



World Vision

Australia

ABN 28 004 778 081

Annual Financial Statements

for the year ended 30 September 2017

I certify that this is a true copy of all accounts required to be laid before the Company at its 2017 Annual General Meeting, together with a copy of every other document required to be laid before the Annual General Meeting.



Company Secretary

P Goffin

Annual Statements and Accounts 30 September 2017

Contents

Directors' Report.....	2
Auditor's Independence Declaration.....	10
Annual Financial Report.....	11
Independent Auditor's Report.....	53

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:

G. Savvides (Chairman), S. Adams (Deputy Chairman), J. Seeley, G. Allison, B. Vaneris, T McCormack,
F. Pearse, D. Shepherd, W. Simpson, D. Gardiner and C. Rogers.

Chief Executive Officer:

C Rogers

Company Secretary:

P Goffin

Independent Auditor:

Grant Thornton Audit Pty Ltd
727 Collins Street
Melbourne, Victoria 3000

Banker:

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

Website address:

www.worldvision.com.au

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

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 2017 and the state of the Company's affairs at that date. The Directors who were in office during the year are:

GEORGE SAVVIDES (BOARD CHAIR) BE (Hons) (UNSW), MBA (UTS), FAICD

George Savvides was appointed Chairman of the World Vision Australia Board (our Board) in July 2012. George Savvides retired from the role of Managing Director Medibank in March 2016. He is a non-Executive Director of Ryman Healthcare Ltd NZX, Chair of Kings Group Ltd, Chair of Macquarie University Hospital and Deputy Chair of Special Broadcasting Service Corporation. George was previously Managing Director of Sigma Co Ltd and Smith & Nephew Aust/NZ. George has an Honours degree in Industrial Engineering from UNSW and an MBA from UTS and is a Fellow of the Australian Institute of Company Directors. George's first term on our Board covered 12 years from 1998 to 2010. During this period he also served as a non-executive Director on our Board between 2001 and 2010. After 2 years retirement from our Board, he was invited to take up the position of Chair which he has held since 2014.
Special Responsibilities: Board (Chair)

SHANNON ADAMS LL.B, FAICD

Shannon Adams joined our Board in November 2005 and the World Vision International Board in 2013. Shannon is a lawyer who has advised financial institutions and other financial services providers since the early 1980s. He has been the managing partner of several legal firms and is now a partner at Piper Alderman. He specialises in financial services law and corporate governance, with a strong emphasis on the mutual banking sector.
Special Responsibilities: Board (Deputy Chair) and Audit and Risk Committee

TIM McCORMACK LL.B (Hons), PhD, FAAL MAICD

Tim McCormack joined our Board in September 2013. He is a Professor of Law at the Melbourne Law School and Adjunct Professor of Law at the University of Tasmania Law School. Tim is the Special Adviser on International Humanitarian Law to the Prosecutor of the International Criminal Court in The Hague and Member of the National Advisory Committee on International Humanitarian Law, Australian Red Cross. He was recently a Fulbright Senior Fellow, Charles H Stockton Distinguished Scholar-in-Residence at the US Naval War College in Newport, Rhode Island and James Barr Ames Visiting Professor at Harvard Law School in Cambridge, Massachusetts. Tim has held a number of other globally significant positions. He was a member of the International Group of Experts to draft the Tallinn Manual on the International Law Applicable to Cyber Operations (Tallinn 2014-2016); he served as one of two international observers (with Lord David Trimble, former First Minister of Northern Ireland) for Phase II of the Turkel Commission of Enquiry into Israel's Processes for Investigating Allegations of War Crimes (Jerusalem 2011-2013); he provided expert Law of War advice to Major Dan Mori in the Defence of David Hicks before the US Military Commission (Guantanamo Bay 2003-2007); and he was Amicus Curiae on International Law Issues for the trial of Slobodan Milosevic (The Hague 2002-2006). Tim has participated in multilateral treaty negotiations with Australian Government Delegations in Geneva, New York, Rome and The Hague and serves on the international advisory boards of a number of academic institutions in the US, Sweden, the Netherlands, Germany, Israel, Indonesia and New Zealand. Tim has recently been appointed the inaugural DFAT Visiting Legal Fellow (August 2017-June 2018) and has also been appointed the New Zealand Law Foundation Distinguished Visiting Scholar for 2018.
Special Responsibilities: People, Culture and Nominations Committee (Chair)

FIONA PEARSE B.EC, MBA, FCPA, FAICD

Fiona Pearse joined our Board in 2011. She is an experienced professional Non-Executive Director, with extensive financial, commercial and risk expertise. Her Accounting and Tax career spanned almost two decades at leading, ASX-listed, global companies, BHP Billiton and BlueScope Steel. Her previous non-executive directorships included City West Water, a \$2 billion water utility. She is currently a non-executive director of UCA Funds Management, one of Australia's largest dedicated ethical Fund Managers, managing funds in excess of \$1 billion; Scotch College, one of Australia's leading boys' schools; and is an Advisory Board member to a fintech developing state-of-the-art Governance, Risk and Compliance software solutions for the financial services industry. She has a Senior Executive MBA; is a Fellow of CPA Australia and is a Fellow of the Australian Institute of Company Directors.
Special Responsibilities: Audit and Risk Committee

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

DONNA SHEPHERD BA, MIIM, GAICD

Donna Shepherd joined our Board in September 2008 and is currently the Chair of World Vision International Board. Donna is a director of Creating Communities Australia, a community and economic development consultancy. Donna holds a Masters in International Management from the School for International Training in Vermont USA. She has worked in the USA, Tunisia, Ecuador and Australia and has extensive experience in international development, social planning, shared value, strategic planning, communications, media and governance. Donna has also been on the boards of LandCorp, Urban Development Institute Envirodevelopment, the University of Western Australia Extension, Southern Arc, Ausdance WA, Chrissie Parrot Dance Collective and the Independent Filmmakers Association.

Special Responsibilities: People, Culture and Nominations Committee

WENDY SIMPSON OAM, B. SOC SCI, GRAD. DIP. ED., B. LITT, MBA, FRMIT, FAICD

Wendy Simpson joined our Board in February 2013. Wendy is an experienced, versatile global business leader and entrepreneur. She was the Founding Chairman of Springboard Enterprises Australia, Australia's only internationally focussed business accelerator for women entrepreneurs seeking investment capital. Previously, Wendy was a Senior Vice President of Alcatel Asia Pacific and was 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. In February 2013, Wendy was honoured in the Australia Day 2013 Honours with an OAM for service to the community through a range of women's and youth organisations. On International Women's Day 2013 she was inducted into the Australian Businesswomen's Hall of Fame. Wendy was appointed to the Board of General Sir John Monash Foundation in January 2015.

Special Responsibilities: People, Culture and Nominations Committee

BESSIE VANERIS MBA, B. BUS

Bessie Vaneris joined our Board in March 2017. She has been World Vision International's (WVI) Chief People Officer since October 2008. 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 includes People and Culture, Corporate Security, Corporate Real Estate, NGO Accountability and a major procurement project - Provision.

DARRYL GARDINER

Darryl Gardiner joined our Board in May 2016. He is a regular speaker and trainer in New Zealand and internationally. He joined the World Vision New Zealand Board in June 2010 and is Chair of its People and Culture Committee. WVNZ and WVA both have a Board member on the other Board. He is an Anglican priest and has been involved in Youth and Community work for more than 35 years. He sits on a number of NFP Boards.

Special Responsibilities: Audit and Risk Committee

GORDON ALLISON B.PHYSIO (Hons), GRAD. DIP. BKG & FIN, GRAD. DIP. ACCT, M APPL. FIN., F FIN, GAICD

Gordon Allison joined our Board in March 2017. He is currently 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.

