World Vision

Australia

ABN 28 004 778 081

Annual Financial Statements

for the year ended 30 September 2018

I certify that this is a true copy of all accounts required to be laid before the Company at its 2018 Annual General Meeting, together with a copy of every other document required by to be laid before the Annual General Meeting.

Company Secretary

P Goffin

Annual Statements and Accounts
30 September 2018

Contents

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

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

Directors:
S. Adams (Chair), J. Seeley, 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 3008

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 2018 and the state of the Company's affairs at that date. The Directors who were in office during the year are:

SHANNON ADAMS LL.B, FAICD

Shannon Adams joined our Board in 2005 and the World Vision International Board in 2013. He was appointed Chair of our Board with effect from February 2018. Shannon is a lawyer who has advised financial institutions and other financial service 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 Chair.

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

Tim McCormack joined our Board in 2013. He is Dean of the Faculty of Law at the University of Tasmania Law School and a former Professor of Law at Melbourne Law School. Tim is the Special Advisor on International Humanitarian Law to the Prosecutor of the International Criminal Court in The Hague and is a Member of the National Advisory Committee on International Humanitarian Law, Australian Red Cross. He recently returned from a year in the US as 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 to June 2018) and has also been appointed the New Zealand Law Foundation Distinguished Visiting Scholar for 2018.

Special Responsibilities: People, Culture and Governance 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 executive financial career spanned almost 2 decades at leading ASX-listed global companies, BHP Billiton and BlueScope Steel. Her previous non-executive directorships include 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 independent 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.

DONNA SHEPHERD BA, MIIM, GAICD

Donna Shepherd joined our Board in 2008 and has been the Chair of the World Vision International Board since 2016. Donna is Managing Director of Creating Communities Australia. Her areas of expertise are in international development, social planning, strategic planning, communications, media and governance. Donna has served on several boards and advisory bodies including: LandCorp, Urban Development Institute Envirodevelopment, the University of Western Australia Extension, Southern Arc and Ausdance WA.

Special Responsibilities: People, Culture and Governance Committee.

WENDY SIMPSON OAM, B. SOC SCI, GRAD. DIP. ED., B. LITT, MBA, FRMIT, FAICD
Wendy Simpson joined our Board in 2013. Wendy is an experienced, versatile global business leader and entrepreneur. She was the Founding Chairman of Springboard Enterprises Australia, Australia's only internationally focused 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 Governance Committee.

BESSIE VANERIS MBA, B. BUS
Bessie Vaneris joined our Board in 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.

Special Responsibilities: Audit and Risk Committee; People, Culture and Governance Committee.

DARRYL GARDINER
Darryl Gardiner joined our Board in 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. 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 and FIN, GRAD. DIP. ACCT, M APPL. FIN., F FIN, GAICD
Gordon Allison joined our Board in 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 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 JBWere, in addition to spending 10 years overseas in the not-for-profit sector with relief and development organisations, including postings to Austria, Turkey, Uzbekistan and the UK. Jon lives in Adelaide with his wife and two school-aged children.

Special Responsibilities: Audit and Risk Committee.

CLAIRE ROGERS MBA, BA, GAICD
Our CEO Claire Rogers joined World Vision Australia and was appointed to the Board in 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.

GEORGE SAVVIDES (BOARD CHAIR) BE (Hons) (UNSW), MBA (UTS), FAICD
George Savvides held the role of Board Chair from July 2012 to February 2018 and served as a non executive Director from 2001 – 2010. George 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 Medibank, Sigma Co Ltd and Smith and Nephew Aust/NZ. He 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 retired from our Board in February 2018.

Special Responsibilities (until retirement): Board Chair.

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

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

Directors' attendance in full Board and Board Committee meetings held between 1 October 2017 and 30 September 2018:

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

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 2017 and in February, May, July and September 2018. Special Board meetings took place in March and June 2018.
- People Culture and Governance Committee meetings took place in November 2017 and in February, May, July and September 2018. Audit and Risk Committee meetings took place in November 2017 (2) and in February, May, July and September 2018.

(1) The Chair is an ex-officio member of each of the People Culture and Governance Committee and the Audit and Risk Committee.
(2) Retired February 2018.
(3) Appointed member of the People Culture and Governance and the Audit and Risk Committees in February 2018.
(4) The CEO attended 4 People Culture and Governance and 5 Audit and Risk Committee meetings by invitation.

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

Objectives
In July 2017, the Board approved a new five-year strategy (2018 - 2022) to grow the Company's income base to increase our contribution to the sustained wellbeing of the world's vulnerable children. This strategy is continually being refined to improve our capacity to grow income and improve our 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 $398.1m (2017: $404.1m). Total disbursements to international and domestic programs was $314.6m (2017: $325.9m), made up of:

- Monetary funds to international programs $209.1m (2017: $224.4m)
- Monetary funds to domestic programs $4.4m (2017: $4.4m)
- Non-monetary expenditure $101.1m (2017: $97.2m)

The remaining expenditure was $76.3m (2017: $74.1m). The Company achieved a surplus of $7.3m (2017: surplus $3.9m). The surplus earned will be used to increase distributions to international and domestic programs in future years.

