



World Vision

Australia

ABN 28 004 778 081

Annual Statements & Accounts

**for the year ended
30 September 2013**

I certify that this is a true copy of all accounts required to be laid before the company at the Annual General Meeting, together with a copy of every other document required by Section 316 of the Corporations Act 2001 to be laid before the Annual General Meeting.


Company Secretary
(S K Huang)
22 November 2013

Annual Statements & Accounts **30 September 2013**

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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 Profit 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 Barraclough, L Baur, C Carter, T McCormack, R Goudswaard, J Harrower, F Pearse, B Pipella, D Shepherd and W Simpson.

Chief Executive Officer:

T Costello

Company Secretary:

S K Huang

Independent Auditor:

PricewaterhouseCoopers
2 Southbank Boulevard
Southbank, Victoria 3006

Banker:

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

Website address:

www.worldvision.com.au

Directors' Report

The Directors present their report with respect to the results of the company for the financial year ended 30 September 2013 and the state of the company's affairs at that date. The Directors in office at the date of this report are:

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

George Savvides was appointed Chairman of World Vision Australia in July 2012. George Savvides is the Managing Director of Medibank, Australia's largest health insurer, and was appointed in 2002. The organisation has enjoyed record membership growth and strong financial performance and expanded into health services as well as health insurance. Medibank's revenue is over \$5 billion per annum, covering nearly 4 million customers. George has twenty years' experience in the Australian health care industry. He was Managing Director of Sigma Co Ltd, which he listed on the ASX in 1999. 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. He is also Vice President of the Council of the iFHP (International Federation of Health Plans). He is Chairman of Arrow Leadership Australia and has recently been reappointed as a Director of World Vision Australia. He previously served for 12 years on the World Vision Australia board and was also on the World Vision International board over some of that time.

SHANNON ADAMS (DEPUTY CHAIR) LL.B, FAICD

Shannon Adams joined the World Vision Australia Board in 2005 and the World Vision International board in 2013. Shannon is a lawyer who has advised financial institutions and insurers for over 27 years. He has been the managing partner of several legal firms and is presently a partner at Langes+. He specialises in financial services, insurance law and corporate governance, with a strong emphasis on the mutuals sector.

Special Responsibilities: Deputy Chairman, Audit Committee.

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

Rob Goudswaard joined our Board in 2008. He is currently the CEO and a Director of Rural Finance Corporation 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 has a Bachelor of Economics from Latrobe University, Postgraduate degree in Corporate Finance from RMIT and attended the Senior Management Programmes at Melbourne Business School and London Business School.

Special Responsibilities: Audit Committee (Chairman)

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

Bishop John Harrower joined our Board in 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 and was installed as the 11th Bishop of Tasmania in 2000. In that same year he was awarded a Medal of The Order of Australia "for service to the community through the Anglican Church and as a missionary". John holds senior positions on mission boards and national committees of the Anglican Church.

Special Responsibilities: People, Culture & Remuneration Committee (Chairman)

JUDY BARRACLOUGH B.AgEc, MBA, MAICD

Judy Barraclough joined the Board of World Vision Australia 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 most recently was Head of Strategy with the top-50 ASX listed property trust, The GPT Group, based in Sydney and also led the organisation's Corporate Affairs and Research functions.

Previously, Judy was General Manager of Strategy and Planning with Rabobank and, prior to that, held a variety of diverse roles with Wesfarmers Limited. Judy is also involved in the leadership of her church, has led strategy development in church environments, and is involved in various volunteer activities.

Special responsibility: Audit Committee.

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LOUISE BAUR AM B.SC (MED), MB.BS (HONS), PHD, FRACP, GAICD

Louise Baur joined the Board in 2007. Louise is Professor in both the Discipline of Paediatrics & Child Health and the Sydney School of Public Health at the University of Sydney. She is a consultant paediatrician at The Children's Hospital at Westmead, the main paediatric institution in Sydney. She has long-standing expertise in various aspects of child health 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".

Special Responsibilities: Audit Committee

COLIN CARTER B.COM, MBA

Colin Carter joined our Board in 2008. Colin has over 31 years consulting experience advising on business strategy, corporate governance and organisational issues. Colin retired from full time consulting work with The Boston Consulting Group in 2001 and has since been a director of Origin Energy Ltd and a Commissioner of the Australian Football League. Colin currently serves on the boards of Wesfarmers Limited, Seek Limited, Lend Lease Limited, and the Geelong Football Club as a non-executive director. He is also a director of The Cape York Institute for Policy and Leadership and the Indigenous Enterprise Partnership and Chair of the AFL Foundation.

Special Responsibilities: People, Culture & Remuneration Committee

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

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 has held a number of other globally significant positions. 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.

FIONA PEARSE B.EC, CPA, GAICD

Fiona Pearse joined the Board in 2011. She has extensive financial and commercial experience gained from a large variety of executive and non-executive director roles. Her executive career included almost two decades at large global companies, mainly in Finance and Tax at BHP Billiton, the world's largest diversified resources company, and also at BlueScope Steel, one of Australia's largest manufacturers. She has worked in industries as diverse as Petroleum, Transport, Utilities, Insurance, and Steel both in senior financial roles at the coalface, as well as in financial and tax oversight, advisory, and planning roles at Corporate Head Office. Fiona was the key person responsible for the tax due diligence and tax integration of multiple business acquisitions. She is currently an independent non-executive director at City West Water, the utility that supplies drinking water, sewage, and other services to business and residential customers throughout Melbourne's Central Business District, and inner and western suburbs. It has a turnover of \$477 million p.a. and assets of \$2 billion. She is also a director of two of Australia's leading independent schools, Scotch College and Presbyterian Ladies' College. Fiona holds a Bachelor of Economics, majoring in Accounting; she is a Graduate of the Australian Institute of Company Directors, and she is also a Certified Practising Accountant (CPA).

Special Responsibilities: Audit Committee

BARRY PIPELLA. FAICD

Barry Pipella joined our Board in 2005. Barry was appointed to the role of Executive Director, Strategic Sales, and Telstra Enterprise & Government in October 2010. In this role Barry has accountability for sales of services and products to Telstra's top 150 enterprise customers. Prior to joining Telstra in 2010, Barry worked at IBM for 14 years holding many senior leadership roles including Vice President for Asia Pacific Financial Services Sector and Vice President for Sectors and Sales, IBM Global Technology Services (GTS) ANZ. Before IBM, Barry had 10 years in sales leadership in the financial services sector with Digital Equipment Corporation. Barry is a board member for Business for Millennium Development (B4MD) and the Australian Information Industry Association (AIIA) Board.

