



Australia

ABN 28 004 778 081

Annual Financial Statements

for the year ended
30 September 2021

I certify that this is a true copy of all accounts required to be laid before the Company at its 2021 Annual General Meeting, together with a copy of every other document required by to be laid before the Annual General Meeting.

A handwritten signature in black ink, consisting of several loops and a trailing flourish.

Company Secretary

Annual Statements and Accounts 30 September 2021

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

Principal Registered Office in Australia:

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

Directors:

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

Chief Executive Officer:

D. Wordsworth

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 2021 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, Perth 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.

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 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 (Chair)

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. They have four young adult children 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 (ceased February 2021); Audit and Risk Committee (from February 2021)

Career: Peter brings 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.

Fiona Pearse

Non-executive director
BEC, MBA, FCPA, FAICD

Tenure: Appointed February 2011, retired February 2021

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.

Fiona has served as a non-executive director of U Ethical, Scotch College, Smart Parking and City West Water. She is also an independent member of the Victorian Parliament Audit Committee.

**Director attendance in full Board and Board Committee meetings held between
1 October 2020 and 30 September 2021:**

Attendance at Meetings	Full Board		People Culture and Governance Committee		Audit and Risk Committee	
	A	B	A	B	A	B
S. Adams – Chair ⁽¹⁾	8	8	7	7	8	8
F. Pearse ⁽²⁾	4	4	-	-	5	5
D. Shepherd	8	8	7	7	-	-
W. Simpson	8	8	7	7	-	-
D. Gardiner	8	8	-	-	8	8
J. Seeley	8	8	-	-	8	8
A. Scipione	8	8	7	6	-	-
C. Badenoch	8	7	7	7	-	-
P. Trent ⁽³⁾	8	8	3	3	3	3

Column A indicates the number of meetings which the director was eligible to attend.
Column B indicates the number of meetings which a director attended.

Meetings held:

- In cycle Board meetings took place in October and November 2020 and in February, May, July and September 2021. An additional 2 out of cycle meetings took place in October 2020 and September 2021
- In cycle People Culture and Governance Committee (PCGC) meetings took place in October 2020 and in February, May, July and September. Additional out of cycle PCGC meetings took place in October 2020 and August 2021.
- In cycle Audit and Risk Committee (ARC) meetings took place in November 2020 (2) and in February, May, July and September 2021. A further out of cycle ARC meeting took place in February 2021.

- (1) The Chair is an ex-officio member of the People Culture and Governance Committee and the Audit and Risk Committee
- (2) Retired February 2021
- (3) Appointed as a member of the Audit and Risk Committee, and ceased as a member of the People Culture and Governance Committee, in Feb 2021
- (4) Appointed as member of the Audit and Risk Committee in June 2021
- (5) Appointed as a member of the People, Culture and Governance Committee in July 2021

Principal Activities

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

Objectives

The Company is one year into 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 195,000 grassroots community health workers and strengthen local services to withstand COVID-19 and future health threats
- Goal 3: Ensure food security for 10 million people and empower them with economic tools to withstand future shocks
- Goal 4: Ensure 4 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 \$451.3m (2020: \$587.9m). Total disbursements to international and domestic programs was \$391.1m (2020: \$514.2m), made up of:

- Monetary funds to international programs \$243.5m (2020: \$230m)
- Monetary funds to domestic programs \$4.5m (2020: \$4.4m)
- Non-monetary expenditure \$143.1m (2020: \$279.8m)

The remaining expenditure was \$62.8m (2020: \$74.9m). The Company incurred a deficit of \$2.6m (2020: \$1.2m).

Dividends

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

Review of Operations

The Company has experienced a decrease in income of 23% to \$451.3m for 2021. Cash income has grown by \$3.0m and non-cash income declined by \$139.2m year on year.

Contributing factors to the overall movement in income are:

- Non-monetary income decreased by 49% to \$142m due to the impact of COVID-19 in program areas, primarily attributed to World Food Programme contracts in Lebanon where higher levels of economic instability and local currency volatility resulted in less income being recognised.
- Cash grants income rose by 6% to \$156.8m, due to increasing opportunities within grant donors globally and continues to be a key source of growth for the organisation; and
- An increase in bequest income of 45% to \$6.3m due to a higher number of estate gifts received compared to prior years; and
- Sponsorship income continues to decline, however the number of sponsorships through World Vision Australia during 2021 remains significant at 191,185 sponsorships enabling children, families and communities to address challenges of poverty.

Operating costs decreased by 16% in 2021. In 2020 management conducted a review of operations in response to COVID-19, the annualised benefits of which were realised through 2021. Due to ongoing impacts of COVID-19 on travel and in-market activities, the company has continued to review aligned expenditure and reduce where possible. This is to ensure we steward the funds entrusted 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 decreased by 24% relative to the prior year primarily due to the impact on non-cash grants income as a result of impacts of COVID-19 in program areas.

