Whitelion Incorporated and Controlled Entity
Financial Report for the Year Ending 30 June 2015

COMMITTEE MEMBER'S REPORT

Your directors present this report on the company for the financial year ended 30 June 2015.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Ms Anne Barker
Mr Mark Watt
Mr David Tucker
Mr Kevin Mullen
Mr Bruce McBain
Mr Adrian Kloeden
Ms Donna Watt
Ms Emma-Louise Needham - appointed 17 November 2014
Mr Gordon Naylor - appointed 16 February 2015
Mr Robert Dalziel - appointed 17 August 2015
Mr Peter Stirling – resigned 16 November 2014
Ms Diana Batzias – resigned 15 June 2015

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the entity during the financial year were those of promoting and overseeing on a national basis services relating to care and support of vulnerable young people.

No significant changes in the nature of the entity's activity occurred during the financial year.

Short-term and Long-term Objectives

The company's short-term objectives are:

- Leading edge programs for young people
- Engaged and capable people
- Strong organisational capability

The company's long-term objectives are:

- Financial sustainability
- Growth through innovation and alliance

Strategies

To achieve its stated objectives, the company has adopted the following strategies:

- Impact evaluation and program expansion
- Values based culture and leadership capability
- Integrated organisation, brand strength and integrity processes
- Delivery of budget, diversified long-term funding and creation of a future fund
- Strategic alliances and innovative program development

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Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

	2015		2014	
	Actual	**Benchmark**	**Actual**	**Benchmark**
Whitelion Incorporated				
Clients				
Number of continuing clients	2,115	2,000	1,905	1,026
Client participation rate in programs	65%	65%	65%	65%
Staff and volunteers				
Number of volunteer work hours provided	35,160	30,000	24,804	24,804
Open Family Australia				
Clients				
Number of continuing clients	23,131	20,000	14,699	10,000
Client participation rate in programs	88%	80%	83%	80%
Number of clients successfully transitioned into independent living arrangements	N/A	20%	16.38%	20%
Staff and volunteers				
Number of volunteer work hours provided	4,500	4,000	2420	2,000
Consolidated - Operational and financial				
Proportion of funding provided by:				
– government grants	41.9%	41%	41.85%	40%
– donations	55.3%	58%	54.99%	60%
– investments	2.6%	1%	3.16%	Nil
Proportion of funding spent on:				
– client contact and programs	74.33%	75%	76.19%	75%
– administration	10.47%	10%	6.45%	10%
– fundraising	14.26%	15%	18.1%	15%
Parent Company - Operational and financial				
Proportion of funding provided by:				
– government grants	46.74%	48%	48.13%	40%
– donations	50.05%	50%	48.02%	60%
– investments	3.21%	2%	3.85%	Nil
Proportion of funding spent on:				
– client contact and programs	74.33%	75%	81.64%	75%
– administration	10.47%	10%	4.57%	10%
– fundraising	14.26%	15%	14.34%	15%

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Information on Directors

Ms Anne Barker	–	Chair
Qualifications	–	LLB
Experience	–	Managing Director, City West Water, Board member of MFB, WSAA and LeadWest
Special Responsibilities	–	Chair of Risk Management Committee
Mr Mark Watt	–	Director and Chief Executive Officer
Qualifications	–	Batchelor of Business and Masters of Social Work
Experience	–	Co-founder of Whitelion Inc.
Special Responsibilities	–	Member of Executive Team
Mr David Tucker	–	Director
Qualifications	–	BE (Honours) Civil
Experience	–	General Manager Inpex Projects at UGL
Mr Kevin Mullen	–	Treasurer
Qualifications	–	Chartered Accountant
Experience	–	Director, Moore Stephens
Special Responsibilities	–	Finance and Audit Committee
Mr Bruce McBain	–	Secretary
Qualifications	–	LLB and CPA
Experience	–	CEO of the Corporate Superannuation Association.
Special Responsibilities	–	Secretarial Duties
Mr Adrian Kloeden	–	Director
Qualifications	–	BSC (Hons), MSc. Hon Doc
Experience	–	Chairman and non-executive director of various companies including Serco Group Pty Ltd.
Ms Donna Watt	–	Director
Qualifications	–	Bachelor of Science, Master of Applied Finance and Investment
Experience	–	Partner of Price Waterhouse Coopers
Emma-Louise Needham	–	Director
Qualifications	–	Bachelor of Arts in Communication, Master of Public Policy
Experience	–	Principal and Consultant of Emma Needham Corporate Affairs Consultancy.
Special Responsibilities	–	Policy and program development for corporate affairs.
Mr Gordon Naylor	–	Director
Qualifications	–	BEng(Hons), MBA, CPA, Dipcompsc
Experience	–	Chief Financial Officer of CSL
Special Responsibilities	–	Finance and Audit Committee
Mr Robert Dalziel	–	Director
Qualifications	–	Batchelor of Economics
Experience	–	Chairman Of Pacwel