Special Responsibilities: People, Culture & Remuneration Committee

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DONNA SHEPHERD BA, MIIM, GAICD

Donna Shepherd joined the World Vision Australia Board in 2008 and the World Vision International Board in 2010. Donna is the Managing Director of Creating Communities Australia, a community and economic development consultancy. Donna holds a Masters in International Administration from the School for International Training in Vermont USA. She has worked in the USA, Tunisia, Ecuador and Australia and has extensive experience in social planning, strategic planning, community engagement, communications and training. Donna is currently also on the Indigenous Advisory Group for World Vision Australia and the Envirodevelopment Board for the Urban Development Institute of Australia WA. She has previously served on the boards of University of Western Australia Extension, Southern Arc, Ausdance WA, Chrissie Parrot Dance Collective and the Independent Filmmakers Association.

Special Responsibilities: People, Culture & Remuneration Committee

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

Wendy Simpson joined the Board of World Vision Australia in February 2013. Wendy is an experienced, versatile global business leader and entrepreneur. She is the Chairman of Wengeo Group, an innovative diversified investment group. She is also 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 had 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.

Special Responsibilities: People, Culture & Remuneration Committee

COMPANY SECRETARY: SEAK-KING HUANG. B.A., LL.B (HONS), MAICD

Seak-King Huang joined World Vision Australia in June 2006. Prior to this, Seak-King was a partner with Clayton Utz and has over 20 years experience as a lawyer. She is also Executive Counsel of World Vision Australia. She is on the board of Light Melbourne Inc.

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**Directors' attendance in full Board and Board Committee meetings held between
1 October 2012 and 30 September 2013:**

Attendance at Meetings	Full Board Meeting		People Culture & Remuneration Committee		Audit Committee	
	A	B	A	B	A	B
G Savvides – Chairman (1)	5	5	4	4	4	3
S Adams	5	5	0	0	4	4
J Barracough (2)	4	4	0	0	2	2
L Baur	5	4	0	0	4	4
C Carter	5	5	4	3	0	0
R Goudswaard (3)	5	4	2	2	2	2
J Harrower (4)	5	4	2	2	2	2
T McCormack (5)	1	1	0	0	0	0
F Pearse	5	5	0	0	4	4
B Pipella	5	5	4	2	0	0
M Prince (6)	2	1	1	0	0	0
D Shepherd	5	4	4	4	0	0
W Simpson (2)	4	4	2	2	0	0

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 2012 and in February, April, July and September 2013.
- People Culture & Remuneration Committee meetings and Audit Committee meetings took place in November 2012 and in March, July and September 2013.

- (1) The Chairman is an ex-officio member of each of the People Culture & Remuneration Committee and the Audit Committee.
- (2) J Barracough & W Simpson joined the Board of Directors in February 2013. J Barracough joined the Audit Committee in July 2013 and W Simpson joined the People Culture & Remuneration Committee in July 2013.
- (3) R Goudswaard ceased to be a member of the People Culture & Remuneration Committee and joined and became Chairman of the Audit Committee in July 2013.
- (4) J Harrower ceased to be a member of the Audit Committee and became Chairman of the People Culture & Remuneration Committee in July 2013.
- (5) T McCormack joined as a director in September 2013.
- (6) M Prince retired from the Board of Directors in February 2013.

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.

Results

Total revenue for the year was \$370.3m (2012: \$343.9m), total funds to international and domestic programs was \$221m (2012: \$215m) and other expenditure was \$150.6m (2012: \$127.5m) resulting in a deficit of \$1.4m (2012: surplus \$1.4m). This was affected by:

- 1.5% increase in Child Sponsorship income
- 45% increase in donated pharmaceutical medicines
- 2.3% increase in funds to International programs
- 26% increase in fundraising costs

Dividends

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

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Review of Operations

Thanks to the ongoing commitment of World Vision Australia's supporters, monetary donations and gifts from the public grew in 2013 to a total of \$242.4m.

Revenue from Child Sponsorship grew 1.5% to \$188.9m and was supplemented by the first rate rise in six years, which reflects the increasing cost of maintaining the quality and impact of our work in communities around the world. Although the absolute number of children sponsored declined slightly, at balance date 362,125 children were sponsored through World Vision's Child Sponsorship program enabling these children, their families and their communities to benefit.

Donated goods revenue reached \$44.5m, an increase of 57%, primarily due to additional shipments of pharmaceutical goods being sourced and provided to the field.

Increased focus on securing grants from outside Australia resulted in an 11.8% increase in grant income and more than offset a decline from Australian-based sources.

A progressive decline in interest rates applicable to cash deposits during 2013 meant that investment income declined by 32%.

Through the generosity of our supporters, in 2013 World Vision Australia was able to increase its commitment to the field. Monetary contributions to our mission through overseas and domestic projects increased by 2.8% to \$216.7m and non-monetary contributions such as pharmaceuticals, and World Food Program distributions rose by 32% to \$63.0m.

Fundraising costs increased during the year from 11.5% of revenue to 13.4% as deeper investment was made in World Vision Australia's brand and also in diversifying the reach and penetration of our sales and marketing effort.

Ongoing attention to accountability and administration costs resulted in a reduction of 2.4% when compared to 2012, primarily due to lower salary and travel costs.

The net assets position of the company as at 30 September 2013 was affected by the movement in the USD/AUD exchange rate. In line with its hedging policy, the company currently takes out forward contracts to hedge future commitments in US dollars. As at 30 September 2013, the change in fair value of hedging contracts resulted in an increase of \$9.8m of net assets compared to the prior year (\$2.8m liability at 30 September 2012 to \$7.0m asset at 30 September 2013).

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

Apart from the ongoing uncertainty being experienced in the global economy and its impact on World Vision Australia, since the year end 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 continues to focus on international development, relief and advocacy. No change to this principal activity is likely.

Directors' Benefits

No Director of the company has received or has become entitled to receive a benefit, because of a contract made by the company, other than as described in Note 21 to the accounts.

