

# Whitelion Youth Agency Ltd and Controlled Entities

## Financial Report for the Year Ending 30 June 2017

### DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 June 2017.

#### 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  
Ms Donna Watt  
Ms Emma-Louise Needham  
Mr David Wilmot  
Mr Robert Dalziel - resigned 24 February 2017

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. There were no significant changes in the nature of the entity's activity occurred during the financial year.

#### Results

The company and controlled entities made a total comprehensive surplus of \$1,481 for the 2017 year (2016 = \$426,121). The directors expect to show an increased surplus for the next 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

# Whitelion Youth Agency Ltd and Controlled Entities

## Financial Report for the Year Ending 30 June 2017

### DIRECTORS' REPORT

#### 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.

	2017		2016	
	Actual	Benchmark	Actual	Benchmark
<b>Whitelion Youth Agency Ltd</b>				
<b>Clients</b>				
Number of client files opened for homeless young people	2,394	2,221	2,700	2,221
Number of employment placements	110	200	153	200
Number of mentor matches	515	405	367	340
Number of enrolments to learning centres	112	107	393	200
<b>Open Family Australia</b>				
<b>Clients</b>				
Number of Episodes of support for homeless young people	20,813	20,000	18,019	15,000
Number of Housing Projects started	1	-	4	-
Number of young people placed in housing	57	50	87	80
<b>Consolidated - Operational and financial</b>				
Proportion of funding provided by:				
- government grants	52%	41%	45.6%	41%
- donations	45%	56%	53.3%	58%
- merchandise	2%	2%	-	-
- investments	1%	1%	1.1%	1%
Proportion of funding spent on:				
- client contact and programs	81.6%	75%	76.7%	75%
- merchandise costs	1.3%	2%	-	-
- administration	5.8%	8%	6.85%	10%
- fundraising	12.2%	15%	15.79%	15%
<b>Parent Company - Operational and financial</b>				
Proportion of funding provided by:				
- government grants	55%	48%	45.6%	48%
- donations	42%	50%	53.3%	50%
- merchandise	2%	58%	-	-
- investments	1%	2%	1.1%	2%
Proportion of funding spent on:				
- client contact and programs	82.1%	75%	76.7%	75%
- merchandise costs	1.0%	2%	-	-
- administration	5.8%	8%	6.85%	10%
- fundraising	11.7%	15%	15.79%	15%

## Whitelion Youth Agency Ltd and Controlled Entities Financial Report for the Year Ending 30 June 2017

### DIRECTORS' REPORT

#### Information on Directors

Ms Anne Barker	–	Chair
Qualifications	–	LLB
Experience	–	Formerly, Managing Director, City West Water. Chair of LeadWest, and Board member of VBA.
Special Responsibilities	–	Chair of Risk Management Committee
Mr Mark Watt	–	Director and Chief Executive Officer
Qualifications	–	Bachelor of Business and Masters of Social Work
Experience	–	Co-founder of Whitelion
Special Responsibilities	–	Member of Executive Team
Mr David Tucker	–	Director
Qualifications	–	BE (Honours) Civil
Experience	–	Chief Executive Officer of Enviropacific Services Pty Ltd
Special Responsibilities	–	Breakthrough Committee
Mr Kevin Mullen	–	Director
Qualifications	–	Fellow Institute of Chartered Accountant
Experience	–	Director, Moore Stephens, formerly Managing Partner at Nexia Melbourne
Special Responsibilities	–	Treasurer and Chair of the Finance and Audit Committee
Ms Donna Watt	–	Director
Qualifications	–	Bachelor of Science, Master of Applied Finance and Investment
Experience	–	Partner of Price Waterhouse Coopers
Special Responsibilities	–	Breakthrough Committee
Emma-Louise Needham	–	Director
Qualifications	–	Bachelor of Arts in Communication and Master of Public Policy
Experience	–	Principal and Consultant of Emma Needham Corporate Affairs Consultancy.
Special Responsibilities	–	Board Member
Mr David Wilmot	–	Director
Qualifications	–	Grad.Dip.Bus.(Admin.), FCPA, FCIS, FGIA.
Experience	–	Senior accounting and corporate governance
Special Responsibilities	–	Company Secretary, Finance and Audit committee and Risk Management Committee.