Special Responsibilities: Audit and Risk Committee (Chair)

JON SEELEY FCA, BEC, MBA, GAICD

Jon Seeley joined our Board in March 2017. He is a Chartered Accountant with an Economics degree from the University of Adelaide and an MBA from Lancaster University, UK. Jon is Group Managing Director of Seeley International, a manufacturer of HVAC (Heating, Ventilation, Air Conditioning) products including Breezair and Braemar Evaporative Coolers and Ducted Gas Heaters, employing some 550 people with manufacturing plants in Adelaide, Albury and Denver. Jon has previously worked for Deloitte and Goldman Sachs JB Were, in addition to spending 10 years overseas in the NFP sector with relief & development organisations, including postings to Austria, Turkey, Uzbekistan and the UK. Jon lives in Adelaide with his wife and 2 school-age children.

Special Responsibilities: Audit and Risk Committee

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

CLAIRE ROGERS MBA, BA

Our CEO Claire Rogers joined WVA and was appointed to our Board in November 2016. She is a social innovator with a proven track record of strategising and delivering major change initiatives, helping organisations adapt to the tech-disrupted economy, and aligning physical and digital execution to maximise opportunities. In her previous role as head of ANZ Australia's digital banking, Claire spearheaded the bank's digital channels transformation, and is 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. Claire was the Chair of Ridley Theological College, Melbourne from 2008 to 2016. Claire is a member of the Australian Council for International Development (ACFID) Board. She has also volunteered as a mentor for Springboard Enterprises, supporting women entrepreneurs as they take concepts to market in the technology and digital sectors.

JUDY BARRACLOUGH B.AgEc, MBA, GAICD

Judy Barraclough joined our Board in February 2013. Judy is an experienced corporate executive, with a background in strategy development, corporate planning, corporate affairs, research, and mergers and acquisitions. Judy has consulted in strategy and governance to a range of 'for purpose' and commercial organisations and is presently in a senior role with a large, education-based charity. In her executive career, Judy held senior positions in large corporates in the property, financial services and agribusiness sectors, including Head of Strategy and Corporate Affairs with the top-50 ASX listed property trust, The GPT Group, and senior strategy roles with Rabobank and Wesfarmers Limited. Judy is a founding member of the board of a social purpose start-up and is actively involved in the leadership and governance of her local church. She is also involved in a variety of volunteer activities. Judy retired from our Board in September 2017

Special responsibilities: People, Culture and Nominations Committee

ROB GOUDSWAARD B.EC, GRAD DIP CORP FIN, F FIN, FAICD

Rob Goudswaard joined our Board in March 2008. Rob is the CEO of Credit Union Australia (CUA), Australia's largest customer-owned financial institution, and a Director of Cuscal Ltd. Prior to CUA, Rob was the CEO and a Director of Rural Finance Corporation and Chairman of the Young Farmers Council for four years based in Bendigo. Prior to this, Rob had 30 years' experience with Australia and New Zealand Banking Group Limited in various roles including Chief Risk Officer Institutional, Managing Director Regional, Rural & Small Business Banking, General Manager of Personal Banking Asia and Pacific and Chief Operating Officer with ANZ Small to Medium Business. He is a Fellow of the Williamson Leadership Community Program and an Alumni of Melbourne Business School, London Business School and Wharton/RAM University of Pennsylvania. Rob retired from our Board in May 2017.

Special Responsibilities (until retirement): Audit & Risk Committee (Chair)

JOHN HARROWER (DEPUTY CHAIR) OAM, BE, BA, CENG CEI; MICHEME. THL, ADV DIP MISSL STUD. MA (THEOL), FAICD

Bishop John Harrower joined our Board in November 2006. John graduated with honours in Chemical Engineering from Melbourne University in 1970 and worked as a petroleum engineer with Mobil Oil. During these years he pursued studies in economics and political science, completing a Bachelor of Arts. A change of direction stemming from an invitation to work as a university lay chaplain took him to the Anglican Missionary training college in Melbourne in 1977. John lived and worked in Argentina for nine years in university chaplaincy, book publishing and distribution. He was ordained a priest in 1986, returned to Melbourne 1988-2000, Bishop of Tasmania 2000-2015 and is currently Bishop Assisting the Primate of the Anglican Church of Australia. In 2000 he was awarded a Medal of The Order of Australia "for service to the community through the Anglican Church and as a missionary". John retired from our Board in November 2016.

Special Responsibilities (until retirement): Board (Deputy Chair); People, Culture & Remuneration Committee (Chair)

LOUISE BAUR AM, BSc(Med), MBBS(Hons), PhD, FRACP, GAICD, FAHMS

Louise Baur joined our Board in July 2007. Louise holds the Chair of Child and Adolescent Health at the University of Sydney and is a senior paediatrician at The Children's Hospital at Westmead, the main paediatric institution in Sydney. She has long-standing expertise in various aspects of child and adolescent health, nutrition and public health. In 2010, Louise was made a Member of the Order of Australia "for service to medicine, particularly in the field of paediatric obesity as a researcher and academic and to the community through support for a range of children's charities". In 2014, Louise became a Founding Fellow of the Australian Academy of Health and Medical Sciences. Louise retired from our Board in November 2016.

Special Responsibilities (until retirement): Audit & Risk Committee

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

COLIN CARTER AM B.COM, MBA

Colin Carter joined our Board in April 2008 having had many years of consulting experience with The Boston Consulting Group advising on strategy, governance and organisational issues. He retired from full time consulting in 2001 and is still an Adviser to that firm. Colin currently serves on the boards of two public companies - Seek and Lend Lease. He is chairman of the Geelong Football Club and an Adviser to Jawun, an organisation that organises corporate support for Indigenous leaders and their organisations. Colin retired from our Board in April 2017.

Special Responsibilities (until retirement): People, Culture & Remuneration Committee

BONNIE WURZBACHER BA, MBA

Bonnie Wurzbacher joined our Board in August 2014 as the representative for the WVI President and CEO, Kevin Jenkins. She served on the boards of WV US, WV Canada and WV New Zealand in this capacity. Bonnie has a bachelor's degree in education from Wheaton College, Wheaton, Illinois, and a Masters of Business Administration from Emory University, Atlanta, Georgia. Prior to joining World Vision International in 2013, Bonnie had a 28-year career with The Coca-Cola Company, serving in various senior leadership roles and rising to Sr. Vice President, Global Customer and Channel Leadership, working in markets around the world to grow their business with large customers and bottlers worldwide. From 1977-1982, she was a teacher in Chicago public schools. During her time on our Board, Bonnie held the position of Chief Resource Development Officer for World Vision International, based in their Executive Offices in London, England, reporting to WVI President and CEO. She was responsible for accelerating global revenue growth and strategic engagement with all 20 fundraising offices. Bonnie retired from our Board in March 2017.

COMPANY SECRETARY: PETER GOFFIN LLB (Hons), B.Com, FGIA FCIS

Peter Goffin is an experienced Company Secretary and Legal Counsel, currently working part time with Bendigo and Adelaide Bank Group Legal department and previously as 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 & Hunt Lawyers. He has experience as a Chair and Board member on local NFP Boards in Bendigo in the social welfare area. Peter recently completed six months on a volunteer assignment with Australian Volunteers International at the Public Trustee of Fiji in Suva. He holds a Bachelor of Laws 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.