Insurance of Officers

The company has paid premiums to insure directors and 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

Insurance of Officers (continued)

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 \$21,728 (2012: \$21,631). This premium has not been included in the notes on Remuneration of Directors and Key Management Personnel (Notes 21 and 22).

Environmental Regulations

World Vision Australia'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 employ the auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the company is important.

Details of the amounts paid or payable to the auditor (PwC) for audit and other services provided during the year are set out below. During 2013, PwC undertook two substantial non-assurance expert advisory engagements with World Vision Australia. The first developed insights to inform product strategy while the second is part of a series developing an organisational culture of supporter centricity to underpin our organisational design, product offerings and operational activities.

The Board of Directors has considered the position and, in accordance with advice received from the Audit Committee, is satisfied that the provision of the other services are compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of other services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- (i) All other services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- (ii) None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

During the year the following fees were paid or payable for other services provided by the auditor of the company, its related practices and non-related audit firms:

	2013 \$'000	2012 \$'000
Other Services		
Assurance services		
PwC Australia firm:		
Assurance over total gross Greenhouse gas emissions	5	5
Western Australia State Government Compliance Review	1	1
Other assurance services	15	-
Total remuneration for assurance services	<u>21</u>	<u>6</u>
Non-assurance services		
PwC Australia firm:		
Coaching regarding proposal process	-	14
Due diligence procedures	-	30
Support for development of product strategy	188	41
Support for development of culture strategy	304	-
Total remuneration for other non-assurance services	<u>492</u>	<u>85</u>
Total remuneration for other services	<u>513</u>	<u>91</u>

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Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 10.

Rounding of amounts

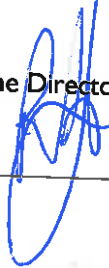
The company is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, unless otherwise stated.

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



Chairman

Melbourne, 22 November 2013



Director



Auditor's Independence Declaration

As lead auditor for the audit of World Vision Australia for the year ended 30 September 2013, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of World Vision Australia during the period.

A handwritten signature in blue ink, appearing to read 'Nadia Carlin', is written over a light blue horizontal line.

Nadia Carlin
Partner
PricewaterhouseCoopers

Melbourne
22 November 2013

Annual Financial Report **30 September 2013**

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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 a registered 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 6 in the Directors' Report, which is not part of this financial report.

The financial report was authorised for issue by the Directors on 22 November 2013. WVA has the power to amend and reissue the financial report.

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Income Statement

for the year ended 30 September 2013

	Notes	2013 \$'000	(Revised)* 2012 \$'000
REVENUE			
Donations and Gifts			
Monetary			
Pledge programs	4a	198,143	195,124
Appeals, donations & gifts	4a	44,293	43,459
Non-Monetary			
Donated goods	4b	44,480	28,329
Grants (Multilateral)	4c	19,884	19,847
		306,800	286,759
Bequests and Legacies	4d	3,066	2,470
Grants			
AusAID		37,569	41,468
Other Australian		1,804	2,408
Other Overseas		18,877	8,214
		58,250	52,090
Investment Income		1,275	1,887
Other Income		879	706
TOTAL REVENUE		370,270	343,912
EXPENDITURE			
International Aid and Development Programs Expenditure			
International Programs			
- Funds to international programs	5	216,775	211,183
- Program support costs		8,314	8,750
		225,089	219,933
Community Education		3,260	4,786
Fundraising Costs			
- Public		46,560	37,515
- Government, multilateral and private		3,181	1,887
Accountability and Administration		26,260	26,905
Non-Monetary Expenditure	5,6b	63,035	47,710
Total International Aid and Development Programs Expenditure		367,385	338,736
Domestic Programs Expenditure		4,257	3,800
TOTAL EXPENDITURE	6a	371,642	342,536
(Shortfall)/Excess of Revenue over Expenditure		(1,372)	1,376

The above income statement 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 2013, World Vision Australia had no transactions in the following categories; Revenue for international political or religious proselytisation programs and Expenditure for international political or religious proselytisation programs.

* The 'ACRID' Code of Conduct (Section F.2.1) allows for administration costs of overseas field offices or program partners to be included in the 'Funds to International Programs' expense line item in the Statement of Income. In 2013 \$7.3 million of administrative costs have been included in this expense line, and \$6.3 million has been appropriately reclassified in 2012 from 'Accountability and Administration' to 'Funds to International Programs'.

Statement of Comprehensive Income

for the year ended 30 September 2013

	Notes	2013 \$'000	2012 \$'000
(Shortfall)/Excess of Revenue over Expenditure		(1,372)	1,376
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Changes in the fair value of cash flow hedges	16	9,755	(11,070)
Other comprehensive income/(loss) for the year		<u>9,755</u>	<u>(11,070)</u>
Total comprehensive income/(loss) for the year		<u>8,383</u>	<u>(9,694)</u>

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

Statement of Financial Position

as at 30 September 2013

	Notes	2013 \$'000	2012 \$'000
ASSETS			
Current Assets			
Cash & Cash Equivalents	7, 18b	30,623	35,194
Receivables	8	1,692	1,184
Financial Assets	9	59	46
Inventories	10	22	58
Donated Goods	11	2,324	979
Unrealised Currency Hedge Receivable	16	6,996	-
Total Current Assets		41,716	37,461
Non-Current Assets			
Investment Property	12	-	288
Property, Computer Hardware & Equipment	13	23,440	23,172
Total Non-Current Assets		23,440	23,460
TOTAL ASSETS		65,156	60,921
LIABILITIES			
Current Liabilities			
Accounts Payable	14	7,923	9,715
Provisions	15	5,549	5,065
Unrealised Currency Hedge Payable	16	-	2,759
Total Current Liabilities		13,472	17,539
Non-Current Liabilities			
Provisions	17	1,088	1,169
Total Non-Current Liabilities		1,088	1,169
TOTAL LIABILITIES		14,560	18,708
NET ASSETS		50,596	42,213
Equity			
Reserves	16	6,996	(2,759)
Retained Earnings		43,600	44,972
TOTAL EQUITY		50,596	42,213

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

Statement of Changes in Equity
for the year ended 30 September 2013

	Reserves \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 October 2011	8,311	43,596	51,907
Excess of Revenue over Expenditure	-	1,376	1,376
Other comprehensive loss for the year	(11,070)	-	(11,070)
Balance at 30 September 2012	(2,759)	44,972	42,213
Shortfall of Revenue over Expenditure	-	(1,372)	(1,372)
Other comprehensive income for the year	9,755	-	9,755
Balance at 30 September 2013	6,996	43,600	50,596