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

Review of Operations
The Company has experienced a decline in revenue with revenue of $398.1m achieved for 2018. The decline in revenue is primarily driven by declining mass market donations.

As in previous years, there continues to be rapid change in the market conditions of the charity sector. Whilst there has been a decline in Sponsorship revenue, the number of sponsorships through World Vision Australia during 2018 remains significant at 235,070, enabling children, families and communities to transform.

Other contributing factors to the overall movement in revenue are:

- Cash Grant income grew by 18.5% to $109.7m due to increased opportunity and success in securing numerous Multilateral Development and Relief Grants for specific projects overseas. The grants donor mix continues to diversify with opportunities from Multilateral and other organisations being a key source of revenue growth.
- Non-monetary revenue increased by $2.8m, an increase of 2.9%, due to additional goods-in-kind support provided to the Syria Response.
- Bequest and Legacy income decreased by 37% to $4.5m due to less estate settlements.

Costs increased by 2.9% ($2.2m) in 2018. This increase is marginally higher than the Consumer Price Index for the year as the Company has invested in enhancing supporter experience and responding to changing engagement practices.

The provision of resources to the field has declined by 3.5% relative to the prior year mainly due to declining mass market support.

Review of Operations (continued)
The uplift in the net asset position of the Company of $22.4m compared to the prior year is due mainly to an increase in cash of $6m and the increase in the unrealised currency hedge position in the current year, as the Australian dollar weakened at the end of the 2018 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
The Company continues to focus on international development, relief and advocacy. No change to this principal activity is likely.

Directors' Benefits
No Director of the Company has received or has become entitled to receive a material benefit, because of a contract made by the Company, other than as described in Note 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 $36,449 (2017: $31,600). 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 does not compromise their independence and is in accordance with the requirement for the Audit and Risk Committee to pre-approve all non-assurance services. No other non-audit services have been provided by the 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 9.

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 2018 the number of present or past members having obligations to contribute on winding-up was 11 (2017: 17).

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, 30th November 2018

Collins Square, Tower 5
727 Collins Street
Melbourne VIC 3008

Correspondence to:
GPO Box 4736
Melbourne VIC 3001

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

Auditor's Independence Declaration

To the directors of World Vision Australia

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of World Vision Australia for the year ended 30 September 2018, I declare that, to the best of my knowledge and belief

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

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

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Eric W Passaris

E W Passaris
Partner - Audit & Assurance

Melbourne, 30 November 2018

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

Annual Financial Report
30 September 2018

Contents

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

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

1 Vision Drive
East Burwood, Victoria 3151

A description of the nature of its principal activities is included on page 6 in the Directors' Report, which is not part of this financial report.

The financial report was authorised for issue by the Directors on 30th November 2018. 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 2018

	Notes	2018 $'000	2017 $'000
REVENUE			
Donations and Gifts			
Monetary			
- Pledge programs	4a	146,854	166,491
- Appeals, donations and gifts	4a	32,034	37,058
Non-Monetary			
- Donated goods and assets	4b,c	4,213	4,215
- Grants (Multilateral)	4d	97,291	94,466
		280,392	302,230
Bequests and Legacies	4e	4,453	7,055
Grants			
- DFAT		53,274	47,465
- Other Australian		1,969	1,632
- Other overseas		54,428	43,472
		109,671	92,569
Investment income		1,028	798
Other income		2,593	1,464
TOTAL REVENUE		398,137	404,116
EXPENDITURE			
International Aid and Development Programs Expenditure			
International Programs			
- Funds to international programs	5	209,064	224,362
- Program support costs		5,800	4,938
		214,864	229,300
Community education		1,658	2,327
Fundraising Costs			
- Public		40,714	37,017
- Government, multilateral and private		2,900	4,443
Accountability and administration		25,201	25,386
Non-monetary expenditure	5, 6b	101,107	97,163
Total International Aid and Development Programs Expenditure		386,444	395,636
Domestic programs expenditure		4,399	4,416
TOTAL EXPENDITURE	6a	390,843	400,052
Excess of Revenue over Expenditure		7,294	4,064
Share of loss of associate		-	(202)
Net excess of Revenue over Expenditure		7,294	3,862

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 2018

	Notes	2018 $'000	2017 $'000
Excess of Revenue over Expenditure		7,294	3,862
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to the income statement:			
Changes in the fair value of cash flow hedges	12	15,144	(2,042)
Other comprehensive income/(loss) for the year		15,144	(2,042)
Total comprehensive income for the year		22,438	1,820

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 2018, 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 2018

