



Australia

ABN 28 004 778 081

Annual Financial Statements

for the year ended
30 September 2020

I certify that this is a true copy of all accounts required to be laid before the Company at its 2020 Annual General Meeting, together with a copy of every other document required by to be laid before the Annual General Meeting.

Elizabeth Klein

Company Secretary

Annual Statements and Accounts

30 September 2020

Contents

Directors' Report.....	2
Auditor's Independence Declaration	12
Annual Financial Report.....	14
Independent Auditor's Report	60

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

Principal Registered Office in Australia:

1 Vision Drive
East Burwood, Victoria 3151
(03) 9287 2233

Directors:

S. Adams (Chair), J. Seeley, F. Pearse, D. Shepherd, W. Simpson, D. Gardiner, S. Williams, A. Scipione, C. Badenoch
C. Yeomans, P. Trent

Acting Chief Executive Officer:

G. Strong

Company Secretary:

E. Klein

Independent Auditor:

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

Banker:

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

Website address:

www.worldvision.com.au

Directors' Report

The Directors present their report with respect to the results of World Vision Australia (the Company) for the financial year ended 30 September 2020 and the state of the Company's affairs at that date. The Directors who were in office during the year are:

Shannon Adams

Non-executive director
LLB, FAICD

Tenure: Appointed November 2005

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

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

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

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

Wendy Simpson

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

Tenure: Appointed February 2013

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

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

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

Fiona Pearse

Non-executive director
BEC, MBA, FCPA, FAICD

Tenure: Appointed February 2011

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

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

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

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

Andrew Scipione

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

Tenure: Appointed May 2019

Board and committee responsibilities: People, Culture and Governance Committee

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

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

Charles Badenoch

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

Tenure: Appointed September 2019

Board and committee responsibilities: People, Culture and Governance Committee

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

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

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

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

Darryl Gardiner

Non-executive director

Tenure: Appointed May 2016

Board and committee responsibilities: Audit and Risk Committee

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

Darryl is married with two children.

Donna Shepherd

Non-executive director

AM, BA, MIIM, FAICD

Tenure: Appointed September 2008

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

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

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

In 2020 as part of the Queen's Birthday Honours List, Donna was appointed a Member of the Order of Australia (AM) "for significant service to children through international humanitarian aid organisations."

Donna and her husband Allan Tranter live in Perth.

Jon Seeley

Non-executive director

FCA, BEC, MBA, FAICD

Tenure: Appointed February 2017

Board and committee responsibilities: Audit and Risk Committee

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

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

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

Peter Trent

Non-executive director
LLB, GAICD

Tenure: Appointed February 2020

Board and committee responsibilities: People, Culture and Governance Committee

Career: Peter comes to World Vision with 36 years in commercial and investment banking, and the infrastructure sector, 20 years of which was spent with Macquarie Group. Peter began his career with the Commonwealth Bank in 1982, later became executive vice-president of investment banking with Bankers Trust and in 1999 joined Macquarie Group as division director of investment banking.

Peter eventually became chief executive officer of ASX listed Macquarie's Atlas Roads, a position he held between 2009-2018 where he took it from an entity with market capitalisation of \$AU278 million to a top-100 ASX-listed company with a market capitalisation of more than \$AU3.7 billion.

Peter has also held several senior corporate advisory roles during his time with Macquarie Group here and globally, and served on the boards of nine different entities over the past 27 years.

Sally-Ann Williams

Non-executive director
MA, BA, GAICD

Tenure: Appointed March 2019, retired October 2020

Board and committee responsibilities: Audit and Risk Committee

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

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

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

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

Catherine Yeomans

Non-executive director
LLB, GAICD

Tenure: Appointed February 2020, retired October 2020

Board and committee responsibilities: Audit and Risk Committee

Career: Catherine is an independent Non-Executive Director with substantial experience across a number of sectors including commercial, large NFP and government owned enterprises.

At Board level, highlights include developing risk framework, setting strategic direction, M&A transactions, joint venture partnerships, turn-around financial performance and business transformation, and leading cultural change.

In addition, Catherine is a seasoned C-suite professional with over 18 years' Senior Executive experience across varied roles in a business-to-business industry serving the professional services and corporate sectors in addition to leading one of Australia's largest national charities.

Catherine currently serves on the Boards of RSL LifeCare and CHESS Connect. Previous governance roles included serving on the School Council for Tara Anglican School for Girls; and serving on the Boards of innovative organisations such as Many Rivers Microfinance and Working Links UK, a joint government, commercial and NFP enterprise.

Catherine has also served as a member of Westpac's Stakeholder Advisory Council.

Catherine holds a Bachelor of Laws (LLB) from University of Technology, Sydney; is a member of Chief Executive Women (CEW); and Australian Institute of Company Directors.

Tim McCormack Non-executive director

LLB (Hons), PhD, FAAL

Tenure: Appointed September 2013, retired February 2020

Board and committee responsibilities: People, Culture and Governance Committee

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

Tim was awarded a Fulbright Senior Scholarship to take up the position of Charles H Stockton Distinguished Scholar-in-Residence at the US Naval War College in Newport, Rhode Island for 2015-2016. In 2016 he was also James Barr Ames Visiting Professor at Harvard Law School in Cambridge, Massachusetts.

He has participated in multilateral treaty negotiations with Australian Government delegations in Geneva, New York, Rome and The Hague. He serves on the international advisory boards of several academic institutions in the US, Sweden, the Netherlands, Germany, Israel, Indonesia and New Zealand.

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

Claire Rogers

Chief Executive Officer
MBA, BA, GAICD

Tenure: Appointed November 2016, retired February 2020

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

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

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

Brooke Prentis

Non-executive director
GAICD, CA, BCom, BA

Tenure: Appointed February 2020, retired August 2020

Career: Brooke has more than 15 years' senior management experience, including with top-100 ASX-listed companies. She was recently appointed CEO of Christian charity Common Grace, is a graduate of the Australian Institute of Companies Directors and serves on number of boards.

Brooke is a descendant of the Wakka Wakka peoples, born in Cairns on Yidinji land, growing up in Redcliffe on the lands of the Gubbi Gubbi, and for the past year living in Sydney on the lands of the Gadigal peoples.

One of just 22 Aboriginal practising, chartered accountants in Australia, Brooke was also the first Aboriginal person to graduate from the University of Queensland with a combined arts and commerce degree. She also has a keen interest in theology having co-written, written, and presented several theological papers and a book both in Australia and internationally. She is a founding (Australian) board member of NAIITS, a global Indigenous theological institute, has a graduate diploma in theology through NAIITS.

COMPANY SECRETARY:

Elizabeth (Libby) Klein FGIA GAICD LLB (Hons) BAgSc (Hons) (appointed August 2019)

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

Directors' attendance in full Board and Board Committee meetings held between 1 October 2019 and 30 September 2020:

Attendance at Meetings	Full Board		People Culture and Governance Committee		Audit and Risk Committee	
	A	B	A	B	A	B
S. Adams – Chair ⁽¹⁾	15	15	15	14	11	10
T. McCormack ⁽²⁾	4	1	3	0	-	-
F. Pearse	15	14	-	-	11	11
D. Shepherd	15	13	15	15	-	
W. Simpson	15	15	15	15	-	
D. Gardiner	15	15	-	-	11	10
J. Seeley	15	14	-	-	11	9
C. Rogers ⁽³⁾	4	2	3	2	3	2
S. Williams ⁽⁸⁾	15	15	-	-	11	10
A. Scipione	15	13	15	14	-	
C. Badenoch	15	13	15	14	-	
P. Trent ⁽⁴⁾	12	11	13	13	-	
B. Prentis ⁽⁵⁾	10	9	-	-	-	-
C. Yeomans ⁽⁶⁾	12	11	-	-	8	8

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:

- In cycle Board meetings took place in November 2019 and in February, May, July and September 2020. An additional 10 out of session meetings took place.

- In cycle People Culture and Governance Committee (PCGC) meetings took place in November 2019 and in February, May and July. An additional 11 out of cycle PCGC meetings took place.

- In cycle Audit and Risk Committee (ARC) meetings took place in November 2019 (2) and in February, May, July and September 2020. A further 5 out of cycle ARC meetings took place.