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

Cash Flow Statement
for the year ended 30 September 2013

	Notes	2013 \$'000	2012 \$'000
Cash flows from operating activities			
Receipts from donors and merchandising (inc. GST)		305,525	294,648
Interest received		1,215	1,827
Payments to field offices, suppliers and employees (inc. GST)		(309,719)	(288,111)
Net cash (used in) / provided by operating activities	18a	(2,979)	8,364
Cash flows from investing activities			
Purchases of property, computer hardware and equipment		(1,860)	(1,983)
Proceeds from sale of property, computer hardware and equipment		268	1
Net cash used in investing activities		(1,592)	(1,982)
Net (decrease) / increase in cash held			
Cash at beginning of financial year		35,194	28,812
Cash at end of the financial year	7, 18b	30,623	35,194

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

**Notes to the Financial Statements
as at 30 September 2013**

I. 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 *Corporations Act 2001*. '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 on Financial Reporting and meets the requirements of Section C.2.2 of the Code. Section C.2.2 prescribes the disclosure requirements of the Income Statement, Statement of Financial Position, Statement of Changes in Equity, and Table of Cash Movements for Designated Purposes disclosed in Note 18 (c).

Compliance with IFRS

The financial statements of World Vision Australia also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

New and amended standards adopted by the company

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 October 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

Early adoption of standards

The company has elected to apply AASB 13 before its operative date in the annual reporting period beginning 1 October 2012. This is disclosed in Note 1t).

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.

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 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.

World Vision Australia 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 World Vision Australia.

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

**Notes to the Financial Statements
as at 30 September 2013 (continued)**

c) Revenue recognition (continued)

(i) Interest Income

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

(ii) Donated Goods

These are accepted on the basis they will provide a future benefit. Revenue is brought to account when the goods are received by the intended recipients and is recorded at fair value, which is represented by either wholesale value or an independent valuation.

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 provides the fair value of the pharmaceutical goods every twelve months.

(iii) Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. Grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

(iv) 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) Property, computer hardware and equipment

Land is recorded at cost. All other property, computer hardware and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Computer hardware includes software installed on the hardware asset.

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 1f).

**Notes to the Financial Statements
as at 30 September 2013 (continued)**

e) Property, computer hardware and equipment (continued)

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.

f) 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).

g) 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.

h) Employee benefits

Short-term obligations

Liabilities for wages and salaries (including non-monetary benefits, annual leave, annual leave loading, long service leave and accumulated sick leave expected to be settled within 12 months after the end of the period in which the employees render the related services) are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and long service leave is recognised as a provision. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations

The liability for long service leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related services is recognised as a provision and is 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 national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

WVA Executives are paid in accordance with the WVA remuneration policy. WVA uses third party methodologies for role grading and annual benchmark reporting. WVA 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.

**Notes to the Financial Statements
as at 30 September 2013 (continued)**

j) Provisions

Provisions for legal claims, service warranties 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.

World Vision Australia 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.

k) Cash & cash equivalents

Cash includes cash on hand and term deposits held at call 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.

l) 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.

m) Comparative figures

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

n) Receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement not more than 30 days from the date of recognition, and no more than 30 days for other debtors. 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.

o) Investment property

An investment property received by way of a bequest is stated at deemed cost less accumulated depreciation. Investment property is held per the terms of the bequest. Useful life is 40 years, with the property being depreciated over its useful life using the straight-line method.

p) 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.

q) 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 World Vision Australia, donated goods are held in inventory until the risks and rewards have passed to the receiving entity.

**Notes to the Financial Statements
as at 30 September 2013 (continued)**

r) Foreign currency hedging

World Vision Australia 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 WVA and other support offices. WVA enters into a series of forward foreign exchange agreements to provide certainty of the total US dollars available to fund projects.

WVA 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. WVA 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.

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. WVA 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 profit or loss 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.

s) 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 25). 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.

**Notes to the Financial Statements
as at 30 September 2013 (continued)**

t) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2013 reporting periods. The company's assessment of the impact of these new standards and interpretations is set out below.

AASB 10 Consolidated Financial Statements (effective 1 January 2014)

AASB 10 established a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements under *UIG -112 Consolidation – Special Purpose Entities*.

The new control model broadens the situation when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. The company has assessed that there are no entities that it controls for which consolidation is required.

AASB 11 Joint Arrangements (effective 1 January 2014)

AASB 11 replaces AASB 113 *Interest in Joint Ventures* and *UIG -113 jointly controlled Entities – Non-monetary Contributions by Venturers*. AASB 11 uses the principal of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities using proportionate consolidation. Instead, accounting for joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturer a right to the net assets are accounted for using the equity method. The company has concluded there are no joint arrangements.

AASB 12 - Disclosure of Interests in Other Entities (effective 1 January 2014)

AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates, structured entities and subsidiaries with non-controlling interests. As there are no interests in subsidiaries, joint arrangements, associates and structured entities, this is not applicable and no additional disclosures are required.

AASB 13 - Fair Value Measurement (effective 1 January 2013)

AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. The new standard does not change when an entity is required to use fair value, but rather provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. The company has adopted the fair value measurement rules.

**Notes to the Financial Statements
as at 30 September 2013 (continued)**

t) New accounting standards and interpretations (continued)

AASB 119 Employee Benefit (effective 1 January 2013)

The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. The company intends to apply the new rules for the first time in the financial year commencing 1 October 2013.

AASB 2012-3 Amendments to Australian Accounting Standard - Offsetting Financial Assets and Financial Liabilities and AASB 2012-2 Disclosures - Offsetting Financial Assets and Financial Liabilities (effective 1 January 2014 and 1 January 2013 respectively)

In June 2012, the AASB approved amendments to the application guidance in *AASB 132 Financial Instruments: Presentation*, to clarify some of the requirements for offsetting financial assets and financial liabilities in the balance sheet. These amendments are effective from 1 January 2014. They are unlikely to affect the accounting for any of the company's current offsetting arrangements. However, the AASB has also introduced more extensive disclosure requirements into *AASB 7* which will apply from 1 January 2013. When these become applicable, the company will provide additional disclosures in relation to its offsetting arrangements, but the company does not expect these changes to be material. The company intends to apply the new rules for the first time in the financial year commencing 1 October 2013.