#### Meetings of Directors

During the financial year, 8 meetings of directors were held. Attendances by each director were as follows:

**Whitelion Youth Agency Ltd and Controlled Entities  
Financial Report for the Year Ending 30 June 2017**

**Directors' Meetings**

	Number eligible to attend	Number attended
Ms Anne Barker	8	8
Mr Mark Watt	8	8
Mr David Tucker	8	8
Mr Kevin Mullen	8	7
Ms Donna Watt	8	8
Ms Emma-Louise Needham	8	7
Mr David Wilmot	8	6
Mr Robert Dalziel	6	2

White Lion Youth Agency Ltd was previously registered as an Incorporated Association in Victoria and operated pursuant to the Associations Incorporation Reform Act 2012. On the 17<sup>th</sup> of May 2017 it was re-registered as a company limited by guarantee under the Corporations Act 2001.

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 2017, the total amount that members of the company are liable to contribute if the company is wound up is \$140 (2016: \$Nil).

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 30 June 2017 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.



.....  
Ms Anne Barker (Chair)

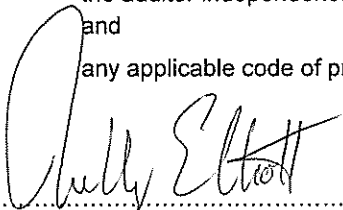
Dated this 21st Day of October 2017

**Whitelion Youth Agency Ltd and Controlled Entities  
Financial Report for the Year Ending 30 June 2017**

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER S 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF WHITELION YOUTH AGENCY LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 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: 21 October 2017

Address: Suite 105, 620 St Kilda Road, Melbourne

\*Liability limited by scheme approved under professional standards legislation

**Whitelion Youth Agency Ltd and Controlled Entities**  
**Financial Report for the Year Ending 30 June 2017**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	Group		Whitelion	
		2017	2016	2017	2016
		\$	\$	\$	\$
Revenue	2	10,906,869	9,891,702	9,395,320	7,767,113
Cost of Goods Sold		(139,740)	-	(95,299)	-
Administration expense		(624,087)	(677,842)	(541,920)	(532,311)
Advertising and promotion expenses		(1,325,738)	(1,561,532)	(1,102,395)	(1,226,063)
Service provision expenses		(8,902,814)	(7,586,453)	(7,709,957)	(5,957,373)
<b>Current year surplus/(deficit) before tax</b>		<b>(85,510)</b>	<b>65,875</b>	<b>(54,251)</b>	<b>51,366</b>
Income tax expense	4	-	-	-	-
<b>Net current year surplus/(deficit)</b>		<b>(85,510)</b>	<b>65,875</b>	<b>(54,251)</b>	<b>51,366</b>
Net current year surplus/(deficit) attributable to members of the entity		(85,510)	65,875	(54,251)	51,366
<b>Other comprehensive surplus/(deficit)</b>					
Fair value re-measurement gains on available-for-sale financial assets, net of tax	14 & 19	63,522	21,246	63,522	21,246
Fair value re-measurement gains on acquisition of a freehold property, net of tax	14 & 19	48,500	339,000	48,500	339,000
Fair value re-measurement on acquisition of units in Fruit2Work Unit Trust	14 & 19	(25,030)	-	-	-
<b>Total comprehensive surplus/(deficit) attributable to members of the entity</b>		<b>1,481</b>	<b>426,121</b>	<b>57,771</b>	<b>411,612</b>

The accompanying notes form part of these financial statements.