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Meetings of Directors

During the financial year, 10 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	**Number attended**
Ms Anne Barker	10	9
Mr Mark Watt	10	10
Mr David Tucker	10	8
Mr Kevin Mullen	10	9
Mr Bruce McBain	10	9
Mr Adrian Kloeden	10	9
Ms Donna Watt	10	9
Ms Emma-Louise Needham -	6	6
Mr Gordon Naylor	4	3
Mr Robert Dalziel	-	-
Mr Peter Stirling	3	1
Ms Diana Batzias	9	4

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of $20 each towards meeting any outstanding obligations of the entity. At 30 June 2015, the total amount that members of the company are liable to contribute if the company is wound up is $180 (2014: $180).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors.

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Ms Anne Barker (Chair)

Dated this 16th Day of November 2015

AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF WHITELION INC.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been no contraventions of:

i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

Mr Phillip Elliott *
Date: 16 November 2015
Address: Suite 105, 620 St Kilda Road, Melbourne

*Liability limited by scheme approved under professional standards legislation

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Group		Whitelion	
	Note	2015 $	2014 $	2015 $	2014 $
Revenue	2	9,392,792	9,336,029	7,415,045	7,030,935
Administration expense	3	(983,057)	(602,304)	(775,995)	(321,584)
Advertising and promotion expenses	3	(1,339,785)	(1,680,982)	(1,057,674)	(1,008,022)
Service provision expenses	3	(6,982,105)	(7,112,819)	(5,511,943)	(5,739,981)
Current year surplus/(deficit) before tax		87,845	(60,076)	69,433	(38,652)
Income tax expense	4	-	-	-	-
Net current year surplus/(deficit)		87,845	(60,076)	69,433	(38,652)
Net current year surplus/(deficit) attributable to members of the entity		87,845	(60,076)	69,433	(38,652)
Other comprehensive surplus/(deficit)					
Fair value re-measurement gains on available-for-sale financial assets, net of tax	19	(58,254)	(30,931)	(58,254)	(30,931)
Total comprehensive surplus/(deficit) attributable to members of the entity		29,591	(91,007)	11,179	(69,583)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

	Note	Group		Whitelion	
		2015	2014	2015	2014
		$	$	$	$
ASSETS					
CURRENT ASSETS					
Cash on hand	5	987,545	1,006,281	685,613	747,190
Accounts receivable	6	640,106	761,288	366,621	586,116
Financial assets	8	1,173,327	1,290,021	1,173,327	1,290,021
Other current assets	7	-	-	21,158	156,518
TOTAL CURRENT ASSETS		2,800,978	3,057,590	2,246,719	2,779,845
NON-CURRENT ASSETS					
Property, plant and equipment	9	578,692	567,265	513,301	474,171
TOTAL NON-CURRENT ASSETS		578,692	567,265	513,301	474,171
TOTAL ASSETS		3,379,670	3,624,855	2,760,020	3,254,016
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	10	400,943	501,934	343,702	429,607
Employee provisions	11	385,729	433,024	316,949	365,011
Finance liabilities	12	75,754	87,602	68,118	37,062
Income in advance	13	1,300,804	1,485,742	925,079	1,400,328
TOTAL CURRENT LIABILITIES		2,163,230	2,508,302	1,653,848	2,232,008
NON-CURRENT LIABILITIES					
Employee provisions	11	133,362	133,080	100,819	104,866
Finance liabilities	12	281,264	211,250	276,543	199,511
TOTAL NON-CURRENT LIABILITIES		414,626	344,330	377,362	304,377
TOTAL LIABILITIES		2,577,856	2,852,632	2,031,210	2,536,385
NET ASSETS		801,814	772,223	728,810	717,631
EQUITY					
Reserves	14	142,149	200,403	142,149	200,403
Retained surplus		659,665	571,820	586,661	517,228
TOTAL EQUITY		801,814	772,223	728,810	717,631