(1) The Chair is an ex-officio member of each of the People Culture and Governance Committee and the Audit and Risk Committee

(2) Retired February 2020

(3) Retired February 2020

(4) Appointed to Board in February 2020 and appointed member of the People, Culture and Governance Committee in March 2020

(5) Appointed to the Board in February 2020 and retired in August 2020

(6) Appointed to the Board in February 2020 and appointed member of the Risk and Audit Committee in March 2020 and retired October 2020

(7) The CEO attended 2 People Culture and Governance and 2 Audit and Risk Committee meetings by invitation

(8) Retired October 2020

Principal Activities

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

Objectives

In 2020, the Board approved a two year strategy to achieve impact at scale for the sustained wellbeing of the world's vulnerable children. The strategy is aligned with the World Vision Our Promise Global Strategy. We are mobilising to deliver on the following impact goals, which will support vulnerable children and communities through COVID-19 and deliver lasting change:

- Goal 1: Partner with communities to build sustainable water systems and improve hygiene practices for 25 million children and families
- Goal 2: Train and resource 220,000 grassroots community health workers and strengthen local services to withstand COVID-19 and future health threats
- Goal 3: Ensure food security for 2 million families and empower them with economic tools to withstand future shocks
- Goal 4: Ensure 10 million vulnerable children are safe and engaged in education despite disruptions
- Goal 5: Advocate for children's safety and resource communities to protect 2 million children at risk of violence and exploitation

Results

Total income for the year was \$587.9m (2019 restated: \$577.2m). Total disbursements to international and domestic programs was \$514.2m (2019 restated: \$486.7m), made up of:

- Monetary funds to international programs \$230m (2019 restated: \$201m)
- Monetary funds to domestic programs \$4.4m (2019: \$5.1m)
- Non-monetary expenditure \$279.8m (2019: \$280.6m)

The remaining expenditure was \$74.9m (2019: \$80.6m). The Company incurred a deficit of \$1.2m (2019 restated: surplus \$9.9m).

Dividends

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

Review of Operations

The Company has experienced an increase in income with income of \$587.9m for 2020. Cash income has grown by \$10.7m and non-cash income remained consistent year on year.

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

Contributing factors to the overall movement in income are:

- Cash grants income grew by 21.9% to \$148.1m, due to increasing opportunities within grant donors globally and continues to be a key source of growth for the organisation; and
- Non-monetary income remained consistent year on year; and
- A decrease in bequest income of 44.1% to \$4.3m due to receipt of one-off large bequests in 2019 not received in 2020; and
- A continued decline in Sponsorship income, however the number of sponsorships through World Vision Australia during 2020 remains significant at 198,986, enabling children, families and communities to address challenges of poverty.

Operating costs decreased by 7.1% in 2020. The decrease in costs is primarily driven by management decisions to limit operations as a result of the COVID-19 pandemic. These included reductions in staff travel to domestic and international operations and limited market presence and associated fundraising costs. This is to ensure we steward the funds trusted to us in the most efficient way to bring long-term sustainable positive change to the lives of children, families and communities.

The provision of resources to the field has increased by 5.7% relative to the prior year primarily due to cash grants income as a result of increasing opportunities within grant donors globally.

Review of Operations (continued)

The COVID-19 outbreak was declared a global pandemic by the World Health Organisation in March 2020. This declaration and the subsequent economic crisis have impacted the Company's operations during the year. The Company has assessed the impact of COVID-19 on its operations and whilst preparing its financial statements with respect to both current year and future economic conditions.

The impact of COVID-19 has been experienced across all facets of the Company's operations to varying degrees, with notable impacts being:

- Disruption to field operations – travel is a key component of the Company's business as usual operations. International travel for the purposes of oversight and monitoring of field programs ceased from March 2020, and existing remote monitoring mechanisms were strengthened to mitigate this. Domestic travel is required for the implementation of field programs with Australian First Nations communities in remote parts of the country. Programming models have been adapted to respond to the context and limited mobility, ensuring the Company can still uphold the mission and support communities in need.
- Financial implications – several income streams were disrupted as a result of the economic implications of the pandemic, and the Company triggered entitlement to JobKeeper as a result. The Company took prompt corrective action to protect liquidity and future proof the Company's operations by conducting a cost review and reducing costs by 7.1% year-on-year. The annualised impact of this will be realised in the financial year ending 30 September 2021.
- Office operations – staff have been primarily 'working from home' since March 2020, with only essential staff being present in the office during permitted periods. This change to operations has posed an increased cyber security and associated privacy risk. Appropriate controls have been established in response to this increased residual risk.

The Company conducts regular reviews to ensure that it complies with relevant employment related legislation. As a result of a legal review of the application of Modern Awards, the Company took a provision for employee remuneration in the 2019 Financial Year. The Company has identified the underpayment of some current and former employees. The Company has taken necessary action to ensure that all employees are appropriately paid and is in the process of providing back pay entitlements to impacted current and previous employees. The Company continues to fully cooperate with the Fair Work Ombudsman to ensure the application of the applicable award is correct and our ongoing processes and systems are robust.

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

In March 2020, the Board announced an independent and thorough investigation by the forensic arm of KPMG following allegations reported by a media outlet relating to a contract the Company entered into in 2013 for printing and mail-house services. While the KPMG investigation focussed on the procurement of printing and mail-house services, the Company also took the opportunity to review its procurement policies and practices more generally. The KPMG investigation, and internal review, found no evidence of donor money, including Government funds, being misused, but provided the Company with key lessons for the way it operates. WVA's full response to the allegations and the investigation can be found on the Company's website.

Significant Changes in the State of Affairs

No significant changes occurred in the state of affairs of the Company during the financial year.

Matters Subsequent to the End of the Financial Year

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

Likely Developments and Expected Results of Operations

The Company continues to focus on international development, relief and advocacy. No change to this principal activity is likely.

Directors' Benefits

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

Insurance of Officers

The Company has paid premiums to insure its Directors and other Officers against liabilities incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity as Director or Officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

Environmental Regulations

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

Other Services (Non-Audit Services)

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

Auditor's Independence Declaration

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

Members' Guarantee

The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member (Director), while he or she is a Member or within one year afterwards is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the Company. As at the 30 September 2020 the number of present or past members having obligations to contribute on winding-up was 14 (2019: 13).

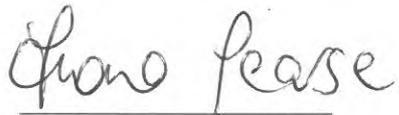
Rounding of Amounts

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

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



Chairman



Director

27th November 2020

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 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



E W Passaris
Partner – Audit & Assurance
Melbourne, 27 November 2020

Annual Financial Report 30 September 2020

Contents

Income Statement	14
Statement of Comprehensive Income	15
Statement of Financial Position.....	16
Statement of Changes in Equity	17
Cash Flow Statement	18
Notes to the Financial Statements.....	19
Declaration by Directors.....	59
Independent Auditor's Report	60

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

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

1 Vision Drive
East Burwood, Victoria 3151

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

The financial report was authorised for issue by the Directors on 27th November 2020. World Vision Australia has the power to amend and reissue the financial report.

Income Statement
for the Year Ended 30 September 2020

	Notes	2020 \$'000	2019 \$'000 Restated
INCOME			
Donations and Gifts			
Monetary			
- Pledge programs	3	125,111	134,144
- Appeals, donations and gifts	3	19,611	28,654
Non-Monetary			
- Donated goods and assets	3	4,330	5,420
- Grants (Multilateral)	3	276,999	275,961
		426,051	444,179
Bequests and Legacies - Monetary	3	4,327	7,733
Grants			
- DFAT	3	62,646	51,838
- Other Australian	3	3,295	3,794
- Other overseas	3	82,137	65,882
		148,078	121,514
Investment income	3	276	778
Other income	3	9,184	3,024
TOTAL INCOME		587,916	577,228
EXPENDITURE			
International Aid and Development Programs Expenditure			
International Programs			
- Funds to international programs	4	229,973	201,047
- Program support costs		7,393	7,334
		237,366	208,381
Community education		1,228	1,787
Fundraising Costs			
- Public		34,808	41,203
- Government, multilateral and private		2,845	2,936
Accountability and administration		28,657	27,352
Non-monetary expenditure	4, 5(b)	279,804	280,564
Total International Aid and Development Programs Expenditure		584,708	562,223
Domestic programs expenditure		4,420	5,089
TOTAL EXPENDITURE	5(a)	589,128	567,312
Net (deficit) / excess of Income over Expenditure		(1,212)	9,916

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

For additional information regarding the restatement of the 2019 Financial Statements, please refer to Note 8.

