



**WORLD VISION OF NEW ZEALAND
TRUST BOARD**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 SEPTEMBER 2017**

WORLD VISION OF NEW ZEALAND TRUST BOARD

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WORLD VISION OF NEW ZEALAND TRUST BOARD

TRUSTEES' RESPONSIBILITY STATEMENT

For the year ended 30 September 2017

The Trustees are responsible for ensuring that the financial statements fairly present the financial position of the World Vision of New Zealand Trust Board ("Trust") as at 30 September 2017 and its financial performance and cash flows for the year ended on that date.

The Trustees consider that the financial statements of the Trust have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

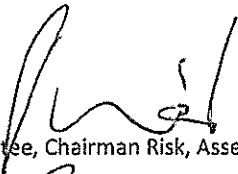
The Trustees believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Trust and facilitate compliance with New Zealand generally accepted accounting practice.

The Trustees consider they have taken steps to safeguard the assets of the Trust and prevent fraud and other irregularities.

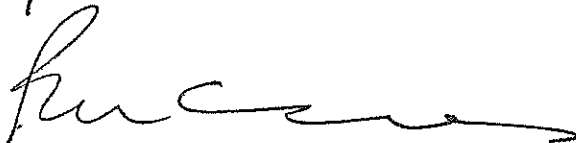
The Trustees have pleasure in presenting the financial statements set out on pages 6 - 26 for the year ended 30 September 2017.

The Board of Trustees of World Vision of New Zealand Trust Board authorised these financial statements for issue on 21st November 2017.

For and on behalf of the Board



Trustee, Chairman Risk, Assessment & Audit Committee



Trustee



Independent auditor's report

To the Trustees of World Vision of New Zealand Trust Board

World Vision of New Zealand Trust Board's financial statements comprise:

- the statement of financial position as at 30 September 2017;
- the statement of comprehensive revenue and expenses for the year then ended;
- the statement of changes in trust funds for the year then ended;
- the statement of cash flows for the year then ended;
- the reconciliation of net surplus with cash flows from operating activities; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion the financial statements of World Vision of New Zealand Trust Board (the Trust), present fairly, in all material respects, the financial position of the Trust as at 30 September 2017, its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs NZ) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other services for the Group in the areas of treasury and other advisory services. The provision of these other services has not impaired our independence as auditor of the Trust.

Information other than the financial statements and auditor's report

The Trustees are responsible for the annual report. Our opinion on the financial statements does not cover the other information included in the annual report and we do not express any form of assurance conclusion on the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 Trustees for the financial statements

The Trustees are responsible, on behalf of the Trust, for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Trust'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 Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are 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 ISAs NZ and ISAs 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx

Who we report to

This report is made solely to the Trustees, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trustees, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Samuel Shuttleworth.

For and on behalf of:

A handwritten signature in black ink that reads 'Prunella House Coopers'.

Chartered Accountants
21 November 2017

Auckland

WORLD VISION OF NEW ZEALAND TRUST BOARD
STATEMENT OF FINANCIAL POSITION
As at 30 September 2017

	Notes	2017 \$'000	2016 \$'000
TRUST FUNDS		4,876	4,876
LIABILITIES			
CURRENT LIABILITIES			
Advances in Trust		35	35
Trade Payables from exchange transactions		667	491
Accruals and Other Payables from exchange transactions		403	852
Employee Entitlements	1	601	692
Deferred Income from non-exchange transactions	8	1,254	2,951
Awaiting Remittance Overseas	2	4,573	1,889
		7,533	6,910
TOTAL TRUST FUNDS AND LIABILITIES		12,409	11,786
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment	3	2,504	2,538
Intangibles	4	2,139	1,424
Deposits in Trust		41	41
		4,684	4,003
CURRENT ASSETS			
Cash and Bank	5	912	1,250
Term Deposits	5	6,300	6,100
Secured Deposit	6	271	261
Receivables and Prepayments from exchange transactions		242	172
		7,725	7,783
TOTAL ASSETS		12,409	11,786

These statements should be read in conjunction with the accompanying notes.