AASB 2012-5 Amendments to Australian Accounting Standard arising from Annual Improvements 2009-2011 cycle (effective for annual periods beginning on or after 1 January 2013)

In June 2012, the AASB approved a number of amendments to Australian Accounting Standards as a result of the 2009-2011 annual improvements project. The company will apply the amendments from 1 October 2013. The company does not expect that any adjustments will be necessary as the result of applying the revised rules.

AASB 1053 Application of Tiers of Australian Accounting Standards

This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements:

- (a) Tier 1: Australian Accounting Standards
- (b) Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements

Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosure corresponding to those requirements. The company will apply the Tier 1 requirements in preparing general purpose financial statements.

**Notes to the Financial Statements
as at 30 September 2013 (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.

WVA adopts a conservative approach to the management of foreign currency risk and hedges 80% of the estimated cash field payment for the financial year before the beginning of that financial year.

Approximately 104% (2012: 98%) 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 2013 USD \$'000	30 September 2012 USD \$'000
Forward Exchange Contracts: Buy foreign currency (cash flow hedges)	164,817	173,288

Organisation Sensitivity

Based on the financial instruments held at 30 September 2013, had the 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 \$19,924,873 higher / \$16,302,169 lower (2012: \$15,018,103 higher / \$18,893,496 lower) had the Australian dollar forward rate weakened / strengthened by 10% against the US dollar. The company's exposure to other foreign exchange movements is not material.

**Notes to the Financial Statements
as at 30 September 2013 (continued)**

a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk

The company's main interest rate risk arises from short term investments. Term deposits issued at variable rates expose the company to cash flow interest rate risk. Term deposits issued at fixed rates expose the organisation to fair value interest rate risk. During 2013 and 2012, the company's term deposits and investments were at fixed rates and were denominated in Australian dollars. As at the reporting date, the company had the following term deposits and investments:

	30 September 2013 \$'000	30 September 2012 \$'000
Term deposits	11,550	12,500
Cash and bank balances	19,073	22,694
Total	30,623	35,194

Organisation sensitivity

At 30 September 2013, 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 \$27,291 higher/lower (2012: \$25,685 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 2013 is \$30,622,541 (2012: \$35,193,504) 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.

**Notes to the Financial Statements
as at 30 September 2013 (continued)**

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).

The following table presents the company's assets and liabilities measured and recognised at fair value at 30 September 2013 and 30 September 2012:

At 30 September 2013	Level 1	Level 2	Level 3	Total
\$'000				
Assets				
Financial Assets	59	-	-	59
Derivatives used for hedging	6,996	-	-	6,996
Total Assets	7,055	-	-	7,055
At 30 September 2012	Level 1	Level 2	Level 3	Total
\$'000				
Assets				
Financial Assets	46	-	-	46
Total Assets	46	-	-	46
Liabilities				
Derivatives used for hedging	2,759	-	-	2,759
Total Liabilities	2,759	-	-	2,759

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 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 2013 (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.

a) Critical accounting estimates and assumptions

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

World Vision Australia 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 2013, \$39,300,315 (2012: \$27,113,634) of income and \$39,300,315 (2012: \$27,113,634) of disbursements were recognised from pharmaceutical donations. There was no amount held as pharmaceutical inventory as at 30 September 2013 (2012: \$0).

Other donated goods (includes food donated by International agencies)

World Vision Australia uses the wholesale value or an independent valuation for valuing donated goods. During 2013, \$25,063,736 (2012: \$21,062,219) of income and \$23,733,125 (2012: \$20,596,153) of disbursements were recognised as donated goods. As at 30 September 2013, \$2,323,934 (2012: \$979,030) 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 2013

b) Critical judgments in applying the entity's accounting policies

Other than that mentioned in Note 2(d), there are no areas that significant judgement has been applied to the company that has a significant impact upon the financial statements.

**Notes to the Financial Statements
as at 30 September 2013 (continued)**

	2013	2012
	\$'000	\$'000
4a) Monetary Donations & Gifts		
Pledge programs		
- Child Sponsorship	188,953	186,214
- Other	9,190	8,910
Total	<u>198,143</u>	<u>195,124</u>
Appeals, donations & gifts		
- Emergency relief appeals	2,041	3,838
- Other appeals	28,318	29,969
- Other cash donations & gifts	13,934	9,652
Total	<u>44,293</u>	<u>43,459</u>
4b) Donated Goods		
Goods donated by Australian Corporations	5,180	1,215
Medicines donated by International Agencies	39,300	27,114
Total	<u>44,480</u>	<u>28,329</u>
4c) Grants (Multilateral)		
Food donated by International Agencies	19,884	19,847
Total	<u>19,884</u>	<u>19,847</u>
4d) Bequests and Legacies		
Child Sponsorship	149	66
Other	2,917	2,404
Total	<u>3,066</u>	<u>2,470</u>

**Notes to the Financial Statements
as at 30 September 2013 (continued)**

5. Disbursements to Overseas Projects by Country

Region/Country	2013	(Revised)
	\$'000	2012 \$'000
Burundi	1,918	1,708
Ethiopia	10,683	9,251
Kenya	10,337	10,806
Rwanda	3,935	3,400
Somalia	1,668	3,452
Sudan	5,087	4,586
Republic of South Sudan	7,085	9,288
Tanzania	9,246	5,737
Uganda	8,384	6,216
Regional Office (1)	1,684	4,319
East Africa	60,027	58,763
Angola	226	-
Congo	4,005	2,699
Lesotho	2,660	4,240
Malawi	4,865	3,513
Mozambique	5,050	5,070
South Africa	2,398	2,247
Swaziland	3,313	2,935
Zambia	6,845	5,117
Zimbabwe	8,690	10,800
Regional Office (1)	890	1,186
Southern Africa	38,942	37,807
Chad	1,315	1,027
Ghana	2,153	2,028
Mali	1,219	-
Mauritania	-	435
Niger	537	-
Senegal	3,712	3,998
Sierra Leone	41	-
Regional Office (1)	6	1,344
West Africa	8,983	8,832
Afghanistan	2,293	1,115
Albania	44	88
Armenia	114	157
Azerbaijan	929	879

