281**
Afghanistan	7,959	3,406
Georgia	309	563
Iraq	12,353	14,335
Jerusalem/West Bank/Gaza	711	876
Jordan	2,167	5,103
Lebanon	217,533	30,782
Middle East/Eastern Europe Region	**241,032**	**55,065**

Notes to the Financial Statements
as at 30 September 2019 (continued)

4 Disbursement to Overseas Projects by Region/Country (continued)

	2019 $'000	2018 $'000
Bangladesh	10,102	4,738
Cambodia	4,925	6,490
India	4,210	4,160
Indonesia	4,420	3,750
Laos	4,050	4,294
Myanmar	10,936	9,641
Nepal	1,892	1,944
Pacific Timor Leste (ii)	46,091	44,091
Philippines	-	27
Sri Lanka	3,665	5,447
Thailand	48	49
Vietnam	1,484	1,610
Regional Office (i)	-	54
Asia Pacific	**91,823**	**86,295**
Bolivia	-	304
Ecuador	-	624
Guatemala	-	137
Haiti	-	675
Honduras	-	1,246
Nicaragua	-	584
Peru	(9)	795
Latin America	**(9)**	**4,365**
Global Operations – Ministry (iii)	20,062	22,928
Other International Projects (iv)	-	1,657
Partnership Treasury Office Reserves (v)	20,500	14,064
Total Cash and Donated Goods Disbursed to International Projects	**495,307**	**310,164**
Analysed as:		
Funds to international programs	214,767	209,064
Non-Monetary Expenditure Disbursed Overseas	280,540	101,100
	495,307	**310,164**
Non-Monetary Expenditure Disbursed in Australia	24	7
TOTAL	**495,331**	**310,171**

(i) A Regional Office is a centralised communications point that co-ordinates regional projects.

(ii) Pacific Timor Leste includes Papua New Guinea, Solomon Islands, Vanuatu and East Timor.

Notes to the Financial Statements
as at 30 September 2019 (continued)

4 Disbursement to Overseas Projects by Region/Country (continued)

(iii) Funding of global management and expertise. World Vision Australia is part of the World Vision International Partnership which operates in over 90 countries. By sharing experiences through the World Vision International Partnership, World Vision Australia improves its efficiency and maximises economies of scale. Programs are implemented via the network of national offices under the oversight of the World Vision International Partnership which co-ordinates activities such as the transfer of funds and strategic operations. World Vision technical experts, strategists and global leaders in the international partnership office help with global strategy and specialty expertise.

(iv) The World Vision International Partnership engages in international advocacy activities on issues such as debt relief, HIV and AIDS and child rights.

(v) Represents the excess of disbursements to the partnership office by World Vision Australia. Any disbursements in excess of current year income will be funded from prior year reserves and reduce the amount held in the Partnership Treasury Office. Any disbursements less than the current year income will increase the funds at the Partnership Treasury Office pending future disbursement to projects.

	2019 $'000	**2018 $'000 Restated**
5 Expenditure		
5a) Expenditure		
Disbursements to overseas projects (Note 4)	495,307	310,164
Disbursements to domestic projects	5,104	4,406
Global Operations – Administration	6,423	5,524
Employee benefits expense	46,307	41,888
Advertising, printing & postage	11,578	12,560
Depreciation and amortisation	1,605	1,599
Other	14,678	15,666
Total	**581,002**	**391,807**
5b) Non-Monetary Expenditure Reconciliation		
Non-monetary revenue	281,381	101,504
Opening donated goods	2,668	2,629
Less closing donated goods	(1,155)	(2,668)
Net Non-Monetary Revenue	**282,894**	**101,465**
Non-monetary expenditure	280,564	101,107
Adjust for donated goods written off	-	14
Add donated assets	2,330	344
Total Expenditure Received as a Donation	**282,894**	**101,465**

6 Financial Assets and Liabilities

The effect of initially applying AASB 9 on the Company's financial instruments is described in note 1. The company has applied AASB 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Company's previous accounting policy.