Review of Operations (continued)

The Company has assessed the continued 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 continued to be experienced across the Company's operations to varying degrees in 2021, with notable impacts being:

- Disruption to field operations – travel continues to be affected by COVID-19 restrictions, with international travel to field programs unable to resume in 2021, however some domestic travel was able to commence to support Australian First Nations programming. Existing mechanisms for monitoring and evaluation have performed well ensuring the Company can still uphold the mission and support communities in need.
- Financial implications – Continued disruption of in market activities, particularly in New South Wales and Victoria, resulted in year-on-year 5% decline in revenue in mass segments. Corrective action taken to protect liquidity and future proof the Company's operations in 2020 have been realised with organisational expenses reduced by 16% year-on-year.

During the current financial year, the Company established an Endowment Fund. The Company maintains a managed investment portfolio that is solely for endowments received by the Company. The portfolio is managed by an external fund manager who invests in a mix of cash and cash equivalents, fixed interest and Australian shares and international shares. The long-term investment portfolio serves to support the charitable purposes of the Company by growing the capital and generating a growing income stream. As of 30 September 2021, the total value of the Endowment Fund was \$4.4 million (the shares held in 2020 amounted to: \$2.6m, these were allocated to the Endowment Fund during the current year).

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.

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 and domestic 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 2021 the number of present or past members having obligations to contribute on winding-up was 11 (2020: 14).

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

26th November 2021

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 2021, 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



Adam Pitts
Partner – Audit & Assurance

Melbourne, 26 November 2021

Annual Financial Report 30 September 2021

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

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

1 Vision Drive
East Burwood, Victoria 3151

A description of the nature of its principal activities is included on page 7 in the Directors' Report, which is not part of this financial report.

The financial report was authorised for issue by the Directors on 26th November 2021. World Vision Australia has the power to amend and reissue the financial report.

Income Statement
for the Year Ended 30 September 2021

	Notes	2021 \$'000	2020 \$'000 Restated
INCOME			
Donations and Gifts			
Monetary			
- Pledge programs	3	117,141	125,111
- Appeals, donations and gifts	3	23,029	19,611
Non-Monetary			
- Donated goods and assets	3	1,288	4,330
- Grants (Multilateral)	3	140,853	276,999
		<u>282,311</u>	<u>426,051</u>
Bequests and Legacies - Monetary	3	6,293	4,327
Grants			
- DFAT	3	53,812	52,678
- Other Australian	3	2,109	2,608
- Other overseas	3	100,833	92,792
		<u>156,754</u>	<u>148,078</u>
Investment income	3	74	276
Other income	3	5,878	9,184
		<u>451,310</u>	<u>587,916</u>
TOTAL INCOME			
EXPENDITURE			
International Aid and Development Programs Expenditure			
International Programs			
- Funds to international programs	4	243,507	229,973
- Program support costs		6,336	7,393
		<u>249,843</u>	<u>237,366</u>
Community education		1,604	1,228
Fundraising Costs			
- Public		23,966	34,808
- Government, multilateral and private		2,460	2,845
Accountability and administration		28,455	28,657
Non-monetary expenditure	4, 5(b)	143,110	279,804
Total International Aid and Development Programs Expenditure		<u>449,438</u>	<u>584,708</u>
Domestic programs expenditure		4,472	4,420
		<u>453,910</u>	<u>589,128</u>
TOTAL EXPENDITURE	5(a)	<u>453,910</u>	<u>589,128</u>
Net deficit of Income over Expenditure		<u>(2,600)</u>	<u>(1,212)</u>

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

For additional information regarding the restatement of the 2021 Financial Statements, please refer to Note 3.

**Statement of Comprehensive Income
for the Year Ended 30 September 2021**

	Notes	2021 \$'000	2020 \$'000
Deficit of Income over Expenditure		(2,600)	(1,212)
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)	570	(408)
Items that may be reclassified subsequently to the income statement:			
Changes in the fair value of cash flow hedges	6(c)	8,423	(13,932)
Other comprehensive income for the year		<u>8,993</u>	<u>(14,340)</u>
Total comprehensive income for the year		<u>6,393</u>	<u>(15,552)</u>

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

Note:

For the purposes of the Australian Council for International Development Code of Conduct, at the end of 30 September 2021, 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 2021