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY

	Group			Whitelion		
	Retained Surplus $	Reserve $	Total $	Retained Surplus $	Reserve $	Total $
Balance at 1 July 2013	631,896	231,334	863,230	555,880	231,334	787,214
Net (deficit)/surplus for the year	(60,076)	-	(60,076)	(38,652)	-	(38,652)
Other comprehensive (deficit)/income	-	(30,931)	(30,931)	-	(30,931)	(30,931)
Total comprehensive deficit/income attributable to members of the entity	(60,076)	(30,931)	(91,007)	(38,652)	(30,931)	(69,583)
Balance at 30 June 2014	571,820	200,403	772,223	517,228	200,403	717,631
Net (deficit)/surplus for the year	87,845	-	87,845	69,433	-	69,433
Other comprehensive deficit/income	-	(58,254)	(58.254)	-	(58,254)	(58,254)
Total comprehensive deficit/income attributable to members of the entity	87,845	(58,254)	29,591	69,433	(58,254)	11,179
Balance at 30 June 2015	659,665	142,149	801,814	586,661	142,149	728,810

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group 2015 $	Group 2014 $	Whitelion 2015 $	Whitelion 2014 $
CASH FLOWS FROM OPERATING ACTIVITIES					
Grants and Donations received		9,663,490	9,572,050	7,555,835	7,320,114
Payments to suppliers and employees		(9,708,448)	(9,185,406)	(7,839,453)	(6,819,935)
Dividends received		73,818	52,509	73,818	52,509
Interest received.		6,402	19,935	2,879	15,375
Interest paid		(25,584)	(16,948)	(21,452)	(9,956)
Net cash provided by operating activities	17	9,678	442,140	(228,373)	558,107
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		13,264	83,768	3,900	74,168
Proceeds from financial assets		171,719	-	171,719	-
Purchase of property, plant and equipment		(271,563)	(440,014)	(243,515)	(433,221)
Purchase of financial assets		-	(301,118)	-	(301,118)
Net cash used in investing activities		(86,580)	(657,364)	(67,896)	(660,171)
CASH FLOWS FROM FINANCING ACTIVITIES					
Decrease/(Increase) in current account with subsidiary				135,360	(159,943)
Receipt of borrowings		113,842	255,369	113,842	255,369
Repayment of borrowings		(55,676)	(61,688)	(14,510)	(18,796)
Net cash used in financing activities		58,166	193,681	234,692	76,630
Net decrease in cash held		(18,736)	(21,543)	(61,577)	(25,434)
Cash on hand at beginning of financial year		1,006,281	1,027,824	747,190	772,624
Cash on hand at end of financial year	5	987,545	1,006,281	685,613	747,190

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

The financial statements cover Whitelion Inc.as an individual entity. They also cover the consolidated financials of Whitelion Inc and Open Family Australia Ltd being entities controlled by the same directors. Whitelion Inc.is an association incorporated in Victoria and operating pursuant to the *Associations Incorporation Reform Act 2013*.

The financial statements were authorised for issue on 16 November 2015 by the members of the committee.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Associations Incorporation Reform Act 2013* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. **Income Tax**

The Whitelion Incorporated and Open Family Australia are both Public Benevolent Institutions and as such are not required to pay income tax.

b **Fair Value of Assets and Liabilities**

The association measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the association would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, information is extracted from the most advantageous market available to the entity at the reporting date (i.e. the market that maximises the receipts from the sale of the asset or minimises the payment made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of an identical or similar financial instrument, by reference to observable market information where identical or similar instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

c. **Property, Plant and Equipment**

Plant and equipment

Plant and equipment is measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

The cost of fixed assets constructed by the association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	Length of Lease
Leased plant and equipment	Length of Lease
Office equipment	25-33%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

d. **Leases**

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the association, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the association will obtain ownership of the asset over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

e. **Financial Instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method.*

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of income or expense in profit or loss.

The association does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in fair value (i.e. gains and losses) recognised included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the association's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the association recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party, whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

f. **Impairment of Assets**

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

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

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

g. **Employee Provisions**

Short-term employee benefits

Provision is made for the association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The association's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to end-of-reporting-period market yields on government bonds that have maturity dates approximating the terms of the obligations. Any remeasurements of other long-term employee benefit obligations due to changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

h. **Cash on Hand**

Cash on hand includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

i. **Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(f) for further discussion on the determination of impairment losses.

j. **Revenue and Other Income**

Non-reciprocal grant revenue is recognised profit or loss when the association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the association and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The association receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

All revenue is stated net of the amount of goods and services tax.

k. **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

l. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

m. **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the association retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period is presented in addition to the minimum comparative financial statements.

n. **Accounts Payable and Other Payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 60 days of recognition of the liability.

o. **Provisions**

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

p. **New and Amended Accounting Policies Adopted by the Association**

During the current year, the company has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

q. **Critical Accounting Estimates and Judgments**

The committee evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

NOTES TO THE FINANCIAL STATEMENTS

Key estimates

(i) *Impairment – general*

The association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

With respect to cash flow projections for plant and equipment, growth rates of 25-33% have been factored into valuation models for the next 4 years on the basis of the committee's expectations around the continued ability to attract new funding. Cash flow growth rates of 5% subsequent to this period have been used as this reflects historical population growth in the area of operation. The rates used incorporate allowance for inflation. Pre-tax discount rates of 7% have been used in all models.