	Notes	2018 $'000	2017 $'000
ASSETS			
Current Assets			
Cash & Investments	7, 19b	48,623	42,600
Receivables	8	1,347	1,567
Financial Assets	9	317	62
Inventories	10	124	198
Donated Goods	11	2,668	2,629
Unrealised Currency Hedge Receivable	12	8,592	-
Total Current Assets		**61,671**	**47,056**
Non-Current Assets			
Investment in Associate	13	-	70
Property, Computer Hardware & Equipment	14	19,193	19,300
Intangible Assets	15	1,411	1,234
Total Non-Current Assets		**20,604**	**20,604**
TOTAL ASSETS		**82,275**	**67,660**
LIABILITIES			
Current Liabilities			
Accounts Payable	16	5,696	6,413
Provisions	17	4,993	5,315
Unrealised Currency Hedge Payable	12	-	6,552
Total Current Liabilities		**10,689**	**18,280**
Non-Current Liabilities			
Provisions	18	697	929
Total Non-Current Liabilities		**697**	**929**
TOTAL LIABILITIES		**11,386**	**19,209**
NET ASSETS		**70,889**	**48,451**
EQUITY			
Reserves	12	8,592	(6,552)
Retained Earnings		62,297	55,003
TOTAL EQUITY		**70,889**	**48,451**

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 2018

	Reserves $'000	Retained Earnings $'000	Total $'000
Balance as at 1 October 2016	(4,510)	51,141	46,631
Excess of Revenue over Expenditure	-	3,862	3,862
Other comprehensive loss for the year	(2,042)	-	(2,042)
Total comprehensive income for the year	(2,042)	3,862	1,820
Balance as at 30 September 2017	(6,552)	55,003	48,451
Excess of Revenue over Expenditure	-	7,294	7,294
Other comprehensive income for the year	15,144	-	15,144
Total comprehensive income for the year	15,144	7,294	22,438
Balance as at 30 September 2018	8,592	62,297	70,889

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 2018

	Notes	2018 $'000	2017 $'000
Cash flows provided by operating activities			
Receipts from donors and merchandising (inc. GST)		301,063	311,225
Interest received		1,075	767
Payments to field offices, suppliers and employees (inc. GST)		(294,595)	(305,948)
Net cash provided by operating activities	19a	**7,543**	**6,044**
Cash flows utilised in investing activities			
Proceeds from liquidation of investment in associate		83	-
Proceeds from sale of shares		66	568
Purchases of property, computer hardware and equipment		(1,057)	(1,266)
Purchases of software		(612)	-
Net cash utilised in investing activities		**(1,520)**	**(698)**
Net increase in cash held		6,023	5,346
Cash at beginning of financial year		42,600	37,254
Cash at end of the financial year	19b	**48,623**	**42,600**

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

Notes to the Financial Statements as at 30 September 2018

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

A number of new and revised standards became effective in the financial year. None of these standards resulted in significant changes to the Financial Statements.

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.

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 income statement 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 2018 (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 income statement.

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 reporting date.

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

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

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

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 statement of financial position.

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

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. 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 2018 (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's remuneration policy. The Company uses third party methodologies for role grading and annual benchmark reporting. The Company benchmarks its remuneration policy to the 'All Industrials' remuneration market and positions Executives' pay at the bottom 10th percentile of the 'Total Annual Reward' amounts. An annual performance review process is undertaken reflecting the individual's annual performance. The amount available for annual performance based salary increases is determined by the Company and the individual's performance as well as annual movement in the remuneration benchmarks.

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 transactions are converted into Australian currency at the rate of exchange applicable at the date of the transactions. Amounts receivable and payable in foreign currencies are converted at the closing rate at reporting date. Foreign currencies held at reporting date are converted to Australian dollars at exchange rates 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 generally 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 2018 (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. Fair Value is determined based on reference to either the wholesale value or 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 investment 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.

s) Financial instruments (continued)

Financial assets at Fair Value through Profit and Loss ('FVTPL')

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

Held to Maturity ('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.

Available for Sale ('AFS') financial assets

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

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 investment 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.

t) Foreign currency hedging (continued)
The fair value of these agreements is recognised in the statement of financial position 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 2018 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.

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 performed a high-level assessment of the impact AASB 9 and it expects that there will be no significant impact when the standard is first adopted, but rather will provide more certainty in relation to the Company's policy for 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); and
- 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, 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. 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.

Notes to the Financial Statements as at 30 September 2018 (continued)

v) New accounting standards and interpretations (continued)
These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.

The Company has performed a high-level assessment of the impact of above standards. The assessment has focussed on identification of revenue streams that are likely to be impacted by the adoption of the new standards and whether such revenue streams are likely to fall within the ambit of AASB15, resulting in revenue being deferred. It is impracticable to accurately quantify the full financial effect at this time however the results of the assessment of the impact for each revenue stream on the statement of financial performance as categorised in the Income Statement are anticipated to be as follows:

