World Vision

Australia

ABN 28 004 778 081

Annual Financial Statements

for the year ended 30 September 2015

I certify that this is a true copy of all accounts required to be laid before the Company at its Annual General Meeting held on 27 November 2015, together with a copy of every other document required by to be laid before the Annual General Meeting.

Company Secretary
(S K Huang)

Annual Statements & Accounts
30 September 2015

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 Profit Commission.

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

Directors:
G Savvides (Chairman), S Adams (Deputy Chairman), J Barraclough, L Baur, C Carter, R Goudswaard, J Harrower, T McCormack , F Pearse, D Shepherd, W Simpson and B Wurzbacher

Chief Executive Officer:
T Costello

Company Secretary:
S K Huang

Independent Auditor:
Grant Thornton Audit Pty Ltd
525 Collins Street
Melbourne, Victoria 3000

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

Website address:
www.worldvision.com.au

Directors' Report

The Directors present their report with respect to the results of World Vison Australia (the Company) for the financial year ended 30 September 2015 and the state of the Company's affairs at that date. The Directors in office at the date of this report are:

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

George Savvides was appointed Chairman of the World Vision Australia Board (our Board) in July 2012. George Savvides is the Managing Director of Medibank, Australia's largest health insurer. Since 2002 he has held the position of a non-Executive Director of Ryman Healthcare and was previously Managing Director of Sigma Co Ltd. George has an Honours degree in Industrial Engineering from UNSW and an MBA from UTS and is a Fellow of the Australian Institute of Company Directors. He is also Vice President of the Council of the IFHP (International Federation of Health Plans). He previously served for 12 years on our Board and served on the World Vision International Board.

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

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

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

SHANNON ADAMS LL.B, FAICD

Shannon Adams joined our Board in 2005 and the World Vision International Board in 2013. Shannon is a lawyer who has advised financial institutions and insurers since the early 1980s. He has been the managing partner of several legal firms and is now a partner at Hunt & Hunt. He specialises in financial services law, insurance law and corporate governance, with a strong emphasis on the mutual banking sector.

Special Responsibilities: Audit & Risk Committee

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

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

Special Responsibilities: Audit & Risk Committee (Chairman)

JUDY BARRACLOUGH B.AgEc, MBA, GAICD

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

Special responsibilities: Audit & Risk Committee

LOUISE BAUR AM B.SC (MED), MB.BS (HONS), PHD, FRACP, GAICD
Louise Baur joined our Board in 2007. Louise holds the Chair of Paediatrics & Child Health at the University of Sydney and is Associate Dean of The Children's Hospital at Westmead Clinical School. She is a senior paediatrician at The Children's Hospital at Westmead, the main paediatric institution in Sydney. She has long-standing expertise in various aspects of child and adolescent health, nutrition and public health. In 2010, Louise was made a Member of the Order of Australia "for service to medicine, particularly in the field of paediatric obesity as a researcher and academic and to the community through support for a range of children's charities". In 2014, Louise became a Founding Fellow of the Australian Academy of Health and Medical Sciences.
Special Responsibilities: Audit & Risk Committee

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

TIM McCORMACK LL.B (Hons), PhD, FAAL
Tim McCormack joined our Board in September 2013. He is a Professor of Law at the Melbourne Law School and Adjunct Professor of Law at the University of Tasmania Law School. Tim is the Special Adviser on International Humanitarian Law to the Prosecutor of the International Criminal Court in The Hague and has held a number of other globally significant positions. He served as one of two international observers (with Lord David Trimble, former First Minister of Northern Ireland) for Phase II of the Turkel Commission of Enquiry into Israel's Processes for Investigating Allegations of War Crimes (Jerusalem 2011-2013); he provided expert Law of War advice to Major Dan Mori in the Defence of David Hicks before the US Military Commission (Guantanamo Bay 2003-2007); and he was Amicus Curiae on International Law Issues for the trial of Slobodan Milosevic (The Hague 2002-2006). Tim has participated in multilateral treaty negotiations with Australian Government Delegations in Geneva, New York, Rome and The Hague and serves on the international advisory boards of a number of academic institutions in the US, Sweden, the Netherlands, Germany, Israel, Indonesia and New Zealand.
Special Responsibilities: Audit & Risk Committee

FIONA PEARSE B.EC, FCPA, FAICD
Fiona Pearse joined our Board in 2011. She has extensive financial and commercial experience gained from a variety of executive and non-executive director roles. Her executive career included almost two decades at leading ASX-listed global companies, mainly in Finance and Tax at BHP Billiton, the world's largest diversified resources company, and also at BlueScope Steel, a global steel manufacturer. She worked in industries as diverse as Petroleum, Transport, Utilities, Insurance and Steel, in senior financial roles at the coalface, in corporate financial and tax oversight, advisory, and planning roles or as a non-executive director. She was an independent non-executive director at City West Water, the $2 billion water utility and is a current/former director of two of Australia's leading independent schools, previously at Presbyterian Ladies' College and now at Scotch College.
Special Responsibilities: Audit & Risk Committee

DONNA SHEPHERD BA, MIIM, GAICD
Donna Shepherd joined our Board in 2008 and is currently the Vice Chairman of World Vision International Board. Donna is a director of Creating Communities Australia, a community and economic development consultancy. Donna holds a masters in International Administration from the School for International Training in Vermont USA. She has worked in the USA, Tunisia, Ecuador and Australia and has extensive experience in social planning, strategic planning, community engagement, communications and training. Donna is also on the board of LandCorp and has previously served on the boards of the UDIA Envirodevelopment, the University of Western Australia Extension, Southern Arc, Ausdance WA, Chrissie Parrot Dance Collective and the Independent Filmmakers Association.
Special Responsibilities: People, Culture & Remuneration Committee