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**Notes to the Financial Statements
as at 30 September 2013 (continued)**

	2013 \$'000	(Revised) 2012 \$'000
Bosnia and Herzegovina	473	252
Cyprus	1,072	1,060
Georgia	252	198
Jerusalem/West Bank/Gaza	4,886	4,753
Jordan	6,990	-
Lebanon	6,109	1,471
Pakistan	3,981	4,353
Romania	45	-
Uzbekistan	-	20
Regional Office (1)	947	636
Middle East/Eastern Europe Region	28,135	14,982
Bangladesh	4,322	4,163
Cambodia	15,268	5,714
China	1,240	1,411
East Timor	5,357	4,919
India	6,302	4,848
Indonesia	4,472	3,779
Japan	-	157
Laos	3,388	11,715
Mongolia	2,483	1,902
Myanmar	5,518	3,648
Nepal	1,649	1,501
North Korea	90	-
Pacific Development Group (2)	18,127	15,254
Philippines	847	1,460
Sri Lanka	5,656	5,163
Thailand	1,219	1,667
Vietnam	30,403	23,243
Regional Office (1)	1,857	1,258
Asia Pacific	108,198	91,802
Bolivia	2,310	1,812
Brazil	4,331	4,087
Chile	381	1,925
Colombia	1,887	1,799
Ecuador	2,903	2,901
Guatemala	2,426	1,856
Haiti	2,516	1,793

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Notes to the Financial Statements
as at 30 September 2013 (continued)

	2013	(Revised) 2012
	\$'000	\$'000
Honduras	2,865	3,102
Nicaragua	3,538	3,598
Peru	3,704	3,703
Regional Office (1)	1,371	859
Latin America	28,232	27,435
Global Operations – Ministry (3)	13,981	12,797
Other International Projects (4)	6,345	3,416
Partnership Treasury Office (5)	(20,298)	(3,264)
Total Cash and Donated Goods Disbursed to International Projects	272,545	252,570
Global Operations – Administration (6)	7,265	6,323
TOTAL	279,810	258,893
Analysed as:		
Funds to International Programs (7)	216,775	211,183
Non-Monetary Expenditure	63,035	47,710
Total	279,810	258,893

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

(2) Pacific Development Group includes Papua New Guinea, Solomon Islands and Vanuatu.

(3) Funding of global management and expertise. World Vision Australia is part of the World Vision International Partnership which operates in 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.

(6) Funding of World Vision International Partnership global administration costs is classified in Funds to International Programs in the Income Statement.

(7) The 'ACFID' Code of Conduct (Section F.2.1) allows for administration costs of overseas field offices or program partners to be included in the 'Funds to International Programs' expense line item in the Statement of Income. In 2013 \$7.3 million of administrative costs have been included in this expense line, and \$6.3 million has been appropriately reclassified in 2012 from 'Accountability and Administration' to 'Funds to International Programs'.

**Notes to the Financial Statements
as at 30 September 2013 (continued)**

	2013 \$'000	2012 \$'000
6a) Expenditure		
Disbursements to overseas projects (Note 5)	279,810	258,893
Disbursement to domestic projects	4,257	3,800
Employee benefits expense	50,204	50,465
Advertising, printing & postage	19,258	16,045
Rent and occupancy	1,221	1,374
Depreciation	1,496	1,479
Other	15,396	10,480
Total	371,642	342,536
6b) Non-Monetary Expenditure Reconciliation		
Non-monetary revenue	64,364	48,176
Opening donated goods	979	513
Less Closing Donated goods (Note 11)	(2,324)	(979)
Total Revenue	63,019	47,710
International non-monetary expenditure	63,035	47,710
Less purchased inventory disbursed	(16)	-
Total Expenditure received as a donation	63,019	47,710

Current Assets

7. Cash & cash equivalents		
Cash at bank and cash on hand	19,073	22,694
Deposits at call (i)	11,550	12,500
Total	30,623	35,194

(i) Deposits at call

The deposits earned interest at a rate of 3.07% in 2013 (2012: 4.45%).

These deposits have a weighted average investment term of 87 days (2012: 75 days), but remain at call.

8. Receivables

Australian Taxation Office – GST	589	-
Debtors	96	37
Prepayments	856	897
Other	151	250
Total	1,692	1,184

**Notes to the Financial Statements
as at 30 September 2013 (continued)**

	2013 \$'000	2012 \$'000
9. Financial Assets		
Opening carrying amount	46	38
Additions	-	-
Disposals	-	-
Net revaluation	13	8
Closing carrying amount	<u>59</u>	<u>46</u>

The revaluation related to shares bequeathed to the company. In line with the company's accounting policy these have been re-valued to the quoted market value as at 30 September 2013.

10. Inventories		
Other	22	58
Total	<u>22</u>	<u>58</u>

No inventory was written off during the year ended 30 September 2013 (2012: \$1,326).

11. Donated Goods		
Donated goods - awaiting shipment	375	473
Donated goods - in transit	1,949	506
Total	<u>2,324</u>	<u>979</u>

Donated goods from Australian and overseas corporations recognised as a disbursement during the year ended 30 September 2013 amounted to \$43,149,717 (2012: \$27,862,822).

Write-downs of donated goods due to the loss of service potential recognised as an expense during the year ended 30 September 2013 amounted to \$190 (2012: \$0).

Non-Current Assets

12. Investment Property		
Property from a bequest	-	288
Reconciliation of Movements in Investment Property		
Opening carrying amount	288	296
Additions	-	-
Disposals	(282)	-
Depreciation expense	(6)	(8)
Closing carrying amount	<u>-</u>	<u>288</u>

Notes to the Financial Statements
as at 30 September 2013 (continued)