Revenue Item	**Results of Impact Analysis**
Monetary	
- Pledge programs	No significant impact when the standard is first adopted.
- Appeals, donations and gifts	No significant impact when the standard is first adopted.
Non-Monetary	
- Donated goods and assets	Management expects that the application of the new revenue standards will result in certain income, that was previously recognised when received, being deferred until performance obligations contained within the contracts are met.
- Grants (Multilateral)	No significant impact when the standard is first adopted as currently revenue in this category is recognised upon meeting the performance obligations of the contracts.
Bequests and Legacies	No significant impact when the standard is first adopted.
Grants	
- DFAT	Management expects that the application of the new revenue standards will result in certain income, that was previously recognised when received, being deferred until performance obligations contained within the contracts are met.
- Other Australian	Management expects that the application of the new revenue standards will result in certain income, that was previously recognised when received, being deferred until performance obligations contained within the contracts are met.
- Other Overseas	Management expects that the application of the new revenue standards will result in certain income, that was previously recognised when received, being deferred until performance obligations contained within the contracts are met.
Investment income	No significant impact when the standard is first adopted.
Other income	Impact of the adoption of the standard will be dependent on the types of income received by the Company. Based on the income received in the current financial year there would be no significant impact when the standard is first adopted.

v) New accounting standards and interpretations (continued)

AASB 16 Leases (effective 1 January 2019)

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

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

The Company has performed a high level assessment of the impact of the above standard. The Company is party to leases for the following assets: Property, Vehicles and Photocopiers. Whilst a number of these leases will fall within the short-term / low-value assets lease exemption, the impact of the adoption of the standard on the remaining leases will be an increase to the assets and liabilities of the Company through the creation of the Right of Use asset.

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 105% (2017: 96%) of foreign currency hedges entered for field payments 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 derivatives is shown in the table below; these hedge the underlying exposure to foreign currency movements:

	30 September 2018 USD $'000	30 September 2017 USD $'000
Forward Exchange Contracts: Buy foreign currency (cash flow hedges)	121,148	115,920

Organisation Sensitivity

Based on the financial instruments held at 30 September 2018, 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 $15,234,906 higher / $18,620,441 lower (2017: $16,509,327 higher / $13,507,631 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 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.

a) Market risk (continued)

During 2018 and 2017, the Company's term deposits, investments and cash and bank balances were at fixed and variable rates and were denominated in Australian dollars. As at the reporting date, the Company had the following term deposits and investments:

	30 September 2018 $'000	30 September 2017 $'000
Floating interest rate		
Cash and bank balances	44,773	42,364
Non-interest bearing		
Cash and bank balances	3,850	236
Total	**48,623**	**42,600**

Organisation sensitivity

At 30 September 2018, if interest rates had changed by +/-100 basis points for a year, from the year-end rates with all other variables held constant, surplus and equity for the year would have been $486,230 higher/lower (2017: $419,485 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 2018 is $48,622,748 (2017: $42,600,069) and consists mainly of cash.

c) Liquidity risk

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

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 reporting 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).

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 2018 and 30 September 2017:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 30 September 2018				
Assets				
Financial Assets	317	-	-	317
Derivatives used for hedging	-	8,592	-	8,592
Total Assets	**317**	**8,592**	**-**	**8,909**
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**

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 carrying 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 20 months.

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:

- *Donated goods (includes food donated by International agencies)*
  Donated goods are recorded at fair value. Fair Value is determined based on reference to either the wholesale value or independent valuation. During 2018, $101,160,757 (2017: $98,676,569) of income and $101,101,274 (2017: $97,163,571) of disbursements were recognised as donated goods. As at 30 September 2018, $2,668,434 (2017: $2,628,964) 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 Statement of Financial Position as at 30 September 2018.

Notes to the Financial Statements
as at 30 September 2018 (continued)

		2018 $'000	2017 $'000
4a)	**Monetary Donations and Gifts**		
	Pledge programs		
	- Sponsorship	137,479	156,825
	- Other	9,375	9,666
	Total	146,854	166,491
	Appeals, donations and gifts		
	- Emergency relief appeals	2,502	4,045
	- Other appeals	21,098	21,643
	- Other cash donations and gifts	8,434	11,370
	Total	32,034	37,058
4b)	**Non-Monetary Donated Goods**		
	Goods donated by Australian Corporations	3,869	4,211
	Total	3,869	4,211
4c)	**Non-Monetary Donated Assets**		
	Assets donated by International Corporations	-	4
	Bequests and Legacies	344	-
	Total	344	4
4d)	**Non-Monetary Grants (Multilateral)**		
	Food and vouchers donated by International Agencies	97,291	94,466
	Total	97,291	94,466
4e)	**Bequests and Legacies**		
	Child Sponsorship	120	432
	Other	4,333	6,623
	Total	4,453	7,055

Notes to the Financial Statements
as at 30 September 2018 (continued)

		2018 $'000	2017 $'000
5	**Disbursement to Overseas Projects by Region/Country**		
	Burundi	4,636	2,563
	Central African Republic	22	903
	Ethiopia	7,561	8,285
	Kenya	13,522	13,377
	Northern Sudan	14	1,589
	Rwanda	2,753	2,179
	Somalia	19,902	18,096
	South Sudan	20,838	16,485
	Tanzania	2,496	3,128
	Uganda	33,115	15,906
	Regional Office (i)	7	692
	East Africa	**104,866**	**83,203**
	Angola	27	-
	Congo	5,963	4,038
	Lesotho	1,744	976
	Malawi	1,931	9,489
	Mozambique	1,328	1,627
	South Africa	115	883
	Swaziland	264	1,460
	Zambia	3,265	3,450
	Zimbabwe	4,006	6,562
	Southern Africa	**18,643**	**28,485**
	Chad	772	679
	Ghana	603	1,265
	Mali	28	-
	Niger	169	-
	Senegal	709	1,481
	West Africa	**2,281**	**3,425**