WORLD VISION OF NEW ZEALAND TRUST BOARD
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES
For the year ended 30 September 2017

	Notes	2017 \$'000	2016 \$'000
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Child Sponsorship Income		26,760	29,322
Humanitarian Appeals		1,870	1,380
Other Private Non Sponsorship Income		10,499	13,017
New Zealand Public Sector Income	8	4,853	6,085
REVENUE FROM EXCHANGE TRANSACTIONS			
Interest		241	291
Other Revenue from Exchange Transactions	9	773	1,183
TOTAL CASH INCOME		44,996	51,278
 Multilateral Grants		 6,826	 5,610
World Food Programme	2	2,293	2,889
World Food Programme Goods in Kind	2	12,648	13,480
TOTAL INDIRECT AND NON CASH INCOME		21,767	21,979
TOTAL REVENUE		66,763	73,257
 OPERATING EXPENDITURE			
Engagement	11	6,972	8,568
Accountability	11	5,512	4,746
TOTAL OPERATING EXPENDITURE		12,484	13,314
 NET OPERATING SURPLUS BEFORE PROGRAMME COSTS		54,279	59,943
New Zealand Education and Advocacy		598	759
International Relief and Development	2	53,681	59,184
TOTAL PROGRAMME COSTS		54,279	59,943
NET SURPLUS FOR THE YEAR		-	-
 Other comprehensive revenue and expenses		 -	 -
TOTAL COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR		-	-
 TOTAL OPERATING EXPENDITURE AS % OF:			
Cash Income		27.7%	26.0%
Total Revenue		18.7%	18.2%

These statements should be read in conjunction with the accompanying notes.

WORLD VISION OF NEW ZEALAND TRUST BOARD
STATEMENT OF CHANGES IN TRUST FUNDS
For the year ended 30 September 2017

	2017 \$'000	2016 \$'000
Trust Funds at beginning of year	4,876	4,876
Total comprehensive revenue and expenses for the year	-	-
TRUST FUNDS AT END OF YEAR	4,876	4,876

Trust funds comprise:

Accumulated comprehensive revenue and expenses		
Opening Balance	4,876	4,876
Total comprehensive revenue and expenses for the year	-	-
TOTAL TRUST FUNDS	4,876	4,876

These statements should be read in conjunction with the accompanying notes.

WORLD VISION OF NEW ZEALAND TRUST BOARD
STATEMENT OF CASH FLOWS
For the year ended 30 September 2017

	Notes	2017 \$'000	2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Cash was provided from:</i>			
Donations, Appeals and Legacies		39,129	43,719
Government Grants		3,156	5,754
Interest		241	291
Revenue from Exchange Transactions		773	1,183
Net GST (Paid) / Received		(46)	25
		43,253	50,972
<i>Cash was disbursed to:</i>			
Programme Payments to World Vision International	2	(27,773)	(33,474)
Programme Payments to Suppliers and Employees		(1,944)	(2,261)
Other Payments to Suppliers and Employees		(12,014)	(12,325)
		(41,731)	(48,060)
Net Cash Inflow from Operating Activities		1,522	2,912
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Cash was disbursed to:</i>			
Increase in Term Deposits greater than 3 months	5	-	(2,000)
Increase in Secured Deposit		(10)	(11)
Purchase of Property, Plant and Equipment		(181)	(38)
Purchase of Intangibles		(1,469)	(774)
Net Cash Outflow from Investing Activities		(1,660)	(2,823)
NET (DECREASE) / INCREASE IN CASH HELD		(138)	89
Cash and Cash equivalents at the beginning of the financial year		5,350	5,261
Cash and Cash equivalents at the end of the year	5	5,212	5,350

These statements should be read in conjunction with the accompanying notes.

WORLD VISION OF NEW ZEALAND TRUST BOARD
RECONCILIATION OF NET SURPLUS WITH CASH FLOWS FROM OPERATING
ACTIVITIES

For the year ended 30 September 2017

	Notes	2017 \$'000	2016 \$'000
Net Surplus for the Year		-	-
<i>Add Non-Cash Items</i>			
Depreciation and Amortisation	7	969	743
<i>Movement in Working Capital Items:</i>			
(Decrease) / Increase in Receivable and Prepayments from exchange transactions		(70)	45
Increase in Trade Payables from exchange transactions		176	14
(Decrease) / Increase in Accruals and Other Payables from exchange transactions		(449)	275
Decrease in Employee Entitlements		(91)	(63)
Decrease in Deferred Income from non-exchange transactions		(1,697)	(331)
Increase in Awaiting Remittance Overseas		2,684	2,229
Net Cash Inflow from Operating Activities		1,522	2,912

These statements should be read in conjunction with the accompanying notes.

