



World Vision of New Zealand Trust Board
Financial Statements
For the year ended 30 September 2021

**WORLD VISION OF NEW ZEALAND TRUST BOARD
TRUSTEES' RESPONSIBILITY STATEMENT
For the year ended 30 September 2021**

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 2021 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 5 - 12 for the year ended 30 September 2021.

The Board of Trustees of World Vision of New Zealand Trust Board authorised these financial statements for issue on 24 November 2021.

For and on behalf of the Board



Trustee

24/11/21



Trustee

Matthew Prichard
24/11/21



Independent auditor's report

To the Trustees of World Vision of New Zealand Trust Board

Our opinion

In our opinion, the accompanying 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 2021, its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards.

What we have audited

The Trust's financial statements comprise:

- the statement of financial position as at 30 September 2021;
- 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; and
- the notes to the financial statements, which include significant accounting policies.

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.

Independence

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

Our firm carries out other services for the Trust in the area of agreed upon procedures over: the Disaster Response Partnership Fund letter; and the Partnership for International Development Fund/Negotiated Partnership Programme Fund letter. The provision of these other services has not impaired our independence as auditor of the Trust.

Other information

The Trustees are responsible for the other information, comprising the five year summary obtained prior to the date of this auditor's report and the annual report which is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information and we do not and will 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, except that not all other information was available to us at the date of our signing.

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://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/>

This description forms part of our auditor's report.

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 Richard Day.

For and on behalf of:

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', is written over a horizontal line.

Chartered Accountants
24 November 2021

Auckland

WORLD VISION OF NEW ZEALAND TRUST BOARD
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES
For the year ended 30 September 2021

| | Note | 2021 \$000 | 2020 \$000 |
|--|------|----------------------|----------------------|
| Revenue | | | |
| Revenue from New Zealand donors | | | |
| Child sponsorship income | | 21,617 | 22,394 |
| Private donations | | 15,661 | 12,430 |
| Grant income | 5 | 3,367 | 3,315 |
| Humanitarian appeals | | 1,171 | 1,984 |
| | | <u>41,816</u> | <u>40,123</u> |
| Interest and other income | | 307 | 423 |
| Total revenue from New Zealand | | <u>42,123</u> | <u>40,546</u> |
| Multilateral grant income | 2 | 30,846 | 29,505 |
| Total revenue | | <u>72,969</u> | <u>70,051</u> |
| Relief and development project costs | 3 | 62,363 | 59,306 |
| Operating expenditure | | | |
| Raising funds | | 7,019 | 7,144 |
| ICT, Finance and Compliance | | 3,587 | 3,601 |
| | 4 | <u>10,606</u> | <u>10,745</u> |
| Net surplus/(deficit) | | <u>-</u> | <u>-</u> |
| Other comprehensive revenue and expenses | | - | - |
| Total comprehensive revenue and expenses | | <u>-</u> | <u>-</u> |
| Total operating expenditure as % of Total revenue | | 14.5% | 15.3% |

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

**WORLD VISION OF NEW ZEALAND TRUST BOARD
STATEMENT OF FINANCIAL POSITION
As at 30 September 2021**

| | | 2021 \$000 | 2020 \$000 |
|--|----|---------------|---------------|
| Current assets | | | |
| Cash and cash equivalents | 6 | 3,893 | 3,492 |
| Term and secured deposits | 7 | 4,223 | 5,045 |
| Prepayments and other receivables | | 170 | 164 |
| Total current assets | | <u>8,286</u> | <u>8,701</u> |
| Non-current assets | | | |
| Property, plant and equipment | 9 | 2,207 | 2,156 |
| Intangibles | 10 | 71 | 371 |
| Total non-current assets | | <u>2,278</u> | <u>2,527</u> |
| Total assets | | <u>10,564</u> | <u>11,228</u> |
| Current liabilities | | | |
| Trade payables, accruals and other liabilities | | 1,038 | 1,450 |
| Employee entitlements | | 620 | 586 |
| Deferred grant income | 5 | 2,962 | 4,202 |
| Funding to be remitted to WVI | 3 | 1,068 | 114 |
| Total current liabilities | | <u>5,688</u> | <u>6,352</u> |
| Trust funds | 8 | 4,876 | 4,876 |
| Total liabilities and trust funds | | <u>10,564</u> | <u>11,228</u> |