Notes to the Financial Statements
as at 30 September 2018 (continued)

		2018 $'000	2017 $'000
5	**Disbursement to Overseas Projects by Region/Country (continued)**		
	Region/Country		
	Afghanistan	3,406	2,760
	Bosnia and Herzegovina	-	73
	Georgia	563	557
	Iraq	14,335	16,953
	Jerusalem/West Bank/Gaza	876	1,070
	Jordan	5,103	3,232
	Lebanon	30,782	48,771
	Pakistan	-	30
	Regional Office (1)	-	43
	Middle East/Eastern Europe Region	**55,065**	**73,489**
	Bangladesh	4,738	3,719
	Cambodia	6,490	5,536
	India	4,160	3,935
	Indonesia	3,750	4,113
	Laos	4,294	2,616
	Mongolia	-	924
	Myanmar	9,641	7,245
	Nepal	1,944	1,294
	Pacific Timor Leste (2)	44,091	29,853
	Philippines	27	-
	Sri Lanka	5,447	6,907
	Thailand	49	327
	Vietnam	1,610	2,497
	Regional Office (1)	54	206
	Asia Pacific	**86,295**	**69,172**

Notes to the Financial Statements
as at 30 September 2018 (continued)

	2018 $'000	2017 $'000
5 Disbursement to Overseas Projects by Region/Country (continued)		
Bolivia	304	1,646
Brazil	-	1,636
Colombia	-	795
Ecuador	624	1,703
Guatemala	137	1,070
Haiti	675	1,084
Honduras	1,246	2,223
Nicaragua	584	2,155
Peru	795	2,786
Regional Office (1)	-	33
Latin America	**4,365**	**15,131**
Global Operations – Ministry (3)	22,928	25,676
Other International Projects (4)	1,657	1,930
Partnership Treasury Office Reserves (5)	14,064	21,014
Total Cash and Donated Goods Disbursed to International Projects	**310,164**	**321,525**
Analysed as:		
Funds to international programs	209,064	224,362
Non-Monetary Expenditure Disbursed Overseas	101,100	97,160
	310,164	**321,522**
Non-Monetary Expenditure Disbursed in Australia	7	3
TOTAL	**310,171**	**321,525**

(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.

Notes to the Financial Statements
as at 30 September 2018 (continued)

	2018 $'000	2017 $'000
6a) Expenditure		
Disbursements to overseas projects (Note 5)	310,164	321,522
Disbursements to domestic projects	4,406	4,419
Global Operations – Administration	5,524	4,490
Employee benefits expense	40,924	36,545
Redundancy expense	456	601
Advertising, printing & postage	12,560	13,624
Rent and occupancy	891	1,188
Research and development	567	-
Depreciation and amortisation	1,599	1,730
Impairment of intangible asset	-	812
Other	13,752	15,121
Total	**390,843**	**400,052**
6b) Non-Monetary Expenditure Reconciliation		
Non-monetary revenue	101,504	98,681
Opening donated goods	2,629	1,117
Less Closing donated goods (Note 11)	(2,668)	(2,629)
Net Non-Monetary Revenue	**101,465**	**97,169**
Non-monetary expenditure	101,107	97,163
Adjust for donated goods written off	14	2
Add donated assets	344	4
Total Expenditure Received as a Donation	**101,465**	**97,169**

Current Assets

7 Cash & Investments		
Cash at bank and cash on hand	48,623	42,600
Deposits at call (i)	-	-
Total	**48,623**	**42,600**

(i) Deposits at call

Deposits at call were held at various times during the financial year. The deposits earned interest at a rate of 1.85% in 2018 (2017: 1.68%). These deposits have a weighted average investment term of 21 days (2017: 16 days).

8 Receivables		
Australian Taxation Office - GST	255	397
Prepayments	1,046	952
Other	46	218
Total	**1,347**	**1,567**

Notes to the Financial Statements
as at 30 September 2018 (continued)

		2018 $'000	2017 $'000
9	**Financial Assets**		
	Opening carrying amount	62	596
	Donations	344	-
	Disposals	(66)	(568)
	Net revaluation	(23)	34
	Closing carrying amount	317	62
	Financial Assets classified as Available for Sale	59	62
	Financial Assets classified as Fair Value through Profit or Loss	258	-
		317	62
10	**Inventories**		
	Other	124	198
	Total	124	198

Inventory written off during the year ended 30 September 2018 amounted to $1,196 (2017: Nil).

		2018 $'000	2017 $'000
11	**Donated Goods**		
	Donated goods - awaiting shipment	61	346
	Donated goods - in transit	2,607	2,283
	Total	2,668	2,629

Donated goods from Australian and overseas corporations recognised as a disbursement during the year ended 30 September 2018 amounted to $3,815,963 (2017: $2,697,659).