WORLD VISION OF NEW ZEALAND TRUST BOARD

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the year ended 30 September 2017

Reporting Entity

World Vision New Zealand ("WVNZ") is a Christian relief, development and advocacy organisation dedicated to working with children, families and communities to overcome poverty and injustice.

World Vision International ("WVI") is an international affiliation with offices in 97 countries ("WV entities"). Through this partnership and its ability to connect with local communities, WVNZ helps empower communities to become sustainable.

WVI assists WVNZ by facilitating the coordination, implementation and monitoring of overseas programmes to ensure the funds provided by donors are used to directly benefit people in need and especially address the needs of the child.

The World Vision of New Zealand Trust Board ("the Trust") is a charitable trust established in October 1974 by a Deed of Trust and subject to the provisions of the Charitable Trusts Act 1957. The Trust is registered under the Charities Act 2005 and its registration number is CC25984.

Statement of Compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in NZ ("GAAP"). They comply with Public Benefit Entity Accounting Standards ("PBE Standards") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with GAAP, WVNZ is a public benefit Not-For-Profit entity and is applying Tier 1 Not-For-Profit- PBE Standards on the basis that it does not have public accountability and is defined as large.

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

Presentation Currency and Rounding

The financial statements are presented in New Zealand Dollars rounded to the nearest thousand dollars and net of GST. The historical cost method has been observed in the preparation of WVNZ's financial statements.

Accounting Policies

The accounting policies that materially affect the measurement of financial performance, financial position and cash flows are set out below.

(a) Property, Plant and Equipment and Depreciation:

The cost of property, plant and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

Depreciation is calculated using a straight-line basis to write off the cost of the assets over the period of their useful lives as follows:

Buildings and Improvements	3% - 18%
Motor Vehicles	20%
Furniture / Fittings	20%
Office Equipment	20%
Computer Equipment	33%

WORLD VISION OF NEW ZEALAND TRUST BOARD

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

For the year ended 30 September 2017

(b) Intangibles and Amortisation:

Intangible assets acquired separately are measured on initial recognition at cost. They are amortised over the useful economic life and assessed for impairment whenever there is an indication that the asset may be impaired.

Where direct costs, by way of salaries or support costs are incurred in relation to the development of software that will generate probable future economic benefits to WVNZ, these costs are capitalised as Work in Progress. They are not amortised until the asset is put in use and amortised over the expected useful life of the asset.

Intangible assets are amortised on a straight line basis over three years. After initial recognition, intangible assets are carried at cost less accumulated amortisation.

Computer Software	33%
Other Intangibles	33%

(c) Trust Funds:

Trust funds are the capital of the organisation and represent assets held of a long term nature. Funds to be distributed to beneficiaries are applied and disclosed as programme costs in the statement of comprehensive revenue and expenses in the year the surplus is recorded (also refer paragraph (k) on amounts awaiting remittance overseas).

(d) Foreign Currency:

All foreign currency transactions during the year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items held at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair values that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Exchange differences are recognised as profit or loss in the period in which they arise.

(e) Operating Leases:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Comprehensive Revenue and Expenses on a straight-line basis over the period of the lease.

(f) Goods and Services Tax (GST):

The Statement of Comprehensive Revenue and Expenses has been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of receivables and payables which include GST invoiced.

WORLD VISION OF NEW ZEALAND TRUST BOARD

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

For the year ended 30 September 2017

- (g) **Taxation:**
The Trust is not liable for income taxation as it is a charitable organisation as defined by the Income Tax Act 2004.
- (h) **Impairment:**
For the purposes of impairment testing, WVNZ classifies its non-financial assets as cash generating or non-cash generating. Cash generating assets are assets held with the primary objective of generating a commercial return. Other assets are non-cash generating.