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

Directors' attendance in full Board and Board Committee meetings held between 1 October 2016 and 30 September 2017:

Attendance at Meetings	Full Board		People Culture & Remuneration Committee		Audit & Risk Committee	
	A	B	A	B	A	B
G. Savvides – Chair ⁽¹⁾	6	6	5	5	6	1
S. Adams – Deputy Chair	8	7	-	-	6	5
J. Barraclough ⁽⁷⁾	8	4	4	2	2	2
L. Baur ⁽²⁾	1	1	-	-	2	2
R. Goudswaard ⁽³⁾	3	3	-	-	4	4
T. McCormack	8	8	4	4	2	2
F. Pearse	8	7	-	-	6	5
J. Harrower ⁽⁴⁾	1	1	1	1	-	-
C. Carter ⁽⁵⁾	2	1	2	1	-	-
D. Shepherd	8	7	5	4	-	-
W. Simpson	8	8	5	5	-	-
B. Wurzbacher ⁽⁶⁾	2	1	-	-	-	-
D. Gardiner	8	5	-	-	4	4
B. Vaneris ⁽⁸⁾	7	7	-	-	-	-
G. Allison	7	7	-	-	4	4
J. Seeley	7	6	-	-	4	4
C. Rogers ⁽⁹⁾	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 2016 and in March, May, August and September 2017.
- People Culture & Nominations Committee meetings and Audit & Risk Committee meetings took place in November 2016 and in March, May, August and September 2017.

- (1) The Chair is an ex-officio member of each of the People Culture & Nomination Committee and the Audit and Risk Committee.
- (2) Retired November 2016.
- (3) Retired May 2017.
- (4) Retired November 2016.
- (5) Retired April 2017.
- (6) Not a member of any Board Committee. Retired March 2017.
- (7) Retired September 2017.
- (8) Not a member of any Board Committee.
- (9) The CEO attended 4 People Culture & Nomination and 4 Audit and Risk Committee meetings by invitation.

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

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 July 2017, the Board approved a new five year strategy (2018-2022) to grow the Company's income base to \$500m by 2022 so we can grow our contribution to the sustained wellbeing of the world's vulnerable children to 188 million children. These goals are in alignment with the World Vision 2030 Global Strategy to 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 – 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.
- Income growth – 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 \$404.1m (2016: \$435.1m). Total disbursements to international and domestic programs was \$325.9m (2016: \$342.9m), made up of:

- Monetary funds to international programs \$224.4m (2016: \$212.6m)
- Monetary funds to domestic programs \$4.4m (2016: \$5.3m)
- Non-monetary expenditure \$97.2m (2016: \$125.0m)

The remaining expenditure was \$74.1m (2016: \$86.9m). The Company achieved a surplus of \$3.9m (2016: surplus \$5.2m).

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 a decline in revenue with revenue of \$404.1m achieved for 2017. The decline in revenue is primarily driven by the Company ceasing shipments of pharmaceutical goods to the field.

As in previous years, there continues to be rapid change in the market conditions of the charity sector. This is reflected in the Company's mix of revenue streams achieved and supporter trends which has resulted in field programming adjustments. Whilst there has been a decline in Sponsorship revenue, the number of sponsorships through World Vision Australia during 2017 remains significant at 253,286, enabling children, families and communities to transform.

Other contributing factors to the overall movement in revenue are:

- Cash Grant income grew by 7.2% to \$92.6m due to increased opportunity and success in securing numerous Multilateral Development and Relief Grants for specific projects overseas, offset by a decline in Relief Grants funding secured through the Australian Government. The grants donor mix continues to diversify with opportunities from Multilateral and other organisations being a key source of revenue growth.
- Bequest and Legacy income grew 34% to \$7.1m as a result of increases in the donor base.
- Non-monetary revenue decreased by \$22m, a decrease of 18.2%, due mainly to a decision made by the Company to no longer distribute and deploy pharmaceutical goods, in order to achieve greater alignment to existing programming. This decrease was net of an increase in multilateral grant income of \$22.8m, 31.9% higher than the prior year, through increased engagement with World Food Programme.

Costs decreased by \$12.8m (14.7%) in the year 2017. The main contributing factor to this decrease is accountability and administration costs (declined by 34.8%, \$13.6m). Streamlining of operations in 2016 resulted in higher redundancy and impairment costs, which are not included to the same extent in 2017 and are the primary drivers of the reduction.

The provision of resources to the field has declined by 4.9% relative to the prior year mainly due to the Company no longer distributing and deploying pharmaceutical goods. This overall decrease is net of an increase in funds sent to international programs of \$111.8m, an increase of 5.5%.

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

Review of Operations (continued)

The uplift in the net asset position of the Company of \$1.8m compared to the prior year is due mainly to an increase in cash of \$5.3m, off-set by an increase in the unrealised currency hedge position in the current year, as the Australian dollar strengthened at the end of the 2017 financial year.

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

World Vision Australia anticipates the savings made in 2017, combined with various initiatives which we expect will generate future growth in income, will enable us to expand our international development work in support of children and their communities in the countries where we work.

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 22 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 \$31,600 (2016: \$31,613). This premium has not been included in the notes on Remuneration of Directors and Key Management Personnel (Notes 22 and 23).

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 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 is in accordance with the Company's Non-Assurance Service Policy. No other non-audit services have been provided by the 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 10.

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 2017 the number of present or past members having obligations to contribute on winding-up was 17 (2016: 14).

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

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, 24th November 2017

Collins Square, Tower 1
727 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.granthornton.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 2017, 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 no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Eric Passaris

Eric Passaris
Partner - Audit & Assurance

Melbourne, 24 November 2017

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

Annual Financial Report
30 September 2017

Contents

Income Statement	12
Statement of Comprehensive Income.....	13
Statement of Financial Position	14
Statement of Changes in Equity	15
Cash Flow Statement	16
Notes to the Financial Statements.....	17
Declaration by Directors.....	52
Independent Auditor's Report.....	53

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 7 in the Directors' Report, which is not part of this financial report.

The financial report was authorised for issue by the Directors on 24th November 2017. 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 2017

	Notes	2017 \$'000	2016 \$'000
REVENUE			
Donations and Gifts			
Monetary			
- Pledge programs	4a	166,491	182,389
- Appeals, donations and gifts	4a	37,058	39,359
Non Monetary			
- Donated goods and assets	4b,c	4,215	49,021
- Grants (Multilateral)	4d	94,466	71,647
		302,230	342,416
Bequests and Legacies	4e	7,055	5,266
Grants			
- DFAT		47,465	38,466
- Other Australian		1,632	587
- Other Overseas		43,472	47,285
		92,569	86,338
Investment income		798	567
Other income		1,464	477
TOTAL REVENUE		404,116	435,064
EXPENDITURE			
International Aid and Development Programs Expenditure			
International Programs			
- Funds to international programs	5	224,362	212,562
- Program support costs		4,938	5,674
		229,300	218,236
Community education		2,327	1,611
Fundraising costs			
- Public		37,017	38,385
- Government, multilateral and private		4,443	2,289
Accountability and administration		25,386	38,958
Non-Monetary expenditure	5, 6b	97,163	124,984
Total International Aid and Development Programs Expenditure		395,636	424,463
Domestic programs expenditure		4,416	5,349
TOTAL EXPENDITURE	6a	400,052	429,812
Excess/(shortfall) of Revenue over Expenditure		4,064	5,252
Share of loss of associate		(202)	(28)
Net excess/(shortfall) of Revenue over Expenditure		3,862	5,224

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

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

Statement of Comprehensive Income
for the Year Ended 30 September 2017

	Notes	2017 \$'000	2016 \$'000
Excess/(Shortfall) of Revenue over Expenditure		3,862	5,224
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to the income statement:			
Changes in the fair value of cash flow hedges	17	(2,042)	(18,640)
Other comprehensive income/(loss) for the year		(2,042)	(18,640)
Total comprehensive income/(loss) for the year		1,820	(13,416)

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 2017, 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 2017