	Notes	2021 \$'000	2020 \$'000
ASSETS			
Current Assets			
Cash & Cash Equivalents	6(a)	51,199	50,081
Receivables		9	1,286
Prepayments		1,260	1,224
Australian Taxation Office - GST		250	240
Donated Goods		-	2,206
Inventories		90	49
Other Financial Assets	6(b)	4,452	2,629
Unrealised Currency Hedge	6(c)	2,734	-
Fulfilment Costs	3(b)	65,538	65,135
Total Current Assets		125,532	122,850
Non-Current Assets			
Unrealised Currency Hedge	6(c)	1,649	-
Property, Computer Hardware & Equipment	7(a)	16,923	17,735
Intangible Assets	7(b)	1,834	2,416
Right of Use Asset	6(e)	727	1,074
Total Non-Current Assets		21,133	21,225
TOTAL ASSETS		146,665	144,075
LIABILITIES			
Current Liabilities			
Accounts Payable	6(d)	5,119	2,738
Provisions	7(c)	11,528	16,767
Lease Liabilities	6(e)	546	510
Contract Liabilities	3(b)	60,878	57,382
Unrealised Currency Hedge	6(c)	-	3,883
Total Current Liabilities		78,071	81,280
Non-Current Liabilities			
Provisions	7(c)	1,082	1,069
Lease Liabilities	6(e)	386	836
Unrealised Currency Hedge	6(c)	-	157
Total Non-Current Liabilities		1,468	2,062
TOTAL LIABILITIES		79,539	83,342
NET ASSETS		67,126	60,733
EQUITY			
Hedging Reserve	6(c)	4,383	(4,040)
FVOCI Reserve		315	(255)
Retained Earnings		62,428	65,028
TOTAL EQUITY		67,126	60,733

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

Statement of Changes in Equity
for the Year Ended 30 September 2021

	Hedging Reserve \$'000	FVOCI Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance as at 30 September 2019	9,892	153	66,240	76,285
Deficit 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
Deficit of Income over Expenditure	-	-	(2,600)	(2,600)
Other comprehensive income for the year	8,423	570	-	8,993
Total comprehensive income for the year	8,423	570	(2,600)	6,393
Balance as at 30 September 2021	4,383	315	62,428	67,126

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

Cash Flow Statement
for the Year Ended 30 September 2021

	Notes	2021 \$'000	2020 \$'000
Cash flows provided by operating activities			
Receipts from donors and merchandising (inc. GST)		316,369	321,602
Interest received		74	269
Payments to field offices, suppliers and employees (inc. GST)		(314,439)	(320,780)
Net cash provided by operating activities	9(a)	2,004	1,091
Cash flows utilised in investing activities			
Purchases of property, computer hardware and equipment		(165)	(210)
Purchases of software	7(b)	(122)	(1,826)
Proceeds from sale of property, computer hardware and equipment		8	-
Net cash utilised in investing activities		(279)	(2,036)
Cash flows utilised in financing activities			
Payment of principal portion of lease liabilities		(550)	(557)
Interest paid on lease liabilities		(57)	(78)
Net cash utilised in financing activities		(607)	(635)
Net increase in cash held		1,118	(1,580)
Cash at beginning of financial year		50,081	51,661
Cash at end of the financial year	9(b)	51,199	50,081

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

**Notes to the Financial Statements
as at 30 September 2021**

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**Notes to the Financial Statements
as at 30 September 2021**

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 1: 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 2021 (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

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There was no material impact on the financial statements.

Notes to the Financial Statements
as at 30 September 2021 (continued)

SECTION 2: NOTES TO THE NUMBERS

3 Income

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

	2021 \$'000	2020 \$'000 Restated
Donations and Gifts - Monetary	140,170	144,722
Pledge programs	117,141	125,111
- Sponsorship	108,511	115,245
- Other	8,630	9,866
Appeals, donations and gifts	23,029	19,611
- Emergency relief appeals	3,884	1,737
- Other appeals	12,737	12,093
- Other cash donations and gifts	6,408	5,781
Donations and Gifts - Non-Monetary	142,141	281,329
Donated goods and assets	1,288	4,330
Donated goods	67	3,857
- Australian Corporations		
Donated assets	1,221	473
- Bequests and Legacies		
Grants (Multilateral)	140,853	276,999
Food and vouchers donated by International Agencies	140,853	276,999
Total	282,311	426,051
Bequests and Legacies - Monetary	6,293	4,327
Child Sponsorship	63	658
Other	6,230	3,669
Grants	156,754	148,078
DFAT	53,812	52,678
Other Australian	2,109	2,608
Other overseas	100,833	92,792
Investment income	74	276
Other income	5,878	9,184
JobKeeper	3,159	6,906
Other	2,719	2,278
Total Income	451,310	587,916

**Notes to the Financial Statements
as at 30 September 2021 (continued)**

3 Income (continued)

3(a) Accounting Policies

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

Appeals, 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.

As the company operates in different regions across the globe, at times the political situation may not allow local field officers to source documentation for the precise recognition of revenue in line with internal processes. In this instance management will estimate expected revenue based on best available financial information and utilise recent experience and performance in the region to estimate total field expense and the associated revenue to be recognised.