Write-downs of donated goods recognised as an expense during the year ended 30 September 2018 amounted to $14,012 (2017: $1,819).

		2018 $'000	2017 $'000
12	**Unrealised Currency Hedge Receivable/Payable**		
	Balance at 1 October	(6,552)	(4,510)
	Fair value revaluation	16,385	1,699
	Charged to income statement on settlement	(1,241)	(3,741)
	Changes in the fair value of cash flow hedges	15,144	(2,042)
	Balance at 30 September	**8,592**	**(6,552)**

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$159m (US$121.1m) at an effective exchange rate of 0.762 over the next 20 months.

During the year, the amount of AUD field payments that had not been hedged against foreign currency risk was Nil (2017: $39.5m).

Non-Current Assets

13 Investment in Associate

The Company acquired a 30% interest in Get Bennie Pty Ltd ('Get Bennie') during the 2016 financial year. Get Bennie was a start-up company involved in software development of a Customer Relationship Management (CRM) software solution. 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. The shareholders of Get Bennie entered into a Deed of Settlement ('Deed') on 14 September 2017 under which they agreed to appoint a liquidator to wind up the entity and agreed to the proposed distributions to be made by the liquidator. The liquidator was officially appointed on 1 February 2018. On 26 September 2018, the liquidator made final distributions to the shareholders in accordance with the Deed, including a distribution to the Company totalling $82,561. The liquidator is now in the process of finalising the liquidation and notifying ASIC that the affairs of Get Bennie have been fully wound up.

The following table illustrates the summarised financial information of the Company's investment in Get Bennie for the 2017 financial year. The carrying value of the investment in 2017 represented the expectation of the realisation of $69,931 in cash and therefore the investment in Get Bennie was impaired to this amount. The excess amount received as the final distribution has been recognised as Other Income in 2018.

	2018 $'000	2017 $'000
Current Assets	-	70
Equity	-	70
Revenue	-	-
Administrative Expenses	-	(138)
Loss before tax	-	(138)
Income tax expense	-	-
Loss for the year (continuing operations)	-	(138)
Total comprehensive loss for the year (continuing operations)	-	(138)
Company's share of loss for the year (30%)	-	(41)
Company's carrying amount of the investment		
At cost	-	300
Share of post-acquisition results	-	(69)
Impairment of investment in associate	-	(161)
Total carrying amount	-	70

Notes to the Financial Statements
as at 30 September 2018 (continued)

		2018 $'000	2017 $'000
14	**Property, Computer Hardware & Equipment**		
	Property		
	At cost		
	Land	5,140	5,140
	Buildings	18,200	18,197
	Accumulated depreciation	(6,168)	(5,715)
	Total Property	17,172	17,622
	Computer Hardware		
	At cost	4,577	4,171
	Accumulated depreciation	(3,984)	(3,653)
	Total Computer Hardware	593	518
	Equipment		
	At cost	7,960	7,452
	Accumulated depreciation	(6,532)	(6,292)
	Total Equipment	1,428	1,160
	Total Carrying Amount of Property, Computer Hardware & Equipment	19,193	19,300

Reconciliation of carrying amount

	Land and buildings $'000	Computer Hardware $'000	Equipment $'000	Total $'000
Balance at 1 October 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**
Additions	3	407	653	1,063
Work in progress	-	-	1	1
Disposals	-	(2)	(5)	(7)
Depreciation expense	(453)	(330)	(381)	(1,164)
Balance at 30 September 2018	**17,172**	**593**	**1,428**	**19,193**

	2018 $'000	2017 $'000
15 Intangible Assets		
Software Purchased and Donated		
At cost	3,005	2,393
Accumulated amortisation	(1,594)	(1,159)
Total Software Purchased and Donated	**1,411**	**1,234**
Total carrying amount of Intangible Assets	**1,411**	**1,234**

Reconciliation of carrying amount

	Software Purchased & Donated $'000
Balance at 1 October 2016	2,164
Additions	643
Work in progress	(225)
Impairment	(812)
Amortisation expense	(536)
Balance at 30 September 2017	1,234
Additions	556
Work in progress	56
Amortisation expense	(435)
Balance at 30 September 2018	1,411

The 2017 impairment charge of $812k relates to the write-down of donated licenses no longer required by WVA due to a shift in organisational strategy.