	Notes	2017 \$'000	2016 \$'000
ASSETS			
Current Assets			
Cash & Investments	7, 19b	42,600	37,254
Receivables	8	1,567	1,551
Financial Assets	9	62	596
Inventories	10	198	203
Donated Goods	11	2,629	1,117
Total Current Assets		47,056	40,721
Non-Current Assets			
Investment in Associate	12	70	272
Property, Computer Hardware & Equipment	13	19,300	19,805
Intangibles	14	1,234	2,164
Total Non-Current Assets		20,604	22,241
TOTAL ASSETS		67,660	62,962
LIABILITIES			
Current Liabilities			
Accounts Payable	15	6,413	5,382
Provisions	16	5,315	5,590
Unrealised Currency Hedge Payable	17	6,552	4,510
Total Current Liabilities		18,280	15,482
Non-Current Liabilities			
Provisions	18	929	849
Total Non-Current Liabilities		929	849
TOTAL LIABILITIES		19,209	16,331
NET ASSETS		48,451	46,631
EQUITY			
Reserves	17	(6,552)	(4,510)
Retained Earnings		55,003	51,141
TOTAL EQUITY		48,451	46,631

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 2017

	Reserves \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 October 2015	<u>14,130</u>	<u>45,917</u>	<u>60,047</u>
Shortfall of Expenditure over Revenue	-	5,224	5,224
Other comprehensive income/(loss) for the year	(18,640)	-	(18,640)
Total comprehensive income/(loss) for the year	<u>(18,640)</u>	<u>5,224</u>	<u>(13,416)</u>
Balance at 30 September 2016	<u>(4,510)</u>	<u>51,141</u>	<u>46,631</u>
Shortfall of Expenditure over Revenue	-	3,862	3,862
Other comprehensive income/(loss) for the year	(2,042)	-	(2,042)
Total comprehensive income/(loss) for the year	<u>(2,042)</u>	<u>3,862</u>	<u>1,820</u>
Balance as at 30 September 2017	<u>(6,552)</u>	<u>55,003</u>	<u>48,451</u>

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

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

Cash Flow Statement
for the Year Ended 30 September 2017

	Notes	2017 \$'000	2016 \$'000
Cash flows provided by / (used in) operating activities			
Receipts from donors and merchandising (inc. GST)		311,225	313,096
Interest received		767	592
Payments to field offices, suppliers and employees (inc. GST)		(305,948)	(298,787)
Net cash provided by / (used in) operating activities	19a	6,044	14,901
Cash flows utilised in investing activities			
Investment in associate		-	(300)
Proceeds from sale of shares		568	-
Purchases of property, computer hardware and equipment		(1,266)	(684)
Purchases of software		-	(1,667)
Net cash utilised in investing activities		(698)	(2,651)
Net increase / (decrease) in cash held			
Cash at beginning of financial year		37,254	25,004
Cash at end of the financial year	19b	42,600	37,254

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

Notes to the Financial Statements
as at 30 September 2017

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

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

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.

New standards adopted by the Company

There were no new standards applicable nor adopted by the Company during the current financial year.

Historical cost convention

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.

Critical accounting 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. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

b) Centralised accounting

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.

c) Revenue recognition

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

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

(i) Interest Income

Interest income is recognised on a time proportion basis using the effective interest method.

(ii) 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 is recorded at fair value.

The fair value of pharmaceutical donated goods is determined by way of a consistent methodology which is underpinned by an independent external valuation company which has appropriate, recognised professional qualifications and experience in the products being valued. The valuation company, IMS Health, provides the fair value of the pharmaceutical goods every twelve months.

Notes to the Financial Statements
as at 30 September 2017 (continued)

c) Revenue recognition (continued)

(iii) 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.

(iv) Donations and Bequests

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.

Bequests are recognised when the legacy is received. 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.

(v) Rendering of Services

Revenue is recognised when the service is rendered.

d) Income tax

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

e) Investment in associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Company's investments in its associate are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Company's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Company's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

Notes to the Financial Statements
as at 30 September 2017 (continued)

e) Investment in associates (continued)

The aggregate of the Company's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

f) Property, computer hardware and equipment

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.

Land is not depreciated. Depreciation on the other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their useful lives, as follows:

	Years
Buildings	40
Computer Hardware	3 - 5
Equipment	5-10

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet 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 (Note 1h).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement in the period when the disposal occurs.

g) Intangible assets

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.

Notes to the Financial Statements
as at 30 September 2017 (continued)

g) Intangible assets (continued)

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.

The estimated useful lives are as follows;

	Years
Software Development	5
Software Purchased and Donated	2 - 5

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

h) Impairment of assets

Assets are tested for impairment 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 interest 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.

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 depreciated replacement cost of the asset.

i) 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 balance sheet.

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.

j) Employee benefits

Short-term 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, and accumulated sick leave. 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.

Notes to the Financial Statements
as at 30 September 2017 (continued)

j) Employee benefits (continued)

The liability for annual leave is recognised as a current provision for presentation purposes under AASB 101 *Presentation of Financial Statements*. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations

The liability for long service leave and annual 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 on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

k) Policy on the nature and amount of remuneration of key management personnel

The Company's senior leaders are paid in accordance with the Company 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 annual movement in the remuneration benchmark.

l) Provisions

Provisions for legal claims and make good obligations are recognised when the Company has a present legal or constructive obligation when, as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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.

m) Cash & investments

Cash 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 and cash equivalents.

n) Foreign currency transactions and balances

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

o) Comparative figures

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

p) Receivables

All trade debtors and other debtors are recognised at the amounts receivable as they are due for settlement not more than 30 days from the date of recognition. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised when there is objective evidence that the Company will probably not be able to collect all amounts due according to the original term of the receivable.

Notes to the Financial Statements
as at 30 September 2017 (continued)

q) Trade and other creditors

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. These amounts are unsecured and usually paid 25 days after the end of the month in which the Company receives the invoice.

r) Inventory and donated goods

Inventory is recorded at the lower of cost and cost less any loss in service potential, or at current replacement cost if there is no associated cost of the goods.

Donated goods are recorded at fair value either by wholesale value or an independent valuation. Where physically received by the Company, donated goods are held in inventory until the risks and rewards have passed to the receiving entity.

s) Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement 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');
- Held-To-Maturity ('HTM') investments;
- Available-For-Sale ('AFS') financial assets.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in the income statement are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. Trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Notes to the Financial Statements
as at 30 September 2017 (continued)

s) Financial instruments (continued)

Financial assets at 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. Assets in this category are measured at fair value with gains or losses recognised in the income statement. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

HTM investments

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the Company has the intention and ability to hold them until maturity.

HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in the income statement.

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.

All AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in the income statement. When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to the income statement and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in the income statement within 'revenue'.

Reversals of impairment losses for AFS debt securities are recognised in the income statement if the reversal can be objectively related to an event occurring after the impairment loss was recognised. For AFS equity investments impairment reversals are not recognised in the income statement and any subsequent increase in fair value is recognised in other comprehensive income.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include trade and other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in the income statement.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the income statement are included within finance costs or finance income.

t) Foreign currency hedging

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 relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents 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.

Notes to the Financial Statements
as at 30 September 2017 (continued)

t) Foreign currency hedging (continued)

The fair value of these agreements is recognised in the balance sheet and the hedge relationships entered into are subject to an effectiveness test. Effective unrealised gains and losses are deferred in equity until such time as the remittances occur and any ineffectiveness is taken to the income statement as incurred. The Company expects all current hedge relationships to be highly effective going forward.

The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or expenses.

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.

u) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (Note 26). 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.

v) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2017 reporting periods. The Company's assessment of the impact of the relevant new standards and interpretations is set out below.