Bequests and Legacies

Income from Bequests and Legacies is recognised when received and where there are no sufficiently specific performance obligations.

**Notes to the Financial Statements
as at 30 September 2021 (continued)**

3(a) Accounting Policies (continued)

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 and the associated performance obligation is fulfilled.

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.

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 contract 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.

Notes to the Financial Statements
as at 30 September 2021 (continued)

3 Income (continued)

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, disagggregated by donor type:

By Donor Type:	2021	2020
	\$'000	\$'000
		Restated
DFAT	53,812	52,678
- Grants (i)	53,812	52,678
Other Australian	2,982	3,495
- Grants (i)	2,109	2,608
- Other revenue	873	887
Other overseas	243,288	370,933
- Grants (i)	100,833	92,792
- Other revenue	1,602	1,142
- Food and vouchers donated by International Agencies (ii)	140,853	276,999
Total Revenue from Contracts with Donors	300,082	427,106

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

By Geographical Region:	2021	2020
	\$'000	\$'000
Australia	5,974	6,006
East Africa	77,589	73,479
Southern Africa	17,472	25,578
West Africa	1,633	1,779
Middle East/Eastern Europe Region	119,892	259,957
Asia Pacific	77,522	60,307
	300,082	427,106

Notes to the Financial Statements
as at 30 September 2021 (continued)

3 Income (continued)

3(b) Revenue from AASB 15 Contracts with Donors

(ii) Liabilities related to Contracts with Donors

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

	2021 \$'000	2020 \$'000
Opening balance	57,382	47,072
Revenue recognised that was included in contract liability balance at beginning of the period	(56,766)	(50,009)
Increases due to cash received, excluding amounts recognised as revenue during the period	60,262	60,319
Closing balance	<u>60,878</u>	<u>57,382</u>

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.

(iii) Transaction price allocated to remaining obligations

	2021 \$'000	2020 \$'000
Transaction price allocated to the partially or fully unsatisfied performance obligations	174,172	153,148

The Company expects that the majority of the transaction prices allocated to unsatisfied contracts in 2021 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.

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.

Notes to the Financial Statements
as at 30 September 2021 (continued)

3 Income (continued)

3(b) Revenue from AASB 15 Contracts with Donors

(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.

	2021	2020
	\$'000	\$'000
Opening balance	65,135	56,603
Additional costs incurred to fulfil a contract before funding received	29,175	24,809
Amortisation	(28,772)	(16,277)
Closing balance	<u>65,538</u>	<u>65,135</u>

3(c) Income per AASB 1058

(i) Disaggregation of AASB 1058 income by source

Donations and Gifts - Monetary

	140,170	144,722
Pledge programs	117,141	125,111
- Sponsorship	108,511	115,245
- Other	8,630	9,866
Appeals, donations and gifts	23,029	19,611
- Emergency relief appeals	3,884	1,737
- Other appeals	12,737	12,093
- Other cash donations and gifts	6,408	5,781

Donations and Gifts - Non-Monetary

	1,288	4,330
Donated goods and assets	1,288	4,330
Donated goods		
- Australian Corporations	67	3,857
Donated assets		
- Bequests and Legacies	1,221	473

Bequests and Legacies - Monetary

	6,293	4,327
Child Sponsorship	63	658
Other	6,230	3,669

Investment income

	74	276

Other income

	3,403	7,155
JobKeeper	3,159	6,906
Other	244	249

Total Income per AASB 1058

	<u>151,228</u>	<u>160,810</u>

Notes to the Financial Statements
as at 30 September 2021 (continued)

3 Income (continued)

3(d) Restatement of comparatives

Reclassification of Grant Income

During the year, the Company determined that certain Grant Revenue is more accurately classified in other categories as represented in the Income Statement. This revenue has been adjusted in the comparative amounts and classified per the below. The impact on the Income Statement in the prior year has been shown in the extract below. The reclassification had no impact on total comprehensive income.