Statement of Comprehensive Income
for the Year Ended 30 September 2020

	Notes	2020 \$'000	2019 \$'000 Restated
(Deficit) / Excess of Income over Expenditure		(1,212)	9,916
Other comprehensive income			
Items that will not be reclassified subsequently to the income statement:			
Changes in the fair value of equity instruments at FVOCI	6(b)	(408)	153
Items that may be reclassified subsequently to the income statement:			
Changes in the fair value of cash flow hedges	6(c)	(13,932)	1,300
Other comprehensive income for the year		<u>(14,340)</u>	<u>1,453</u>
Total comprehensive income for the year		<u>(15,552)</u>	<u>11,369</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.
For additional information regarding the restatement of the 2019 Financial Statements, please refer to Note 8.
Note:

For the purposes of the Australian Council for International Development Code of Conduct, at the end of 30 September 2020, World Vision Australia had no transactions in the following categories; Revenue for International Political or Religious Adherence Promotion Programs and Expenditure for International Political or Religious Adherence Promotion Programs.

Statement of Financial Position
as at 30 September 2020

	Notes	2020 \$'000	2019 \$'000 Restated
ASSETS			
Current Assets			
Cash & Cash Equivalents	6(a)	50,081	51,661
Receivables		1,286	48
Prepayments		1,224	1,066
Australian Taxation Office - GST		240	379
Donated Goods		2,206	1,155
Inventories		49	132
Other Financial Assets	6(b)	2,629	2,575
Unrealised Currency Hedge	6(c)	-	8,935
Fulfilment Costs	3(b)	65,135	56,603
Total Current Assets		122,850	122,554
Non-Current Assets			
Unrealised Currency Hedge	6(c)	-	957
Property, Computer Hardware & Equipment	7(a)	17,735	18,653
Intangible Assets	7(b)	2,416	1,125
Right of Use Asset	6(e)	1,074	1,638
Total Non-Current Assets		21,225	22,373
TOTAL ASSETS		144,075	144,927
LIABILITIES			
Current Liabilities			
Accounts Payable	6(d)	2,738	4,127
Provisions	7(d)	16,767	14,694
Lease Liabilities	6(e)	510	572
Contract Liabilities	3(b)	57,382	47,072
Unrealised Currency Hedge	6(c)	3,883	-
Total Current Liabilities		81,280	66,465
Non-Current Liabilities			
Provisions	7(c)	1,069	883
Lease Liabilities	6(e)	836	1,294
Unrealised Currency Hedge	6(c)	157	-
Total Non-Current Liabilities		2,062	2,177
TOTAL LIABILITIES		83,342	68,642
NET ASSETS		60,733	76,285
EQUITY			
Hedging Reserve	6(c)	(4,040)	9,892
FVOCI Reserve	6(b)	(255)	153
Retained Earnings		65,028	66,240
TOTAL EQUITY		60,733	76,285

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

For additional information regarding the restatement of the 2019 Financial Statements, please refer to Note 8.

**Statement of Changes in Equity
for the Year Ended 30 September 2020**

	Hedging Reserve \$'000	FVOCI Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance as at 30 September 2018	8,592	-	56,324	64,916
Excess of Income over Expenditure as previously reported	-	-	2,572	2,572
Adoption of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities			7,374	7,374
Adoption of AASB 16 Leases			(30)	(30)
Other comprehensive income for the year	1,300	153	-	1,453
Total comprehensive income for the year	1,300	153	9,916	11,369
Balance as at 30 September 2019	9,892	153	66,240	76,285
(Deficit) / Excess of Income over Expenditure	-	-	(1,212)	(1,212)
Other comprehensive income for the year	(13,932)	(408)	-	(14,340)
Total comprehensive income for the year	(13,932)	(408)	(1,212)	(15,552)
Balance as at 30 September 2020	(4,040)	(255)	65,028	60,733

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

For additional information regarding the restatement of the 2019 Financial Statements, please refer to Note 8.

Cash Flow Statement
for the Year Ended 30 September 2020

	Notes	2020 \$'000	2019 \$'000 Restated
Cash flows provided by operating activities			
Receipts from donors and merchandising (inc. GST)		321,602	302,779
Interest received		269	733
Payments to field offices, suppliers and employees (inc. GST)		<u>(320,780)</u>	<u>(299,271)</u>
Net cash provided by operating activities	9(a)	1,091	4,241
Cash flows utilised in investing activities			
Proceeds from sale of shares		-	228
Purchases of property, computer hardware and equipment		(210)	(625)
Purchases of software		<u>(1,826)</u>	<u>(161)</u>
Net cash utilised in investing activities		(2,036)	(558)
Cash flows utilised in financing activities			
Payment of principal portion of lease liabilities		(557)	(548)
Interest paid on lease liabilities		<u>(78)</u>	<u>(97)</u>
Net cash utilised in financing activities		(635)	(645)
Net increase in cash held		(1,580)	3,038
Cash at beginning of financial year		<u>51,661</u>	<u>48,623</u>
Cash at end of the financial year	9(b)	<u>50,081</u>	<u>51,661</u>

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

For additional information regarding the restatement of the 2019 Financial Statements, please refer to Note 8.

**Notes to the Financial Statements
as at 30 September 2020**

Index of the Notes to the Financial Statements

Section 1: Basis of Preparation

1. Basis of preparation
2. New accounting standards and interpretations

Section 2: Notes to the Numbers

3. Income
4. Disbursement to overseas projects by region/country
5. Expenditure
6. Financial assets and liabilities
7. Non-financial assets and liabilities
8. Adoption of new accounting standards
9. Cash flow information

Section 3: Risk

10. Financial risk management
11. Significant accounting judgements and estimates

Section 4: Other Information

12. Remuneration of directors
13. Remuneration of key management personnel
14. Remuneration of auditors
15. Contingencies
16. Commitments
17. Related parties' disclosures
18. Matters subsequent to the end of the financial year
19. Charitable Fundraising Act 1991 (New South Wales)

**Notes to the Financial Statements
as at 30 September 2020**

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

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

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

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

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

SECTION I: BASIS OF PREPARATION

I. Basis of Preparation

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

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

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

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

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

Compliance with the Australian Council for International Development Code of Conduct

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

Compliance with IFRS

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

Foreign currency transactions and balances

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

Income and other taxes

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

**Notes to the Financial Statements
as at 30 September 2020 (continued)**

1. Basis of Preparation (continued)

Goods and Services Tax (GST)

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

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

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

2. New Accounting Standards and Interpretations

2a) New Accounting Standards Adopted by the Company

The Company adopted the below accounting standards for the first time. The effects of the changes as a result of adoption of these new standards are included in note 8.

2a(i) AASB 15 Revenue from Contracts with Customers (effective 1 January 2019) and AASB 1058 Income of Not-for-Profit Entities (effective 1 January 2019)

(AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities)

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

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

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

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

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

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

These related amounts are accounted for in accordance with the applicable Australian Accounting Standard. The date of initial application is 1 October 2019. The details and quantitative impact of the changes in these accounting policies are disclosed in Note 8(a). For further accounting policy notes and details refer Note 3(a).

**Notes to the Financial Statements
as at 30 September 2020 (continued)**

2a) New Accounting Standards Adopted by the Company (continued)

2a(ii) AASB 16 Leases (effective 1 January 2019)

(AASB 2018-8 Right-of-Use Assets of Not-for-Profit Entities, AASB 2019-8 Class of Right-of-Use Assets arising under Concessionary Leases)

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

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

The details and quantitative impact of the changes in these accounting policies are disclosed in Note 8(b). For further accounting policy notes and details refer Note 6(e).

2b) New Accounting Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2020 reporting periods. The Company has determined that when these amendments are first adopted for the year ending 30 September 2021, there will be no material impact on the financial statements.

- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia
- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments
- AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions

Notes to the Financial Statements
as at 30 September 2020 (continued)

SECTION 2: NOTES TO THE NUMBERS

3 Income

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

	2020	2019
	\$'000	\$'000
		Restated
Donations and Gifts - Monetary	144,722	162,798
Pledge programs	125,111	134,144
- Sponsorship	115,245	124,667
- Other	9,866	9,477
Appeals, donations and gifts	19,611	28,654
- Emergency relief appeals	1,737	3,047
- Other appeals	12,093	17,645
- Other cash donations and gifts	5,781	7,962
Donations and Gifts - Non-Monetary	281,329	281,381
Donated goods and assets	4,330	5,420
Donated goods	3,857	3,090
- Australian Corporations	3,857	3,090
Donated assets	473	2,330
- Bequests and Legacies	473	2,330
Grants (Multilateral)	276,999	275,961
Food and vouchers donated by International Agencies	276,999	275,961
Total	426,051	444,179
Bequests and Legacies - Monetary	4,327	7,733
Child Sponsorship	658	141
Other	3,669	7,592
Grants	148,078	121,514
DFAT	62,646	51,838
Other Australian	3,295	3,794
Other overseas	82,137	65,882
Investment income	276	778
Other income	9,184	3,024
JobKeeper	6,906	-
Other	2,278	3,024
Total Income	587,916	577,228

Notes to the Financial Statements
as at 30 September 2020 (continued)

3 Income (continued)

3(a) Accounting Policies

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

Donations and Gifts - Monetary

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

Donated Goods and Assets

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

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

Grants (Multilateral)

The Company enters into multilateral contracts to distribute various commodities to beneficiaries outside Australia. Revenue is measured based on the consideration specified in a contract with the donor. The Company recognises revenue at a point in time when it transfers control over the commodity to beneficiaries of the contract.

The contracts are typically one year in length, based on our evaluation of the terms of these contracts. Payment terms are agreed with the donor and reflected in the contractual terms.

Where an obligation exists for refunding monies not spent by the Company or 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. There are generally no warranty provisions or variable consideration provisions included in the contract obligations.

The Company has elected to use the practical expedient that permits the Company to not adjust for the impact of a significant financing component when the expected payment term is one year or less.

Bequests and Legacies

Income from Bequests and Legacies is recognised when received.

Grants

A number of the Company's programs are supported by grants received from federal, state and foreign governments. These grant contracts are mainly involved in overseas aid and development work.

Revenue is measured based on the consideration specified in a contract with the donor. The Company recognises revenue when it transfers control over a good or service to beneficiaries of the contract.

These grant contracts include the transfer of goods or services. The revenue is recognised over-time as the services are rendered or goods provided. An input method of determining when the performance obligations have been met over time is applied. This method uses the entity's efforts and inputs relative to total expected inputs and is indicative of WVA's efforts to satisfy the performance obligations generally present in grant contracts.

Notes to the Financial Statements
as at 30 September 2020 (continued)

3(a) Accounting Policies (continued)

Grants (continued)

The contracts are typically three years in length, based on our evaluation of the terms of these contracts. Payment terms are agreed with the donor and reflected in the contractual terms. An invoice is raised when the funds are received by the donor in accordance with these provisions.

Where an obligation exists for refunding monies not spent by the Company a liability will be raised in the event such funds exist. There are generally no warranty provisions or variable consideration provisions included in the contract obligations. The Company has elected to use the practical expedient that permits the Company to not adjust for the impact of a significant financing component when the expected payment term is one year or less.

Investment Income

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

Other Income

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

COVID-19 related government assistance: This represents JobKeeper payments received from the Federal Government in response to ongoing novel coronavirus (COVID-19) pandemic. Balances are recognised in the financial statements at their fair values when there is a reasonable assurance that the Company will comply with the requirements and that the funds will be received.

3(b) Revenue from AASB 15 Contracts with Donors

(i) Disaggregation of revenue from Contracts with Donors

The Company derives revenue from the transfer of goods and services (i) over time and (ii) at a point in time, disaggregated by donor type:

By Donor Type:	2020	2019
	\$'000	\$'000
		Restated
DFAT	62,646	51,838
- Grants (i)	62,646	51,838
Other Australian	4,182	4,734
- Grants (i)	3,295	3,794
- Other revenue	887	940
Other overseas	360,278	343,620
- Grants (i)	82,137	65,882
- Other revenue	1,142	1,777
- Food and vouchers donated by International Agencies (ii)	276,999	275,961
Total Revenue from Contracts with Donors	427,106	400,192

Notes to the Financial Statements
as at 30 September 2020 (continued)

3 Income (continued)

3(b) Revenue from AASB 15 Contracts with Donors (continued)

(i) Disaggregation of revenue from Contracts with Donors (continued)

The Company derives revenue from the transfer of goods and services by geographical regions:

By Geographical Region:	2020	2019
	\$'000	\$'000
		Restated
Australia	6,006	6,044
East Africa	73,479	77,591
Southern Africa	25,578	10,787
West Africa	1,779	2,060
Middle East/Eastern Europe Region	259,957	238,372
Asia Pacific	60,307	65,411
Latin America	-	(73)
	427,106	400,192

(ii) Liabilities related to Contracts with Donors

The Company has recognised the following liabilities related to contracts with donors:

	2020	2019
	\$'000	\$'000
		Restated
Opening balance	47,072	40,726
Revenue recognised that was included in contract liability balance at beginning of the period	(50,009)	(41,335)
Increases due to cash received, excluding amounts recognised as revenue during the period	60,319	47,681
Closing balance	57,382	47,072

The contract liabilities primarily relate to deferral of revenue to be recognised upon meeting relevant performance obligations. Contract liabilities have increased since the prior financial year due mainly to the timing of cash tranches received from the contracts relative to the prior year.

Payment from donors is generally received in advance of the satisfaction of the performance obligations resulting in a contract liability.

Notes to the Financial Statements
as at 30 September 2020 (continued)

3 Income (continued)

3(b) Revenue from AASB 15 Contracts with Donors (continued)

(iii) Transaction price allocated to remaining obligations

	2020
	\$'000
Transaction price allocated to the partially or fully unsatisfied performance obligations	153,148

The Company expects that the majority of the transaction prices allocated to unsatisfied contracts in 2020 will be recognised as revenue over the next two years. In arriving at these amounts, management has exercised judgement in allocating the remaining performance obligations over the remaining life of the contract on a time basis. This is deemed appropriate given the performance obligations are met over time.

As permitted under the transitional provisions in AASB 15, the transaction price allocated to (partially) unsatisfied performance obligations as of 30 September 2019 is not disclosed.

All other contracts with donors are for periods of one year or less. As permitted under AASB 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(iv) Contract Cost Assets to Fulfil a Contract with Donors

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

	2020	2019
	\$'000	\$'000
		Restated
Opening balance	56,603	42,883
Additional costs incurred to fulfil a contract before funding received	24,809	47,478
Amortisation	(16,277)	(33,758)
Closing balance	65,135	56,603

Notes to the Financial Statements
as at 30 September 2020 (continued)

3 Income (continued)

3(c) Income per AASB 1058

(i) Disaggregation of AASB 1058 income by source

	2020 \$'000	2019 \$'000 Restated
Donations and Gifts - Monetary	144,722	162,798
Pledge programs	125,111	134,144
- Sponsorship	115,245	124,667
- Other	9,866	9,477
Appeals, donations and gifts	19,611	28,654
- Emergency relief appeals	1,737	3,047
- Other appeals	12,093	17,645
- Other cash donations and gifts	5,781	7,962
Donations and Gifts - Non-Monetary	4,330	5,420
Donated goods and assets	4,330	5,420
Donated goods	3,857	3,090
- Australian Corporations		
Donated assets	473	2,330
- Bequests and Legacies		
Bequests and Legacies - Monetary	4,327	7,733
Child Sponsorship	658	141
Other	3,669	7,592
Investment income	276	778
Other income	7,155	307
JobKeeper	6,906	-
Other	249	307
Total Income per AASB 1058	160,810	177,036

Notes to the Financial Statements
as at 30 September 2020 (continued)

4 Disbursement to Overseas Projects by Region/Country

	2020 \$'000	2019 \$'000 Restated
Burundi	9,096	4,939
Ethiopia	7,213	5,469
Kenya	13,060	15,386
Sudan	6,320	1,907
Rwanda	3,070	3,091
Somalia	14,655	11,419
South Sudan	24,838	22,446
Tanzania	1,567	1,945
Uganda	12,888	19,088
East Africa	92,707	85,690
Angola	1,312	1,235
Congo	12,314	8,537
Lesotho	313	442
Malawi	2,345	2,987
Mozambique	9,434	2,334
South Africa	89	218
Swaziland	171	339
Zambia	6,609	3,502
Zimbabwe	4,101	2,459
Southern Africa	36,688	22,053
Chad	792	945
Ghana	505	520
Mali	22	24
Niger	297	308
Senegal	557	812
West Africa	2,173	2,609
Afghanistan	9,575	8,763
Georgia	530	309
Iraq	19,725	12,353
Jerusalem/West Bank/Gaza	741	711
Jordan	7,284	2,167
Lebanon	207,822	217,375
Syria	880	-
Turkey	573	-
Yemen	69	-
Middle East/Eastern Europe Region	247,199	241,678