Except for intangible assets that are not yet available for use, WVNZ assesses at each reporting date whether there is any indication that any non-financial asset may be impaired. If any such indication exists, WVNZ tests the asset for impairment by comparing its carrying amount to its recoverable amount in the case of cash-generating assets or its recoverable service amount in the case of non-cash generating assets. The recoverable amount or recoverable service amount is the higher of the asset's value-in-use or fair value less costs to sell. If the assets carrying amount exceeds its recoverable amount or recoverable service amount, an impairment loss is recognised to reduce the carrying amount. Any impairment loss is recognised immediately in the surplus or deficit.
Work in progress assets are tested for impairment on an annual basis regardless whether impairment triggers exist.
- (i) **Employee Entitlements:**
Employee entitlements relating to salaries and wages, annual leave and other benefits are recognised when they accrue to employees at the amount expected to be paid.
- (j) **Volunteer Services:**
The efforts of volunteers are not reflected in the financial statements, inasmuch as no objective basis is available to measure the value of such services.
- (k) **Remittances in Advance / Arrears:**
These are the net funds committed to WVNZ overseas relief and development, at reporting date, which have been remitted in advance or are awaiting remittance.
- (l) **Net Surplus Allocations:**
The allocations to WVNZ programme costs include:
i. Costs incurred by the trust for assessing monitoring and evaluating projects which are incurred locally, and deducted from the amounts awaiting remittance overseas.
ii. Cash allocations to WVI.
iii. Non-cash allocations to WVI associated to income for goods in kind and multilateral grants.
- (m) **Statement of Cash Flows:**
The following are the definitions of the terms used in the Statement of Cash Flows:
i. Operating activities include all transactions and other events that are not investing or financing activities.
ii. Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment and of investments. Investments can include securities falling within the definition of cash.
iii. Cash is considered to be cash on hand within current accounts in banks and short term deposits held within interest bearing accounts.

WORLD VISION OF NEW ZEALAND TRUST BOARD

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

For the year ended 30 September 2017

(n) Trade Payables, Accruals and Other Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not they are presented as non-current liabilities.

(o) Accounts Receivable and Prepayments:

Accounts receivables are amounts to be received or prepayments made in the ordinary course of business. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for doubtful debts. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

(p) Cash and Cash Equivalents:

Cash and cash equivalents are on-demand, highly liquid investments with a maturity within 3 months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(q) Term Deposits:

Term deposits are interest-bearing investments placed with financial institutions with original maturities of less than 12 months. The interest on term deposits is calculated using the effective interest method and is recognised in the statement of comprehensive revenue and expenses.

(r) Judgements:

Operating Lease Commitments

WVNZ has leases for office space, eftpos machines and photocopiers. WVNZ has determined based on the terms and conditions of the arrangements that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and Assumptions

WVNZ based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising beyond the control of WVNZ. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to determine potential future use and value from disposal:

- i. The condition of the asset.
- ii. The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- iii. The nature of the processes in which the asset is deployed.
- iv. Availability of funding to replace the asset.
- v. Changes in the market in relation to the asset.

Useful lives are reviewed annually for reasonableness. The estimated useful lives of the asset classes held by WVNZ are listed in note (a) and (b).

WORLD VISION OF NEW ZEALAND TRUST BOARD

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

For the year ended 30 September 2017

- (s) Revenue:
- Revenue from exchange transactions*
- i. Interest Income
- Interest revenue is recognised as it accrues, using the effective interest method.
- ii. Ticket sales
- Ticket sales for functions and events are recorded in revenue when the function or event takes place.
- iii. Grant contribution
- Grant contributions to New Zealand costs are recognised evenly over the term of the contract.
- iv. Multilateral grant contribution
- Multilateral grant contributions to New Zealand costs are recognised as income when it has been confirmed by the WV partner that the conditions of the grant have been complied with.
- All other receipts are accounted for as income or recoveries as they are received.
- Revenue from non exchange transactions*
- i. Donations
- Donations are recognised as revenue upon receipt and include donations from the general public, donations received for specific programme or services or from other entities.
- ii. Grants
- Grant revenue includes grants given by the New Zealand Government, other charitable organisations, philanthropic organisations and businesses. Grant revenue is recognised when the conditions attached to the grant have been complied with. Where there are unfulfilled conditions attaching to the grant, the amount relating to the unfulfilled condition is recognised as deferred income and released to revenue as the conditions are fulfilled.
- iii. Multilateral Grants and World Food Programme
- Multilateral grants are recognised as income when it has been confirmed by the WV partner that the conditions of the grant have been complied with.
- iv. Goods in Kind
- Goods in kind income involves food commodities donated by the World Food Programme and other parties. WVNZ is involved in organising the distribution of these food commodities, and the development of infrastructures to enable the food distribution, to famine affected regions. WVNZ recognises income, for the donated items, at the value as determined by the World Food Program, once confirmation has been received that the food commodities have been received and distributed.
- All other receipts are accounted for as income or recoveries as they are received.
- (t) Financial Instruments:
- Financial assets and financial liabilities are recognised when WVNZ becomes a party to the contractual provisions of the financial instrument.
- WVNZ derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or WVNZ has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either WVNZ has transferred substantially all the risks and rewards of the asset, or WVNZ has transferred control of the asset.