AASB 9 Financial Instruments (December 2014) (effective 1 January 2018)

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

- (a) Financial assets that are debt instruments will be classified based on (1) the objective of the business model for managing the financial assets; and (2) the characteristics of the contractual cash flows.
- (b) Allows an irrevocable election upon initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of the income statement). Dividends in respect of these investments that are a return on investment can be recognised in the income statement and there is no impairment or recycling on disposal of the instrument.
- (c) Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments.
- (d) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
- (e) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
 - The change attributable to changes in credit risk are presented in other comprehensive income (OCI); and
 - The remaining change is presented in the income statement.

If this approach creates an accounting mismatch in the income statement, the effect of the changes in credit risk are also presented in the income statement.

Notes to the Financial Statements
as at 30 September 2017 (continued)

v) New accounting standards and interpretations (continued)

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- Classification and measurement of financial liabilities; and
- Derecognition requirements for financial assets and liabilities.

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in the financial statements by:

- Increasing the eligibility of both hedged items and hedging instruments; and
- Introducing a more principles-based approach to assessing hedge effectiveness. In addition, the amendments include additional disclosures which are aimed at improving the information provided about an entity's hedge accounting and risk management strategy.
- Allow the changes to address the so-called 'own credit' issue that were already included in AASB 9 to be applied in isolation without the need to change any other accounting for financial instruments.

The Company has not yet assessed the full impact of AASB 9 as this standard does not apply mandatorily before 1 January 2018 and will not impact the Company's financial statements until the year ending 30 September 2019. However it expects that there will be no significant impact when it is first adopted, but rather will provide more certainty in relation to the Company's accounting for forward foreign exchange contracts.

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 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15, AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities, AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities)

AASB 15:

- establishes a new revenue recognition model
- 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)
- expands and improves disclosures about revenue.

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, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 *Contributions*. Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

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. In the latter case, 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.

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

Notes to the Financial Statements
as at 30 September 2017 (continued)

These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.

The Company is yet to undertake a detailed assessment of the impact of above standards.

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 not yet assessed the full impact of these amendments.

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

Notes to the Financial Statements
as at 30 September 2017 (continued)

2. 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.

Approximately 96% (2016: 97%) of projected purchases of foreign currency occur concurrently with anticipated cash flows, which qualifies the transactions as "highly effective" forecast transactions for hedge accounting.

The Company's exposure to foreign currency risk at the reporting date was as follows:

	30 September 2017 USD \$'000	30 September 2016 USD \$'000
Forward Exchange Contracts:		
Buy foreign currency (cash flow hedges)	115,920	105,899

Organisation Sensitivity

Based on the financial instruments held at 30 September 2017, 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 \$16,509,327 higher / \$13,507,631 lower (2016: \$15,449,075 higher / \$12,640,152 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.

(ii) Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from short term investments. Term deposits and market mutual fund deposit 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.

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

Notes to the Financial Statements
as at 30 September 2017 (continued)

a) Market risk (continued)

During 2017 and 2016, the Company's term deposits and investments 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 2017 \$'000	30 September 2016 \$'000
Fixed-rate instruments		
Cash and bank balances	42,600	37,254
Total	42,600	37,254

Organisation sensitivity

At 30 September 2017, if interest rates had changed by +/-100 basis points from the year-end rates with all other variables held constant, surplus and equity for the year would have been \$419,485 higher/lower (2016: \$372,546 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 Company's total credit risk as at 30 September 2017 is \$42,600,069 (2016: \$37,254,615) and consists mainly of cash and term deposits.

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.

d) Determination of fair value

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 balance sheet date.

The table below analyses recurring assets and liabilities carried at fair value. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- 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).

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

Notes to the Financial Statements
as at 30 September 2017 (continued)

d) Determination of fair value (continued)

The following table presents the Company's assets and liabilities measured and recognised at fair value at 30 September 2017 and 30 September 2016:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
At 30 September 2017				
Assets				
Financial Assets	62	-	-	62
Total Assets	62	-	-	62
Liabilities				
Derivatives used for hedging	-	6,552	-	6,552
Total Liabilities	-	6,552	-	6,552
At 30 September 2016				
Assets				
Financial Assets	596	-	-	596
Total Assets	596	-	-	596
Liabilities				
Derivatives used for hedging	-	4,510	-	4,510
Total Liabilities	-	4,510	-	4,510

The carrying values less impairment provisions of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes are assumed to approximate their fair values due to their short term nature, as they are settled within 12 months.

The fair value of financial assets through the profit and loss or other comprehensive income is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. The fair value of the unrealised currency hedge payable/receivable is derived using a valuation technique that is based from 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 12 months.

Notes to the Financial Statements
as at 30 September 2017 (continued)

3. Critical accounting estimates and judgements

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. The key estimates and assumptions that are recorded in the financial statements are:

▪ *Pharmaceutical donations*

The Company uses independent sources for valuing pharmaceutical donations. Exit market data is specifically sourced for the most accurate representation of a fair value for significant donation amounts. The exit market excludes developed countries and includes only those countries where such pharmaceuticals are sold regularly in large volumes.

For the financial year ended 30 September 2017, there were no pharmaceutical donations (2016: \$46,378,015) and nil disbursements of pharmaceutical donations (2016: \$46,378,015). There was no pharmaceutical inventory held at 30 September 2017 (2016: nil).

▪ *Other donated goods (includes food donated by International agencies)*

The Company uses the wholesale value or an independent valuation for valuing donated goods. During 2017, \$98,676,569 (2016: \$73,715,938) of income and \$97,163,571 (2016: \$78,606,266) of disbursements were recognised as donated goods. As at 30 September 2017, \$2,628,964 (2016: \$1,117,785) was held in inventory.

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. No such financial assets or liabilities are recorded on the balance sheet as at 30 September 2017.

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

Notes to the Financial Statements
as at 30 September 2017 (continued)

	2017	2016
	\$'000	\$'000
4a) Monetary Donations & Gifts		
Pledge programs		
- Child Sponsorship	151,599	172,301
- Other	14,892	10,088
Total	<u>166,491</u>	<u>182,389</u>
Appeals, donations & gifts		
- Emergency relief appeals	4,045	2,864
- Other appeals	21,643	21,123
- Other cash donations & gifts	11,370	15,372
Total	<u>37,058</u>	<u>39,359</u>
4b) Donated Goods		
Goods donated by Australian Corporations	4,211	2,069
Medicines donated by International Agencies	-	46,378
Total	<u>4,211</u>	<u>48,447</u>
4c) Donated Assets		
Assets donated by International Corporations	4	36
Bequests and Legacies	-	538
Total	<u>4</u>	<u>574</u>
4d) Grants (Multilateral)		
Food and vouchers donated by International Agencies	94,466	71,647
Total	<u>94,466</u>	<u>71,647</u>
4e) Bequests and Legacies		
Child Sponsorship	432	385
Other	6,623	4,881
Total	<u>7,055</u>	<u>5,266</u>

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

Notes to the Financial Statements
as at 30 September 2017 (continued)

	2017	2016
	\$'000	\$'000
5 Disbursement to Overseas Projects by Country		
Region/Country		
Burundi	2,563	10,018
Central African Republic	903	-
Ethiopia	8,285	51,279
Kenya	13,377	22,810
Northern Sudan	1,589	509
Rwanda	2,179	8,154
Somalia	18,096	10,849
South Sudan	16,485	22,707
Tanzania	3,128	5,285
Uganda	15,906	12,484
Regional Office (1)	692	1,058
East Africa	83,203	145,153
Congo	4,038	4,382
Lesotho	976	2,012
Malawi	9,489	4,478
Mozambique	1,627	2,590
South Africa	883	1,387
Swaziland	1,460	3,333
Zambia	3,450	5,462
Zimbabwe	6,562	9,629
Regional Office (1)	-	113
Southern Africa	28,485	33,386
Chad	679	1,017
Ghana	1,265	2,009
Senegal	1,481	3,310
Sierra Leone	-	151
Regional Office (1)	-	2,330
West Africa	3,425	8,817