Notes to the Financial Statements
as at 30 September 2020 (continued)

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

	2020 \$'000	2019 \$'000 Restated
Bangladesh	20,771	7,529
Cambodia	3,427	4,868
India	4,046	4,210
Indonesia	3,477	4,420
Laos	6,604	4,220
Myanmar	6,147	10,382
Nepal	2,696	1,892
Pacific Timor Leste (ii)	39,645	46,286
Philippines	-	-
Sri Lanka	3,691	3,665
Thailand	14	48
Vietnam	1,350	1,484
Regional Office (i)	4	-
Asia Pacific	91,872	89,004
Peru	-	(9)
Latin America	-	(9)
Global Operations – Ministry (iii)	19,651	20,062
Other International Projects (iv)	182	-
Partnership Treasury Office Reserves (v)	19,253	20,500
Total Cash and Donated Goods Disbursed to International Projects	509,725	481,587
Analysed as:		
Funds to international programs	229,973	201,047
Non-Monetary Expenditure Disbursed Overseas	279,752	280,540
	509,725	481,587
Non-Monetary Expenditure Disbursed in Australia	52	24
TOTAL	509,777	481,611

Notes to the Financial Statements
as at 30 September 2020 (continued)

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

- (i) A Regional Office is a centralised communications point that co-ordinates regional projects.
- (ii) Pacific Timor Leste includes Papua New Guinea, Solomon Islands, Vanuatu and East Timor.
- (iii) Funding of global management and expertise. World Vision Australia is part of the World Vision International Partnership which operates in over 90 countries. By sharing experiences through the World Vision International Partnership, World Vision Australia improves its efficiency and maximises economies of scale. Programs are implemented via the network of national offices under the oversight of the World Vision International Partnership which co-ordinates activities such as the transfer of funds and strategic operations. World Vision technical experts, strategists and global leaders in the international partnership office help with global strategy and specialty expertise.
- (iv) The World Vision International Partnership engages in international advocacy activities on issues such as debt relief, HIV and AIDS and child rights.
- (v) Represents the excess of disbursements to the partnership office by World Vision Australia. Any disbursements in excess of current year income will be funded from prior year reserves and reduce the amount held in the Partnership Treasury Office. Any disbursements less than the current year income will increase the funds at the Partnership Treasury Office pending future disbursement to projects.

	2020	2019
	\$'000	\$'000
		Restated
5 Expenditure		
5a) Expenditure		
Disbursements to overseas projects (Note 4)	509,725	481,587
Disbursements to domestic projects	4,472	5,113
Global Operations – Administration	6,424	6,423
Employee benefits expense	46,343	46,307
Advertising, printing & postage	7,432	11,578
Depreciation	1,128	1,158
Amortisation - Intangibles	535	447
Amortisation - Right of Use asset	539	578
Other	12,530	14,121
Total	589,128	567,312
5b) Non-Monetary Expenditure Reconciliation		
Non-monetary revenue	281,329	281,381
Opening donated goods	1,155	2,668
Less closing donated goods	(2,679)	(1,155)
Net Non-Monetary Revenue	279,805	282,894
Non-monetary expenditure	279,804	280,564
Add donated assets written off	1	-
Add donated assets	-	2,330
Total Expenditure Received as a Donation	279,805	282,894

Notes to the Financial Statements
as at 30 September 2020 (continued)

6 Financial Assets and Liabilities

Classification of financial assets

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

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

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

	2020	2019
	\$'000	\$'000
		Restated
6(a) Cash & Cash Equivalents		
Cash at bank and cash on hand	50,081	51,634
Term deposits (i)	-	27
Total (ii)	50,081	51,661

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

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

(i) Term deposits

Term deposits were held at various times during the financial year and earned interest at current market rates applicable at rollover. The deposits earned interest at an average rate of 0.85% in 2020 (2019: 1.81%). These deposits have a weighted average investment term of 19 days (2019: 20 days).

(ii) The weighted average effective interest rate earned on cash and investments was 0.52% in 2020 (2019: 1.19%).

Notes to the Financial Statements
as at 30 September 2020 (continued)

6 Financial Assets and Liabilities (continued)

	2020	2019
	\$'000	\$'000
6(b) Other Financial Assets		
Opening carrying amount	2,575	317
Donations	473	2,330
Disposals	-	(223)
Net revaluation through Profit or Loss	(11)	(2)
Net revaluation through Other Comprehensive Income	(408)	153
Closing carrying amount	<u>2,629</u>	<u>2,575</u>
Australian listed equity investments	2,629	2,575
	<u>2,629</u>	<u>2,575</u>
Financial Assets classified at Fair Value through Other Comprehensive Income	2,629	2,575
	<u>2,629</u>	<u>2,575</u>
6(c) Unrealised Currency Hedge		
Balance at 1 October	9,892	8,592
Changes in the fair value of cash flow hedges	(13,932)	1,300
Balance at 30 September	<u>(4,040)</u>	<u>9,892</u>
Represented by:		
Current	(3,883)	8,935
Non-Current	(157)	957
	<u>(4,040)</u>	<u>9,892</u>

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.

Notes to the Financial Statements
as at 30 September 2020 (continued)

6 Financial Assets and Liabilities (continued)

6(c) Unrealised Currency Hedge (continued)

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

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

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

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

The Company has agreed to sell A\$120.4m (US\$83.1m) at an effective average exchange rate of 0.6903 over the next 20 months.

During the year, the amount of AUD field payments that had not been hedged against foreign currency risk was nil (2019: nil).

	2020	2019
	\$'000	\$'000
6(d) Accounts Payable		
Trade creditors	774	1,715
Accrued creditors	1,480	1,855
Other payables	484	557
Total	2,738	4,127

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 2020 (continued)

6 Financial Assets and Liabilities (continued)

6(e) Leases

(i) Right-of-use Asset

The balance sheet shows the following amounts relating to leases:

	Properties \$'000	Vehicles \$'000	Equipment \$'000	Total \$'000
Year ended 30 September 2019 restated				
Cost	3,114	653	229	3,996
Accumulated amortisation	(1,879)	(442)	(37)	(2,358)
Net carrying value	1,235	211	192	1,638
Movement				
Opening net carrying value	1,588	292	22	1,902
Additions	39	73	202	314
Amortisation expense	(392)	(154)	(32)	(578)
Closing net carrying value	1,235	211	192	1,638
Year ended 30 September 2020				
Cost	3,135	608	229	3,972
Accumulated amortisation	(2,283)	(529)	(86)	(2,898)
Net carrying value	852	79	143	1,074
Movement				
Opening net carrying value	1,235	211	192	1,638
Additions	20	26	-	46
Disposals	-	(71)	-	(71)
Amortisation expense	(403)	(87)	(49)	(539)
Closing net carrying value	852	79	143	1,074

	2020	2019
	\$'000	\$'000
		Restated
(ii) Lease liabilities		
Current	510	572
Non-current	836	1,294
	1,346	1,866

Notes to the Financial Statements
as at 30 September 2020 (continued)

6 Financial Assets and Liabilities (continued)

6(e) Leases (continued)

(iii) Amounts recognised in profit or loss:

	2020	2019
	\$'000	\$'000
The income statement shows the following amounts relating to leases:		
Amortisation - Right of Use asset	539	578
Interest expense on lease liabilities	78	97
Expense relating to short-term leases (included in Domestic Expenditure in Profit & Loss)	39	53
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in Domestic Expenditure in Profit & Loss)	6	3

The total cash outflow for leases in 2020 is \$635k (2019 restated: \$645). There were no expenses recognised relating to variable lease payments not included in lease liabilities (2019 restated: nil.)

(iv) Maturity Profile of Lease Liabilities

The table below summarises the maturity profile of the Company's lease liabilities based on contractual undiscounted payments:

On demand	-	-
Less than 3 months	144	169
3 months to 1 year	417	472
1 to 5 years	890	1,389
> 5 years	-	-
	1,451	2,030

(v) Capital & leasing commitments

	2020	2019
	\$'000	\$'000
Non-cancellable commitments for short-term and low-value leases (2019: non-cancellable operating lease commitments)		
Within one year	-	39
Later than one year but not later than five years	-	-
	-	39

From 1 October 2019, the Company has recognised right-of-use assets and lease liabilities for these leases.