**Whitelion Youth Agency Ltd and Controlled Entities**  
**Financial Report for the Year Ending 30 June 2017**

**STATEMENT OF FINANCIAL POSITION**

	Note	Group		Whitelion	
		2017	2016	2017	2016
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash on hand	5	1,698,399	1,495,326	1,198,472	1,070,076
Accounts receivable	6	828,245	1,287,130	508,115	980,567
Financial assets	8	1,284,330	1,191,343	1,284,330	1,191,343
Other current assets	7	-	-	284,358	491,518
<b>TOTAL CURRENT ASSETS</b>		<b>3,810,974</b>	<b>3,973,799</b>	<b>3,275,275</b>	<b>3,733,504</b>
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	9	780,460	798,234	751,251	739,734
Financial Assets	8			50,000	
<b>TOTAL NON-CURRENT ASSETS</b>		<b>780,460</b>	<b>798,234</b>	<b>801,251</b>	<b>739,734</b>
<b>TOTAL ASSETS</b>		<b>4,591,434</b>	<b>4,772,033</b>	<b>4,076,526</b>	<b>4,473,238</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	10	804,251	676,111	750,206	638,772
Employee provisions	11	669,367	541,602	615,629	499,531
Finance liabilities	12	162,091	90,259	162,091	85,542
Income in advance	13	1,342,586	1,788,097	982,277	1,672,612
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,978,295</b>	<b>3,096,069</b>	<b>2,510,204</b>	<b>2,896,457</b>
<b>NON-CURRENT LIABILITIES</b>					
Employee provisions	11	197,855	196,497	182,262	184,827
Finance liabilities	12	185,867	251,532	185,867	251,532
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>383,722</b>	<b>448,029</b>	<b>368,129</b>	<b>436,359</b>
<b>TOTAL LIABILITIES</b>		<b>3,362,017</b>	<b>3,544,098</b>	<b>2,878,333</b>	<b>3,332,816</b>
<b>NET ASSETS</b>		<b>1,229,417</b>	<b>1,227,935</b>	<b>1,198,193</b>	<b>1,140,422</b>
<b>EQUITY</b>					
Reserves	14	589,387	502,395	614,417	502,395
Retained surplus		640,030	725,540	583,776	638,027
<b>TOTAL EQUITY</b>		<b>1,229,417</b>	<b>1,227,935</b>	<b>1,198,193</b>	<b>1,140,422</b>

The accompanying notes form part of these financial statements.

**Whitelion Youth Agency Ltd and Controlled Entities**  
**Financial Report for the Year Ending 30 June 2017**

**STATEMENT OF CHANGES IN EQUITY**

	Group			Whitelion		
	Retained Surplus \$	Reserve \$	Total \$	Retained Surplus \$	Reserve \$	Total \$
<b>Balance at 1 July 2015</b>	659,665	142,149	801,814	586,661	142,149	728,810
Net (deficit)/surplus for the year	65,875	-	65,875	51,366	-	51,366
Other comprehensive (deficit)/income	-	360,246	360,246	-	360,246	360,246
<b>Total comprehensive deficit/income attributable to members of the entity</b>	<b>65,875</b>	<b>360,246</b>	<b>426,121</b>	<b>51,366</b>	<b>360,246</b>	<b>411,612</b>
<b>Balance at 30 June 2016</b>	<b>725,540</b>	<b>502,395</b>	<b>1,227,935</b>	<b>638,027</b>	<b>502,395</b>	<b>1,140,422</b>
Net (deficit)/surplus for the year	(85,510)	-	(85,510)	(54,251)	-	(54,251)
Other comprehensive deficit/income		86,992	86,992	-	112,022	112,022
<b>Total comprehensive deficit/income attributable to members of the entity</b>	<b>(85,510)</b>	<b>86,992</b>	<b>1,482</b>	<b>(54,251)</b>	<b>112,022</b>	<b>57,771</b>
<b>Balance at 30 June 2017</b>	<b>640,030</b>	<b>589,387</b>	<b>1,229,417</b>	<b>583,776</b>	<b>614,417</b>	<b>1,198,193</b>

The accompanying notes form part of these financial statements.