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

Notes to the Financial Statements
as at 30 September 2017 (continued)

	2017	2016
	\$'000	\$'000
5 Disbursement to Overseas Projects by Country (continued)		
Region/Country		
Afghanistan	2,760	4,793
Azerbaijan	-	92
Bosnia and Herzegovina	73	800
Georgia	557	880
Iraq	16,953	8,461
Jerusalem/West Bank/Gaza	1,070	3,768
Jordan	3,232	668
Lebanon	48,771	30,754
Pakistan	30	1,722
Regional Office (1)	43	277
Middle East/Eastern Europe Region	<u>73,489</u>	<u>52,215</u>
Bangladesh	3,719	5,509
Cambodia	5,536	7,647
China	-	107
India	3,935	5,467
Indonesia	4,113	5,448
Laos	2,616	3,892
Mongolia	924	1,950
Myanmar	7,245	10,969
Nepal	1,294	4,201
Pacific Timor Leste (2)	29,853	26,363
Philippines	-	2,098
Sri Lanka	6,907	7,195
Thailand	327	642
Vietnam	2,497	4,843
Regional Office (1)	206	200
Asia Pacific	<u>69,172</u>	<u>86,531</u>

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

Notes to the Financial Statements
as at 30 September 2017 (continued)

	2017	2016
	\$'000	\$'000
5 Disbursement to Overseas Projects by Country (continued)		
Region/Country		
Bolivia	1,646	2,516
Brazil	1,636	3,108
Colombia	795	1,613
Ecuador	1,703	2,824
Guatemala	1,070	2,298
Haiti	1,084	1,713
Honduras	2,223	3,216
Nicaragua	2,155	2,440
Peru	2,786	4,031
Regional Office (1)	33	510
Latin America	<u>15,131</u>	<u>24,269</u>
Global Operations – Ministry (3)	25,676	21,005
Other International Projects (4)	1,930	3,515
Partnership Treasury Office Reserves (5)	21,014	(37,352)
Total Cash and Donated Goods Disbursed to International Projects	<u>321,525</u>	<u>337,539</u>
Analysed as:		
Funds to international programs	224,362	212,562
Non-Monetary Expenditure Disbursed Overseas	97,160	124,977
	<u>321,522</u>	<u>337,539</u>
Non-Monetary Expenditure Disbursed in Australia	3	7
TOTAL	<u>321,525</u>	<u>337,546</u>

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

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

(3) 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.

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

(5) 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.

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

Notes to the Financial Statements
as at 30 September 2017 (continued)

	2017	2016
	\$'000	\$'000
6a) Expenditure		
Disbursements to overseas projects (Note 5)	321,522	337,539
Disbursement to domestic projects	4,416	5,349
Global Operations – Administration	4,490	10,345
Employee benefits expense	36,545	37,721
Redundancy expense	601	4,944
Advertising, printing & postage	13,624	14,261
Rent and occupancy	1,188	1,543
Depreciation and amortisation	1,730	1,793
Impairment of intangible asset	812	4,194
Other	15,124	12,123
Total	<u>400,052</u>	<u>429,812</u>
6b) Non-Monetary Expenditure Reconciliation		
Non-monetary revenue	98,681	120,668
Opening donated goods	1,117	6,031
Less Closing Donated goods (Note 11)	<u>(2,629)</u>	<u>(1,117)</u>
Net Non-Monetary Revenue	<u>97,169</u>	<u>125,582</u>
Non-monetary expenditure	97,163	124,984
Add donated goods written off	2	24
Add donated assets	<u>4</u>	<u>574</u>
Total Expenditure received as a donation	<u>97,169</u>	<u>125,582</u>
Current Assets		
7 Cash & Investments		
Cash at bank and cash on hand	42,600	37,254
Deposits at call (i)	-	-
Total	<u>42,600</u>	<u>37,254</u>
(i) Deposits at call		
The deposits earned interest at a rate of 1.68% in 2017 (2016: 1.98%). These deposits have a weighted average investment term of 16 days (2016: 17 days).		
8 Receivables		
Australian Taxation Office - GST	397	424
Prepayments	952	867
Other	218	260
Total	<u>1,567</u>	<u>1,551</u>

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

Notes to the Financial Statements
as at 30 September 2017 (continued)

	2017	2016
	\$'000	\$'000
9 Financial Assets		
Opening carrying amount	596	60
Donations	-	538
Disposals	(568)	-
Net revaluation	34	(2)
Closing carrying amount	<u>62</u>	<u>596</u>
Financial Assets classified as Available for Sale	62	60
Financial Assets classified as Fair Value through Profit or Loss	-	536
	<u>62</u>	<u>596</u>
10 Inventories		
Other	198	203
Total	<u>198</u>	<u>203</u>
No inventory was written off during the year ended 30 September 2017 (2016: Nil).		
11 Donated Goods		
Donated goods - awaiting shipment	346	20
Donated goods - in transit	2,283	1,097
Total	<u>2,629</u>	<u>1,117</u>

Donated goods from Australian and overseas corporations recognised as a disbursement during the year ended 30 September 2017 amounted to \$2,697,659 (2016: \$53,337,593).

Write-downs of donated goods recognised as an expense during the year ended 30 September 2017 amounted to \$1,819 (2016: \$24,375).

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

Notes to the Financial Statements
as at 30 September 2017 (continued)

	2017	2016
	\$'000	\$'000
12 Investment in Associate		
The Company acquired a 30% interest in Get Bennie Pty Ltd ('Get Bennie') during the prior financial year. Get Bennie is a start-up company involved in software development of a Customer Relationship Management (CRM) software solution aimed at small to medium size not-for-profit businesses. The software solution was to be integrated through a third-party with a leading global CRM platform of a major global cloud computing provider. In early 2017, Get Bennie was awarded second prize in a competition run by the global provider, validating the value of the product. In May 2017, the global CRM platform no longer allowed third-party integrations, requiring all users to license their software. The change to a different integration methodology and fee structure would have required extensive rebuilding of the software solution at significant expense, jeopardising the original business model. Accordingly, the directors of Get Bennie resolved to wind up the entity, and the entity will be liquidated. The software solution developed to date is not of significant value. The Company has assessed the investment in associate for impairment and taken into account the expectation of the realisation of \$69,931 in cash, therefore the investment in Get Bennie has been impaired to this amount.		