**WORLD VISION OF NEW ZEALAND TRUST BOARD
STATEMENT OF CHANGES IN TRUST FUNDS
For the year ended 30 September 2021**

| | | 2021 \$000 | 2020 \$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 | | <u>4,876</u> | <u>4,876</u> |



Trustee **Margie Apa**
Date: 24 November 2021



Trustee: **Matthew Prichard**
Date: 24 November 2021

WORLD VISION OF NEW ZEALAND TRUST BOARD
STATEMENT OF CASH FLOWS
For the year ended 30 September 2021

| | Note | 2021 \$000 | 2020 \$000 |
|---|----------|---------------|----------------|
| Cash flows from operating activities: | | | |
| <i>Cash was provided from:</i> | | | |
| Donations | | 38,449 | 36,808 |
| Grant income | 5 | 1,762 | 6,812 |
| Interest received | | 81 | 192 |
| Revenue from exchange transactions | | 226 | 231 |
| <i>Cash was disbursed to:</i> | | | |
| Field project costs overseas | 3 | (28,711) | (31,104) |
| Payment to suppliers and employees | | (11,934) | (12,075) |
| Net operating cash flows | | (127) | 864 |
| Cash flows from investing activities: | | | |
| Purchase of property, plant and equipment and intangibles | 9 | (294) | (94) |
| Increase/(Decrease) in Term Deposits | | 822 | (2,175) |
| Net investment cash flows | | 528 | (2,269) |
| Net movement in cash and cash equivalents | | 401 | (1,405) |
| Cash and cash equivalents at beginning of the year | 6 | 3,492 | 4,897 |
| Cash and cash equivalents at the end of the year | 6 | 3,893 | 3,492 |

WORLD VISION OF NEW ZEALAND TRUST BOARD
RECONCILIATION OF SURPLUS/(DEFICIT) FOR THE YEAR TO NET OPERATING CASH FLOWS
For the year ended 30 September 2021

| | | 2021 \$000 | 2020 \$000 |
|--|---|---------------|---------------|
| Surplus for the Year | | - | - |
| Adjusted for non-cash items: | | | |
| Depreciation and amortisation | 4 | 542 | 1,101 |
| (Decrease)/Increase in funding to be remitted to WVI | | 954 | (3,359) |
| Movements in deferred income | | (1,240) | 2,828 |
| Other working capital movements | | (383) | 294 |
| Net operating cash flows | | (127) | 864 |

WORLD VISION OF NEW ZEALAND TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS

1. WVNZ financial statements

These financial statements set out the performance, position and cash flows of World Vision New Zealand Trust Board (the "Trust") for the year ended 30 September 2021. 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.

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.

Vision and values:

"OUR VISION FOR EVERY CHILD, LIFE IN ALL ITS FULLNESS, OUR PRAYER FOR EVERY HEART, THE WILL TO MAKE IT SO"

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.

The Trust is not liable for income taxation as it is a charitable organisation as defined by the Income Tax Act 2007.

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("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.

The financial statements have been prepared on a going concern basis.

The accounting policies have been applied consistently with prior periods. There are no accounting standards that are expected to have a material impact on these financial statements, and that have been issued but are not yet effective.

The financial statements have been approved by the Board of Trustees who do not have power to amend the financial statements once issued.

Financial assets and liabilities are categorised as 'loans and receivables' and 'financial liabilities at amortised cost', respectively.

All non-financial assets are non-cash generating.

There were no contingent liabilities or capital commitments at reporting date (2020: none).

There were no amendments to the Deed of Trust during the 2021 financial year.

Revenue from exchange transactions

Interest income is recognised as it accrues, using the effective interest method.

All other income is recognised as revenue upon receipt.

Revenue from non-exchange transactions

Revenue from non-exchange transactions is where income is received and there is no direct benefit of equal value given in return. For example, donations, grants, gifted goods in kind.

Revenue from New Zealand donors includes child sponsorship, private donations and humanitarian appeals and are recognised as revenue upon receipt.

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. Grant contributions to New Zealand costs are recognised as incurred or evenly over the term of the contract.

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.