	2018 $'000	2017 $'000
Current Liabilities		
16 Accounts Payable		
Trade creditors	98	1,231
Accrued creditors	4,155	3,813
Other payables	1,443	1,369
Total	5,696	6,413

		2018 $'000	2017 $'000
17	**Provisions**		
	Annual leave	2,974	3,319
	Long service leave	1,971	1,946
	Other	48	50
	Total	**4,993**	**5,315**

Non Current Liabilities

18	**Provisions**		
	Long service leave	522	569
	Contractual obligations	175	360
	Total	**697**	**929**

19a) Reconciliation of Net cash provided by Operating Activities to Excess of Revenue over Expenditure

Excess of Revenue over Expenditure	7,294	3,862
Non-Cash Flows in Operating Activities		
Loss on disposal of property, computer hardware & equipment	-	159
Depreciation and amortisation	1,599	1,730
Impairment of intangible assets	-	812
Revaluation of financial assets	23	(34)
Donated assets	(344)	-
Share of loss of associate	-	202
Changes in Assets and Liabilities		
Decrease/(Increase) in receivables and prepayments	207	(16)
Decrease/(Increase) in inventories & donated goods	35	(1,507)
(Decrease)/Increase in accounts payables	(717)	1,031
Decrease in provisions	(554)	(195)
Net cash provided by Operating Activities	**7,543**	**6,044**

19b) Composition of Cash

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

Cash and investments (Note 7) (i)	48,623	42,600
	48,623	42,600

(i) Cash held on behalf of donors of $27k (2017: $27k) is accrued in Accounts Payable (Note 16).

(ii) The Company has a credit card facility of $1.5m (2017: $1.5m). At balance date, the facility is unutilised and there are Nil (2017: Nil) outstanding credit card liabilities as balances are settled at each month end.

Notes to the Financial Statements
as at 30 September 2018 (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 reporting date, are as follows:

Recognised Financial Instruments	Statement of Financial Position Notes	Accounting Policies	Policies, Terms and Conditions
Financial Assets			
Cash & Investments	7	Cash is recognised at its face value.	Deposits at call had a weighted average investment term of 21 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. 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 2018 (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 reporting date, are as follows:

Recognised Financial Instruments	Statement of Financial Position Notes	Accounting Policies	Policies, Terms and Conditions
Financial Assets			
Unrealised Currency Hedge Receivable/Payable	12	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	13	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 shareholders of Get Bennie entered into a Deed of Settlement ('Deed') on 14 September 2017 under which they agreed to appoint a liquidator to wind up the entity and agreed to the proposed distributions to be made by the liquidator. The liquidator was officially appointed on 1 February 2018. On 26 September 2018, the liquidator made final distributions to the shareholders in accordance with the Deed. The liquidator is now in the process of finalising the liquidation and notifying ASIC that the affiars of Get Bennie have been fully wound up.
Financial Liabilities			
Accounts Payable	16	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 2018 (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 reporting date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position.

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:

			Fixed interest rate maturing in:											
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 statement of financial position		Weighted average effective interest rate	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 %	2017 %
Financial Assets														
Cash & Investments	44,773	42,364	-	-	-	-	-	-	3,850	236	48,623	42,600	1.46%	1.58%
Other Receivables	-	-	-	-	-	-	-	-	46	218	46	218	N/A	N/A
Financial Assets	-	-	-	-	-	-	-	-	317	62	317	62	N/A	N/A
Currency Hedge	-	-	-	-	-	-	-	-	8,592	-	8,592	-	N/A	N/A
Total	44,773	42,364	-	-	-	-	-	-	12,805	516	57,578	42,880	N/A	N/A

Notes to the Financial Statements
as at 30 September 2018 (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 statement of financial position		Weighted average effective interest rate	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 %	2017 %
Financial Liabilities														
Accounts Payable	-	-	-	-	-	-	-	-	5,696	6,413	5,696	6,413	N/A	N/A
Currency Hedge	-	-	-	-	-	-	-	-	-	6,552	-	6,552	N/A	N/A
Total	-	-	-	-	-	-	-	-	**5,696**	12,965	**5,696**	12,965	**N/A**	N/A

There was no assessed interest rate risk for financial liabilities.

Notes to the Financial Statements
as at 30 September 2018 (continued)

20e) Foreign Currency Risk

The Company has entered into a number of forward exchange currency contracts at reporting date designated as a hedge of anticipated field project payments that are denominated in US dollars. Forward contracts are used to manage foreign exchange risk. Under the contracts, the Company has agreed to sell A$159m at an effective exchange rate of 0.762 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.

23 Remuneration of Key Management Personnel

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

	2018 $	2017 $
Short term employee benefits	2,181,408	1,903,029
Post-employment benefits	236,299	235,207
Long-term employee benefits	(14,901)	(70,234)
Total remuneration (1)	**2,402,806**	**2,068,002**

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

	2018 $	2017 $
T. Costello (2)	-	18,676
C. Rogers (3)	372,510	320,533
	372,510	339,209

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) During the prior financial year a decision was made to flatten the reporting structure of the Company which resulted in an overall decline in management costs. The flattened structure empowers the Company's employees and elevates their level of responsibility and accountability. It has also resulted in improved communication and higher levels of staff engagement. The increase in key management personnel remuneration in the current year is due to the full year impact of these changes.

(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

	2018 $	2017 $
Amounts received or receivable by our auditors for:		
Auditing the financial accounts for the current year	88,000	88,000
Other services:		
Review the financial accounts for World Vision Australia Overseas Aid Fund	-	12,000
	88,000	**100,000**

25 Contingencies

As at 30 September 2018, the Company has outstanding $11,360 (2017: $205,906) as a current guarantee provided by ANZ bank for the office leases noted in Note 26.