Key judgments

(i) *Provision for impairment of receivables*

Included in accounts receivable and other debtors at the end of the reporting period are amounts receivable from members in relation to unpaid subscriptions from 2015 amounting to $Nil The committee has received undertakings from the member debtors that such amounts will be paid and therefore no provision for impairment has been made.

(ii) *Available-for-sale investments*

The association maintains a portfolio of securities with a carrying amount of $1,173,327 (2014: $1,290,021) at the end of the reporting period. Certain individual investments have declined in value recently by up to 10%. The committee does not believe this decline constitutes a significant or prolonged decline below cost at this stage and hence no impairment has been recognised. Should share values decline to a level which is in excess of 10% below cost or should prices remain at levels below cost for a period in excess of 6 months, the committee has determined that such investments will be considered impaired in the future.

NOTE 2: REVENUE

	Group		Whitelion	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
The following revenues are included in the Statement of Comprehensive Income :-				
Event income	1,252,667	939,977	1,251,567	929,217
Government grants	3,935,382	3,907,523	3,465,692	3,384,116
Donations received	3,945,365	4,193,323	2,460,132	2,447,118
Rent	67,995	10,563	49,678	-
Dividends received	73,818	52,509	73,818	52,509
Net (loss)/gain on sale of fixed assets	(2,115)	64,923	(2,000)	55,323
Net gain on sale of investments	113,278	151,836	113,279	151,836
Interest income	6,402	15,375	2,879	10,816
Total	9,392,792	9,336,029	7,415,045	7,030,935

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: EXPENSES

	Group		Whitelion	
	2015	2014	2015	2014
	$	$	$	$
The following expenses are included in the Statement of Comprehensive Income :-				
Interest paid	25,584	16,949	21,452	9,956
Rental on operating leases	529,212	458,358	484,488	417,782
Remuneration of the auditor of the association for:				
- Auditing or reviewing the financial report	7,500	7,500	4,000	4,000
- Other services	-	-	-	-
Staffing and On Costs	5,915,910	6,186,388	4,317,460	4,391,865

NOTE 4: INCOME TAX EXPENSE

The Whitelion Incorporated and Open Family Australia are both Public Benevolent Institutions and as such are not required to pay income tax.

NOTE 5: CASH ON HAND

		Group		Whitelion	
	Note	2015	2014	2015	2014
		$	$	$	$
Cash at bank and in hand		954,699	955,406	652,767	696,315
Short-term investments – bank deposits		32,846	50,875	32,846	50,875
	18	987,545	1,006,281	685,613	747,190

The effective interest rate on short-term bank deposits 3.5% (2014: 5%) these deposits have an average maturity of nil days.

NOTE 6: ACCOUNTS RECEIVABLE AND OTHER DEBTORS

		Group		Whitelion	
	Note	2015	2014	2015	2014
		$	$	$	$
CURRENT					
Trade debtors receivable		574,444	643,999	327,281	507,702
Prepayments		24,910	66,422	6,707	43,767
Other debtors		40,752	50,867	32,633	34,647
Total current accounts	18	640,106	761,288	366,621	586,116

No impairment of accounts receivable and other debtors was required at 30 June 2015 (2014: $nil).

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6: ACCOUNTS RECEIVABLE AND OTHER DEBTORS (CONTINUED)

Credit risk

The association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk to the association is considered to relate to the class of assets described as contributions (member) receivable.

The following table details the entity's contributions and other debtors receivable exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the association and the member or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining their willingness to pay and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the association. All members late in paying their subscription are potentially subject to a late fee.

The balances of receivables that remain within initial terms (as detailed in the table below) are considered to be of high credit quality.

	Gross Amount	Past Due and Impaired	Past Due but Not Impaired (Days Overdue)			Within Initial Trade Terms
			< 30	31–60	> 60	
	$	$	$	$	$	$
Group						
2015						
Trade debtors receivable	574,444	-	114,517	11,350	75,492	273,085
Total	574,444	-	114,517	11,350	75,492	373,085
2014						
Trade debtors receivable	643,999	-	132,033	17,331	1,597	493,038
Total	643,999	-	132,033	17,331	1,597	493,038
Whitelion						
2015						
Trade debtors receivable	327,281	-	55,426	1,350	75,492	195,013
Total	327,281	-	55,426	1,350	75,492	165,403
2014						
Trade debtors receivable	507,702	-	44,207	17,331	1,597	444,567
Total	507,702	-	44,207	17,331	1,597	444,567

No collateral is held as security for any of the accounts receivable or other debtor balances.