WORLD VISION OF NEW ZEALAND TRUST BOARD

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

For the year ended 30 September 2017

(t) Financial Instruments - continued:

i. Financial assets

Financial assets are classified, at initial recognition, as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through surplus or deficit, transaction costs that are attributable to the acquisition of the financial asset.

ii. Financial assets at fair value through surplus or deficit.

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition.

iii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. WVNZ's cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions fall into this category of financial instruments.

WVNZ financial assets include: cash and cash equivalents, short term deposits and trade and other receivables.

iv. Impairment of financial assets

At the end of the reporting period WVNZ assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

WORLD VISION OF NEW ZEALAND TRUST BOARD

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

For the year ended 30 September 2017

(t) Financial Instruments - continued:

In determining whether there is any objective evidence of impairment, WVNZ first assesses whether there is objective evidence of impairment of financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If WVNZ determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

v. Financial liabilities

WVNZ's financial liabilities include trade and other creditors and loans and borrowings. All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

(u) *Reclassification within Intangibles*

WVNZ's web-site and related intangibles were previously presented within the 'Computer Software' category within Intangibles in the Statement of Financial Position. However, management considers it to be more relevant if all these assets are presented as a separate category. Prior year comparatives as at 30 September 2016 have been restated by reclassifying web-site and related intangibles to the 'Other Intangibles' category. The total amount of Intangibles has not changed as a result of this reclassification. Refer to Note 4 for more details.

WORLD VISION OF NEW ZEALAND TRUST BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2017

NOTE 1: Employee Entitlements

	2017	2016
	\$'000	\$'000
Annual leave	288	365
Accrued salaries	293	295
Other employee benefit liabilities	20	32
Total	601	692

NOTE 2: (Awaiting Remittance Overseas) / Remittance in Advance

	2017	2016
	\$'000	\$'000
Opening Balance	(1,889)	340
International Relief and Development Dispositions	(53,681)	(59,184)
Cash allocation overseas	27,773	33,474
International Programmes Monitoring Expenses		
- People Costs	1,181	1,267
- Other	165	235
Cash Dispositions	29,119	34,976
Indirect cash and Non cash allocation overseas		
- Goods in Kind	12,648	13,480
- Multilateral Grants	6,937	5,610
- World Food Programme	2,293	2,889
Total Funding for Projects	50,997	56,955
Closing Balance	(4,573)	(1,889)

WORLD VISION OF NEW ZEALAND TRUST BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2017

NOTE 3: Property, Plant and Equipment

\$'000	Land	Buildings	Computer Hardware	Motor Vehicles	Office Equipment	Furniture and Fittings	Total
Cost							
At 1 October 2015	795	3,083	1,341	112	159	374	5,864
Additions	-	-	33	-	7	-	40
Disposals	-	-	(17)	-	-	-	(17)
At 30 September 2016	795	3,083	1,357	112	166	374	5,887
Additions	-	3	176	-	2	-	181
Disposals	-	-	(719)	(21)	-	-	(740)
At 30 September 2017	795	3,086	814	91	168	374	5,328
Accumulated Depreciation							
At 1 October 2015	-	(1,386)	(1,187)	(105)	(155)	(302)	(3,135)
Depreciation	-	(100)	(101)	(7)	(5)	(18)	(231)
Disposals	-	-	17	-	-	-	17
At 30 September 2016	-	(1,486)	(1,271)	(112)	(160)	(320)	(3,349)
Depreciation	-	(95)	(101)	-	(1)	(18)	(215)
Disposals	-	-	719	21	-	-	740
At 30 September 2017	-	(1,581)	(653)	(91)	(161)	(338)	(2,824)
Net book value							
At 30 September 2016	795	1,597	86	-	6	54	2,538
At 30 September 2017	795	1,505	161	-	7	36	2,504