Policy applicable from 1 October 2018

Classification of financial assets

The Company classifies its financial assets, other than those designated and effective as hedging instruments in the following measurement categories:

- those measured subsequently at fair value (either through other comprehensive income (OCI) or profit or loss (PL)), and
- those measured subsequently at amortised cost.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Company has made an irrevocable election on initial recognition to account for the investment at fair value through other comprehensive income (FVTOCI).

Policy applicable before 1 October 2018

Classification of financial assets

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

Loans and receivables;

Financial assets at Fair Value Through Profit or Loss ('FVTPL');

Available-For-Sale ('AFS') financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade and most other receivables fall into this category of financial instruments.

Financial assets at Fair Value Through Profit or Loss ('FVTPL')

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

Available-For-Sale ('AFS') financial assets.

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets.

Notes to the Financial Statements
as at 30 September 2019 (continued)

6 Financial Assets and Liabilities (continued)

	2019 $'000	2018 $'000
6(a) Cash & Investments		
Cash at bank and cash on hand	51,634	48,623
Term deposits (i)	27	-
Total (ii)	**51,661**	**48,623**

Cash is recognised at its face value and includes cash on hand and term deposits held with financial institutions that are readily convertible to cash and have an insignificant risk of changes in value.

Funds awaiting remittance to field countries are normally invested in short term deposits and are included as cash at bank and cash on hand.

(i) Term deposits
Term deposits were held at various times during the financial year and earned interest at current market rates applicable at rollover. The deposits earned interest at an average rate of 1.81% in 2019 (2018: 1.85%). These deposits have a weighted average investment term of 20 days (2018: 21days).

(ii) The weighted average effective interest rate earned on cash and investments was 1.19% in 2019 (2018: 1.46%).

6(b) Financial Assets

	2019 $'000	2018 $'000
Opening carrying amount	317	62
Donations	2,330	344
Disposals	(223)	(66)
Net revaluation through Profit or Loss	(2)	(23)
Net revaluation through Other Comprehensive Income	153	-
Closing carrying amount	**2,575**	**317**
Financial Assets classified as Available for Sale	-	59
Financial Assets classified as Fair Value through Profit or Loss	-	258
Financial Assets classified as Fair Value through Other Comprehensive Income	2,575	-
	2,575	**317**

6 Financial Assets and Liabilities (continued)

	2019 $'000	2018 $'000
6(c) Unrealised Currency Hedge		
Balance at 1 October	8,592	(6,552)
Changes in the fair value of cash flow hedges	1,300	15,144
Balance at 30 September	**9,892**	**8,592**
Represented by:		
Current	8,935	7,475
Non-Current	957	1,117
	9,892	**8,592**

The Company remits cash to fund overseas projects to the Partnership Treasury Office in US dollars. This central function coordinated by the Partnership Treasury Office ensures the efficient disbursement of funds to projects provided by the Company and other support offices. The Company enters into a series of forward foreign exchange agreements to provide certainty of the total US dollars available to fund projects.

The Company documents, at the inception of the hedging transaction, the risk management objective and strategy for undertaking various hedge transactions. The Company also documents the economic relationship between hedging instruments and hedged items, as well as its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any gain or loss relating to an ineffective portion is recognised immediately in the income statement within other income or expenses. The Company expects all current hedge relationships to be highly effective going forward. The amount accumulated in the hedging reserve is reclassified to the income statement in the same period during which the hedged expected future cash flows affect profit or loss.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement within other revenue or other expenses. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Notes to the Financial Statements
as at 30 September 2019 (continued)

6 Financial Assets and Liabilities (continued)

6(c) Unrealised Currency Hedge (continued)

The forward exchange currency contracts were held at standard terms and conditions.

The Company has agreed to sell A$157.6m (US$113.8m) at an effective average exchange rate of 0.72 over the next 20 months.