NOTE 7: OTHER CURRENT ASSETS

	Group		Whitelion	
	2015	2014	2015	2014
	$	$	$	$
Amount owed by Open Family Australia	-	-	21,158	156,518
	-	-	21,158	156,518

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: FINANCIAL ASSETS

	Note	Group 2015 $	Group 2014 $	Whitelion 2015 $	Whitelion 2014 $
Include available-for-sale financial assets :-					
– shares in listed corporations at fair value		590,681	495,364	590,681	495,364
– listed interest trusts at fair value		427,481	660,484	427,481	660,484
– Property trusts at fair value		155,165	134,173	155,165	134,173
Total available-for-sale financial assets	18	1,173,327	1,290,021	1,173,327	1,290,021

NOTE 9: PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Group 2015 $	Group 2014 $	Whitelion 2015 $	Whitelion 2014 $
Office equipment:				
At cost	420.232	394,680	281,455	255,902
Accumulated depreciation	(318,671)	(268,894)	(182,688)	(135,404)
	101,561	127,786	98,767	120,498
Motor Vehicles:				
At cost	1,336,026	1,211,909	807,789	662,428
Accumulated depreciation	(962,079)	(830,810)	(486,884)	(357,902)
	373,947	381,099	320,905	304,526
Computer Software and Intangible Assets				
At cost	211,164	144,464	135,457	68,757
Accumulated depreciation	(107,980)	(86,084)	(41,828)	(19,610)
	103,184	58,380	93,629	49,147
Total property, plant and equipment	578,692	567,265	513,301	474,171

Movement in the carrying values - for each class of property, plant and equipment between the beginning and the end of the current financial year is as follows:

Group	Office equipment $	Motor Vehicles $	Software and Intangibles $	Total $
Balance at 1 July 2013	51,418	284,383	70,408	406,209
Additions	124,877	298,718	16,421	440,016
Disposals	-	(9,245)	-	(9,245)
Depreciation expense	(48,509)	(192,757)	(28,449)	(269,715)
Balance at 30 June 2014	127,786	381,099	58,380	567,265
Additions	25,553	179,310	66,700	271,563
Disposals	-	(15,379)	-	(15,379)
Depreciation expense	(51,778)	(171,083)	(21,896)	(244,757)
Carrying amount at 30 June 2015	101,561	373,947	103,184	578,692

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9: PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (CONTINUED)

Whitelion	Office Equipment	Motor Vehicles	Software and Intangible	Total
	$	$	$	$
Balance at 1 July 2013	41,579	152,968	44,137	238,684
Additions	119,138	297,663	16,420	433,221
Disposals	-	(9,245)	-	(9,245)
Depreciation expense	(40,219)	(136,860)	(11,410)	(188,489)
Balance at 30 June 2014	120,498	304,526	49,147	474,171
Additions	25,553	151,262	66,700	243,515
Disposals	-	(5,900)	-	(5,900)
Depreciation expense	(47,284)	(128,983)	(22,218)	(198,485)
Carrying amount at 30 June 2015	98,767	320,905	93,629	513,301

NOTE 10: ACCOUNTS PAYABLE AND OTHER PAYABLES

	Note	Group		Whitelion	
		2015	2014	2015	2014
		$	$	$	$
CURRENT					
Accounts payable		400,943	501,934	343,702	429,607
		400,943	501,934	343,702	429,607
Financial liabilities at amortised cost classified as accounts payable					
– total current		400,943	501,934	343,702	429,607
– total non-current		-	-	-	-
Financial liabilities as accounts payable	18	400,943	501,934	343,702	429,607

The average credit period on accounts payable and other payables is 1 month. No interest is payable on outstanding payables during this period. For payables outstanding longer than 1 months, 0% per annum is payable on the outstanding balance.

NOTE 11: EMPLOYEE PROVISIONS

	Group		Whitelion	
	2015	2014	2015	2014
	$	$	$	$
CURRENT				
Annual leave	336,906	391,964	282,021	336,369
Long Service Leave	48,823	41,060	34,928	28,642
Total Current	385,729	433,024	316,949	365,011
NON-CURRENT				
Long Service Leave	133,362	133,080	100,819	104,866
Total Non-Current	133,362	133,080	100,819	104,866
Total Provisions	519,091	566,104	417,768	469,877

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 : EMPLOYEE PROVISIONS (CONTINUED)

Movement in Provisions	Group	Whitelion
	$	$
Opening balance at 1 July 2014	566,104	469,877
Additional provisions	519,091	417,768
Amounts used	(566,104)	(469,877)
Balance at 30 June 2015	519,091	417,768

Based on past experience, the association doesn't expect the full amount of annual leave to be settled wholly within the next 12 months. However, the amount must be classified as a current liability because the association does not have an unconditional right to defer the settlement of the amount in the event employees wish to use their leave entitlements.