WENDY SIMPSON OAM, B. SOC SCI, GRAD. DIP. ED., B. LITT, MBA, FRMIT, FAICD
Wendy Simpson joined the Board of World Vision Australia in February 2013. Wendy is an experienced, versatile global business leader and entrepreneur. She is the Chairman of Wengeo Group, an innovative diversified investment group. She is also Chairman of City to City Australia and was the Founding Chairman of Springboard Enterprises Australia, Australia's only internationally focussed business accelerator for women entrepreneurs seeking investment capital. Previously, Wendy was a Senior Vice President of Alcatel Asia Pacific and was responsible for a sales budget of 4.2 billion Euros. She implemented the sales of major mobile and broadband services to 17 countries and was on the team that negotiated with the Chinese Government to bring the internet to China. She has also held global leadership roles with QBE Insurance, Alcatel and TNT International. Wendy is on the organising committee of the annual Sydney Prayer Breakfast. In February 2013, Wendy was honoured in the Australia Day 2013 Honours with an OAM for service to the community through a range of women's and youth organisations. On International Women's Day 2013 she was inducted into the Australian Businesswomen's Hall of Fame. Wendy was appointed to the Board of General Sir John Monash Foundation in January 2015.
Special Responsibilities: People, Culture & Remuneration Committee

BONNIE WURZBACHER BA, MBA
Bonnie Wurzbacher joined the board in 2013 as the representative for the WVI President and CEO, Kevin Jenkins. Bonnie has a bachelor's degree in education from Wheaton College, Wheaton, Illinois, and a Master's of Business Administration from Emory University, Atlanta, Georgia. Prior to joining World Vision International in 2013, Bonnie had a 28-year career with The Coca-Cola Company, serving in various senior leadership roles and rising to Sr. Vice President, Global Customer and Channel Leadership, working in markets around the world to grow their business with large customers and bottlers worldwide. From 1977-1982, she was a teacher in Chicago public schools. Bonnie holds the position of Chief Resource Development Officer for World Vision International, based in their Executive Offices in London, England, reporting to WVI President and CEO. She is responsible for accelerating global revenue growth and strategic engagement with all 20 fundraising offices. Bonnie has been a member of Peachtree Presbyterian Church since 1988 and is currently serving as an Elder.

COMPANY SECRETARY: SEAK-KING HUANG. B.A., LL.B (HONS), GAICD
Seak-King Huang joined World Vision Australia in June 2006. Prior to this, Seak-King was a partner with Clayton Utz and has over 20 years experience as a lawyer. She is also Executive Counsel of World Vision Australia. She is on the boards of Light Melbourne Inc and the Charity Lawyers' Association of Australia and New Zealand and a member of the Synod of the Anglican Diocese of Melbourne and of the General Synod of the Anglican Church of Australia.

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

Directors' attendance in full Board and Board Committee meetings held between 1 October 2014 and 30 September 2015:

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

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 2014 and in February, May, July and September 2015.
- People Culture & Remuneration Committee meetings and Audit & Risk Committee meetings took place in November 2014 and in February, April, July and September 2015.

(1) The Chairman is an ex-officio member of each of the People Culture & Remuneration Committee and the Audit Committee.
(2) T McCormack is on a leave of absence from July 2015.
(3) B Pipella retired from the end November 2014.
(4) B Wurzbacher is not a member of any Board Committee.
(5) The Australia Program Committee also includes as members the following who are not Directors of the Company: Anne Robinson, Myles Harrison and Tim Costello.

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
The Company's strategy over the financial year ended 30 September 2015 was adopted in 2012 and it centres on achieving three long–term goals by 2021:
- We aspire to contribute to the sustained wellbeing of 20 million children.
- We aim to grow our income base to $1 billion.
- We seek to actively engage 1 million supporters.

These three long-term goals are aligned to the long-term goals of the World Vision International Partnership.

To work effectively towards these goals, the Company has set itself the following objectives:
- Impact perspective: contribute to children's wellbeing.
- Supporter perspective: deliver to our supporters' experiences that inspire and delight.
- Resources perspective: grow resources.
- Organisation perspective: retain, engage and develop our people.
- Organisation perspective: demonstrate effective stewardship.

Results
Total revenue for the year was $424m (2014: $380m), total funds to international and domestic programs was $266m (2014: $217m) and other expenditure was $177m (2014: $142m) resulting in a deficit of $18.7m (2014: surplus $21m). The current year deficit should be considered in conjunction with the surplus achieved in the prior financial year. As highlighted in our 2014 annual financial statements, the $21m surplus achieved that year was prepositioned by the Company for field projects occurring in the following year. Consequently, the Company remitted an additional field payment of $20.1m during the current year resulting in a deficit in the current year. In addition, the following factors contributed to the result in the current year:
- 4.6% decrease in pledge programs (including Child Sponsorship).
- 8.0% increase in appeals, donations and gifts.
- 69% increase in non-monetary donations including donated goods, assets and food.
- 22.3% increase in grants.
- 23.1% increase in funds to international programs.
- 5.9% increase in fundraising costs.

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

Review of Operations
The Company has experienced growth of 11.7% from the prior year to achieve revenue of $424.4m. The growth in revenue needs to be considered in the context of the change to the mix of revenue streams achieved.

It has become evident that there has been a shift in the Company's supporter trends. Supporters are increasingly looking for more relevant ways of contributing to our work which has resulted in a 4.6% decline to $183.2m in Child Sponsorship and growth of 8.0% in appeals, donations and gifts. Whilst there has been a decline in Child Sponsorship revenue, the number of children sponsored through World Vision Australia's Child Sponsorship program during 2015 remains significant at 323,956, enabling these children, their families and their communities to benefit.

In addition, there has been an increasing need to respond to people fleeing from war and conflict zones and, as a result, Multilateral Relief Grants have increased significantly in response to the need for specific humanitarian aid for them.

Other contributing factors to the overall increase in revenue are:
- Donated goods and assets increased by $6.8m, an increase of 69%, due mainly to $10.1m of pharmaceutical goods received during the year.
- Cash Grant income grew by 22.3% due to increased opportunity and success in securing numerous Australian government and Multilateral Relief Grants for specific humanitarian aid projects overseas. There has been a shift in the mix of Australian government grant income earned during the year, with increases in funding being achieved for emergency relief work.

Review of Operations (continued)
Monetary contributions to overseas and domestic projects increased by 23.1% to $260.9m. World Vision Australia was able to meet our commitment to the field in 2015. This was achieved despite the challenges presented by a weaker Australian dollar.

Fundraising costs decreased from 15% of revenue to 14.2% reflecting the benefits of the investment made in the prior year into building supporter relationships and tailoring giving solutions for them that are relevant, meaningful and transformational. Accountability and administration costs decreased by 14.1% when compared to 2014. These cost reductions were achieved through tight cost controls and efficiency measures put in place during the current year.