Notes to the Financial Statements
as at 30 September 2020 (continued)

6 Financial Assets and Liabilities (continued)

6(e) Leases (continued)

(vi) Additional Information

The Company leases offices in most states under non-cancellable operating leases expiring within one to five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of leases are renegotiated. In addition, the Company has a Master Fleet Agreement whereby it leases vehicles under non-cancellable operating leases. These leases have terms varying between 2 – 5 years, no escalation clauses and an option to renew by entering into a new agreement. The Company leases photocopiers for a 5 year term and a mailing machine for a term of 3 years with no escalation clauses included in these lease agreements.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

In the prior financial year, leases of property, plant and equipment were classified as either operating leases or finance leases. From 1 October 2019, leases are recognised as a right-of-use asset and a corresponding liability at the lease commencement date, plus any initial direct costs incurred, less any lease incentives received.

Assets and liabilities arising from a lease are initially measured at present value. Lease liabilities include the net present value of the following lease payments:

- fixed payments less any lease incentives receivable
- variable lease payment that are based on an index

Lease payments to be made under reasonably certain extension options are included in the measurement of the liability.

The lease payments are discounted using an interest rate aligned to the lessee's incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Notes to the Financial Statements
as at 30 September 2020 (continued)

6 Financial Assets and Liabilities (continued)

6(e) Leases (continued)

(vi) Additional Information (continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases 12 months or less of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

The Company has a fleet facility of \$1 m, \$498k of this facility remains unutilised.

Notes to the Financial Statements
as at 30 September 2020 (continued)

6 Financial Assets and Liabilities (continued)

6(f) Accounting classifications and fair values

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

	Note	Carrying Amount			Fair Value			Total \$'000
		Fair Value \$'000	Amortised Cost \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
At 30 September 2020								
Financial Assets at Amortised Cost								
Cash & Investments	6(a)	-	50,081	50,081	-	-	-	-
Other Receivables (i)		-	1,286	1,286	-	-	-	-
		-	51,367	51,367	-	-	-	-
Financial Assets at Fair Value								
Other Financial Assets at FVTOCI	6(b)	2,629	-	2,629	2,629	-	-	2,629
Total Financial Assets		2,629	51,367	53,996	2,629	-	-	2,629
At 30 September 2019								
Financial Assets at Amortised Cost								
Cash & Investments	6(a)	-	51,661	51,661	-	-	-	-
Other Receivables (i)		-	48	48	-	-	-	-
		-	51,709	51,709	-	-	-	-
Financial Assets at Fair Value								
Other Financial Assets at FVTOCI	6(b)	2,575	-	2,575	2,575	-	-	2,575
Unrealised Currency Hedge (ii)	6(c)	9,892	-	9,892	-	9,892	-	9,892
Total Financial Assets		12,467	51,709	64,176	2,575	9,892	-	12,467

Notes to the Financial Statements
as at 30 September 2020 (continued)

6 Financial Assets and Liabilities (continued)

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

		Carrying Amount			Fair Value			Total \$'000
		Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 30 September 2020								
Financial Liabilities at Amortised Cost								
Accounts payable (i)	6(d)	-	2,738	2,738	-	-	-	-
Lease liabilities	6(e)	-	1,346	1,346	-	-	-	-
Financial Liabilities at Fair Value								
Currency Hedge (ii)	6(b)	4,040	-	4,040	-	4,040	-	4,040
Total Financial Liabilities		4,040	4,084	8,124	-	4,040	-	4,040
At 30 September 2019 restated								
Financial Liabilities at Amortised Cost								
Accounts payable (i)	6(d)	-	4,127	4,127	-	-	-	-
Lease liabilities	6(e)	-	1,866	1,866	-	-	-	-
Total Financial Liabilities		-	5,993	5,993	-	-	-	-

Fair Value Measurement

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

The different levels are defined as follows:

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

- (i) The carrying amounts of trade and other receivables and accounts payables are assumed to approximate their fair values due to their short-term nature.
- (ii) The fair value of the unrealised currency hedge payable/receivable is derived using a valuation technique that is based on observable market data. In determining the fair value, the Company applied judgement that the impact of prepayment rates, rates of estimated credit losses and interest rates or discount rates are immaterial as the underlying hedge instrument is expected to be settled within the next 20 months.

Notes to the Financial Statements
as at 30 September 2020 (continued)

7 Non-Financial Assets and Liabilities

7(a) Property, Computer Hardware & Equipment

	Land and buildings \$'000	Computer Hardware \$'000	Equipment \$'000	Total \$'000
Depreciation policy	40 years (i)	3 - 5 years	5 - 10 years	
Year ended 30 September 2019				
Cost	23,396	5,019	8,073	36,488
Accumulated depreciation	(6,619)	(4,332)	(6,884)	(17,835)
Net carrying value	16,777	687	1,189	18,653
Movement				
Opening net carrying value	17,172	593	1,428	19,193
Additions	57	402	121	580
Work in progress	-	41	4	45
Disposals	-	-	(7)	(7)
Depreciation expense	(452)	(349)	(357)	(1,158)
Closing net carrying value	16,777	687	1,189	18,653
Year ended 30 September 2020				
Cost	23,396	5,192	8,110	36,698
Accumulated depreciation	(7,072)	(4,684)	(7,207)	(18,963)
Net carrying value	16,324	508	903	17,735
Movement				
Opening net carrying value	16,777	687	1,189	18,653
Additions	-	83	24	107
Work in progress	-	90	13	103
Depreciation expense	(453)	(352)	(323)	(1,128)
Closing net carrying value	16,324	508	903	17,735

(i) Land is not depreciated.

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

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

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

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

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

Notes to the Financial Statements
as at 30 September 2020 (continued)

7 Non-Financial Assets and Liabilities (continued)

7(b) Intangible Assets

	2020	2019
	\$'000	\$'000
Amortisation policy	5 years	
Software		
Cost	4,992	3,166
Accumulated amortisation	(2,576)	(2,041)
Net carrying value	<u>2,416</u>	<u>1,125</u>
Movement		
Opening net carrying value	1,125	1,411
Additions	1,650	141
Work in progress	176	20
Amortisation expense	(535)	(447)
Closing net carrying value	<u>2,416</u>	<u>1,125</u>

(i) Software development is amortised over 5 years.

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

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

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

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

Notes to the Financial Statements
as at 30 September 2020 (continued)

7 Non-Financial Assets and Liabilities (continued)

7(b) Intangible Assets (continued)

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

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

7(c) Provisions

Current

Annual leave	3,813	3,168
Long service leave	1,787	1,916
Employee remuneration	10,280	8,904
Other	887	706
Total	16,767	14,694

Non-current

Long service leave	885	702
Makegood	184	181
Total	1,069	883

Short-term employee remuneration obligations - Change in estimate

The Company conducts regular reviews to ensure that it complies with relevant employment related legislation. As a result of a legal review on the application of Modern Awards, the Company took a provision for employee remuneration in the 2019 Financial Year. The Company has identified the underpayment of some current and former employees. The Company has taken necessary action to ensure that all employees are appropriately paid and is in the process of providing back pay entitlements to impacted current and previous employees. The Company continues to fully cooperate with the Fair Work Ombudsman to ensure the application of the applicable award is correct and our ongoing processes and systems are robust.

During the current financial year, the Company has reassessed the provision and, given additional information that has come to light, an amendment was required to the assumptions underpinning the estimate of the provision for the underpayment, increasing the provision to \$10.3million.

**Notes to the Financial Statements
as at 30 September 2020 (continued)**

7 Non-Financial Assets and Liabilities (continued)

7(c) Provisions (continued)

Short-term employee benefit obligations - Annual Leave and Long Service Leave

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

Long-term employee benefit obligations - Long Service Leave

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

Makegood

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

Notes to the Financial Statements
as at 30 September 2020 (continued)

8 Changes in Accounting Policies
Revenue & Other Income

Except for the changes below, the Company has consistently applied the accounting policies to all periods presented in these financial statements. The Company has adopted *AASB 15 Revenue from Contracts with Customers* and *AASB 1058 Income of Not-for-Profit Entities* with an initial application of 1 October 2019. As a result the Company has changed its accounting policy for revenue recognition as detailed below.

AASB 1058 has been applied retrospectively in accordance with paragraph C3(a) using the practical expedient in paragraph C5 of AASB 1058, under which the Company does not restate completed contracts that begin and end within the same annual reporting period or are completed contracts at 1 October 2018.