During the year, the amount of AUD field payments that had not been hedged against foreign currency risk was nil (2018: nil).

6(d) Accounts Payable

	2019 $'000	2018 $'000
Trade creditors	1,715	98
Accrued creditors	1,855	4,155
Other payables	557	1,443
Total	**4,127**	**5,696**

These amounts are unsecured and usually paid 25 days after the end of the month in which the Company receives the invoice.

Notes to the Financial Statements
as at 30 September 2019 (continued)

6 Financial Assets and Liabilities (continued)

6(e) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying Amount			Fair Value			
	Note	Fair Value $'000	Amortised Cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 30 September 2019								
Financial Assets at Amortised Cost								
Cash & Investments	6(a)	-	51,661	51,661	-	-	-	-
Other Receivables (i)		-	48	48	-	-	-	-
		-	51,709	51,709	-	-	-	-
Financial Assets at Fair Value								
Other Financial Assets at FVTOCI	6(b)	2,575	-	2,575	2,575	-	-	2,575
Currency Hedge (ii)	6(c)	9,892	-	9,892	-	9,892	-	9,892
Total Financial Assets		**12,467**	**51,709**	**64,176**	**2,575**	**9,892**	**-**	**12,467**
At 30 September 2018								
Financial Assets at Amortised Cost								
Cash & Investments	6(a)	-	48,623	48,623	-	-	-	-
Other Receivables (i)		-	46	46	-	-	-	-
		-	48,669	48,669	-	-	-	-
Financial Assets at Fair Value								
Other Financial Assets at FVTPL	6(b)	258	-	258	258	-	-	258
Available-for-Sale Financial Assets	6(b)	59	-	59	59	-	-	59
Currency Hedge (ii)	6(c)	8,592	-	8,592	-	8,592	-	8,592
Total Financial Assets		8,909	48,669	57,578	317	8,592	-	8,909

Notes to the Financial Statements
as at 30 September 2019 (continued)

6 Financial Assets and Liabilities (continued)

6(e) Accounting classifications and fair values (continued)

		Carrying Amount			Fair Value			
		Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 30 September 2019								
Financial Liabilities at Amortised Cost								
Accounts payable (i)	6(d)	-	4,127	4,127	-	-	-	-
Total Financial Liabilities		**-**	**4,127**	**4,127**	**-**	**-**	**-**	**-**
At 30 September 2018								
Financial Liabilities at Amortised Cost								
Accounts payable (i)	6(d)	-	5,696	5,696	-	-	-	-
Total Financial Liabilities		-	5,696	5,696	-	-	-	-

Fair Value Measurement

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date.

The different levels are defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities. The quoted market price used for listed shares is the current bid price.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(i) The carrying amounts of trade and other receivables and accounts payables are assumed to approximate their fair values due to their short-term nature.

(ii) The fair value of the unrealised currency hedge payable/receivable is derived using a valuation technique that is based on observable market data. In determining the fair value, the Company applied judgement that the impact of prepayment rates, rates of estimated credit losses and interest rates or discount rates are immaterial as the underlying hedge instrument is expected to be settled within the next 20 months.

Notes to the Financial Statements
as at 30 September 2019 (continued)