Multilateral grant income includes food and other commodities donated by the World Food Programme and other parties. WVNZ is involved in organising the distribution of these commodities, and the development of infrastructure to enable the 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 commodities have been received and distributed.

All other receipts are accounted for as income or recoveries as they are received.

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.

Significant accounting estimates and judgements

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.

**WORLD VISION OF NEW ZEALAND TRUST BOARD
NOTES TO THE FINANCIAL STATEMENTS**

2. Multilateral grant income

| | 2021 | 2020 |
|---------------------------------------|---------------|---------------|
| | \$000 | \$000 |
| World Food Programme food commodities | 16,397 | 16,797 |
| Other multilateral commodities | 631 | 734 |
| Indirect cash income | 13,818 | 11,974 |
| | <u>30,846</u> | <u>29,505</u> |

3. Relief and development projects costs

| | 2021 | 2020 |
|---|----------------|---------------|
| | \$000 | \$000 |
| Opening balance | (114) | (3,473) |
| Available for relief and development <i>Dispositions</i> | (62,363) | (59,306) |
| Cash remitted overseas | 28,711 | 31,104 |
| Multilateral grants | 30,846 | 29,505 |
| New Zealand based programme support | 1,252 | 1,523 |
| New Zealand based education and advocacy | 600 | 533 |
| Total applied to relief and development projects | <u>61,409</u> | <u>62,665</u> |
| Closing balance to be remitted to WVI | <u>(1,068)</u> | <u>(114)</u> |

World Vision International ("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.

4. Operating expenditure

Employee entitlements relating to salaries and wages, annual leave, health insurance, life insurance and KiwiSaver are recognised when they accrue to employees at the amount expected to be paid. All other expenses are recognised on an accrual basis.

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$000 | \$000 |
| People costs | 5,503 | 5,779 |
| Raising funds | 3,067 | 2,184 |
| Depreciation, amortisation and disposal of assets | 542 | 1,101 |
| ICT costs | 741 | 895 |
| Occupancy | 338 | 297 |
| Administration | 236 | 323 |
| Travel and accommodation | 49 | 101 |
| Consultancy | 130 | 65 |
| | <u>10,606</u> | <u>10,745</u> |

Auditor remuneration has been disclosed as part of 'consultancy', refer below for breakdown.

Auditor remuneration - PwC

| | | |
|---|----------|-----------|
| - Audit of financial statements | - | - |
| - Other services - performed by PwC: | | |
| - Provision of treasury related financial market risk analysis and commentary | - | 16 |
| | <u>-</u> | <u>16</u> |

WORLD VISION OF NEW ZEALAND TRUST BOARD
NOTES TO THE FINANCIAL STATEMENTS

5. Grant income

| | Development Grant | | Relief Grant | |
|--|-------------------|--------------|--------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$000 | \$000 | \$000 | \$000 |
| Grant funding received in current year (excl. GST) | 1,103 | 6,270 | 659 | 542 |
| Less: administration and assessment costs | (98) | (1,135) | (56) | (50) |
| Funding allocated to projects | 1,005 | 5,135 | 603 | 492 |
| Deferred grant income | (2,674) | (4,186) | (288) | (16) |
| Prior year deferred grant income | 4,186 | 1,102 | 16 | 272 |
| Grant income for the year | 2,517 | 2,051 | 331 | 748 |
| Allocation of grant income by country | | | | |
| Bangladesh | - | - | 188 | 272 |
| Cambodia | - | 130 | - | - |
| Laos | 165 | - | - | - |
| Myanmar | 266 | 454 | - | - |
| Papua New Guinea | 312 | 707 | 59 | 209 |
| Solomon Islands | 375 | 324 | - | 42 |
| Sudan | 213 | 428 | - | - |
| Timor Leste | 318 | - | 84 | - |
| Vanuatu | 835 | 123 | - | 225 |
| Vietnam | 33 | (115) | - | - |
| Grant income for the year | 2,517 | 2,051 | 331 | 748 |

| | 2021 | 2020 |
|---|--------------|--------------|
| | \$000 | \$000 |
| Subtotal - grant income (non-exchange transactions) | 2,848 | 2,799 |
| Add: grant income (exchange transactions) | 519 | 516 |
| Total grant income | 3,367 | 3,315 |
| Total deferred grant income (non-exchange) | 2,962 | 4,202 |

Grant revenue includes grants given by the government entities, other charitable and philanthropic organisations, and businesses. Grant revenue is recognised when the conditions attached to the grant have been complied with. Where there are unfulfilled conditions, the corresponding amount is recognised as deferred income.