The reduction in the net asset position of the Company of $10.4m compared to the prior year was due mainly to an additional $20.1m of funds that were pre-positioned at the end of the last financial year for funding to international projects that were disbursed in 2015. The decrease in the net asset position was partially offset by the increased fair value of hedging contracts of $14.1m compared to $5.8m in the prior year due to effective hedging of US dollar field commitments despite the decline of the Australian dollar.

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
On 16 November 2015, an announcement was made that the Company will streamline its operations in a major transformation aimed at greater supporter engagement and more efficient use of resources in response to changing market conditions. As part of the first phase of the transformation process, the organisation will reduce staff numbers by 89 in its Australian operations. The financial impact of the reduction cannot be measured reliably at this time.

Likely Developments and Expected Results of Operations
Following the implementation of a new and leaner way of working in 2015, World Vision Australia anticipates the savings made combined with further growth in income will enable us to continue to expand our international development work in support of children and their communities in the countries where we work.

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

Insurance of Officers
The Company has paid premiums to insure 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 $22,869 (2014: $22,878). This premium has not been included in the notes on Remuneration of Directors and Key Management Personnel (Notes 21 and 22).

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

Other Services (Non-Audit Services)
The Company may decide to engage the auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Company is important and provided each such engagement is in accordance with the Company's Non-Assurance Service Policy. No other 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) is required to contribute a maximum of $20 each towards meeting any outstanding obligations of the Company. As at the 30 September 2015 the number of members was 12 (2014: 13).

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

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

Chairman

Director

Melbourne, 27 November 2015

Grant Thornton

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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 2015, I declare that, to the best of my knowledge and belief, there have been:

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

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Eric W Passaris

Eric Passaris
Partner - Audit & Assurance

Melbourne, 27 November 2015

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

Annual Financial Report
30 September 2015

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 27 November 2015. WVA 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 2015

	Notes	2015 $'000	2014 $'000
REVENUE			
Donations and Gifts			
Monetary			
- Pledge programs	4a	191,998	201,182
- Appeals, donations and gifts	4a	54,242	50,238
Non Monetary			
- Donated goods and assets	4b,c	16,544	9,790
- Grants (Multilateral)	4d	72,596	44,615
		335,380	305,825
Bequests and Legacies	4e	3,521	4,107
Grants			
- DFAT		44,483	42,340
- Other Australian		202	688
- Other Overseas		38,394	24,900
		83,079	67,928
Investment income		1,059	1,417
Other income		1,328	728
TOTAL REVENUE		424,367	380,005
EXPENDITURE			
International Aid and Development Programs Expenditure			
International Programs			
- Funds to international programs	5	260,866	211,895
- Program support costs		7,705	7,191
		268,571	219,086
Community education		832	1,348
Fundraising costs			
- Public		58,277	55,609
- Government, multilateral and private		2,123	1,404
Accountability and administration		21,845	25,421
Non-Monetary expenditure	6b	86,637	51,063
Total International Aid and Development Programs Expenditure		438,285	353,931
Domestic programs expenditure		4,768	5,071
TOTAL EXPENDITURE	6a	443,053	359,002
Excess/(shortfall) of Revenue over Expenditure		(18,686)	21,003

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

World Vision Australia
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Statement of Comprehensive Income
for the Year Ended 30 September 2015

	Notes	2015 $'000	2014 $'000
Excess/(Shortfall) of Revenue over Expenditure		(18,686)	21,003
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to the income statement:			
Changes in the fair value of cash flow hedges	12	8,320	(1,186)
Other comprehensive income/(loss) for the year		8,320	(1,186)
Total comprehensive income/(loss) for the year		(10,366)	19,817

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

World Vision Australia
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Statement of Financial Position
as at 30 September 2015

	Notes	2015 $'000	2014 $'000
ASSETS			
Current Assets			
Cash & Investments	7, 18b	25,004	47,973
Receivables	8	2,278	2,310
Financial Assets	9	60	62
Inventories	10	66	16
Donated Goods	11	6,031	3,672
Unrealised Currency Hedge Receivable	12	14,130	5,810
Total Current Assets		**47,569**	**59,843**
Non-Current Assets			
Property, Computer Hardware & Equipment	13	20,521	21,505
Intangibles	14	5,086	3,419
Total Non-Current Assets		**25,607**	**24,924**
TOTAL ASSETS		**73,176**	**84,767**
LIABILITIES			
Current Liabilities			
Accounts Payable	15	4,825	6,888
Provisions	16	7,021	6,260
Total Current Liabilities		**11,846**	**13,148**
Non-Current Liabilities			
Provisions	17	1,283	1,206
Total Non-Current Liabilities		**1,283**	**1,206**
TOTAL LIABILITIES		**13,129**	**14,354**
NET ASSETS		**60,047**	**70,413**
EQUITY			
Reserves	12	14,130	5,810
Retained Earnings		45,917	64,603
TOTAL EQUITY		**60,047**	**70,413**

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 2015

	Reserves $'000	Retained Earnings $'000	Total $'000
Balance at 1 October 2013	6,996	43,600	50,596
Excess of Revenue over Expenditure	-	21,003	21,003
Other comprehensive loss for the year	(1,186)	-	(1,186)
Total comprehensive income/(loss) for the year	(1,186)	21,003	19,817
Balance at 30 September 2014	5,810	64,603	70,413
Shortfall of Expenditure over Revenue	-	(18,686)	(18,686)
Other comprehensive income/(loss) for the year	8,320	-	8,320
Total comprehensive income/(loss) for the year	8,320	(18,686)	(10,366)
Balance as at 30 September 2015	14,130	45,917	60,047

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

Cash Flow Statement
for the Year Ended 30 September 2015

	Notes	2015 $'000	2014 $'000
Cash flows from operating activities			
Receipts from donors and merchandising (inc. GST)		341,185	329,515
Interest received		1,106	1,337
Payments to field offices, suppliers and employees (inc. GST)		(362,694)	(310,375)
Net cash (used in) / provided by operating activities	**18a**	**(20,403)**	**20,477**
Cash flows from investing activities			
Purchases of property, computer hardware and equipment		(445)	(456)
Purchases of software		(2,122)	(2,672)
Proceeds from sale of property, computer hardware and equipment		1	1
Net cash used in investing activities		**(2,566)**	**(3,127)**
Net (decrease) / increase in cash held		**(22,969)**	**17,350**
Cash at beginning of financial year		47,973	30,623
Cash at end of the financial year	**18b**	**25,004**	**47,973**

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

Notes to the Financial Statements as at 30 September 2014

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

Compliance with IFRS

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 and amended standards adopted by the Company

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 October 2014 materially affected any of the amounts recognised in the current period or any prior period and are not likely to materially affect future periods.