AASB 15 has been applied retrospectively in accordance with paragraph C3(a) using the practical expedients:

- In paragraph C5(a) of AASB 15, under which we have not disclosed completed contracts that begin and end within the same annual reporting period or are completed contracts at 1 October 2018.
- In paragraph C5(b) of AASB 15, under which we do not retrospectively restate the contracts that were modified before the beginning of the earliest period presented. Instead, the aggregate effect of all of the modifications that occur before 1 October 2018 were presented.

If the Company transfers goods or services before funding is received a fulfilment cost asset is recognised in the Statement of Financial Position. Funds to international programs are distributed via World Vision International. When these disbursements made by the Company meet the AASB 15 criteria for being capitalised before the fulfilment of performance obligations, they will initially be capitalised as 'fulfilment costs'. Subsequently the costs will be amortised consistent with the pattern of transfer of the good or service to which the asset relates.

The details and quantitative impact of the changes in accounting policies are disclosed below. The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

Notes to the Financial Statements
as at 30 September 2020 (continued)

8 Changes in Accounting Policies (continued)

Leases

The Company has adopted *AASB 16 Leases* with an initial application of 1 October 2019. As a result the Company has changed its accounting policy for leases as detailed below.

The Company adopted AASB 16 using the full retrospective method of adoption, with the date of initial application of 1 October 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 October 2018. Instead, the Company applied the standard only to contracts that were previously identified as leases applying AASB 117 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). The table below shows the adjustments recognised for each individual line item as at 1 October 2018, 30 September 2019 and 30 September 2020.

The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

Notes to the Financial Statements
as at 30 September 2020 (continued)

8 Changes in Accounting Policies (continued)
Income Statement (extract)

	30 September 2020 \$'000 (AASB 1004/118 & 117)	AASB 15/1058 \$'000	AASB 16 \$'000	Amounts at 30 September 2020 as presented \$'000
INCOME				
Grant revenue	158,388	(10,310)	-	148,078
EXPENDITURE				
International Programs				
Funds to International Programs	238,505	(8,532)	-	229,973
Lease Expense	824	-	(635)	189
Depreciation	1,663	-	539	2,202
Gain / Loss on Reassessment of Leases	-	-	61	61
Interest Expense	-	-	78	78
Net excess of Income over Expenditure	608	(1,778)	(43)	(1,213)
Balance Sheet (extract)				
Current Assets				
Right of Use assets	-	-	1,074	1,074
Fulfilment costs	-	65,135	-	65,135
TOTAL ASSETS	77,866	65,135	1,074	144,075
Current Liabilities				
Contract Liabilities	-	57,382	-	57,382
Lease Liabilities	-	-	510	510
Non-Current Liabilities				
Lease Liabilities	-	-	836	836
TOTAL LIABILITIES	24,614	57,382	1,346	83,342
Retained Earnings	57,547	7,753	(272)	65,028
TOTAL EQUITY	53,252	7,753	(272)	60,733

Notes to the Financial Statements
as at 30 September 2020 (continued)

8 Changes in Accounting Policies (continued)
Cashflow Statement (extract)

30 September 2020 \$'000 (AASB 1004/118 & 117)	AASB 15/1058 \$'000	AASB 16 \$'000	Amounts at 30 September 2020 as presented \$'000	
Cash flows provided by operating activities				
Payments to field offices, suppliers and employees (inc. GST)	(321,415)	-	635	(320,780)
Net cash provided by operating activities	456	-	635	1,091
Net cash utilised in investing activities				
	(2,036)	-	-	(2,036)
Payment of principal portion of lease liabilities	-	-	(557)	(557)
Interest paid on lease liabilities	-	-	(78)	(78)
Net cash utilised in financing activities	-	-	(635)	(635)
Cash at end of the financial year	50,081	-	-	50,081

(i) The adjustment to expenditure impacts the following expenditure in the Income Statement:

Fundraising cost - Public	6
Accountability and administration	38
Domestic programs expenditure	(1)
	<u>43</u>

Notes to the Financial Statements
as at 30 September 2020 (continued)

8 Changes in Accounting Policies (continued)
Income Statement (extract)

	30 September 2019 \$'000 (AASB 1004/118 & 117)	AASB 15/1058 \$'000	AASB 16 \$'000	Restated 30 September 2019 \$'000
INCOME				
Grant revenue	127,860	(6,346)	-	121,514
EXPENDITURE				
International Programs				
Funds to International Programs	214,767	(13,720)	-	201,047
Lease Expense (i)	862	-	(645)	217
Depreciation (i)	1,605	-	578	2,183
Interest Expense (i)	-	-	97	97
Net excess of Income over Expenditure	2,572	7,374	(30)	9,916
Balance Sheet (extract)				
Current Assets				
Right of Use assets	-	-	1,638	1,638
Fulfilment costs	-	56,603	-	56,603
TOTAL ASSETS	86,686	56,603	1,638	144,927
Current Liabilities				
Contract Liabilities	-	47,072	-	47,072
Lease Liabilities	-	-	572	572
Non-Current Liabilities				
Lease Liabilities	-	-	1,294	1,294
TOTAL LIABILITIES	19,704	47,072	1,866	68,642
Retained Earnings	56,937	9,531	(228)	66,240
TOTAL EQUITY	66,982	9,531	(228)	76,285

Notes to the Financial Statements
as at 30 September 2020 (continued)

8 Changes in Accounting Policies (continued)
Cashflow Statement (extract)

	30 September 2019 \$'000 (AASB 1004/118 & 117)	AASB 15/1058 \$'000	AASB 16 \$'000	Restated 30 September 2019 \$'000
Cash flows provided by operating activities				
Payments to field offices, suppliers and employees (inc. GST)	(299,916)	-	645	(299,271)
Net cash provided by operating activities	3,596	-	645	4,241
Net cash utilised in investing activities	(558)	-	-	(558)
Payment of principal portion of lease liabilities	-	-	(548)	(548)
Interest paid on lease liabilities	-	-	(97)	(97)
Net cash utilised in financing activities	-	-	(645)	(645)
Cash at end of the financial year	51,661	-	-	51,661

(i) The adjustment to expenditure impacts the following expenditure in the Income Statement:

Fundraising cost - Public	16
Accountability and administration	5
Domestic programs expenditure	9
	<u>30</u>

Notes to the Financial Statements
as at 30 September 2020 (continued)

8 Changes in Accounting Policies (continued)
Balance Sheet (extract)

	1 October 2018 \$'000 (AASB 1004/118 & 117)	AASB 15/1058 \$'000	AASB 16 \$'000	Restated 1 October 2018 \$'000
Current Assets				
Right of Use assets	-	-	1,902	1,902
Fulfilment costs	-	42,883	-	42,883
TOTAL ASSETS	82,275	42,883	1,902	127,060
Current Liabilities				
Contract Liabilities	-	40,726	-	40,726
Lease Liabilities	-	-	642	642
Non-Current Liabilities				
Lease Liabilities	-	-	1,458	1,458
TOTAL LIABILITIES	19,318	40,726	2,100	62,144
Retained Earnings	54,365	2,157	(198)	56,324
TOTAL EQUITY	62,957	2,157	(198)	64,916

Notes to the Financial Statements
as at 30 September 2020 (continued)

	2020	2019
	\$'000	\$'000
		Restated
9 Cash Flow Information		
9(a) Reconciliation of Net Cash Provided by Operating Activities to Excess of Income over Expenditure		
Excess of Income over Expenditure	(1,212)	9,916
Non-Cash Flows in Operating Activities		
Depreciation and amortisation	2,202	2,183
Profit on disposal of shares	-	(5)
Loss on disposal of property, computer hardware & equipment	-	7
Revaluation of financial assets	11	2
Non cash adjustments	140	97
Donated financial assets	(473)	(2,330)
	668	9,870
Changes in Assets and Liabilities		
Increase in receivables and prepayments	(1,257)	(146)
Increase in fulfilment costs	(8,532)	(13,720)
(Increase)/Decrease in inventories & donated goods	(968)	1,505
Increase in contract liabilities	10,310	6,346
Decrease in accounts payables	(1,389)	(1,569)
Increase in provisions	2,259	1,955
Net cash provided by Operating Activities	1,091	4,241

9(b) Composition of Cash

For the purpose of the Cash Flow Statement, cash includes cash on hand and investments in money market instruments (Note 6(a)), and deposits held on behalf of donors. Cash held on behalf of donors of \$27k (2019: \$27k) is accrued in Accounts Payable (Note 6(d)).