	2020 \$'000	\$'000	2020 \$'000
	Reported	Adjustment	Restated
Grants			
- DFAT	62,646	(9,968)	52,678
- Other Australian	3,295	(687)	2,608
- Other overseas	82,137	10,655	92,792
	<u>148,078</u>	<u>-</u>	<u>148,078</u>

Notes to the Financial Statements
as at 30 September 2021 (continued)

4 Disbursement to Overseas Projects by Region/Country

	2021 \$'000	2020 \$'000
Burundi	6,966	9,096
Ethiopia	7,359	7,213
Kenya	13,944	13,060
Sudan	9,813	6,320
Rwanda	3,106	3,070
Somalia	19,567	14,655
South Sudan	21,408	24,838
Tanzania	1,123	1,567
Uganda	8,069	12,888
East Africa	91,355	92,707
Angola	-	1,312
Congo	12,003	12,314
Lesotho	-	313
Malawi	1,515	2,345
Mozambique	6,047	9,434
South Africa	-	89
Swaziland	-	171
Zambia	6,201	6,609
Zimbabwe	3,048	4,101
Southern Africa	28,814	36,688
Chad	764	792
Ghana	398	505
Mali	236	22
Niger	277	297
Senegal	903	557
West Africa	2,578	2,173
Afghanistan	4,195	9,575
Georgia	932	530
Iraq	24,766	19,725
Jerusalem/West Bank/Gaza	-	741
Jordan	517	7,284
Lebanon	89,986	207,822
Syria	2,399	880
Turkey	-	573
Yemen	-	69
Middle East/Eastern Europe Region	122,795	247,199

Notes to the Financial Statements
as at 30 September 2021 (continued)

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

	2021 \$'000	2020 \$'000
Bangladesh	13,360	20,771
Cambodia	5,096	3,427
India	4,962	4,046
Indonesia	3,320	3,477
Laos	5,084	6,604
Myanmar	3,994	6,147
Nepal	2,953	2,696
Pacific Timor Leste (ii)	56,537	39,645
Sri Lanka	3,464	3,691
Thailand	-	14
Vietnam	2,032	1,350
Regional Office (i)	36	4
Asia Pacific	100,838	91,872
Global Operations – Ministry (iii)	17,608	19,651
Other International Projects (iv)	-	182
Partnership Treasury Office Reserves (v)	22,623	19,253
Total Cash and Donated Goods Disbursed to International Projects	386,611	509,725
Analysed as:		
Funds to international programs	243,507	229,973
Non-Monetary Expenditure Disbursed Overseas	143,104	279,752
	386,611	509,725
Non-Monetary Expenditure Disbursed in Australia	6	52
TOTAL	386,617	509,777

Notes to the Financial Statements
as at 30 September 2021 (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.

	2021	2020
	\$'000	\$'000
5 Expenditure		
5a) Expenditure		
Disbursements to overseas projects (Note 4)	386,611	509,725
Disbursements to domestic projects	4,478	4,472
Global Operations – Administration	6,444	6,424
Employee benefits expense	34,197	46,343
Advertising, printing & postage	9,377	7,432
Depreciation	973	1,128
Amortisation - Intangibles	704	535
Amortisation - Right of Use asset	474	539
Other	10,652	12,530
Total	453,910	589,128
5b) Non-Monetary Expenditure Reconciliation		
Non-monetary revenue	142,141	281,329
Opening donated goods	2,206	1,155
Less closing donated goods	-	(2,206)
Net Non-Monetary Revenue	144,347	280,278
Non-monetary expenditure	143,110	279,804
Add donated assets written off	16	1
Add donated assets still on hand	1,221	473
Total Expenditure Received as a Donation	144,347	280,278

Notes to the Financial Statements
as at 30 September 2021 (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).

	2021 \$'000	2020 \$'000
6(a) Cash & Cash Equivalents		
Cash at bank and cash on hand	51,199	50,081
Term deposits (i)	-	-
Total (ii)	<u>51,199</u>	<u>50,081</u>

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 0.30% in 2021 (2020: 0.85%). These deposits have a weighted average investment term of 25 days (2020: 19 days).

(ii) The weighted average effective interest rate earned on cash and investments was 0.28% in 2021 (2020: 0.52%).

Notes to the Financial Statements
as at 30 September 2021 (continued)

6 Financial Assets and Liabilities (continued)

	2021	2020
	\$'000	\$'000
6(b) Other Financial Assets		
Opening carrying amount	2,629	2,575
Donations	1,221	473
Disposals	-	-
Net revaluation through Profit or Loss	32	(11)
Net revaluation through Other Comprehensive Income	570	(408)
Closing carrying amount	<u>4,452</u>	<u>2,629</u>
Australian listed equity investments	4,452	2,629
	<u>4,452</u>	<u>2,629</u>
Financial Assets classified at Fair Value through Other Comprehensive Income (1)	4,366	2,575
Financial Assets classified at Fair Value through Profit or Loss (2)	86	54
	<u>4,452</u>	<u>2,629</u>

(1) The Company maintains a long-term managed investment portfolios that is designed to be held in perpetuity. The portfolio is managed by external fund manager who invests in a mix of cash and cash equivalents, fixed interest and Australian shares and international shares. The long-term investment portfolio serves to support the charitable purposes of the Company by growing the capital and generating a growing income stream.