NOTE 12: FINANCIAL LIABILITIES

	Note	Group		Whitelion	
		2015	2014	2015	2014
		$	$	$	$
Current		75,754	87,602	68,118	37,062
Non-current		281,264	211,250	276,543	199,511
Total finance liabilities		357,018	298,852	344,661	236,573

NOTE 13: INCOME IN ADVANCE

	Note	Group		Whitelion	
		2015	2014	2015	2014
		$	$	$	$
Income Received in Advance		1,300,804	1,485.742	925,079	1,400,328
		1,300,804	1,485.742	925,079	1,400,328

Income received in advance is grant income received prior to the end of the year that relates to programmes that are either partially complete at the end of the year or have not started. The income is to be recognised in future years when the programs have been delivered. This is in accordance with the policy outlined at 1(j) above.

NOTE 14: RESERVES

Finance Asset Reserve	Group		Whitelion	
	2015	2014	2015	2014
	$	$	$	$
Opening Balance	200,403	231,334	200,403	231,334
Revaluation gains/(losses) in current year	(58,254)	(30,931)	(58254)	(30,931)
Closing Balance	142,149	200,403	142,149	200,403

The financial assets reserve represents the cumulative amount of fair value gains/losses recognised in other comprehensive income in remeasuring the investments in listed shares available for sale.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 15: CAPITAL AND LEASING COMMITMENTS	Note	Group 2015 $	Group 2014 $	Whitelion 2015 $	Whitelion 2014 $
a. **Finance Lease Commitments**					
Payable – minimum lease payments:					
– not later than 12 months		99,695	107,808	91,407	54,170
– between 12 months and 5 years		312,364	244,619	306,837	230,807
– later than 5 years		-	-	-	-
Minimum lease payments		412,059	352,427	398,244	284,977
Less future finance charges		55,041	53,575	53,583	48,404
Present value of minimum lease payments	12	357,018	298,852	344,661	236,573
b. **Operating Lease Commitments**					
Non-cancellable operating leases contracted for but not recognised in the financial statements					
Payable – minimum lease payments:					
– not later than 12 months		403,903	325,328	324,024	200,763
– between 12 months and 5 years		231,243	445,432	231,243	407,182
– later than 5 years		-	-	-	-
		635,146	770,760	555,267	607,945

The property lease commitments are non-cancellable operating leases with a 1 to 5 year terms, with rent payable monthly in advance.

Contingent rental provisions within these lease agreements require that the minimum lease payments shall be increased by Nil to 4% per annum.

An option exists to renew the leases at the end of the terms for an additional term of 1 to 5 years. The lease allows for subletting of all lease areas.

Toshiba Pty Ltd and Ricoh Pty Ltd hold a charges over relevant the photocopier assets of the association for the finance leases on the photocopiers.

NOTE 16: RELATED PARTY TRANSACTIONS	2015 $	2014 $
Key Management Personnel Compensation		
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the association, directly or indirectly, including its board members, is considered key management personnel.		
– short-term benefits	304,957	275,705
– post-employment benefits	24,464	21,080
	329,421	296,785

NOTES TO THE FINANCIAL STATEMENTS

NOTE 16: RELATED PARTY TRANSACTIONS (CONTINUED)

Other Related Parties

Other related parties include close family members of key management personnel, and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

NOTE 17: CASH FLOW INFORMATION

	Group		Whitelion	
	2015	2014	2015	2014
	$	$	$	$
Reconciliation of cash flow from operating activities with net current year surplus				
Current year surplus after income tax	87,845	(60,076)	69,433	(38,652)
Cash flows excluded from current year surplus				
Non-cash flows in current year surplus:				
– depreciation expense	244,757	269,714	198,485	188,489
– net loss on disposal of property, plant and equipment	2,115	(74,523)	2,000	(64,923)
– Revaluation/(Impairment) of investments	(113,279)	(151,836)	(113,279)	(151,836)
Changes in assets and liabilities:				
– Decrease/increase in accounts receivable and other debtors	121,182	132,557	219,495	27,892
– increase/(decrease) in accounts payable and other payables	(169,306)	(77,078)	(104,861)	(53,955)
– decrease in deferred income	(184,938)	402,267	(475,249)	545,930
– increase in employee provisions	21,302	1,115	(24,397)	105,162
	9,678	442,140	(228,373)	558,107

NOTE 18: FINANCIAL RISK MANAGEMENT

The association's financial instruments consist mainly of deposits with banks, local money market instruments, investments in listed shares, receivables and payables, and lease liabilities.