7 Non-Financial Assets and Liabilities

7(a) Property, Computer Hardware & Equipment

	Land and buildings $'000	Computer Hardware $'000	Equipment $'000	Total $'000
Depreciation policy	**40 years (i)**	**3 - 5 years**	**5 - 10 years**	
Year ended 30 September 2018				
Cost	23,340	4,577	7,960	35,877
Accumulated depreciation	(6,168)	(3,984)	(6,532)	(16,684)
Net carrying value	**17,172**	**593**	**1,428**	**19,193**
Movement				
Opening net carrying value	17,622	518	1,160	19,300
Additions	3	407	653	1,063
Work in progress	-	-	1	1
Disposals	-	(2)	(5)	(7)
Depreciation expense	(453)	(330)	(381)	(1,164)
Closing net carrying value	**17,172**	**593**	**1,428**	**19,193**
Year ended 30 September 2019				
Cost	23,396	5,019	8,073	36,488
Accumulated depreciation	(6,619)	(4,332)	(6,884)	(17,835)
Net carrying value	**16,777**	**687**	**1,189**	**18,653**
Movement				
Opening net carrying value	17,172	593	1,428	19,193
Additions	57	402	121	580
Work in progress	-	41	4	45
Disposals	-	-	(7)	(7)
Depreciation expense	(452)	(349)	(357)	(1,158)
Closing net carrying value	**16,777**	**687**	**1,189**	**18,653**

(i) Land is not depreciated.

Land is recorded at cost. All other property, computer hardware and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their useful lives.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Notes to the Financial Statements
as at 30 September 2019 (continued)

7 Non-Financial Assets and Liabilities (continued)

7(b) Intangible Assets

	2019 $'000	2018 $'000
Depreciation policy	**5 years**	
Software Purchased & Donated		
Cost	3,166	3,005
Accumulated depreciation	(2,041)	(1,594)
Net carrying value	**1,125**	**1,411**
Movement		
Opening net carrying value	1,411	1,234
Additions	141	556
Work in progress	20	56
Amortisation expense	(447)	(435)
Closing net carrying value	**1,125**	**1,411**

(i) Software development is depreciated over 5 years.

Expenditure on research activities is recognised in the income statement as incurred. Software development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, software development expenditure is recognised in the income statement as incurred. Subsequent to initial recognition, software development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses. Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. Amortisation is calculated to write-off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in the income statement.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Assets are tested for impairment at balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Notes to the Financial Statements
as at 30 September 2019 (continued)

7 Non-Financial Assets and Liabilities (continued)

7(b) Intangible Assets (continued)

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the current replacement cost of the asset.

7(c) Provisions

	2019 $'000	2018 $'000 Restated
Current		
Annual leave	3,168	2,974
Long service leave	1,916	1,971
Employee remuneration	8,904	7,932
Other	706	48
Total	**14,694**	**12,925**
Non-current		
Long service leave	702	522
Makegood	181	175
Total	**883**	**697**

Short-term employee benefit obligations

Short-term employee benefits include liabilities for wages and salaries (including non-monetary benefits), annual leave and annual leave loading expected to be settled wholly within 12 months. Short-term employee benefits are measured at the undiscounted amount that the Company expects to pay as a result of the unsettled entitlement, including related on-costs.

The Company conducts regular reviews to ensure that we comply with relevant employment related legislation. As a result of a legal review on the application of Modern Awards, the Company has taken a provision for employee remuneration. The Company has identified the potential underpayment of some current and former employees. The Company is committed to taking necessary action to ensure that all employees are appropriately paid and will then move to provide back pay entitlements to impacted current and previous employees.

Long-term employee benefit obligations

The liability for long service leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related services is recognised as provisions and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period based on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

7 Non-Financial Assets and Liabilities (continued)

7(c) Provisions (continued)

Makegood

The Company has certain operating leases for offices where there is an obligation to return the premises to their original condition when the lease expires or is terminated. A provision for refurbishment costs is recognised over the period of the lease, measured at the expected future cost of refurbishment discounted to a present value at each reporting date.

8 Correction of Prior Period Error

The Company conducts regular reviews to ensure that we comply with relevant employment related legislation. As a result of a legal review on the application of Modern Awards, the Company has taken a provision for employee remuneration. The Company has identified the potential underpayment of some current and former employees. The Company is committed to taking necessary action to ensure that all employees are appropriately paid and will then move to provide back pay entitlements to impacted current and previous employees.