AASB 10 *Consolidated Financial Statements* (effective 1 January 2014)

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

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

AASB 11 *Joint Arrangements* (effective 1 January 2014)

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

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

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

Notes to the Financial Statements
as at 30 September 2015 (continued)

a) Basis of preparation (continued)

Historical cost convention

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

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

b) Centralised accounting

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

c) Revenue recognition

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

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

(i) Interest Income

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

(ii) Donated Goods and Assets

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

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

(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.

c) Revenue recognition (continued)

(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) Property, computer hardware and equipment

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

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

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

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1g).

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

f) 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.

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.

f) Intangible assets (continued)
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.

During the year the Company entered into a licence agreement for the use of a city premises for a nominal fee. The right to use the premises has been recognised as a contribution (income) and an intangible asset (right).

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

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

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

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

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

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

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

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.

Notes to the Financial Statements as at 30 September 2015 (continued)

i) Employee benefits (continued)

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 (2014: national government bonds) with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

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

k) Provisions

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

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.

l) 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.

m) Foreign currency transactions and balances

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

n) Comparative figures

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

o) Receivables

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

p) Trade and other creditors

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

Notes to the Financial Statements as at 30 September 2015 (continued)

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

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

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

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

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

Loans and receivables;
Financial assets at Fair Value Through Profit or Loss ('FVTPL');
Held-To-Maturity ('HTM') investments;
Available-For-Sale ('AFS') financial assets.

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

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

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

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

Financial assets at FVTPL
Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. Assets in this category are measured at fair value with gains or losses recognised in the income statement. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

r) Financial instruments (continued)

HTM investments

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

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

AFS financial assets

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

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

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

Classification and subsequent measurement of financial liabilities

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

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

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

s) 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.

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

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

s) Foreign currency hedging (continued)
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.

t) Leases
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (Note 25). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

u) New accounting standards and interpretations
Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2015 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 on 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) 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.
(d) 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 or enlarges an accounting mismatch in the income statement, the effect of the changes in credit risk are also presented in the income statement.

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.

u) New accounting standards and interpretations (continued)

Consequential amendments arising from AASB 9 are contained in AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* (December 2010) and AASB 2014-1 *Amendments to Australian Accounting Standards.*

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

AASB 15 *Revenue from Contracts with Customers* (effective 1 January 2018)
AASB 15 focusses on the below:

- Replaces AASB 18 Revenue, AASB 11 Construction Contracts and some revenue-related Interpretations;
- Establishes a new control-based 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.

In May 2015, the AASB issued ED 260 Income of Not-for-Profit Entities, proposing to replace the income recognition requirements of AASB 1004 Contributions and provide guidance to assist not-for-profit entities to apply the principles of AASB 15.

The Company has not yet assessed the full impact of these amendments.

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 80% of the estimated cash field payment for the financial year before the beginning of that financial year.

Approximately 108% (2014: 104%) of projected purchases of foreign currency occur concurrently with anticipated cash flows, which qualifies the transactions as "highly effective" forecast transactions for hedge accounting.

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

	30 September 2015 USD $'000	30 September 2014 USD $'000
Forward Exchange Contracts: Buy foreign currency (cash flow hedges)	126,254	116,410

Organisation Sensitivity

Based on the financial instruments held at 30 September 2015, 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 $20,236,651 higher / $16,557,260 lower (2014: $15,105,952 higher / $12,359,415 lower) had the Australian dollar forward rate weakened / strengthened by 10% against the US dollar. The Company's exposure to other foreign exchange movements is not material.

(ii) Cash flow and fair value interest rate risk

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

Notes to the Financial Statements as at 30 September 2015 (continued)

a) Market risk (continued)

During 2015 and 2014, the Company's term deposits and investments were at fixed and variable rates and were denominated in Australian dollars. As at the reporting date, the Company had the following term deposits and investments:

	30 September 2015 $'000	30 September 2014 $'000
Fixed-rate instruments		
Cash and bank balances	20,786	6,159
Term deposits	-	34,500
Variable-rate instruments		
Money market mutual fund	4,218	7,314
Total	**25,004**	**47,973**

Organisation sensitivity

At 30 September 2015, if interest rates had changed by +/-100 basis points from the year-end rates with all other variables held constant, surplus and equity for the year would have been $250,038 higher/lower (2014: $479,733 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 2015 is $25,003,826 (2014: $47,973,317) and consists mainly of cash and term deposits.

c) Liquidity risk

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

d) Determination of fair value

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 2015 and 30 September 2014:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 30 September 2015				
Assets				
Financial Assets	60	-	-	60
Derivatives used for hedging	-	14,130	-	14,130
Total Assets	**60**	**14,130**	**-**	**14,190**
At 30 September 2014				
Assets				
Financial Assets	62	-	-	62
Derivatives used for hedging	-	5,810	-	5,810
Total Assets	**62**	**5,810**	**-**	**5,872**

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

The fair value of financial assets through the profit and loss is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. The fair value of the unrealised currency hedge payable/receivable is derived using a valuation technique that is based from observable market data. In determining the fair value, the Company applied judgement that the impact of prepayment rates, rates of estimated credit losses and interest rates or discount rates are immaterial as the underlying hedge instrument is expected to be settled within the next 12 months.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

a) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The key estimates and assumptions that are recorded in the financial statements are:

- *Pharmaceutical donations*

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

  For the financial year ended 30 September 2015, there were $10,102,381 pharmaceutical donations (2014: nil) and $10,102,381 disbursements of pharmaceutical donations (2014: nil). There was no amount held as pharmaceutical inventory as at 30 September 2015 (2014: nil).