NOTE 4: Intangibles

\$'000	Work in Progress	Computer Software	Other Intangibles	Total
Cost				
At 1 October 2015	415	3,576	82	4,073
Additions	166	300	721	1,187
Disposals	(415)	(1)	-	(416)
At 30 September 2016	166	3,875	803	4,844
Additions	1,469	-	-	1,469
Transfers	(1,635)	759	876	-
Disposals	-	-	-	-
At 30 September 2017	-	4,634	1,679	6,313
Accumulated Depreciation				
At 1 October 2015	-	(2,905)	(4)	(2,909)
Amortisation	-	(332)	(180)	(512)
Disposals	-	1	-	1
At 30 September 2016	-	(3,236)	(184)	(3,420)
Amortisation	-	(401)	(353)	(754)
Disposals	-	-	-	-
At 30 September 2017	-	(3,637)	(537)	(4,174)
Net book value				
At 30 September 2016	166	639	619	1,424
At 30 September 2017	-	997	1,142	2,139

WORLD VISION OF NEW ZEALAND TRUST BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2017

NOTE 5: Cash and Bank / Term Deposits

	2017 \$'000	2016 \$'000
Cash Resources Held		
Cash and Bank	912	1,250
Term Deposits with NZ Registered Banks less than 12 months	6,300	6,100
Total	7,212	7,350
Designated Uses		
Government grants deferred and committed to projects next year	1,254	2,951
Awaiting Remittance Overseas / Remittance in Advance (see note 2)	4,573	4,118
Working capital to meet liabilities	1,385	281
Total	7,212	7,350

The Term Deposits have a weighted average interest rate of 3.0% (2016: 2.9%) and a weighted average investment term of 110 days (2016: 81 days).

Reconciliation to the Cash Flow Statement:

The above figures reconcile to the amount in the statement of cash flows at the end of the financial year as follows:

	2017 \$'000	2016 \$'000
Cash and Bank	912	1,250
Term Deposits less than 3 months	4,300	4,100
Balance as per Statement of Cash Flows	5,212	5,350
Term Deposits greater than 3 months	2,000	2,000
Balance per above	7,212	7,350

NOTE 6: Secured Deposit

	2017 \$'000	2016 \$'000
ANZ Bank New Zealand Ltd	271	261
Total	271	261

The deposit has an interest rate of 3.55% and a remaining investment term of 202 days.

WORLD VISION OF NEW ZEALAND TRUST BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2017

NOTE 7: Expense Disclosures

	2017	2016
	\$'000	\$'000
Net surplus for the year is stated after charging the following:		
Auditor's Remuneration - PwC		
- Audit of Financial Statements	-	-
- Other Services - performed by PwC:	53	23
- Treasury advice	15	15
- Risk assessment and PCI scoping	29	-
- Review of superannuation	9	-
Depreciation and Amortisation	969	743
Operating Leases	73	60
Employee Benefit Expenditure	9,011	9,150
Exchange loss / (gain) on foreign currency	5	3

NOTE 8: New Zealand Public Sector Income

	2017	2016
	\$'000	\$'000
a) Development Grants		
Grant funding received	1,349	4,527
Less GST	(28)	(77)
Grant funding received (excl GST)	1,321	4,450
Less Amounts applied to expenses		
- Administration	(150)	(395)
- Project assessment, monitoring and evaluation cost	(37)	(117)
	(187)	(512)
Funding to be applied to projects	1,134	3,938
Grant income deferred	(959)	(2,951)
Carried forward from previous year	2,951	3,145
Development Grant Income	3,126	4,132
These were allocated to:		
Cambodia	137	60
East Timor	244	892
Myanmar	360	119
Papua New Guinea	488	1,300
Solomon Islands	943	837
Vanuatu	560	287
Vietnam	394	426
Tanzania	-	211
Total Allocated	3,126	4,132

WORLD VISION OF NEW ZEALAND TRUST BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2017

NOTE 8: New Zealand Public Sector Income - continued

	2017 \$'000	2016 \$'000
b) Relief Grants		
Grant funding received	2,175	1,947
Less GST	(20)	(17)
Grant funding received (excl GST)	2,155	1,930
Less Amounts applied to expenses		
- Administration	(122)	(90)
- Project assessment, monitoring and evaluation cost	(11)	(24)
	(133)	(114)
Funding to be applied to projects	2,022	1,816
Grant income deferred	(295)	-
Carried forward from previous year	-	137
Relief Grant Income	1,727	1,953
These were allocated to:		
Jordan - Syria refugees	1,454	-
Solomon Islands	90	308
South Sudan	183	-
Lebanon	-	1,311
Papua New Guinea	-	334
Total Allocated	1,727	1,953
Total New Zealand Public Sector Income	4,853	6,085
Development grant income deferred	(959)	(2,951)
Relief grant income deferred	(295)	-
Total Public Sector Income Deferred	(1,254)	(2,951)