These assets are classified as financial assets at Fair Value through Other Comprehensive Income (OCI). They are measured at fair value. Distributions/dividends received are recognised in the Income Statements. Gains and losses from the movement in fair value are recognised in OCI. The amounts recognised in OCI are not reclassified to profit or loss under any circumstances.

(2) These financial assets represent donated listed shares held for the purposes of any income generated required to support Child Sponsorship. These assets are classified as financial assets at Fair Value through Profit or Loss. They are measured at fair value. Distributions/dividends received and the annual movement in fair value are recognised in the Income Statements.

Notes to the Financial Statements
as at 30 September 2021 (continued)

6 Financial Assets and Liabilities (continued)

6(c) Unrealised Currency Hedge

Balance at 1 October	(4,040)	9,892
Changes in the fair value of cash flow hedges	8,423	(13,932)
Balance at 30 September	4,383	(4,040)
Represented by:		
Current	2,734	(3,883)
Non-Current	1,649	(157)
	4,383	(4,040)

The Company remits cash to fund overseas projects to the Partnership Treasury Office in US dollars. This central function coordinated by the Partnership Treasury Office ensures the efficient disbursement of funds to projects provided by the Company and other support offices. The Company enters into a series of forward foreign exchange agreements to provide certainty of the total US dollars available to fund projects.

The Company documents, at the inception of the hedging transaction, the 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\$238.5m (US\$174.4m) at an effective average exchange rate of 0.731 over the next 36 months.

During the year, the amount of AUD field payments that had not been hedged against foreign currency risk was nil (2020: nil).

Notes to the Financial Statements
as at 30 September 2021 (continued)

6 Financial Assets and Liabilities (continued)

	2021	2020
	\$'000	\$'000
6(d) Accounts Payable		
Trade creditors	1,025	774
Accrued creditors	3,581	1,480
Other payables	513	484
Total	<u>5,119</u>	<u>2,738</u>

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 2021 (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 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
Year ended 30 September 2021				
Cost	3,176	678	246	4,100
Accumulated amortisation	(2,620)	(618)	(135)	(3,373)
Net carrying value	556	60	111	727
Movement				
Opening net carrying value	852	79	143	1,074
Additions	41	79	17	137
Disposals	-	(10)	-	(10)
Amortisation expense	(336)	(89)	(49)	(474)
Closing net carrying value	557	59	111	727

	2021	2020
	\$'000	\$'000

(ii) Lease liabilities

Current	546	510
Non-current	386	836
	<u>932</u>	<u>1,346</u>

Notes to the Financial Statements
as at 30 September 2021 (continued)

6 Financial Assets and Liabilities (continued)

6(e) Leases (continued)

(iii) Amounts recognised in profit or loss:

	2021	2020
	\$'000	\$'000
The income statement shows the following amounts relating to leases:		
Amortisation - Right of Use asset	474	539
Interest expense on lease liabilities	57	78
Expense relating to short-term leases (included in Domestic Expenditure in Profit & Loss)	40	39
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in Domestic Expenditure in Profit & Loss)	3	6

The total cash outflow for leases in 2021 is \$604k (2020: \$635). There were no expenses recognised relating to variable lease payments not included in lease liabilities (2020: 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	150	144
3 months to 1 year	421	417
1 to 5 years	234	890
> 5 years	-	-
	805	1,451

(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.

Notes to the Financial Statements
as at 30 September 2021 (continued)

6 Financial Assets and Liabilities (continued)

6(e) Leases (continued)

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.

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 \$1m, \$555k of this facility remains unutilised.

World Vision Australia
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Notes to the Financial Statements
as at 30 September 2021 (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
		Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 30 September 2021								
Financial Assets at Amortised Cost								
Cash & Investments	6(a)	-	51,199	51,199	-	-	-	-
Other Receivables (i)		-	9	9	-	-	-	-
		-	51,208	51,208	-	-	-	-
Financial Assets at Fair Value								
Other Financial Assets at FVTOCI	6(b)	4,452	-	4,452	4,452	-	-	4,452
Unrealised Currency Hedge (ii)	6(c)	4,383	-	4,383	-	4,383	-	4,383
Total Financial Assets		8,835	51,208	60,043	4,452	4,383	-	8,835
At 30 September 2020								
Financial Assets at Amortised Cost								
Cash & Investments	6(a)	-	50,081	50,081	-	-	-	-
Other Receivables (i)		-	1,286	1,286	-	-	-	-
		-	51,709	51,709	-	-	-	-
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	-	2,629	2,629	-	-	2,629

Notes to the Financial Statements
as at 30 September 2021 (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 2021								
Financial Liabilities at Amortised Cost								
Accounts payable (i)	6(d)	-	5,119	5,119	-	-	-	-
Lease liabilities	6(e)	-	932	932	-	-	-	-
Total Financial Liabilities		-	6,051	6,051	-	-	-	-
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

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 36 months.