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

  The Company uses the wholesale value or an independent valuation for valuing donated goods. During 2015, $79,037,927 (2014: $50,271,731) of income and $76,534,240 (2014: $48,893,198) of disbursements were recognised as donated goods. As at 30 September 2015, $6,030,472 (2014: $3,672,295) was held in inventory.

There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. No such financial assets or liabilities are recorded on the balance sheet as at 30 September 2015.

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

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

Notes to the Financial Statements
as at 30 September 2015 (continued)

	2015 $'000	2014 $'000
4a) Monetary Donations & Gifts		
Pledge programs		
- Child Sponsorship	183,237	191,984
- Other	8,761	9,198
Total	191,998	201,182
Appeals, donations & gifts		
- Emergency relief appeals	11,893	10,964
- Other appeals	24,576	25,193
- Other cash donations & gifts	17,773	14,081
Total	54,242	50,238
4b) Donated Goods		
Goods donated by Australian Corporations	6,442	5,657
Medicines donated by International Agencies	10,102	-
Total	16,544	5,657
4c) Donated Assets		
Assets donated by International Corporations	-	4,133
Total	-	4,133
4d) Grants (Multilateral)		
Food and vouchers donated by International Agencies	72,596	44,615
Total	72,596	44,615
4e) Bequests and Legacies		
Child Sponsorship	414	265
Other	3,107	3,842
Total	3,521	4,107

Notes to the Financial Statements
as at 30 September 2015 (continued)

		2015 $'000	2014 $'000
5	**Disbursement to Overseas Projects by Country**		
	Region/Country		
	Burundi	3,903	3,397
	Ethiopia	11,223	11,916
	Kenya	17,815	14,582
	Northern Sudan	13,369	7,837
	Rwanda	5,345	4,640
	Somalia	11,107	3,448
	Sudan	14,763	7,825
	Tanzania	6,972	9,287
	Uganda	12,435	9,866
	Regional Office (1)	1,420	716
	East Africa	**98,352**	**73,514**
	Angola	-	52
	Congo	6,117	4,726
	Lesotho	2,725	3,091
	Malawi	4,045	4,606
	Mozambique	4,699	5,668
	South Africa	2,043	2,619
	Swaziland	2,602	3,213
	Zambia	7,224	9,056
	Zimbabwe	11,001	8,914
	Regional Office (1)	365	1,052
	Southern Africa	**40,821**	**42,997**
	Chad	1,070	1,503
	Ghana	2,208	2,622
	Mali	1,392	4,125
	Niger	29	458
	Senegal	3,752	4,175
	Sierra Leone	916	144
	Regional Office (1)	2,035	359
	West Africa	**11,402**	**13,386**

Notes to the Financial Statements
as at 30 September 2015 (continued)

		2015 $'000	2014 $'000
5	**Disbursement to Overseas Projects by Country (continued)**		
	Region/Country		
	Afghanistan	4,158	2,115
	Albania	16	47
	Armenia	12	44
	Azerbaijan	15	931
	Bosnia and Herzegovina	854	1,016
	Cyprus	92	669
	Georgia	369	306
	Iraq	10,931	-
	Jerusalem/West Bank/Gaza	4,786	3,908
	Jordon	2,270	2,044
	Lebanon	31,183	23,230
	Pakistan	3,206	3,828
	Romania	12	47
	Regional Office (1)	555	275
	Middle East/Eastern Europe Region	**58,459**	**38,460**
	Bangladesh	5,286	4,660
	Cambodia	6,584	5,910
	China	289	714
	India	7,479	7,274
	Indonesia	4,763	5,021
	Laos	3,804	5,730
	Mongolia	2,532	3,080
	Myanmar	4,872	6,561
	Nepal	7,178	1,430
	Pacific Timor Leste (2)	31,286	24,418
	Philippines	1,357	7,425
	Sri Lanka	7,960	6,602
	Thailand	622	1,037
	Vietnam	15,811	5,029
	Regional Office (1)	581	1,605
	Asia Pacific	**100,404**	**86,496**

Notes to the Financial Statements
as at 30 September 2015 (continued)

	2015 $'000	2014 $'000
5 Disbursement to Overseas Projects by Country (continued)		
Region/Country		
Bolivia	2,559	3,070
Brazil	3,878	4,415
Colombia	1,882	2,073
Ecuador	2,934	2,803
Guatemala	2,223	2,622
Haiti	1,825	1,686
Honduras	2,806	3,760
Nicaragua	3,025	3,739
Peru	4,357	3,823
Regional Office (1)	1,167	1,503
Latin America	**26,656**	**29,494**
Global Operations – Ministry (3)	**18,920**	**15,644**
Other International Projects (4)	**3,844**	**6,922**
Partnership Treasury Office Reserves (5)	**(20,673)**	**(53,825)**
Total Cash and Donated Goods Disbursed to International Projects	**338,185**	**253,088**
Global Operations – Administration (6)	9,318	7,701
TOTAL	**347,503**	**260,789**
Analysed as:		
Funds to international programs	260,866	211,895
Non-Monetary Expenditure Disbursed Overseas	86,637	48,894
	347,503	**260,789**
Non-Monetary Expenditure Disbursed in Australia	-	2,169
TOTAL	**347,503**	**262,958**

(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.

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

Notes to the Financial Statements
as at 30 September 2015 (continued)

		2015	2014
		$'000	**$'000**
6a)	**Expenditure**		
	Disbursements to overseas projects (Note 5)	347,503	260,789
	Disbursement to domestic projects	4,768	5,071
	Employee benefits expense	54,067	50,938
	Advertising, printing & postage	19,254	19,268
	Rent and occupancy	1,753	1,520
	Depreciation and amortisation	1,738	1,638
	Software development expenditure	-	808
	Other	13,970	18,970
	Total	**443,053**	**359,002**
6b)	**Non-Monetary Expenditure Reconciliation**		
	Non-monetary revenue	89,140	54,405
	Opening donated goods	3,672	2,324
	Less Closing Donated goods (Note 11)	(6,031)	(3,672)
	Total Non-Monetary Revenue	**86,781**	**53,057**
	Non-monetary expenditure	86,637	51,063
	Less purchased inventory disbursed	-	(6)
	Add donated goods written off	3	36
	Add donated assets not yet disbursed	-	1,964
	Add right of use asset amortisation	141	-
	Total Expenditure received as a donation	**86,781**	**53,057**
Current Assets			
7	**Cash & Investments**		
	Cash at bank and cash on hand	20,786	6,159
	Deposits at call (i)	4,218	41,814
	Total	**25,004**	**47,973**

(i) Deposits at call

The deposits earned interest at a rate of 2.46% in 2015 (2014: 2.81%). These deposits have a weighted average investment term of 61 days (2014: 67 days), but remain at call.