The Company has a credit card facility of \$1.5m (2019: \$1.5m). At reporting date, the facility is unutilised and there are Nil (2019: Nil) outstanding credit card liabilities as balances are settled at each month end.

Notes to the Financial Statements
as at 30 September 2020 (continued)

SECTION 3: RISK

10 Financial Risk Management

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

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

a) Market risk

(i) Foreign exchange risk

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

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

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

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

	30 September 2020 \$'000	30 September 2019 \$'000
Unrealised AUD currency hedge Carrying amount (Note 6c)	(4,040)	9,892
Forward Exchange Contracts:		
Sell Australian Dollar for USD (cash flow hedges)	120,358	157,592
Maturity date	30 October 2021 – 28 May 2022	30 October 2020 – 28 May 2021
Weighted average hedged rate	0.690	0.722

Organisation Sensitivity

Based on the financial instruments held at 30 September 2020, 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 \$10,574,382 lower / \$12,924,245 higher (2019: \$18,609,365 higher / \$15,225,844 lower) had the Australian dollar forward rate weakened / strengthened by 10% against the US dollar. The Company's exposure to other foreign exchange movements is not material.

**Notes to the Financial Statements
as at 30 September 2020 (continued)**

a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk

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

During 2020 and 2019, the Company's term deposits and cash and bank balances were at fixed and variable rates and were denominated in Australian dollars. As at the reporting date, the Company had the following term deposits and investments:

	30 September 2020 \$'000	30 September 2019 \$'000
Floating interest rate		
Cash and bank balances	49,490	50,377
Fixed interest rate		
Term deposits	-	27
Non-interest bearing		
Cash and bank balances	591	1,257
Total	50,081	51,661

Organisation sensitivity

At 30 September 2020, if interest rates had changed by +/-100 basis points for a year, from the year-end rates with all other variables held constant, surplus and equity for the year would have been \$500,800 higher/lower (2019: \$516,336 higher/lower).

b) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to other World Vision partnership offices, being outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A+' are accepted. The maximum exposure to credit risk at reporting date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position. The Company's total credit risk as at 30 September 2020 is \$50,080,595 (2019: \$51,660,375) and consists mainly of cash.

c) Liquidity risk

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

II Significant Accounting Judgements and Estimates

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

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. Any 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 have been included in each section of the notes to the financial statements.

Notes to the Financial Statements
as at 30 September 2020 (continued)

SECTION 4: OTHER INFORMATION

12 Remuneration of Directors

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

13 Remuneration of Key Management Personnel

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

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

	2020	2019
	\$	\$
Short term employee benefits	2,068,244	2,285,287
Post-employment benefits	423,116	216,967
Long-term employee benefits	(38,355)	39,940
Total remuneration	2,453,005	2,542,194

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

C. Rogers (1)	356,467	374,934
G. Strong (2)	170,928	-
	527,395	374,934

(1) Claire Rogers resigned as Chief Executive Officer in February 2020.

(2) Graham Strong was appointed as Acting Chief Executive Officer in February 2020. The remuneration represented is that earned during his tenure as Acting Chief Executive Officer.

14 Remuneration of Auditors

Amounts received or receivable by our auditors for:

Auditing the financial accounts for the current year	104,000	102,000
	104,000	102,000

Notes to the Financial Statements
as at 30 September 2020 (continued)

15 Contingencies

As at 30 September 2020, the Company has no contingent liabilities or outstanding guarantees (2019: \$11,360 was provided as a guarantee by ANZ bank for office leases as noted in Note 6(e)).

16 Commitments

Superannuation Commitments

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

17 Related Parties Disclosures

There were no transactions nor outstanding balances related to key management personnel and entities over which they have control or significant influence during the current or prior financial year.

18 Matters Subsequent to the End of the Financial Year

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

Notes to the Financial Statements
as at 30 September 2020 (continued)

19 Charitable Fundraising Act 1991 (New South Wales)

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

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

	2020 \$'000	2020 \$'000	2020 \$'000	2019 \$'000	2019 \$'000	2019 \$'000
	Total Income	Total Fundraising Direct Expenses	Net Income	Total Income Restated	Total Fundraising Direct Expenses Restated	Net Income
Fundraising Information						
Donations and gifts						
Monetary						
Pledge programs	125,111	25,928	99,183	134,144	29,834	104,310
Appeals, donations and gifts	19,611	7,673	11,938	28,654	9,669	18,985
Non-monetary						
Donated goods and assets	4,330	310	4,020	5,420	385	5,035
Grants (multilateral)	276,999	221	276,778	275,961	277	275,684
	426,051	34,132	391,919	444,179	40,165	404,014

Notes to the Financial Statements
as at 30 September 2020 (continued)

19 Charitable Fundraising Act 1991 (New South Wales)

	2020 \$'000	2020 \$'000	2020 \$'000	2019 \$'000	2019 \$'000	2019 \$'000
	Total Income	Total Fundraising Direct Expenses	Net Income	Total Income Restated	Total Fundraising Direct Expenses Restated	Net Income
Bequests and legacies	4,327	285	4,042	7,733	390	7,343
Grants						
DFAT	62,646	866	61,780	51,838	948	50,890
Other Australian	3,295	163	3,132	3,794	110	3,684
Other overseas	82,137	1,073	81,064	65,882	1,258	64,624
	148,078	2,102	145,976	121,514	2,316	119,198
Investment income	276	2	274	778	14	764
Other income	9,184	1,132	8,052	3,024	1,254	1,770
Total Net Income Contribution	587,916	37,653	550,263	577,228	44,139	533,089
		Total Indirect Expenses			Total Indirect Expenses	
Program Administration and Other						
International Programs						
Funds to international programs		229,973			201,047	
Program support costs		7,393			7,334	
Community education		1,228			1,787	
Accountability and administration		28,657			27,352	
Non-monetary expenditure		279,804			280,564	
Domestic programs expenditure		4,420			5,089	
Total Program Administration and Other		551,475			523,173	
Operating Surplus	587,916	589,128	(1,212)	577,228	567,312	9,916

Declaration by Directors

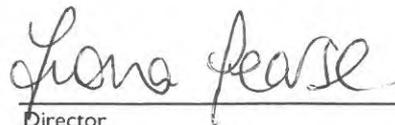
In accordance with a resolution of the Board of Directors of World Vision Australia, the Directors declare that in their opinion:

- (a) There are reasonable grounds to believe that the Company will be able to pay all of its debts as and when they become due and payable.
- (b) The financial statements and notes set out on pages 14 to 58 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 2020 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013*.
- (c) The financial statements and associated records of the Company have been properly kept during the year ended 30 September 2020 in accordance with the provisions of the *Charitable Fundraising Act 1991* (NSW), the regulations under that Act and the conditions attached to organisation's authority. The internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied by the Company from any of its fundraising appeals.

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



Chairman



Director

27th November 2020

Independent Auditor's Report

To the Members of World Vision Australia

Report on the audit of the financial report

Opinion

We have audited the financial report of World Vision Australia (the Company), which comprises the statement of financial position as at 30 September 2020, the income statement, the statement of comprehensive income, statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Directors' declaration.

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

- a giving a true and fair view of the Company's financial position as at 30 September 2020 and of its financial performance for the year then ended; and
- b complies with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

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

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

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 September 2020, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

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

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Auditor's opinion

In our opinion:

- a the financial report of World Vision Australia has been properly drawn up and associated records have been properly kept during the financial year ended 30 September 2020, in all material respects, in accordance with:
 - i Sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991*;
 - ii Sections 10(6) and (11) of the *NSW Charitable Fundraising Regulations 2015*;
 - iii the *WA Charitable Collections Act 1946*; and
 - iv the *WA Charitable Collections Regulations 1947 (as amended)*.
- b the money received as a result of fundraising appeals concluded by the Company during the financial year ended 30 September 2020 has been properly accounted for and applied, in all material respects, in accordance with the above-mentioned Acts and Regulations.

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

Grant Thornton Audit Pty Ltd was the audit firm appointed to undertake the audit of World Vision Australia for the year ended 30 September 2020. I am responsible for the execution of the audit and delivery of our firm's report.



Grant Thornton Audit Pty Ltd
Chartered Accountants



E W Passaris
Partner – Audit & Assurance

Melbourne, 27 November 2020