It is estimated that the remediation of these issues for the last seven financial years will be a total one-off cost of up to $8.9m. In order to reflect this in prior periods, $7.0m is included in the restatement of opening retained earnings as at 1 October 2017 as required by AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The error has been corrected by restating each of the affected financial statement line items for the prior years as follows:

	30 September 2018 $'000	Increase / (decrease) $'000	30 September 2018 Restated $'000	30 September 2017 $'000	Increase / (decrease) $'000	30 September 2017 Restated $'000
Statement of Financial Position (extract)						
Provisions	4,993	7,932	12,925	5,315	6,968	12,283
TOTAL LIABILITIES	**11,386**	**7,932**	**19,318**	**19,209**	**6,968**	**26,177**
NET ASSETS	**70,889**	**(7,932)**	**62,957**	**48,451**	**(6,968)**	**41,483**
Retained Earnings	62,297	(7,932)	54,365	55,003	(6,968)	48,035
TOTAL EQUITY	**70,889**	**(7,932)**	**62,957**	**48,451**	**(6,968)**	**41,483**

8 Correction of Prior Period Error (continued)

	2018	Increase / (decrease)	2018 Restated
	$'000	$'000	$'000
Income Statement (extract)			
EXPENDITURE			
International Aid and Development Programs Expenditure			
International Programs			
- Program support costs	5,800	47	5,847
Community education	1,658	14	1,672
Fundraising Costs			
- Public	40,714	631	41,345
- Government, multilateral and private	2,900	23	2,923
Accountability and administration	25,201	114	25,315
Total International Aid and Development Programs Expenditure	386,444	829	387,273
Domestic programs expenditure	4,399	135	4,534
TOTAL EXPENDITURE	390,843	964	391,807
Net excess of Revenue over Expenditure	7,294	964	6,330

	2019 $'000	2018 $'000 Restated
9 Cash Flow Information		
9(a) Reconciliation of Net Cash Provided by Operating Activities to Excess of Revenue over Expenditure		
Excess of Revenue over Expenditure	2,572	6,330
Non-Cash Flows in Operating Activities		
Depreciation and amortisation	1,605	1,599
Profit on disposal of shares	(5)	-
Loss on disposal of property, computer hardware & equipment	7	-
Revaluation of financial assets	2	23
Donated assets	(2,330)	(344)
	1,851	7,608
Changes in Assets and Liabilities		
(Increase)/Decrease in receivables and prepayments	(146)	207
Decrease in inventories & donated goods	1,505	35
Decrease in accounts payables	(1,569)	(717)
Increase/(Decrease) in provisions	1,955	410
Net cash provided by Operating Activities	**3,596**	**7,543**

9(b) Composition of Cash

For the purpose of the Cash Flow Statement, cash includes cash on hand and investments in money market instruments (Note 6(a)), and deposits held on behalf of donors. Cash held on behalf of donors of $27k (2018: $27k) is accrued in Accounts Payable (Note 6(d)).

The Company has a credit card facility of $1.5m (2018: $1.5m). At reporting date, the facility is unutilised and there are Nil (2018: Nil) outstanding credit card liabilities as balances are settled at each month end.

SECTION 3: RISK

10 Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses derivative financial instruments such as foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used as hedging instruments, i.e. not for trading or other speculative purposes. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risk and ageing analysis for credit risk.

Risk management is carried out by senior management under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas; such as foreign exchange risk, interest rate risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

a) Market risk

(i) Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar.

Foreign exchange risk arises from future transactions, current field program commitments and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. Management's policy is to manage foreign exchange risk against the functional currency. Management are required to hedge foreign exchange risk exposure arising from future transactions and current field program commitments using forward contracts.

The Company adopts a conservative approach to the management of foreign currency risk and hedges at least 80% of the estimated cash field payment for the financial year before the beginning of that financial year. The Company has entered into a number of forward exchange currency contracts at reporting date designated as a hedge of anticipated field project payments that are denominated in US dollars. Forward contracts are used to manage foreign exchange risk.