		2015	2014
8	**Receivables**		
	Australian Taxation Office - GST	390	570
	Debtors	1	27
	Prepayments	1,548	875
	Other	339	838
	Total	**2,278**	**2,310**

		2015	2014
		$'000	$'000
9	**Financial Assets**		
	Opening carrying amount	62	59
	Additions	-	-
	Disposals	-	-
	Net revaluation	(2)	3
	Closing carrying amount	60	62

The revaluation relates to shares bequeathed to the Company. In line with the Company's accounting policy, these have been re-valued to the quoted market value at 30 September 2015.

		2015	2014
10	**Inventories**		
	Other	66	16
	Total	66	16

No inventory was written off during the year ended 30 September 2015 (2014: Nil).

		2015	2014
11	**Donated Goods**		
	Donated goods - awaiting shipment	380	458
	Donated goods - in transit	5,651	3,214
	Total	6,031	3,672

Donated goods from Australian and overseas corporations recognised as a disbursement during the year ended 30 September 2015 amounted to $14,040,271 (2014: $4,278,693).

Write-downs of donated goods due to the loss of service potential recognised as an expense during the year ended 30 Sepetember 2015 amounted to $3,495 (2014: $36,107).

		2015	2014
12	**Hedging Reserve- Cash Flow Hedges**		
	Balance 1 October at start of financial year	5,810	6,996
	Fair value revaluation	29,614	8,842
	Charged to income statement on settlement	(21,294)	(10,028)
	Changes in the fair value of cash flow hedges	8,320	(1,186)
	Balance at 30 September	14,130	5,810

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(s). Amounts are recognised in profit and loss when the associated hedged transactions affect profit and loss. The Company has agreed to sell A$168m at an effective exchange rate of 0.752 over the next 12 months.

During the year, the amount of field payments that had not been hedged against foreign currency risk was $22,800,000 (2014:$10,000,000).

Notes to the Financial Statements
as at 30 September 2015 (continued)

	2015	2014
	$'000	$'000
Non Current Assets		
13 Property, Computer Hardware & Equipment		
Property		
Land	5,140	5,140
Buildings	18,156	18,147
Accumulated depreciation	(4,814)	(4,363)
Total Property	18,482	18,924
Computer Hardware		
At cost	3,907	3,897
Accumulated depreciation	(3,532)	(3,446)
Total Computer Hardware	375	451
Equipment		
At cost	9,019	8,698
Accumulated depreciation	(7,355)	(6,568)
Total Equipment	1,664	2,130
Total Carrying Amount of Property, Computer Hardware & Equipment	20,521	21,505

Reconciliation of carrying amount

	Land and buildings $'000	Computer Hardware $'000	Equipment $'000	Total $'000
Balance at 1 October 2013	19,231	424	2,997	22,652
Additions	141	2	30	173
Work in progress	-	235	48	283
Disposals	-	(1)	-	(1)
Depreciation Expense	(448)	(209)	(945)	(1,602)
Balance at 30 September 2014	18,924	451	2,130	21,505
Additions	4	110	309	423
Work in progress	5	6	11	22
Disposals	-	(1)	-	(1)
Depreciation Expense	(451)	(191)	(786)	(1,428)
Balance at 30 September 2015	18,482	375	1,664	20,521

		2015	2014
		$'000	$'000
14	**Intangible assets**		
	Software Purchased and Donated		
	At cost	2,616	2,338
	Accumulated amortisation	(228)	(59)
	Total Software Purchased and Donated	2,388	2,279
	Software Development		
	At cost	2,698	1,140
	Accumulated amortisation	-	-
	Total software development	2,698	1,140
	Right of Use		
	At cost	141	-
	Accumulated amortisation	(141)	-
	Total Right of Use	-	-
	Total carrying amount of Intangible Assets	5,086	3,419

Reconciliation of carrying amount

	Software Purchased & Donated $'000	Software Develop-ment $'000	Right of Use $'000	Total $'000
Balance at 1 October 2013	137	651	-	788
Additions	183	157	-	340
Work in progress	2,000	332	-	2,332
Disposals	(5)	-	-	(5)
Amortisation Expense	(36)	-	-	(36)
Balance at 30 September 2014	2,279	1,140	-	3,419
Additions	408	-	141	549
Work in progress	15	1,558	-	1,573
Impairment	(145)	-	-	(145)
Amortisation expense	(169)	-	(141)	(310)
Balance at 30 September 2015	2,388	2,698	-	5,086

		2015	2014
		$'000	$'000
Current Liabilities			
15	**Accounts Payable**		
	Trade creditors	650	1,270
	Accrued creditors	3,441	4,937
	Other payable	734	681
	Total	4,825	6,888

	2015	2014
	$'000	$'000
16 Provisions		
Annual leave	4,183	4,043
Long service leave	2,468	2,205
Other	370	12
Total	7,021	6,260

Non Current Liabilities

	2015	2014
17 Provisions		
Long service leave	808	988
Contractual obligations	475	218
Total	1,283	1,206

18a) Reconciliation of Net cash (used in) / provided by Operating activities to (Shortfall) / Excess of Revenue over Disbursements

	2015	2014
(Shortfall) / Excess of Revenue over Disbursements	(18,686)	21,003
Non-Cash Flows in Operating Activities		
Loss on disposal of property, computer hardware & equipment	-	2
Depreciation and amortisation	1,738	1,638
Impairment of software	145	-
Revaluation of financial assets	2	-
Changes in Assets and Liabilities		
(Decrease) / Increase in receivables and prepayments	32	(618)
Increase in inventories & donated goods	(2,409)	(1,342)
Decrease in accounts payable	(2,063)	(1,035)
Increase in provisions	838	829
Net cash (used in) / provided by Operating Activities	(20,403)	20,477

18b) Composition of Cash

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

	2015	2014
Cash and investments (Note 7)	25,004	47,973
	25,004	47,973

(i) Cash held on behalf of donors of $27k (2014: $32k) is accrued in Accounts Payable (Note 14).