The total funding received from the New Zealand Aid Programme that is included in the above grant funding received was \$0.9 million (2020: \$6.4 million) and \$2.3 million (2020: \$2.4 million) was recognised as income for the year.

6. Cash and cash equivalents

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

| | 2021 | 2020 |
|--|--------------|--------------|
| | \$000 | \$000 |
| Cash at bank and on hand | 893 | 3,492 |
| Liquid investments with a maturity of less than 3 months | 3,000 | - |
| | 3,893 | 3,492 |

7. Term and secured deposits

Term deposits are interest-bearing investments placed with financial institutions with original maturities of more than 3 months. The interest income on term deposits is calculated using the effective interest method and is recognised in the statement of comprehensive revenue and expenses.

| | | |
|-----------------|--------------|--------------|
| Term deposits | 4,042 | 4,715 |
| Secured deposit | 181 | 330 |
| | 4,223 | 5,045 |

Designated use of cash and term deposits (Note 6 and 7)

| | | |
|---|--------------|--------------|
| Government grants deferred and committed to projects (Note 5) | 2,962 | 4,202 |
| Funding to be remitted to WVI (Note 3) | 1,068 | 114 |
| Working capital to meet liabilities | 4,086 | 4,221 |
| | 8,116 | 8,537 |

**WORLD VISION OF NEW ZEALAND TRUST BOARD
NOTES TO THE FINANCIAL STATEMENTS**

8. 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.

9. Property, plant and equipment

Land is carried at cost and is not depreciated. Equipment includes computer hardware, motor vehicles, office equipment and furniture and fittings, and is carried at cost less accumulated depreciation. Buildings and equipment are depreciated on a straight-line basis over their estimated useful lives and reviewed annually for any indications of impairment.

| | 2021 \$000 | | | | 2020 \$000 | | | |
|---------------------------------|---------------|----------------|--------------|----------------|---------------|----------------|--------------|----------------|
| | Land | Buildings | Equipment | Total | Land | Buildings | Equipment | Total |
| Opening net book value | 795 | 1,184 | 177 | 2,156 | 795 | 1,298 | 235 | 2,328 |
| Additions & Transfers | - | 266 | 28 | 294 | - | - | 88 | 88 |
| Disposals | - | - | (2) | (2) | - | - | - | - |
| Depreciation | - | (123) | (118) | (241) | - | (114) | (146) | (260) |
| Impairment | - | - | - | - | - | - | - | - |
| Closing net book value | 795 | 1,327 | 85 | 2,207 | 795 | 1,184 | 177 | 2,156 |
| Cost | 795 | 3,111 | 857 | 4,763 | 795 | 3,069 | 944 | 4,808 |
| Accumulated depreciation | - | (1,784) | (772) | (2,556) | - | (1,885) | (767) | (2,652) |
| Net book value | 795 | 1,327 | 85 | 2,207 | 795 | 1,184 | 177 | 2,156 |
| Estimated useful lives (years) | N/A | 5-30 years | 2-5 years | | N/A | 5-30 years | 2-5 years | |

10. Intangibles

Intangible assets acquired separately are measured on initial recognition at cost. They are amortised on a straight line basis over 3 years 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 tested annually for impairment.

| | 2021 \$000 | | | | 2020 \$000 | | | |
|---------------------------------|------------------|-------------------|---------------------|----------------|------------------|-------------------|---------------------|----------------|
| | Work in Progress | Computer Software | Website Development | Total | Work in Progress | Computer Software | Website Development | Total |
| Opening net book value | - | 79 | 292 | 371 | - | 324 | 882 | 1,206 |
| Additions | - | - | - | - | - | 6 | - | 6 |
| Transfers | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - |
| Amortisation | - | (51) | (249) | (300) | - | (251) | (590) | (841) |
| Impairment | - | - | - | - | - | - | - | - |
| Closing net book value | - | 28 | 43 | 71 | - | 79 | 292 | 371 |
| Cost | - | 4,060 | 2,126 | 6,186 | - | 4,424 | 2,126 | 6,550 |
| Accumulated depreciation | - | (4,032) | (2,083) | (6,115) | - | (4,345) | (1,834) | (6,179) |
| Net book value | - | 28 | 43 | 71 | - | 79 | 292 | 371 |

WORLD VISION OF NEW ZEALAND TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS

11. 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.