The following table illustrates the summarised financial information of the Company's investment in Get Bennie Proprietary Limited:

Current Assets	70	212
Non-current Assets	-	-
Current Liabilities	-	4
Non-current Liabilities	-	-
Equity	70	208
Revenue	-	-
Administrative Expenses	(138)	(92)
Profit before tax	(138)	(92)
Income tax expense	-	-
Profit for the year (continuing operations)	(138)	(92)
Total comprehensive income for the year (continuing operations)	(138)	(92)
Company's share of profit for the year	(41)	(28)
Company's carrying amount of the investment		
At cost	300	300
Share of post-acquisition results	(69)	(28)
Impairment of investment in associate	(161)	-
Total carrying amount	70	272

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

Notes to the Financial Statements
as at 30 September 2017 (continued)

	2017	2016
	\$'000	\$'000
Non Current Assets		
13 Property, Computer Hardware & Equipment		
Property		
Land	5,140	5,140
Buildings	18,197	18,174
Accumulated depreciation	(5,715)	(5,264)
Total Property	17,622	18,050
Computer Hardware		
At cost	4,171	4,358
Accumulated depreciation	(3,653)	(3,666)
Total Computer Hardware	518	692
Equipment		
At cost	7,452	9,201
Accumulated depreciation	(6,292)	(8,138)
Total Equipment	1,160	1,063
Total Carrying Amount of Property, Computer Hardware & Equipment	19,300	19,805

Reconciliation of carrying amount

	Land and buildings \$'000	Computer Hardware \$'000	Equipment \$'000	Total \$'000
Balance at 1 October 2015	18,482	375	1,664	20,521
Additions	20	10	46	76
Work in progress	-	472	136	608
Disposals	-	(2)	-	(2)
Depreciation Expense	(452)	(163)	(783)	(1,398)
Balance at 30 September 2016	18,050	692	1,063	19,805
Additions	23	567	738	1,328
Work in progress	-	(473)	(7)	(480)
Disposals	-	(9)	(150)	(159)
Depreciation Expense	(451)	(259)	(484)	(1,194)
Balance at 30 September 2017	17,622	518	1,160	19,300

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

Notes to the Financial Statements
as at 30 September 2017 (continued)

	2017	2016
	\$'000	\$'000
14 Intangible assets		
Software Purchased and Donated		
At cost	2,393	2,787
Accumulated amortisation	(1,159)	(623)
Total Software Purchased and Donated	1,234	2,164
Total carrying amount of Intangible Assets	1,234	2,164

Reconciliation of carrying amount

	Software Purchased & Donated \$'000	Software Develop- ment \$'000	Total \$'000
Balance at 1 October 2015	2,388	2,698	5,086
Additions	200	-	200
Work in progress	234	1,233	1,467
Impairment	(263)	(3,931)	(4,194)
Amortisation Expense	(395)	-	(395)
Balance at 30 September 2016	2,164	-	2,164
Additions	643	-	643
Work in progress	(225)	-	(225)
Impairment	(812)	-	(812)
Amortisation expense	(536)	-	(536)
Balance at 30 September 2017	1,234	-	1,234

The current year impairment loss of \$812k relates to the write-down of donated licenses no longer required by WVA due to a shift in organisational strategy. The 2016 impairment loss of \$4.2 million represented (i) the write-down of the internally developed Customer Relationship Management (CRM) software of \$3.9 million and (ii) donated licenses of \$263k no longer required by WVA. As required by the accounting standards, the Company assessed all costs capitalised as part of the development of a new CRM for potential impairment. The Company decided to impair the capitalised development costs given the level of uncertainty surrounding the enduring benefit of the asset.

	2017	2016
	\$'000	\$'000
Current Liabilities		
15 Accounts Payable		
Trade creditors	1,231	1,005
Accrued creditors	3,813	3,046
Other payable	1,369	1,331
Total	6,413	5,382

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

Notes to the Financial Statements
as at 30 September 2017 (continued)

	2017	2016
	\$'000	\$'000
16 Provisions		
Annual leave	3,319	3,297
Long service leave	1,946	1,984
Other	50	309
Total	5,315	5,590

Non Current Liabilities

17 Hedging Reserve- Cash Flow Hedges		
Balance 1 October at start of financial year	(4,510)	14,130
Fair value revaluation	1,699	(14,962)
Charged to income statement on settlement	(3,741)	(3,678)
Changes in the fair value of cash flow hedges	(2,042)	(18,640)
Balance at 30 September	(6,552)	(4,510)

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, and described in Note 1(t). Amounts are recognised in profit and loss when the associated hedged transactions affect profit and loss. The Company has agreed to sell A\$155.1m (US\$115.9m) at an effective exchange rate of 0.7472 over the next 20 months.

During the year, the amount of field payments that had not been hedged against foreign currency risk was \$39.5m (2016: \$Nil).

18 Provisions		
Long service leave	569	515
Contractual obligations	360	334
Total	929	849

19a) Reconciliation of Net cash (used in) / provided by Operating activities to (Shortfall) / Excess of Revenue over Disbursements

Excess / (Shortfall) of Revenue over Disbursements	3,862	5,224
Non-Cash Flows in Operating Activities		
Loss on disposal of property, computer hardware & equipment	159	2
Depreciation and amortisation	1,730	1,793
Impairment of software	812	4,194
Revaluation of financial assets	(34)	2
Donated shares	-	(538)
Share of loss of associate	202	28
Changes in Assets and Liabilities		
Decrease in receivables and prepayments	(16)	727
(Increase) / Decrease in inventories & donated goods	(1,507)	4,777
Increase in accounts payable	1,031	557
Decrease in provisions	(195)	(1,865)
Net cash provided by / (used in) Operating Activities	6,044	14,901

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

Notes to the Financial Statements
as at 30 September 2017 (continued)

2017	2016
\$'000	\$'000

19b) Composition of Cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand and investments in money market instruments, and deposits held on behalf of donors.

Cash and investments (Note 7)	42,600	37,254
	42,600	37,254

(i) Cash held on behalf of donors of \$27k (2016: \$27k) is accrued in Accounts Payable (Note 16).

**Notes to the Financial Statements
as at 30 September 2017 (continued)**

20 Financial Instruments

20a) Terms, Conditions and Accounting policies

The Company's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date, are as follows:

Recognised Financial Instruments	Balance Sheet Notes	Accounting Policies	Policies, Terms and Conditions
<i>Financial Assets</i>			
Cash & Investments	7	Cash is recognised at its face value.	Deposits at call had a weighted average investment term of 16 days during the year.
		Cash in excess of liability requirements is invested in term deposits.	The interest rate is the current market rate applicable at rollover.
Accounts Receivable	8	Trade receivables are carried at the original invoice amounts due.	Debtors outstanding are on 30 day terms.
Financial assets	9	Fair value through profit or loss: These financial assets were shares held for trading and related to shares held as part of a bequest. These shares were disposed of during FY17. Gains or losses arising from changes in the fair value are recognised in the Profit and Loss for the year. Income or expenses arising from the shares are presented in the income statement. Available for sale: These financial assets are shares donated for the purposes of earning a return to contribute towards Child Sponsorship. Gains and losses are recognised in other comprehensive income.	Fair value through profit or loss: Shares held as part of a bequest to be converted to cash at a future date depending on the share price. Available for sale: Restrictions exist in relation to the sale of these shares and the utilisation of the returns earned on the shares.

**Notes to the Financial Statements
as at 30 September 2017 (continued)**

20 Financial Instruments (continued)

20a) Terms, Conditions and Accounting policies (continued)

The Company's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date, are as follows:

Recognised Financial Instruments	Balance Sheet Notes	Accounting Policies	Policies, Terms and Conditions
<i>Financial Assets</i>			
Unrealised currency hedge receivable / payable	17	The Company adopts a conservative approach to the management of foreign currency risk, and hedges at a minimum 80% of the estimated Cash Field Payment a year in advance of the payment.	The Company has entered into a number of forward exchange currency contracts at reporting date. The contracts were held at standard terms and conditions.
Investment in associate	12	The Company's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate since the acquisition date.	The Company has entered into a shareholders agreement with the other relevant parties that sets out the terms and conditions of the arrangement.
<i>Financial Liabilities</i>			
Accounts Payable	15	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.	The Company endeavours to settle trade liabilities 25 days after the end of the month in which it receives the invoice.

**Notes to the Financial Statements
as at 30 September 2017 (continued)**

20b) Fair values

There is no material variance between an asset or liability's carrying value and fair value.

20c) Credit risk exposure

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet.