18c) Table of Cash Movement for Designated Purposes

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

Notes to the Financial Statements
as at 30 September 2015 (continued)

19 **Financial Instruments**

19a) Terms, Conditions and Accounting policies

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

Recognised Financial Instruments	Balance Sheet Notes	Accounting Policies	Policies, Terms and Conditions
Financial Assets			
Cash & Investments	7	Cash is recognised at its face value.	Deposits at call have a weighted average investment term of 61 days.
		Cash in excess of liability requirements is invested in term deposits, bank commercial bills and capital investment funds.	The interest rate is the current market rate applicable at rollover.
Accounts Receivable	8	Trade receivables are carried at the original invoice amounts due.	Credit sales are on 30 day terms.
Financial assets	9	Financial assets are shares held for trading on behalf of donors. 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.	Shares held as part of a bequest to be converted to cash at a future date depending on the share price.
Unrealised currency hedge receivable	12	The Company adopts a conservative approach to the management of foreign currency risk, and hedges 80% of the estimated Cash Field Payment for the financial year before the beginning of that financial year.	The Company has entered into a number of forward exchange currency contracts at reporting date. The contracts were held at standard terms and conditions.
Financial Liabilities			
Accounts Payable	15	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.	The Company endeavours to settle trade liabilities 25 days after the end of the month in which it receives the invoice.

Notes to the Financial Statements
as at 30 September 2015 (continued)

19b) Fair values

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

19c) Credit risk exposure

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

19d) Interest rate risk

WVA is subject to normal commercial interest rate fluctuations on its bank accounts and money market instruments. WVA's exposure to interest rate risks and the effective interest rates of financial assets 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 balance sheet		Weighted average effective interest rate	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 %	2014 %
Financial Assets														
Cash & Investments	25,004	13,473	-	34,500	-	-	-	-	-	-	25,004	47,973	2.46%	2.80%
Accounts Receivable	-	-	-	-	-	-	-	-	340	865	340	865	N/A	N/A
Financial Assets	-	-	-	-	-	-	-	-	60	62	60	62	N/A	N/A
Currency Hedge	-	-	-	-	-	-	-	-	14,130	5,810	14,130	5,810	N/A	N/A
Total	**25,004**	13,473	-	34,500	-	-	-	-	**14,530**	6,737	**39,534**	54,710	**N/A**	N/A

There was no assessed interest rate risk for financial liabilities.

Notes to the Financial Statements
as at 30 September 2015 (continued)

19e) Maturity of financial liabilities

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

Financial Instruments	Floating interest rate		1 year or less		Over 1 to 5 years		More than 5 years		Non-interest bearing		Total carrying amount as per the balance sheet		Weighted average effective interest rate	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 %	2014 %
Financial Liabilities														
Accounts Payable	-	-	-	-	-	-	-	-	4,825	6,888	4,825	6,888	N/A	N/A
Total	-	-	-	-	-	-	-	-	4,825	6,888	4,825	6,888	N/A	N/A

Notes to the Financial Statements
as at 30 September 2015 (continued)

19f) Foreign currency risk

The Company has entered into a number of forward exchange currency contracts at reporting date designed as a hedge of anticipated field project payments that are denominated in US dollars. Forward contracts are used to manage foreign exchange risk. Under the contracts, the Company has agreed to sell A$168m at an effective exchange rate of 0.752 over the next 12 months.

20. Superannuation commitments

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

21. Remuneration of Directors

No amounts were received from or are payable by the Company to Directors of the Company. The Directors give their services to the Company without charge, but the Directors may be reimbursed for certain travel and other expenses incurred in connection with the business of the Company.

22. Remuneration of Key Management Personnel

Name	Job Title	Cash Salary and fees	Short-term employee benefits		Long-term benefits	Post-employment benefits		Total
			Cash Bonus	Non-monetary benefits	Long service leave	Super-Annuation	Termination benefits	
			$	$	$	$	$	$
2015								
N.Callaghan (1)	Acting Executive Officer	42,700	-	-	711	3,441	-	46,853
L. Cameron (2)	Chief of Staff	168,563	-	-	4,716	16,261	-	189,541
T.Costello	Chief Executive Officer	298,159	-	3,600	(49,036)	28,491	-	281,214
R. de Paiva (3)	Chief Business Development Officer	125,383	-	-	2,787	10,234	-	138,404
M.Gow	Chief Supporter Officer	201,373	-	-	14,870	16,971	-	233,215
R. Lees (4)	Chief Financial Officer	155,774		-	7,235	14,923	-	177,932
H.Morey (5)	Chief Financial Officer	10,679	-	-	(145)	1,775	13,497	25,806
J.Ward (7)	Executive Officer	153,907	-	-	(10,946)	14,628	98,275	255,864
Total		1,156,539	-	3,600	(29,808)	106,724	111,772	1,348,827
2014								
L.Cameron (2)	Chief of Staff	171,630	-	-	6,736	15,951	-	194,317
T.Costello	Chief Executive Officer	289,934	-	4,602	6,771	27,103	-	328,410
M.Gow	Chief Supporter Officer	189,494	-	-	5,468	12,342	-	207,304
H.Morey (5)	Chief Financial Officer	50,841	-	-	145	4,880	-	55,866
G.Ridder (6)	Acting Chief Financial Officer and Chief Development Officer	222,000	-	-	-	-	-	222,000
J.Ward (7)	Executive Officer	181,845	-	-	4,210	16,907	-	202,962
Total		1,105,744	-	4,602	23,330	77,183	-	1,210,859

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

(1) Nathan Callaghan was appointed to the role of Acting Executive Officer on 29 June 2015.

(2) Leigh Cameron was appointed to the role of Chief of Staff on 6 January 2014.

(3) Richard De Paiva was appointed to the role of Chief Business Development Officer on 1 January 2015.

(4) Rebecca Lees was appointed to the role of Acting Chief Financial Officer on 27 October 2014 and then Chief Financial Officer on 23 March 2015.

(5) Howard Morey was Chief Financial Officer from 1 July 2014 to 21 October 2014.