The Company's exposure to foreign currency derivatives is shown in the table below; these hedge the underlying exposure to foreign currency movements:

	30 September 2019 $'000	30 September 2018 $'000
Unrealised AUD currency hedge Carrying amount (Note 6c))	9,892	8,592
Forward Exchange Contracts: Sell Australian Dollar for USD (cash flow hedges)	157,592	158,992
Maturity date	30 October 2019 – 28 May 2021	31 October 2018 – 29 May 2020
Weighted average hedged rate	0.722	0.762

Organisation Sensitivity

Based on the financial instruments held at 30 September 2019, had the Australian dollar forward rate weakened/ strengthened by 10% with all other variables held constant, the Company's surplus for the year would have been unchanged. Equity would have been $18,609,365 higher / $15,225,844 lower (2018: $18,620,441higher / $15,234,906 lower) had the Australian dollar forward rate weakened / strengthened by 10% against the US dollar. The Company's exposure to other foreign exchange movements is not material.

Notes to the Financial Statements
as at 30 September 2019 (continued)

a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from bank accounts and short-term investments. Term deposits and market mutual fund deposits issued at variable rates expose the Company to cash flow interest rate risk. Term deposits issued at fixed rates expose the organisation to fair value interest rate risk.

During 2019 and 2018, the Company's term deposits and cash and bank balances were at fixed and variable rates and were denominated in Australian dollars. As at the reporting date, the Company had the following term deposits and investments:

	30 September 2019 $'000	30 September 2018 $'000
Floating interest rate		
Cash and bank balances	50,377	44,773
Fixed interest rate		
Term deposits	27	-
Non-interest bearing		
Cash and bank balances	1,257	3,850
	51,661	**48,623**

Organisation sensitivity

At 30 September 2019, if interest rates had changed by +/-100 basis points for a year, from the year-end rates with all other variables held constant, surplus and equity for the year would have been $516,336 higher/lower (2018: $486,230 higher/lower).

b) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to other World Vision partnership offices, being outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A+' are accepted. The maximum exposure to credit risk at reporting date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position. The Company's total credit risk as at 30 September 2019 is $51,660,375 (2018: $48,622,748) and consists mainly of cash.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through term deposits and the ability to close out market positions. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in instruments that are tradeable in highly liquid markets.

11 Significant Accounting Judgements and Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

SECTION 4: OTHER INFORMATION

12 Remuneration of Directors

Non-Executive Directors give their services to the Company without charge, but the Directors may be reimbursed for certain travel and other expenses incurred in connection with the business of the Company.

13 Remuneration of Key Management Personnel

The Company's senior leaders are paid in accordance with the Company's remuneration policy. The Company uses third party methodologies for role grading and annual benchmark reporting. The Company benchmarks its remuneration policy to the 'All Industrials' remuneration market and positions Executives' pay at the bottom 10th percentile of the 'Total Annual Reward' amounts. An annual performance review process is undertaken reflecting the individual's annual performance. The amount available for annual performance-based salary increases is determined by the Company and the individual's performance as well as annual movement in the remuneration benchmarks.

Key Management Personnel of the Company are members of the executive management team and Directors. Key Management Personnel remuneration includes the following expenses:

	2019	2018
	$	$
Short term employee benefits	2,285,287	2,181,408
Post-employment benefits	216,967	236,299
Long-term employee benefits	39,940	(14,901)
Total remuneration	**2,542,194**	**2,402,806**

The above disclosures include the CEO's remuneration as follows:

	2019	2018
C. Rogers	374,934	372,510
	374,934	**372,510**

14 Remuneration of Auditors

Amounts received or receivable by our auditors for:

	2019	2018
Auditing the financial accounts for the current year	102,000	88,000
	102,000	**88,000**

15 Contingencies

As at 30 September 2019, the Company has outstanding $11,360 (2018: $11,360) as a current guarantee provided by ANZ bank for the office leases noted in Note 16.