The totals for each category of financial instruments, measured in accordance with AASB 139, as detailed in the accounting policies to these financial statements, are as follows:

	Note	Group		Whitelion	
		2015	2014	2015	2014
		$	$	$	$
Financial assets					
Cash on hand	5	987,545	1,006,281	685,613	747,190
Accounts receivable and other debtors	6	640,106	761,288	366,621	586,116
Available-for-sale financial assets – listed shares	8	1,173,327	1,290,021	1,173,327	1,290,021
Total financial assets		2,800,978	3,057,590	2,225,561	2,623,327

NOTE 18: FINANCIAL RISK MANAGEMENT (CONTINUED)

	Note	Group		Whitelion	
		2015 $	2014 $	2015 $	2014 $
Financial liabilities					
Financial liabilities at amortised cost:					
– accounts payable and other payables	10	400,943	501,934	343,702	429,607
– finance liabilities	12	357,018	298,852	344,661	236,573
Total financial liabilities		757,961	800,786	688,363	666,180

Financial Risk Management Policies

The association's Treasurer is responsible for, among other issues, monitoring and managing financial risk exposures of the association. The Treasurer monitors the association's transactions and reviews the effectiveness of controls relating to credit risk, liquidity risk and market risk. Discussions on monitoring and managing financial risk exposures are held bi-monthly and minuted by the committee of management.

The Treasurer's overall risk management strategy seeks to ensure that the association meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

Specific Financial Risk Exposures and Management

The main risks the association is exposed to through its financial instruments are credit risk, liquidity risk, and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the association is exposed to, how these risks arise, or the committee's objectives, policies and processes for managing or measuring the risks from the previous period.

a. **Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the association.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise assessed as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by the association securing accounts receivable and other debtors.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 6.

The association has no significant concentrations of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 6.

b. **Liquidity risk**

Liquidity risk arises from the possibility that the association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk through the following mechanisms:

NOTE 18: FINANCIAL RISK MANAGEMENT (CONTINUED)

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid invoices.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The association does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	$	$	$	$	$	$	$	$
Financial liabilities due for payment								
Accounts payable and other payables	400,943	501,934	-	-	-	-	400,943	501,934
Financial lease liabilities	75,754	87,602	281,264	211,250	-	-	357,018	298,852
Total contractual outflows	476,697	589,536	281,264	211,250	-	-	757,961	298,852
Total expected outflows	476,697	589,536	281,264	211,250	-	-	757,961	298,852
Financial assets – cash flows realisable								
Cash on hand	987,545	1,006,281	-	-	-	-	987,545	1,006,281
Accounts receivable	640,106	761,288	-	-	-	-	640,106	761,288
Available-for-sale investments	1,173,327	1,290,021	-	-	-	-	1,173,327	1,290,021
Total anticipated inflows	2,800,978	3,057,590	-	-	-	-	2,800,978	3,057,590
Net (outflow)/inflow on financial instruments	2,800,978	3,057,590	-	-	-	-	2,800,978	3,057,590

No financial assets have been pledged as security for any financial liability.

c. **Market risk**

(i) *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The association is exposed to earnings volatility on floating rate instruments. The financial instruments that expose the association to interest rate risk are limited to lease liabilities, listed shares and cash on hand.

At 30 June 2015, approximately 100% of the association's debt is fixed. It is the policy of the association to negotiate fixed interest rates on all new financial liablilies..

The association also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

(ii) *Other price risk*

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 18: FINANCIAL RISK MANAGEMENT (CONTINUED)

The association is exposed to other price risk on available-for-sale investments. Such risk is managed through diversification of investments across industries and geographic locations.

The association's investments are held in diversified management fund portfolios.

Sensitivity analysis

The following table illustrates sensitivities to the association's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable th1at management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Current Surplus	Equity
Year ended 30 June 2015	**$**	**$**
+/- 10% in interest rates	3,450	3,450
+/- 10% in available-for-sale investments	117,332	117,332
Year ended 30 June 2014		
+/- 10% in interest rates	3,500	3,500
+/- 10% in listed investments	129,000	129,000

No sensitivity analysis has been performed on foreign exchange risk as the association has no significant exposure to currency risk.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

Fair Values

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Refer to Note 19 for detailed disclosures regarding the fair value measurement of the association's financial assets.