WORLD VISION OF NEW ZEALAND TRUST BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2017

NOTE 9: Other Revenue from Exchange Transactions

	2017	2016
	\$'000	\$'000
Sale of goods	1	112
Sale of tickets	14	93
Other revenue including reimbursements	91	203
Corporate sponsorship	-	34
Government Grant contribution to New Zealand costs	557	561
Multilateral Grant contribution to New Zealand costs	110	180
Total	773	1,183

NOTE 10: Categories of Financial Assets and Liabilities

	2017	2016
	\$'000	\$'000

The carrying amounts of financial instruments presented in the Statement of Financial Position relate to the following categories of assets and liabilities:

Financial Assets

Loans and Receivables

Cash and Bank	912	1,250
Term Deposits	6,300	6,100
Secured Deposits	271	261
Receivables from exchange transactions	242	172
Total	7,725	7,783

Financial Liabilities

At amortised cost

Advances in Trust	35	35
Trade Payables from exchange transactions	667	491
Accruals and Other Payables from exchange transactions	403	852
Deferred Income from non-exchange transactions	1,254	2,951
Awaiting Remittance Overseas	4,573	1,889
Total	6,932	6,218

WORLD VISION OF NEW ZEALAND TRUST BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2017

NOTE 11: Operating Expenditure

	2017 \$'000	2016 \$'000
ENGAGEMENT		
Administration	334	374
Communications	2	1
Consultancy	108	1,084
ICT Costs	1	414
People Costs	4,994	4,957
Sales and Marketing	1,311	1,412
Travel and Accommodation	222	326
TOTAL ENGAGEMENT	6,972	8,568
ACCOUNTABILITY		
Administration	298	309
Communications	113	124
Consultancy	188	231
Depreciation, Amortisation and Disposal of Assets	969	743
ICT Costs	879	605
Occupancy	278	285
People Costs	2,763	2,407
Travel and Accommodation	24	42
TOTAL ACCOUNTABILITY	5,512	4,746
TOTAL OPERATING EXPENDITURE	12,484	13,314

WORLD VISION OF NEW ZEALAND TRUST BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2017

NOTE 12: Related Party Transactions

	2017	2016
	\$'000	\$'000

Throughout the year, WVNZ remits funds to WVI. During the year the organisation provided cash funding to WV entities of \$27,773k (2016: \$33,474k) and non-cash funding of \$21,878k (2016: \$21,979k).

Key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body comprising the Board of Trustees and members of the Senior Leadership Team. Jonathan Hartley a Trustee, is also a member of the International Development Commercial Advisory Panel of the Ministry of Foreign Affairs and Trade.

Board of Directors expenses include the following:

Total remuneration including benefits	-	-
No. of persons	8	10

Senior Leadership Team expenses include the following:

Total remuneration including benefits	1,509	1,310
No. of persons	6	6

No remuneration was provided to employees who are close family members of the key management personnel (2016: nil).

NOTE 13: Risk Management

(a) Credit risk

Credit risk is the risk that a third party will default on its obligations to the Trust, causing it to incur a loss.

In the normal course of business, the Trust is exposed to credit risk from cash, deposits and other balances held with financial institutions. The maximum credit exposure is best represented by the carrying amount in the Statement of Financial Position. The risk exposure associated with these is not considered significant as the balances are with financial institutions with Board approved credit ratings.

The credit quality of financial assets can be assessed by reference to Standard and Poor's credit ratings:

Counterparties with credit ratings

Cash and Bank, Short Term Deposits and Secured Deposits

AA-	7,483	7,611
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(b) Foreign Exchange risk

The Trust does not have any material exposure to foreign exchange risk.

(c) Interest rate risk

Interest rate risk is the risk that the value of its financial assets or liabilities will fluctuate as a result of changes in interest rates.

The Trust's exposure to interest rate risk is limited to its deposits which are held at fixed rates of interest.

As at 30 September 2017, if interest rates were 1% higher/lower, with all other variables held constant, the surplus/deficit for the year would have been \$75k (2016 : \$76k) higher/lower.