The Trust is exposed to credit risk from cash and deposits held with financial institutions. The maximum credit exposure is best represented by the carrying amount in the Statement of financial position. The risk exposure is not considered significant, as the balances are with financial institutions with Board approved credit ratings of no less than AA- as issued by Standard and Poor's Rating Agency.

| Counterparties with credit ratings | 2021 | 2020 |
|--|--------------|--------------|
| Cash and cash equivalents, Term and secured deposits | \$000 | \$000 |
| AA- | <u>8,116</u> | <u>8,537</u> |

(b) Foreign exchange risk

Foreign currency risk is the risk from movement in the New Zealand dollar against other currencies which WVNZ uses. The Trust does not have any material exposure to foreign exchange risk because we remit to WVI in NZD. WVI hedges foreign currency risk for field programming in USD.

(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 is limited to deposits held at fixed interest rates.

(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 financial liabilities are due within 6 months.

(e) Fair values

At reporting date, the carrying value of financial assets and liabilities approximates their fair value.

12. Related party transactions

During the year the organisation provided cash funding to WVI of \$28.7 million (2020: \$31.1 million) and non-cash funding of \$30.8 million (2020: \$29.5 million).

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.

WVNZ received \$98,000 in donations from key management personnel (2020: \$50,000)

The Board of Trustees is comprised of 8 individuals, with total remuneration (including benefits) of \$0 (2020: \$0)

The Senior Leadership Team is comprised of 6 individuals, with total remuneration (including benefits) of \$1.2m (2020: \$1.2 million)

No remuneration was provided to employees who are close family members of key management personnel (2020: nil).

13. Contingent asset

In 2012 WVNZ was named a residual beneficiary of an estate. The assets of the estate are held in Trust and administered by its trustees. WVNZ expects to receive a final distribution from this Trust however, the assets are still to be sold so the exact timing and value of this distribution was not known at balance date. We estimate the value of this distribution to be between \$0.5m and \$1.5m (2020: \$1.5m and \$4.0m).

14. Subsequent events

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

WORLD VISION OF NEW ZEALAND TRUST BOARD
Five Year Summary (Unaudited)

| Revenue | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|---------------|---------------|---------------|---------------|---------------|
| Revenue from New Zealand donors | \$000 | \$000 | \$000 | \$000 | \$000 |
| Child sponsorship income | 21,617 | 22,394 | 23,187 | 24,354 | 26,760 |
| Private donations | 15,661 | 12,430 | 12,210 | 14,589 | 10,499 |
| Grant income | 3,367 | 3,315 | 4,157 | 5,592 | 5,410 |
| Humanitarian appeals | 1,171 | 1,984 | 1,157 | 709 | 1,870 |
| | <u>41,816</u> | <u>40,123</u> | <u>40,711</u> | <u>45,244</u> | <u>44,539</u> |
| Interest and other income | 307 | 423 | 467 | 485 | 457 |
| Total revenue from New Zealand | 42,123 | 40,546 | 41,178 | 45,729 | 44,996 |
| Multilateral grant income | 30,846 | 29,505 | 26,276 | 23,179 | 21,767 |
| Total revenue | 72,969 | 70,051 | 67,454 | 68,908 | 66,763 |
| Relief and development project costs | 62,363 | 59,306 | 56,283 | 57,488 | 54,279 |
| Operating expenditure | | | | | |
| Raising funds | 7,019 | 7,144 | 7,279 | 7,488 | 6,972 |
| ICT, Finance and Compliance | 3,587 | 3,601 | 3,892 | 3,932 | 5,512 |
| | <u>10,606</u> | <u>10,745</u> | <u>11,171</u> | <u>11,420</u> | <u>12,484</u> |
| Net surplus/(deficit) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other comprehensive revenue and expenses | - | - | - | - | - |
| Total comprehensive revenue and expenses | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total operating expenditure as % of Total revenue | 14.5% | 15.3% | 16.6% | 16.6% | 18.7% |