	2013	2012
	\$'000	\$'000
13. Property, Computer Hardware & Equipment		
Property		
Land	5,140	5,140
Buildings	18,006	18,073
Accumulated depreciation	(3,915)	(3,535)
Total Property	<u>19,231</u>	<u>19,678</u>
Computer Hardware		
At cost	4,529	4,284
Accumulated depreciation	(3,317)	(3,813)
Total Computer Hardware	<u>1,212</u>	<u>471</u>
Equipment		
At cost	8,683	8,306
Accumulated depreciation	(5,686)	(5,283)
Total Equipment	<u>2,997</u>	<u>3,023</u>
Total Carrying amount of Property, Computer Hardware & Equipment	<u>23,440</u>	<u>23,172</u>
Reconciliation of Movements in Property, Computer Hardware & Equipment		
Property		
Opening carrying amount	19,678	20,079
Additions	-	45
Work in progress	-	-
Disposals	-	-
Depreciation expense	(447)	(446)
Closing carrying amount	<u>19,231</u>	<u>19,678</u>
Computer Hardware		
Opening carrying amount	470	609
Additions	252	312
Work in progress	754	-
Disposals	(5)	(37)
Depreciation expense	(259)	(413)
Closing carrying amount	<u>1,212</u>	<u>471</u>
Equipment		
Opening carrying amount	3,023	2,190
Additions	933	1,447
Work in progress	(79)	179
Disposals	(96)	(181)
Depreciation expense	(784)	(612)
Closing carrying amount	<u>2,997</u>	<u>3,023</u>
Total Carrying amount of Property, Computer Hardware & Equipment	<u>23,440</u>	<u>23,172</u>

**Notes to the Financial Statements
as at 30 September 2013 (continued)**

	2013	2012
	\$'000	\$'000
Current Liabilities		
14. Accounts Payable		
Trade creditors	2,341	918
Accrued creditors	5,006	5,835
Australian Tax Office - GST	-	2,424
Other payable	576	538
Total	7,923	9,715
15. Provisions		
Annual leave	3,797	3,501
Long service leave	1,752	1,558
Other	-	6
Total	5,549	5,065
16. Hedging Reserve – Cash Flow Hedges		
Balance 1 October	(2,759)	8,311
Fair value revaluation	10,997	(15,736)
Charged to income statement on settlement	(1,242)	4,666
Changes in the fair value of cash flow hedges	9,755	(11,070)
Balance as at 30 September	6,996	(2,759)

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(r). Amounts are recognised in profit and loss when the associated hedged transactions affect profit and loss. The company has agreed to sell A\$172m at an effective exchange rate of 1.009 over the next 12 months.

During the year, the amount of field payments that had not been hedged against foreign currency risk was \$15,000,000 (2012: \$32,873,000).

Non Current Liabilities

17. Provisions		
Long service leave	966	907
Operating lease & other contractual obligations	122	262
Total	1,088	1,169

**Notes to the Financial Statements
as at 30 September 2013 (continued)**

	2013 \$'000	2012 \$'000
18a) Reconciliation of Net cash (used in) / provided by Operating activities to (Shortfall) / Excess of Revenue over Disbursements		
(Shortfall) / Excess of Revenue over Disbursements	(1,372)	1,376
Non-Cash Flows in Operating Activities		
Revaluation on financial assets at fair value through P&L	-	(8)
Loss on disposal of property, computer hardware & equipment	116	227
Depreciation	1,496	1,479
Changes in Assets and Liabilities		
(Increase)/decrease in receivables and prepayments	(508)	270
(Increase) in inventories & donated goods	(1,309)	(465)
(Decrease)/increase in accounts payable	(1,792)	4,545
Increase in provisions	403	948
(Increase) in financial assets	(13)	(8)
Net cash (used in) / provided by Operating Activities	(2,979)	8,364

18b) 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 cash equivalents (Note 7)	30,623	35,194
Cash held on behalf of donors (i)	(27)	(173)
	30,596	35,021

(i) Cash held on behalf of donors is accrued in Accounts Payable (Note 14).

18c) Table of Cash Movement for Designated Purposes.

No single appeal, grant or other form of fund raising for a designated purpose generated 10% or more of the organisation's international aid and development revenue for the financial year.

**Notes to the Financial Statements
as at 30 September 2013 (continued)**

19 Financial Instruments

19a) 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 & Cash equivalents	7	<ul style="list-style-type: none"> - Cash is recognised at its face value. - Cash in excess of liability requirements is invested in term deposits, bank commercial bills and capital investment funds. 	<ul style="list-style-type: none"> - Deposits at call have a weighted average investment term of 87 days. - The interest rate is the current market rate applicable at rollover.
Accounts Receivable	8	<ul style="list-style-type: none"> - Trade receivables are carried at the original invoice amounts due. 	<ul style="list-style-type: none"> - Credit sales are on 30 day terms.
Financial assets at fair value through profit or loss	9	<ul style="list-style-type: none"> - Financial assets at fair value through profit or loss are financial assets held for trading. Gains or losses arising from changes in the fair value are presented in the income statement within other income or expenses in the period in which they arise. 	<ul style="list-style-type: none"> - Shares held as part of a bequest to be converted to cash at a future date depending on the share price.
<i>Financial Liabilities</i>			
Accounts Payable	14	<ul style="list-style-type: none"> - Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the company. 	<ul style="list-style-type: none"> - The company endeavours to settle trade liabilities 25 days after the end of the month in which it receives the invoice.
Unrealised currency hedge payable	16	<ul style="list-style-type: none"> - WVA adopts a conservative approach to the management of foreign currency risk, and hedges 80% of the estimated Cash Field Payment for the financial year before the beginning of that financial year. 	<ul style="list-style-type: none"> - WVA has entered into a number of forward exchange currency contracts at reporting date. The contracts were held at standard terms and conditions.
Other liabilities	15 & 17	<ul style="list-style-type: none"> - Liabilities are recognised for amounts to be paid in the future. 	<ul style="list-style-type: none"> - Other liabilities include donor invested funds that are repayable immediately on request. Interest on these funds is utilised in continuing programming commitments.

**Notes to the Financial Statements
as at 30 September 2013 (continued)**

19b) Fair values

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

19c) 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.

19d) Interest rate risk

WVA is subject to normal commercial interest rate fluctuations on its bank accounts and money market instruments. WVA's exposure to interest rate risks and the effective interest rates of financial assets recognised and unrecognised 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		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000					
Financial Assets															
Cash & cash equivalents	19,073	22,694	11,550	12,500	-	-	-	-	-	-	30,623	35,194	3.1%	4.5%	
Accounts Receivable	-	-	-	-	-	-	-	-	96	37	96	37	N/A	N/A	
Currency Hedge	-	-	-	-	-	-	-	-	6,996	-	6,996	-	N/A	N/A	
Total	19,073	22,694	11,550	12,500	-	-	-	-	7,092	37	37,715	35,231	N/A	N/A	

There was no assessed interest rate risk for financial liabilities.