Notes to the Financial Statements
as at 30 September 2021 (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 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
Year ended 30 September 2021				
Cost	23,396	5,334	8,122	36,852
Accumulated depreciation	(7,525)	(4,915)	(7,489)	(19,929)
Net carrying value	15,871	419	633	16,923
Movement				
Opening net carrying value	16,324	508	903	17,735
Additions	-	66	21	87
Work in progress	-	76	2	78
Disposals	-	-	(4)	(4)
Depreciation expense	(453)	(231)	(289)	(973)
Closing net carrying value	15,871	419	633	16,923

(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 2021 (continued)

7 Non-Financial Assets and Liabilities (continued)

7(b) Intangible Assets

	2021 \$'000	2020 \$'000
Amortisation policy		5 years
Software		
Cost	5,114	4,992
Accumulated amortisation	(3,280)	(2,576)
Net carrying value	<u>1,834</u>	<u>2,416</u>
Movement		
Opening net carrying value	2,416	1,125
Additions	122	1,650
Work in progress	-	176
Amortisation expense	(704)	(535)
Closing net carrying value	<u>1,834</u>	<u>2,416</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.

Software-as-a-Service arrangements are service contracts providing the right to access cloud based software over a period of time. Costs in relation to configuration, customisation, testing and training for these arrangements are recognised as an operating expense as the service is received.

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 2021 (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.

	2021	2020
	\$'000	\$'000
7(c) Provisions		
Current		
Annual leave	3,718	3,813
Long service leave	1,787	1,787
Employee remuneration	5,874	10,280
Other	149	887
Total	11,528	16,767
Non-current		
Long service leave	924	885
Makegood	158	184
Total	1,082	1,069

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, reducing the provision to \$5.9million.

**Notes to the Financial Statements
as at 30 September 2021 (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.

8 Change in Accounting Policy

Software-as-a-Service (SaaS) arrangements

Except for this change mentioned, the Company has consistently applied the accounting policies to all periods presented in these financial statements. During the financial year the International Financial Reporting Interpretations Committee (IFRIC) identified that various approaches to customisation and configuration costs for cloud computing arrangements were utilised by companies depending on internal policy. The Agenda Decision requires that the Company capitalises those elements of expenditure that meet the definition of an "Intangible Asset" as defined by AASB 138 Intangible Assets and recognise any additional amounts as an expense as the entity benefits from the expenditure – either by applying AASB 138 or applying another accounting standard. The impact of this decision has not had a material impact on the Company's financial statements.

Notes to the Financial Statements
as at 30 September 2021 (continued)

	2021	2020
	\$'000	\$'000
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	(2,600)	(1,212)
Non-Cash Flows in Operating Activities		
Depreciation and amortisation	2,151	2,202
Profit on disposal of shares	(4)	-
Revaluation of financial assets	(32)	11
Non cash adjustments	66	140
Donated financial assets	(1,221)	(473)
	(1,640)	668
Changes in Assets and Liabilities		
Decrease/(Increase) in receivables and prepayments	1,231	(1,257)
Increase in fulfilment costs	(403)	(8,532)
Decrease/(Increase) in inventories & donated goods	2,165	(968)
Increase in contract liabilities	3,496	10,310
Increase/(Decrease) in accounts payables	2,381	(1,389)
(Decrease)/Increase in provisions	(5,226)	2,259
Net cash provided by Operating Activities	2,004	1,091

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 (2020: \$27k) is accrued in Accounts Payable (Note 6(d)).

The Company has a credit card facility of \$1.5m (2020: \$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 2021 (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 2021 \$'000	30 September 2020 \$'000
Unrealised AUD currency hedge Carrying amount (Note 6c)	4,383	(4,040)
Forward Exchange Contracts:		
Sell Australian Dollar for USD (cash flow hedges)	238,469	120,358
Maturity date	30 October 2021 – 30 September 2024	30 October 2020 – 28 May 2022
Weighted average hedged rate	0.731	0.690

Organisation Sensitivity

Based on the financial instruments held at 30 September 2021, 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 \$22,077,483 lower / \$26,983,591 higher (2020: \$10,574,382 lower / \$12,924,245 higher) 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 2021 (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 2021 and 2020, 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 2021 \$'000	30 September 2020 \$'000
Floating interest rate		
Cash and bank balances	50,001	49,490
Fixed interest rate		
Term deposits	-	-
Non-interest bearing		
Cash and bank balances	1,198	591
Total	51,199	50,081

Organisation sensitivity

At 30 September 2021, 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 \$511,000 higher/lower (2020: \$500,800 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 2021 is \$51,198,702 (2020: \$50,080,595) 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.