16 Commitments

Superannuation Commitments

During the financial year the Company contributed to a number of superannuation funds, as nominated by each employee. The Company has a legally enforceable obligation to contribute to employees' funds.

16 Commitments (continued)

Lease commitments

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The Company leases offices in most states under non-cancellable operating leases expiring within one to five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of leases are renegotiated. In addition, The Company has a Master Fleet Agreement whereby it leases vehicles under non-cancellable operating leases. These leases have terms varying between 2 – 5 years, no escalation clauses and an option to renew by entering into a new agreement.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2019 $'000	2018 $'000
Within one year	483	600
Later than one year but not later than five years	425	516
Later than five years	-	-
	908	**1,116**

17 Related Parties Disclosures

The aggregate value of transactions and outstanding balances related to key management personnel and entities over which they have control or significant influence are as follows:

	Transaction values for the year ended 30 September		Balance outstanding as at 30 September	
	2019	**2018**	**2019**	**2018**
Related Party	**$**	**$**	**$**	**$**
Y-GAP (Y-Generation Against Poverty) Ltd			-	-
- Revenue	-	630,337		
- Expenditure	-	-		

(i) During 2017, the Company entered into an arrangement with Y-GAP, whereby the Company contributed $500,000 towards the costs of developing and implementing the 2017 "Polished Man" campaign. The arrangement made the Company a recipient of funds raised by the campaign and entitled to co-market the campaign. The agreement covered the 2017 Polished Man campaign. The campaign raised $1.65m. In November 2017 WVA received distributions from the proceeds of the campaign including the full amount of the original contribution and a further $130,337 share in excess proceeds generated by the campaign. Surplus proceeds have been applied towards initiatives and projects to address the recovery of children from violence. The CEO of Y-GAP at the time of the transaction, Elliot Costello, is the son of Tim Costello, who was in a key management position at the time the transaction was entered into.

Notes to the Financial Statements
as at 30 September 2019 (continued)

18 Matters Subsequent to the End of the Financial Year

No item, transaction or event of a material or unusual nature has arisen that is likely, in the opinion of the Directors, to affect substantially the results of the Company's operations in the future.

19 Charitable Fundraising Act 1991 (New South Wales)

The following information is provided to comply with relevant provisions of the Charitable Fundraising Act 1991 (New South Wales).

The Income Statement gives a true and fair view with respect to fundraising appeals conducted by the Company. The fundraising provisions of the Act as they apply to the Company's fundraising in New South Wales have been complied with and the internal controls exercised are appropriate and effective in accounting for all income received by the Company from fundraising.

	2019 $'000 Total Income	2019 $'000 Total Fundraising Direct Expenses	2019 $'000 Net Income	2018 $'000 Total Income	2018 $'000 Total Fundraising Direct Expenses Restated	2018 $'000 Net Income
Fundraising Information						
Donations and gifts						
Monetary						
Pledge programs	134,144	30,641	103,503	146,854	31,406	115,448
Appeals, donations and gifts	28,654	7,441	21,213	32,034	7,927	24,107
Non-monetary						
Donated goods and assets	5,420	1,205	4,215	4,213	932	3,281
Grants (multilateral)	275,961	1,154	274,807	97,291	1,363	95,928
	444,179	**40,441**	**403,738**	**280,392**	**41,628**	**238,764**

Notes to the Financial Statements
as at 30 September 2019 (continued)