20d) Interest rate risk

WVA is subject to normal commercial interest rate fluctuations on its bank accounts and term deposits. WVA's exposure to interest rate risks and the effective interest rates of financial assets at the year end are as follows:

Financial Instruments	Fixed interest rate maturing in:										Total carrying amount as per the balance sheet		Weighted average effective interest rate				
	Floating interest rate		1 year or less			Over 1 to 5 years			More than 5 years			Non-interest bearing		2017	2016	2017	2016
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	\$'000	\$'000	%	%	
<i>Financial Assets</i>																	
Cash & Investments	42,600	37,254	-	-	-	-	-	-	-	-	-	-	42,600	37,254	1.58%	1.72%	
Accounts Receivable	-	-	-	-	-	-	-	-	218	260	-	-	218	260	N/A	N/A	
Financial Assets	-	-	-	-	-	-	-	-	62	596	-	-	62	596	N/A	N/A	
Currency Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	N/A	
Total	42,600	37,254	-	-	-	-	-	-	280	856	-	-	42,880	38,110	N/A	N/A	

There was no assessed interest rate risk for financial liabilities.

Notes to the Financial Statements
as at 30 September 2017 (continued)

20d) Interest rate risk (continued)

Analysis of financial liabilities measured in undiscounted cash flows into relevant maturity grouping as follows:

Financial Instruments	Floating interest rate		1 year or less		Over 1 to 5 years		More than 5 years		Non-interest bearing		Total carrying amount as per the balance sheet		Weighted average effective interest rate	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 %	2017 %	
Financial Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Payable	-	-	-	-	-	-	-	-	6,413	5,382	6,413	5,382	N/A	N/A
Currency Hedge	-	-	-	-	-	-	-	-	6,552	4,510	6,552	4,510	N/A	N/A
Total	-	-	-	-	-	-	-	-	12,965	9,892	12,965	9,892	N/A	N/A

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

Notes to the Financial Statements
as at 30 September 2017 (continued)

20e) Foreign currency risk

The Company has entered into a number of forward exchange currency contracts at reporting date designed as a hedge of anticipated field project payments that are denominated in US dollars. Forward contracts are used to manage foreign exchange risk. Under the contracts, the Company has agreed to sell A\$155.1m at an effective exchange rate of 0.7472 over the next 20 months.

21 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.

22 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.

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

Notes to the Financial Statements
as at 30 September 2017 (continued)

	2017	2016
	\$	\$
23 Remuneration of Key Management Personnel		
Key management of the Company are members of the executive management team. Key Management Personnel remuneration includes the following expenses:		
Short term employee benefits	1,903,029	1,177,422
Post-employment benefits	235,207	107,310
Long-term employee benefits	(70,234)	27,243
Total remuneration (1)	2,068,002	1,311,975
Number of Executive roles	10	6
The above disclosures include the CEO's remuneration as follows:		
T. Costello (2)	18,676	310,838
C. Rogers (3)	320,533	-
	339,209	310,838

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.

(1) The increase in remuneration of key management personnel is due to a decision to flatten the reporting structure of the Company. This increase has been off-set by an overall decline in management costs. The new structure aims to empower the Company's employees and elevate their level of responsibility and accountability. In addition, it is expected to result in improved communication and facilitate more efficient decision-making.

(2) Tim Costello resigned from the role of Chief Executive Officer on 24 October 2016 and was appointed to the role of Chief Advocate on 26 October 2016. The remuneration represented is that earned during his tenure as Chief Executive Officer.

(3) Claire Rogers was appointed to the role of Chief Executive Officer on 2 November 2016.

24 Remuneration of auditors

Amounts received or receivable by our auditors for:

Auditing the financial accounts for the current year	88,000	80,000
Other services:		
Review the financial accounts for World Vision Australia Overseas Aid Fund	12,000	-
	100,000	80,000

25 Contingencies

As at 30 September 2017, the Company has outstanding \$205,906 (2016: \$309,499) as a current guarantee provided by ANZ bank for the office leases noted in Note 26.

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

Notes to the Financial Statements
as at 30 September 2017 (continued)

26 Commitments

Lease commitments

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.

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

	2017	2016
	\$'000	\$'000
Within one year	519	596
Later than one year but not later than five years	438	162
Later than five years	-	-
	957	758

27 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:

Related Party	Transaction values for		Balance outstanding as at	
	the year ended 30		30 September	
	September			
	2017	2016	2017	2016
	\$	\$	\$	\$
Y-GAP (Y-Generation Against Poverty) Ltd (i)			-	100,000
- Revenue	40,000	-		
- Repayment of amount owing	100,000	-		
- Expenditure	(500,000)	-		

- (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 campaign'). By 30 November 2017 the Company anticipates receiving distributions from the proceeds of the campaign of the full amount of the Company's contribution, with a further 40% share in any excess proceeds above a maximum amount. Surplus proceeds will be applied towards initiatives and projects to address the recovery of children from violence.

During 2016, the Company entered into an arrangement with Y-GAP, whereby the Company provided a contribution of \$100,000 to the 2016 "Polished Man" campaign. Y-GAP refunded the amount in full to the Company during 2017 and an additional \$40,000 was received by the Company in 2017 as certain targets had been met. Proceeds from the Polished Man campaign are deployed to Child Protection programs around the globe.

The CEO of Y-GAP, Elliot Costello, is the son of Tim Costello. Tim Costello is the Company's Chief Advocate at 30 September 2017 and was the Company's CEO at 30 September 2016.

**Notes to the Financial Statements
as at 30 September 2017 (continued)**

23 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.

	2017	2017	2017	2016	2016	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		Total	Fundraising	Total	Fundraising	Total
		Direct	Direct	Direct	Direct	Direct
		Expenses	Expenses	Expenses	Expenses	Expenses
		Net Income	Net Income	Net Income	Net Income	Net Income
Fundraising Information						
Donations and gifts						
Monetary						
Pledge programs	166,491	24,812	141,679	182,389	26,324	156,065
Appeals, donations and gifts	37,058	11,042	26,016	39,359	8,172	31,187
Non-monetary						
Dorated goods and assets	4,215	964	3,251	49,021	1,292	47,729
Grants (multilateral)	94,466	1,877	92,589	71,647	1,772	69,875
	302,230	38,696	263,534	342,416	37,560	304,856

Notes to the Financial Statements
as at 30 September 2017 (continued)

29 Board Membership

The Directors of the Company holding that office, or who have held that office, at any time during the financial year are G. Savvides (Chairman), S. Adams (Deputy Chairman), J. Seeley, G. Allison, B. Vaneris, T McCormack, F. Pearce, D. Shepherd, W. Simpson, D. Gardiner, C. Rogers, J Harrower, J Barraclough, L Baur, C Carter, R Goudswaard and B Wurzbacher.

30 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 2017 the number of present or past members having obligations to contribute on winding-up was 17 (2016: 14).

31 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.


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


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 12 to 51 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 2017 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 2017 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
24th November 2017

Collins Square, Tower 1
727 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.granthornton.com.au

Independent Auditor's Report to the Members of World Vision Australia

Report on the Audit of the Financial Report

Auditor's Opinion

We have audited the accompanying financial report of World Vision Australia (the "Company") which comprises the statement of financial position as at 30 September 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 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 2017 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the Directors determine is 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.

Those charged with governance 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 Regulations (1947)

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 included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of 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 2008 and the WA Charitable Collections Act (1946) and the WA Charitable Collections Regulations (1947).

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 designed to detect all instances of non-compliance with the requirements described in the above-mentioned Acts and Regulations as 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. 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 2017, 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).
- b) the money received as a result of fundraising appeals conducted by the Company during the financial year ended 30 September 2017 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 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 2017. I was responsible for the execution of the audit and delivery of our firm's audit report.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Eric W Passaris

E W Passaris
Partner - Audit & Assurance

Melbourne, *24* November 2017