Managed Investment Portfolio (Endowment Fund): During the current financial year, the Company established an Endowment Fund. The Company maintains a managed investment portfolio that is primarily for endowments received by the Company. The portfolio is managed by an external fund manager who invests in a mix of cash and cash equivalents, fixed interest and Australian shares and international shares. The long-term investment portfolio serves to support the charitable purposes of the Company by growing the capital and generating a growing income stream. The Company manages the risk of changes in equity prices by instructing the external fund managers to invest in a well-diversified portfolio across a number of industry sectors. As of 30 September 2021, the total value of the Endowment Fund was \$4.4 million (the shares held in 2020 amounted to: \$2.6m, these were allocated to the Endowment Fund during the current year).

**Notes to the Financial Statements
as at 30 September 2021 (continued)**

11 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 2021 (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:

	2021	2020
	\$	\$
Short term employee benefits	1,752,771	2,068,244
Post-employment benefits	187,139	423,116
Long-term employee benefits	26,016	(38,355)
Total remuneration	<u>1,965,925</u>	<u>2,453,005</u>

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

D. Wordsworth (1)	278,333	-
G. Strong (2)	68,438	170,928
C. Rogers (3)	-	356,467
	<u>346,771</u>	<u>527,395</u>

(1) Daniel Wordsworth was appointed as Chief Executive Officer in January 2021.

(2) Graham Strong was Acting Chief Executive Officer from February 2020 to January 2021. The remuneration represented is that earned during his tenure as Acting Chief Executive Officer.

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

14 Remuneration of Auditors

Amounts received or receivable by our auditors for:

Auditing the financial accounts for the current year	100,000	104,000
	<u>100,000</u>	<u>104,000</u>

**Notes to the Financial Statements
as at 30 September 2021 (continued)**

15 Contingencies

As at 30 September 2021, the Company has no contingent liabilities or outstanding guarantees (2020: nil).

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 2021 (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.

	2021 \$'000	2021 \$'000	2021 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
	Total Fundraising			Total Fundraising		
	Total Income	Direct Expenses	Net Income	Total Income	Direct Expenses	Net Income
Fundraising Information						
Donations and gifts						
Monetary						
Pledge programs	117,141	16,868	100,273	125,111	25,928	99,183
Appeals, donations and gifts	23,029	5,967	17,062	19,611	7,673	11,938
Non-monetary						
Donated goods and assets	1,288	22	1,266	4,330	310	4,020
Grants (multilateral)	140,853	206	140,647	276,999	221	276,778
	282,311	23,063	259,248	426,051	34,132	391,919

World Vision Australia
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Notes to the Financial Statements
as at 30 September 2021 (continued)

19 Charitable Fundraising Act 1991 (New South Wales)

	2021 \$'000	2021 \$'000	2021 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
	Total Fundraising			Total Fundraising		
	Total Income	Direct Expenses	Net Income	Total Income Restated	Direct Expenses Restated	Net Income
Bequests and legacies	6,293	352	5,941	4,327	285	4,042
Grants						
DFAT	53,812	683	53,129	52,678	756	51,922
Other Australian	2,109	98	2,011	2,608	163	2,445
Other overseas	100,833	1,188	99,645	92,792	1,183	91,609
	156,754	1,969	154,785	148,078	2,102	145,976
Investment income	74	9	65	276	2	274
Other income	5,878	1,033	4,845	9,184	1,132	8,052
Total Net Income Contribution	451,310	26,426	424,884	587,916	37,653	550,263
		Total Indirect Expenses			Total Indirect Expenses	
Program Administration and Other						
International Programs						
Funds to international programs		243,507			229,973	
Program support costs		6,336			7,393	
Community education		1,604			1,228	
Accountability and administration		28,455			28,657	
Non-monetary expenditure		143,110			279,804	
Domestic programs expenditure		4,472			4,420	
Total Program Administration and Other		427,484			551,475	
Operating Surplus	451,310	453,910	(2,600)	587,916	589,128	(1,212)

Declaration by Directors

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

- (a) There are reasonable grounds to believe that the Company will be able to pay all of its debts as and when they become due and payable.
- (b) The financial statements and notes set out on pages 12 to 50 have been prepared in accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 September 2021 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 2021 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

26th November 2021

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 2021, 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 2021 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 2021, 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 2021, 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 2021 has been properly accounted for and applied, in all material respects, in accordance with the above-mentioned Acts and Regulations.

I, Adam Pitts, am currently a member of the Chartered Accountants Australia and New Zealand and my membership number is 47235.

Grant Thornton Audit Pty Ltd was the audit firm appointed to undertake the audit of World Vision Australia for the year ended 30 September 2021. I am responsible for the execution of the audit and delivery of our firm's report.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants



Adam Pitts
Partner – Audit & Assurance

Melbourne, 26 November 2021