(6) Greg Ridder also held the position of Chief Financial Officer until 1 July 2014 and was remunerated through Ridder Consulting Pty Ltd (see note 26).

(7) Jenny Ward resigned on 31 August 2015.

	2015	2014
	$	$
23. Remuneration of auditors		
Amounts received or receivable by our auditors for:		
Auditing the financial accounts for the current year	80,000	80,000
	80,000	**80,000**

24. Contingencies

As at 30 September 2015, the Company has outstanding $295,264 (2014: $280,338) as a current guarantee provided by ANZ bank for the office leases noted in note 25.

25. Commitments

Lease commitments

The Company leases offices in most states and has one warehouse under a non-cancellable operating lease expiring within one to five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of leases are renegotiated.

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

	2015	2014
	$'000	$'000
Within one year	1,125	1,969
Later than one year but not later than five years	616	1,156
Later than five years	-	-
	1,741	**3,125**

26. 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	
		2015	2014	2015	2014
KMP	**Transaction**	$	$	$	$
G Ridder	Consultants (i)	-	222,000	-	-

(i) In 2013, the Company entered into an arrangement with Ridder Consulting Pty Ltd, a company controlled by Greg Ridder, for him to act in the role of the Chief Financial Officer and Chief Development Officer. The contract end date was 31 December 2014. Amounts were billed based on normal market rates for such services and were due and payable under monthly payment terms.

Notes to the Financial Statements
as at 30 September 2015 (continued)

27. 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.

	2015 $'000 Total Income	2015 $'000 Total Fundraising Direct Expenses	2015 $'000 Net Income	2014 $'000 Total Income	2014 $'000 Total Fundraising Direct Expenses	2014 $'000 Net Income
Fundraising Information						
Donations and gifts						
Monetary						
Pledge programs	191,998	34,398	157,600	201,182	35,398	165,784
Appeals, donations and gifts	54,242	12,612	41,630	50,238	13,467	36,771
Non-monetary						
Donated goods and assets	16,544	1,288	15,256	9,790	763	9,027
Grants (multilateral)	72,596	2,693	69,903	44,615	1,237	43,378
	335,380	**50,991**	**284,389**	**305,825**	**50,865**	**254,960**

Notes to the Financial Statements
as at 30 September 2015 (continued)

27. Charitable Fundraising Act 1991 (New South Wales) (continued)

	2015 $'000 Total Income	2015 $'000 Total Fundraising Direct Expenses	2015 $'000 Net Income	2014 $'000 Total Income	2014 $'000 Total Fundraising Direct Expenses	2014 $'000 Net Income
Bequests and legacies	3,521	2,747	774	4,107	1,728	2,379
Grants						
DFAT	44,483	2,560	41,923	42,340	1,789	40,551
Other Australian	202	8	194	688	19	669
Other Overseas	38,394	1,680	36,714	24,900	858	24,042
	83,079	4,248	78,831	67,928	2,666	65,262
Investment Income	1,059	97	962	1,417	82	1,335
Other Income	1,328	2,317	(989)	728	1,672	(944)
Total Net Income Contribution	424,367	60,400	363,967	380,005	57,013	322,992
		Total Indirect Expenses			Total Indirect Expenses	
Program Administration and Other						
International Programs						
Funds to international programs		260,866			211,895	
Program support costs		7,705			7,191	
Community Education		832			1,348	
Accountability and Administration		21,845			25,421	
Non-Monetary Expenditure		86,637			51,063	
Domestic Programs Expenditure		4,768			5,071	
Total Program Administration and Other		382,653			301,989	
Operating Surplus/(Deficit)	424,367	443,053	(18,686)	380,005	359,002	21,003

Notes to the Financial Statements
as at 30 September 2015 (continued)

28. Board Membership

The Directors of the Company holding that office, or who have held that office, at any time during the financial year are George Savvides, Shannon Adams, Judy Barraclough, Louise Baur, Colin Carter, Robert Goudswaard, Bishop John Harrower, Tim McCormack, Fiona Pearse, Donna Shepherd, Wendy Simpson, Bonnie Wurzbacher and Barry Pipella (who retired in November 2014).

29. Members' guarantee

The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member (Director) is required to contribute a maximum of $20 each towards meeting any outstanding obligations of the Company. As at the 30 September 2015 the number of members was 12 (2014: 13).

30. Matters Subsequent to the End of the Financial Year

On 16 November 2015, an announcement was made that the Company will streamline its operations in a major transformation aimed at greater supporter engagement and more efficient use of resources in response to changing market conditions. As part of the first phase of the transformation process, the organisation will reduce staff numbers by 89 in its Australian operations. The financial impact of the reduction cannot be measured reliably at this time.

Declaration by Directors

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

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

(b) The financial statements and notes set out on pages 11 to 48 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 2015 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.

On behalf of the Board

Chairman

Director

Melbourne
27 November 2015

Grant Thornton

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

We have audited the accompanying financial report of World Vision Australia (the "Company"), which comprises the statement of financial position as at 30 September 2015, the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian Charities and Not-for-profits Commission Act 2012.

Auditor's opinion

In our opinion:

a the financial report of World Vision Australia is in accordance with 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 2015 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013.

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

We have audited the Report of the Company, which comprises the statement of financial position as at 30 September 2015, and the income statement, statement of comprehensive income, statement of changes in equity and table of cash movement for designated purposes as disclosed in Note 18(c) for the year ended on the date and the directors' declaration. The directors of the company are responsible for the preparation and presentation of the Report in accordance with section C.2.2 of the *Australian Council for International Development (ACFID) Code of Conduct*. Our responsibility is to express an opinion on the Report based on our audit conducted in accordance with the Australian Auditing Standards.

Auditor's opinion

In our opinion, the Australian Council for International Development (ACFID) Code of Conduct Summary Financial Report of World Vision Australia for the year ended 30 September 2015 complies with section C.2.2 of the *Australian Council for International Development (ACFID) Code of Conduct.*

Grant Thornton

I, Eric Passaris, am currently a member of the Institute of Chartered Accountants in Australia 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 2015. I was responsible for the execution of the audit and delivery of our firm's audit report.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Eric W Passaris

Eric Passaris
Partner - Audit & Assurance

Melbourne, 27 November 2015