(d) Liquidity risk

Liquidity risk is the risk that WVNZ will encounter difficulty raising liquid funds to meet commitments as they fall due. WVNZ manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

All payables are due in less than six months.

WORLD VISION OF NEW ZEALAND TRUST BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2017

NOTE 14: Trust Funds

The Trust's capital is its Trust Funds, which comprise accumulated comprehensive revenue and expenses.

The Trust manages its capital by prudently managing revenues, expenses, disbursements to World Vision programmes, assets and liabilities to ensure that WVNZ effectively achieves its objectives and purpose, while remaining a going concern.

The Trust is not subject to any externally imposed capital requirements.

NOTE 15: Operating Lease Commitments

As at 30 September 2017 (\$'000)	Total	< 1 yr	1 to 2 yrs	2 to 5 yrs	> 5 yrs
Total	137	52	47	38	-
As at 30 September 2016 (\$'000)					
Total	68	48	20	-	-

These lease commitments are for photocopier and regional office accommodation leases.

NOTE 16: Contingencies

There were no contingent liabilities at reporting date (2016: \$nil).

NOTE 17: Capital Commitments

There were no capital commitments at reporting date (2016: \$nil).

NOTE 18: Amendments to the Trust Deed

There were no amendments to the Trust Deed during the 2017 financial year (2016: No amendments).

NOTE 19: Subsequent Events

There are no events after balance date that would materially affect these financial statements.

WORLD VISION OF NEW ZEALAND TRUST BOARD
STATEMENT OF FIVE YEAR SUMMARY
For the year ended 30 September 2017

	2017 \$'000	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000
REVENUE FROM NON-EXCHANGE TRANSACTIONS					
Child Sponsorship Income	26,760	29,322	30,672	32,009	33,167
Total Private Non-Sponsorship Income	12,369	14,397	13,341	12,146	8,500
New Zealand Public Sector Income	4,853	6,085	3,556	3,083	3,387
REVENUE FROM EXCHANGE TRANSACTIONS					
Interest	241	291	404	370	200
Other Revenue from Exchange Transactions	773	1,183	642	669	577
TOTAL CASH INCOME	44,996	51,278	48,615	48,277	45,831
 Multilateral Grants	 6,826	 5,610	 4,290	 3,412	 2,274
World Food Programme	2,293	2,889	2,076	1,345	337
World Food Programme Goods in Kind	12,648	13,480	13,764	4,624	4,104
TOTAL INDIRECT AND NON CASH INCOME	21,767	21,979	20,130	9,381	6,715
TOTAL REVENUE	66,763	73,257	68,745	57,658	52,546
 Operating expenses	 12,484	 13,314	 13,111	 12,291	 11,478
NET OPERATING SURPLUS BEFORE PROGRAMME COSTS	54,279	59,943	55,634	45,367	41,068
 New Zealand Education and Advocacy	 598	 759	 1,052	 1,042	 308
International Relief and Development	53,681	59,184	54,582	44,325	40,760
TOTAL PROGRAMME COSTS	54,279	59,943	55,634	45,367	41,068
NET SURPLUS FOR THE YEAR	-	-	-	-	-
 Expenses as a percentage of Total Cash Income	 27.7%	 26.0%	 27.0%	 25.5%	 25.0%
 Expenses as a percentage of Total Revenue	 18.7%	 18.2%	 19.1%	 21.3%	 21.8%

WORLD VISION OF NEW ZEALAND TRUST BOARD DIRECTORY

DIRECTORY

THE TRUSTEES

Peter McClure (Chair)
Auckland

Margie Apa
Auckland

Sandra Callister
Auckland
Resigned Nov 2016

Darryl Gardiner
Waikanae

Abraham Gibson
Auckland
Resigned Sept 2107

Jonathan Hartley
Wellington

Toni Laming
Christchurch
Appointed Jan 2017

Andrew Picot
Auckland

Kym Samuels
Auckland
Appointed July 2017

REGISTERED OFFICE

51 Hugo Johnston Drive
Penrose
Auckland 1061

SOLICITORS

Russell McVeagh
48 Shortland Street
Auckland 1010

AUDITORS

PricewaterhouseCoopers
188 Quay Street
Auckland 1010

BANKERS

ANZ Bank New Zealand Limited
209 Queen Street
Auckland 1010