19 Charitable Fundraising Act 1991 (New South Wales)

	2019 $'000 Total Income	2019 $'000 Total Fundraising Direct Expenses	2019 $'000 Net Income	2018 $'000 Total Income	2018 $'000 Total Fundraising Direct Expenses Restated	2018 $'000 Net Income
Bequests and legacies	**7,733**	**1,628**	**6,105**	**4,453**	**870**	**3,583**
Grants						
DFAT	52,802	725	52,077	53,274	747	52,527
Other Australian	2,640	53	2,587	1,969	28	1,941
Other overseas	72,418	994	71,424	54,428	762	53,666
	127,860	**1,772**	**126,088**	**109,671**	**1,537**	**108,134**
Investment income	**778**	**66**	**712**	**1,028**	**66**	**962**
Other income	**3,024**	**216**	**2,808**	**2,593**	**167**	**2,426**
Total Net Income Contribution	**583,574**	**44,123**	**539,451**	**398,137**	**44,268**	**353,869**
		Total Indirect Expenses			**Total Indirect Expenses Restated**	
Program Administration and Other						
International Programs						
Funds to international programs		214,767			209,064	
Program support costs		7,334			5,847	
Community education		**1,787**			**1,672**	
Accountability and administration		**27,347**			**25,315**	
Non-monetary expenditure		**280,564**			**101,107**	
Domestic programs expenditure		**5,080**			**4,534**	
Total Program Administration and Other		**536,879**			**347,539**	
Operating Surplus	**583,574**	**581,002**	**2,572**	**398,137**	**391,807**	**6,330**

Declaration by Directors

In accordance with a resolution of the Board of Directors of World Vision Australia, the Directors declare that in their opinion:

(a) There are reasonable grounds to believe that the Company will be able to pay all of its debts as and when they become due and payable.

(b) The financial statements and notes set out on pages 11 to 49 have been prepared in accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) giving a true and fair view of the Company's financial position as at 30 September 2019 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

(c) The financial statements and associated records of the Company have been properly kept during the year ended 30 September 2019 in accordance with the provisions of the *NSW Charitable Fundraising Act 1991*, the regulations under the Act and the conditions attached to organisation's authority. The internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied by the Company from any of its fundraising appeals.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Chairman

Director

Melbourne
29 November 2019

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Independent Auditor's Report

To the Members of World Vision Australia

Report on the audit of the financial report

Opinion

We have audited the financial report of World Vision Australia (the Company), which comprises the statement of financial position as at 30 September 2019, the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of World Vision Australia has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a giving a true and fair view of the Company's financial position as at 30 September 2019 and of its financial performance for the year then ended; and

b complies with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 September 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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.

Responsibilities of the Directors for the financial report

The Directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012*. This responsibility also includes such internal control as the Directors determine necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company'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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Report on the requirements of the *NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2015 and the requirements of the WA Charitable Collections Act 1946* and the *WA Charitable Collections Regulation 1947* (as amended)

We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991* and the *WA Charitable Collections Act 1946*. Our procedures include obtaining an understanding of the internal control structure for fundraising appeal activities and examining, on a test basis, evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2015* and the *WA Charitable Collections Act 1946* and the *WA Charitable Collections Regulation 1947 (as amended).*

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. Therefore, an audit is not designed to detect all instances of non-compliance with the requirements described in the above-mentioned Acts and Regulations. The audit opinion expressed in this report has been formed on the above basis.

Auditor’s opinion

In our opinion:

a the financial report of World Vision Australia has been properly drawn up and associated records have been properly kept during the financial year ended 30 September 2019, in all material respects, in accordance with:

   i Sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991;*

   ii Sections 10(6) and (11) of the *NSW Charitable Fundraising Regulations 2015*;

   iii the *WA Charitable Collections Act 1946; and*

   iv the *WA Charitable Collections Regulations 1947 (as amended).*

b the money received as a result of fundraising appeals concluded by the Company during the financial year ended 30 September 2019 has been properly accounted for and applied, in all material respects, in accordance with the above-mentioned Acts and Regulations.

I, Eric Passaris, am currently a member of the Chartered Accountants Australia and New Zealand and my membership number is 78720.

Grant Thornton Audit Pty Ltd was the audit firm appointed to undertake the audit of World Vision Australia for the year ended 30 September 2019. I am responsible for the execution of the audit and delivery of our firm’s report.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Eric W Passaris

E W Passaris
Partner – Audit & Assurance

Melbourne, 29 November 2019