		2015		2014	
	Note	Carrying Amount	Fair Value	Carrying Amount	Fair Value
		$	$	$	$
Financial assets					
Cash on hand[(i)]		987,545	987,545	1,006,281	1,006,281
Accounts receivable and other debtors[(i)]		640,106	640,106	761,288	761,288
Available-for-sale financial assets:					
– investments in listed shares		1,173,327	1,173,327	1,290,021	867,998
Total financial assets		2,800,978	2,800,978	3,057,590	3,057,590
Financial liabilities					
Accounts payable and other payables[(i)]		400,943	400,943	501,934	501,934
Lease liabilities		357,018	357,018	298,852	298,852
Total financial liabilities		757,961	757,961	800,786	800,786

Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Accounts payable and other payables exclude amounts relating to the provision for annual leave, which is outside the scope of AASB 139.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 19: FAIR VALUE MEASUREMENTS

The association measures and recognises the following assets at fair value on a recurring basis after initial recognition:

– available-for-sale financial assets.

The association does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

The following tables provide the fair values of the association's assets measured and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy.

	Note	Level 1	Level 2	Level 3	Total
		$	$	$	$
2015					
Recurring fair value measurements					
Financial assets					
Available-for-sale financial assets					
– shares in listed companies	8	1,173,327	-	-	1,173,327
Total financial assets recognised at fair value		1,173,327	-	-	1,173,327
2014					
Recurring fair value measurements					
Financial assets					
Available-for-sale financial assets					
– shares in listed companies	8	1,290,021	-	-	1,290,021
Total financial assets recognised at fair value		1,290,021	-	-	1,290,021

There were no transfers between Levels 1 and 2 for assets measured at fair value on a recurring basis during the reporting period (2014: no transfers).

(b) **Disclosed fair value measurements**

The following assets and liabilities are not measured in the statement of financial position at fair value but their fair values are disclosed in the notes:

– Finance liability

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used.

Description	Note	Fair Value Hierarchy Level	Valuation Technique	Inputs Used
Finance liability	15	2	Income approach using discounted cash flow	Current commercial borrowing rates for similar instruments

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 20: CONTROLLED ENTITY

Open Family Australia Ltd is considered a controlled entity of Whitelion Inc. as it shares the same board of directors and as such its figures are included in the consolidated result and balance sheet of Whitelion Inc.

NOTE 21: EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant events since the end of the reporting period.

NOTE 22: ECONOMIC DEPENDENCE

While the association's activities are largely funded by donations, the association is assisted in its activities by operating grants provided by the state and federal governments. At the date of this report, the members of the committee had no reason to believe that the state government would not continue to provide financial support to Whitelion Inc.

NOTE 23: ASSOCIATION DETAILS

The registered office and principal place of business of the Association is:

155 Roden Street

West Melbourne

Victoria 3003

Whitelion Incorporated and Controlled Entity
Financial Report for the Year Ending 30 June 2015

ANNUAL STATEMENTS GIVE TRUE AND FAIR VIEW
OF THE FINANCIAL POSITION AND PERFORMANCE OF WHITELION INC

We, Ms.Anne Barker and Mr Kevin Mullen being members of the committee of Whitelion Inc, certify that –

The statements attached to this certificate give a true and fair view of the financial position and performance of Whitelion Inc. during and at the end of the financial year of the association ending on 30 June 2015.

Signed: ....

Dated: 16/11/2015

Signed: ....

Dated: 16 November, 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHITELION INC

Report on the Financial Report

I have audited the accompanying financial report of Whitelion Inc .(the association) and Controlled Entity, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Associations Incorporation Reform Act 2013* (Vic) and for such internal control as the committee determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial report of Whitelion Inc.is in accordance with the requirements of the *Associations Incorporation Reform Act 2013* (Vic), including:

(i) giving a true and fair view of (or presenting fairly, in all material respects – refer to the applicable state/territory Act) the association's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards.

....

Phillip Elliott *

Dated this 16 day of November 2015

*Liability limited by scheme approved under professional standards legislation

Whitelion Incorporated and Controlled Entity
Financial Report for the Year Ending 30 June 2015

CERTIFICATE BY MEMBERS OF THE COMMITTEE

I, Anne Barker of 10 Curral Road, Elsternwick, Victoria 3185 certify that:

a. I attended the annual general meeting of the association held on 16 November 2015 and

b. the annual financial statements for the year ended 30 June 2015 were submitted to the members of the association at the annual general meeting.

Dated this 16th day of November 2015

....

Ms. Anne Barker (Committee Member)