**Notes to the Financial Statements
as at 30 September 2013 (continued)**

19e) Maturity of financial liabilities

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	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<i>Financial Liabilities</i>														
Accounts Payable	-	-	7,923	7,291	-	-	-	-	7,923	7,291	7,923	7,291	N/A	N/A
Provisions	-	-	5,549	5,065	1,088	1,169	-	-	6,637	6,234	6,637	6,234	N/A	N/A
Currency Hedge	-	-	-	-	-	-	-	-	-	2,759	-	2,759	N/A	N/A
Total	-	-	13,472	12,356	1,088	1,169	-	-	14,560	16,284	14,560	16,284	N/A	N/A

Notes to the Financial Statements
as at 30 September 2013 (continued)

19f) Foreign currency risk

World Vision Australia 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\$172m at an effective exchange rate of 1.009 over the next 12 months.

20. 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. Effective from 1 July 2013 the rate increased from 9% to 9.25%.

21. Remuneration of Directors

No amounts were received from or are payable by the company to Directors of the company. The 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 World Vision Australia.

**Notes to the Financial Statements
as at 30 September 2013 (continued)**

22. Remuneration of Key Management Personnel

Name	Job Title	Cash salary and fees	Short-term employee benefits			Long-term benefits	Post-employment benefits		Total
			Cash bonus	Non-monetary benefits	Long service leave		Super-annuation	Termination benefits	
2013									
T.Costello	Chief Executive Officer	277,526	-	4,896	8,409	25,350	-	316,181	
M.Gow	Chief Strategy Officer and Chief of Staff	172,956	-	-	6,762	13,652	-	193,370	
S.Hughes (1)	Chief Financial Officer	166,737	-	-	1,758	12,697	-	181,192	
J.Ward	Executive Officer	193,905	-	-	2,529	17,588	-	214,022	
Total		811,124	-	4,896	19,458	69,287	-	904,765	
2012									
T.Costello	Chief Executive Officer	228,807	-	5,021	4,248	20,642	-	258,718	
M.Gow	Chief Strategy Officer and Chief of Staff	153,802	-	-	3,611	11,998	-	169,411	
S.Hughes	Chief Financial Officer	163,604	-	-	1,018	8,357	-	172,979	
J.Ward	Executive Officer	192,431	-	-	2,989	17,236	-	212,656	
Total		738,644	-	5,021	11,866	58,233	-	813,764	

Staff members included as Key Management Personnel include all core members of the Strategic Executive whether or not they report directly to the CEO.

(1) Tendered his resignation on 14 August 2013.

Notes to the Financial Statements
as at 30 September 2013 (continued)

23. Remuneration of auditors

Amounts received or receivable by our auditors, PricewaterhouseCoopers for:

	2013 \$'000	2012 \$'000
Auditing the financial accounts for the current year	95	95
Other services:		
Assurance of total gross Greenhouse Gas Emissions	5	5
Coaching regarding proposal process	-	14
Due diligence procedures	-	30
Other assurance services	15	-
Support for development of product strategy	188	41
Support for development of culture strategy	304	-
Western Australia State Government Review	1	1
	608	186

24. Contingencies

As at 30 September 2013, management had assessed that there were no contingent liabilities. (2012: Nil).

25. Commitments

Lease commitments

World Vision Australia leases offices in most states and has one warehouse under a non-cancellable operating lease 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:

Within one year	940	693
Later than one year but not later than five years	1,784	2,404
Later than five years	-	-
	2,724	3,097

26. Related parties disclosure

No Director, or any associated party, received or became entitled to receive, any fee or payment in relation to services provided to World Vision Australia.

27. Board membership

The Directors of the company holding that office, or who have held that office, at any time during the financial year are George Savvides, Shannon Adams, Judy Barraclough, Louise Baur, Colin Carter, Robert Goudswaard, Bishop John Harrower, Tim McCormack, Fiona Pearse, Barry Pipella, Michael Prince, Donna Shepherd and Wendy Simpson.

28. Members' guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that each member (Director) is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the company. As at the 30 September 2013 the number of members was 12 (2012: 10).

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 its debts as and when they become due and payable; and


- (b) the financial statements and notes set out on pages 11 to 42 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 September 2013 and of its performance for the year ended on that date;
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - (iii) Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

On behalf of the Board



Chairman

Melbourne
22 November 2013



Director



Independent auditor's report to the members of World Vision Australia

Report on the financial report

We have audited the accompanying financial report of World Vision Australia (the company), which comprises the statement of financial position as at 30 September 2013, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* 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 Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.



Auditor's opinion

In our opinion:

- (a) the financial report of World Vision Australia is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 September 2013 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 *Corporations Regulations 2001*.
- (b) the company's financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Other Matter: Basis of Preparation

Without qualifying our opinion, we draw attention to the following matter. As indicated in Note 1(a) the statement of financial position, income statement, statement of changes in equity and table of cash movements for designated purpose as disclosed in Note 18(c) has been prepared in compliance with the Australian Council for International Development (ACFID) Code of Conduct Section C.2.2.

Report on the Australian Council for International Development ('ACFID') Code of Conduct Summary Financial Report (the 'Report')

We have audited the Report of the company, which comprises the statement of financial position as at 30 September 2013, and the income statement, statement of changes in equity and table of cash movement for designated purpose as disclosed in Note 18(c) for the year ended on that date and the directors' declaration. The directors of the company are responsible for the preparation and presentation of the Report in accordance with section C.2.2 of the *Australian Council for International Development (ACFID) Code of Conduct*. Our responsibility is to express an opinion on the Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the Australian Council for International Development (ACFID) Code of Conduct Summary Financial Report of World Vision Australia for the year ended 30 September 2013 complies with section C.2.2 of the *Australian Council for International Development (ACFID) Code of Conduct*.

I, Nadia Carlin, am currently a member of the Institute of Chartered Accountants in Australia and my membership number is 87763.



PricewaterhouseCoopers was the audit firm appointed to undertake the audit of World Vision Australia for the year ended 30 September 2013. I was responsible for the execution of the audit and delivery of our firm's auditor's report.

A handwritten signature in blue ink, appearing to read 'Nadia Carlin', written over the printed name.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Nadia Carlin', written over the printed name.

Nadia Carlin
Partner

Melbourne
22 November 2013