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. In addition, The Company has a Master Fleet Agreement whereby it leases vehicles under non-cancellable operating leases. These leases have terms varying between 2 – 5 years, no escalation clauses and an option to renew by entering into a new agreement.

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

	2018 $'000	2017 $'000
Within one year	600	519
Later than one year but not later than five years	516	438
Later than five years	-	-
	1,116	**957**

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:

	Transaction values for the year ended 30 September		Balance outstanding as at 30 September	
	2018	2017	2018	2017
Related Party	$	$	$	$
Y-GAP (Y-Generation Against Poverty) Ltd (i)			-	-
- Revenue	630,337	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 arrangement made the Company a recipient of funds raised by the campaign and entitled to co-market the campaign. The agreement covered the 2017 Polished Man campaign. The campaign raised $1.65m. In November 2017 WVA received distributions from the proceeds of the campaign including the full amount of the original contribution and a further $130,337 share in excess proceeds generated by the campaign. Surplus proceeds have been applied towards initiatives and projects to address the recovery of children from violence.

The CEO of Y-GAP, Elliot Costello, is the son of Tim Costello, who was in a key management position at the time the transaction was entered into.

Notes to the Financial Statements
as at 30 September 2018 (continued)

28. 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.

	2018 $'000	2018 $'000	2018 $'000	2017 $'000	2017 $'000	2017 $'000
	Total Income	Total Fundraising Direct Expenses	Net Income	Total Income	Total Fundraising Direct Expenses	Net Income
Fundraising Information						
Donations and gifts						
Monetary						
Pledge programs	146,854	30,904	115,950	166,491	24,812	141,679
Appeals, donations and gifts	32,034	7,817	24,217	37,058	11,042	26,016
Non-monetary						
Donated goods and assets	4,213	917	3,296	4,215	964	3,251
Grants (multilateral)	97,291	1,363	95,928	94,466	1,877	92,589
	280,392	**41,001**	**239,391**	**302,230**	**38,695**	**263,535**

Notes to the Financial Statements
as at 30 September 2018 (continued)

28 Charitable Fundraising Act 1991 (New South Wales) (continued)

	2018 $'000 Total Income	2018 $'000 Total Fundraising Direct Expenses	2018 $'000 Net Income	2017 $'000 Total Income	2017 $'000 Total Fundraising Direct Expenses	2017 $'000 Net Income
Bequests and legacies	4,453	855	3,598	7,055	892	6,163
Grants						
DFAT	53,274	747	52,527	47,465	943	46,522
Other Australian	1,969	28	1,941	1,632	32	1,600
Other overseas	54,428	762	53,666	43,472	864	42,608
	109,671	1,537	108,134	92,569	1,839	90,730
Investment income	1,028	63	965	798	12	786
Other income	2,593	158	2,435	1,464	22	1,442
Total Net Income Contribution	398,137	43,614	354,523	404,116	41,460	362,656
		Total Indirect Expenses			Total Indirect Expenses	
Program Administration and Other						
International Programs						
Funds to international programs		209,064			224,362	
Program support costs		5,800			4,938	
Community education		1,658			2,327	
Accountability and administration		25,201			25,386	
Non-monetary expenditure		101,107			97,163	
Domestic programs expenditure		4,399			4,416	
Total Program Administration and Other		347,229			358,592	
Operating Surplus	398,137	390,843	7,294	404,116	400,052	4,064

Notes to the Financial Statements
as at 30 September 2018 (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 S. Adams (Chair), J. Seeley, G. Allison, B. Vaneris, T McCormack, F. Pearse, D. Shepherd, W. Simpson, D. Gardiner, C. Rogers and G. Savvides.

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 2018 the number of present or past members having obligations to contribute on winding-up was 11 (2017: 17).

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.

Declaration by Directors

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

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

(b) The financial statements and notes set out on pages 11 to 50 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 2018 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 2018 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
30 November 2018

Collins Square, Tower 5
727 Collins Street
Melbourne VIC 3008

Correspondence to:
GPO Box 4736
Melbourne VIC 3001

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

Independent Auditor's Report

To the Members of World Vision Australia

Report on the audit of the financial report

Opinion

We have audited the financial report of World Vision Australia (the "Company"), which comprises the statement of financial position as at 30 September 2018, the income statement, 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 2018 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 opinion

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 September 2018, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors 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.

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

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991* and the *WA Charitable Collections Act 1946*. Our procedures include obtaining an understanding of the internal control structure for fundraising appeal activities and 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 2015* and the *WA Charitable Collections Act 1946* and the *WA Charitable Collections Regulation 1947 (as amended)*.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not 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 2018, in all material respects, in accordance with:

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

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

   iii. The *WA Charitable Collections Act 1946*; and

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

b The money received as a result of fundraising appeals concluded by the Company during the financial year ended 30 September 2018 has been properly accounted for and applied, in all material respects, in accordance with 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 2018. I am responsible for the execution of the audit and delivery of our firm's report.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Eric W Passaris

E W Passaris
Partner – Audit & Assurance

Melbourne, 30 November 2018