**Whitelion Youth Agency Ltd and Controlled Entities**  
**Financial Report for the Year Ending 30 June 2017**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Note	Group		Whitelion	
		2017	2016	2017	2016
		\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Grants and Donations received		11,534,268	10,172,714	8,124,449	8,303,590
Payments to suppliers and employees		(11,162,596)	(9,550,073)	(7,984,244)	(7,354,500)
Dividends received		41,988	59,568	41,998	48,164
Interest received.		10,661	10,696	8,477	7,490
Interest paid		(28,750)	(23,619)	(28,746)	(22,847)
Net cash provided by operating activities	17	<u>395,571</u>	<u>669,286</u>	<u>161,934</u>	<u>981,897</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sale of property, plant and equipment		39,821	10,500	36,903	6,900
Proceeds from financial assets		572,689	125,268	572,689	125,268
Purchase of property, plant and equipment		(218,333)	(132,576)	(218,333)	(95,272)
Purchase of financial assets		(597,842)	(149,470)	(597,842)	(149,470)
Net cash used in investing activities		<u>(203,665)</u>	<u>(146,278)</u>	<u>(206,583)</u>	<u>(112,574)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Decrease/(Increase) in current accounts with subsidiaries		-	-	157,161	(470,360)
Receipt of borrowings		115,841	62,170	115,841	62,170
Repayment of borrowings		(104,674)	(77,397)	(99,957)	(76,670)
Net cash used in financing activities		<u>11,167</u>	<u>(15,227)</u>	<u>173,045</u>	<u>(484,860)</u>
Net decrease in cash held		203,073	507,781	128,396	384,463
Cash on hand at beginning of financial year		1,495,326	987,545	1,070,076	685,613
Cash on hand at end of financial year	5	<u>1,698,399</u>	<u>1,495,326</u>	<u>1,198,472</u>	<u>1,070,076</u>

The accompanying notes form part of these financial statements.

# Whitelion Youth Agency Ltd and Controlled Entities

## Financial Report for the Year Ending 30 June 2017

### NOTES TO THE FINANCIAL STATEMENTS

The financial report includes financial statements for Whitelion Youth Agency Ltd (the company) as an individual entity and consolidated financial statements for Whitelion Youth Agency Ltd and its controlled entities which includes Open Family Australia Ltd and the Fruit2Work Unit Trust. The latter entities are considered controlled entities of Whitelion Youth Agency Ltd as they share the same directors or trustee directors and beneficial ownership as the company. Whitelion Youth Agency Ltd is incorporated under the *Corporations Act 2001* and is a company limited by guarantee.

The financial statements were authorised for issue on 21 October 2017 by the members of the board.

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, the *Australian Charities and Not for Profits Commission Act 2012* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company 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 Youth Agency Ltd 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 company 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 company 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.

# Whitelion Youth Agency Ltd and Controlled Entities

## Financial Report for the Year Ending 30 June 2017

### NOTES 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 company 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 company, 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 company 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

# Whitelion Youth Agency Ltd and Controlled Entities

## Financial Report for the Year Ending 30 June 2017

### NOTES TO THE FINANCIAL STATEMENTS

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 company 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.

#### **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 company 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 company'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.

# Whitelion Youth Agency Ltd and Controlled Entities

## Financial Report for the Year Ending 30 June 2017

### NOTES TO THE FINANCIAL STATEMENTS

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 company 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 company 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.

# Whitelion Youth Agency Ltd and Controlled Entities

## Financial Report for the Year Ending 30 June 2017

### NOTES TO THE FINANCIAL STATEMENTS

Where it is not possible to estimate the recoverable amount of an individual asset, the company 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 company'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 company'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 company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company 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 company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the company 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.

# Whitelion Youth Agency Ltd and Controlled Entities

## Financial Report for the Year Ending 30 June 2017

### NOTES TO THE FINANCIAL STATEMENTS

When grant revenue is received whereby the company 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 company 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 company 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 company 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 company 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 Company**

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.

# Whitelion Youth Agency Ltd and Controlled Entities

## Financial Report for the Year Ending 30 June 2017

### NOTES TO THE FINANCIAL STATEMENTS

#### q. Critical Accounting Estimates and Judgments

##### Key estimates

##### (i) *Impairment – general*

The company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the company 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 board'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 2017 amounting to \$Nil. The board 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 company maintains a portfolio of securities with a carrying amount of \$1,313,338 (2016: \$1,173,327) at the end of the reporting period. Certain individual investments have declined in value recently by up to 10%. The board 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 board has determined that such investments will be considered impaired in the future.

#### NOTE 2: REVENUE

	Group		Whitelion	
	2017	2016	2017	2016
	\$	\$	\$	\$
The following revenues are included in the Statement of Comprehensive Income :-				
Event income	1,119,077	1,349,578	1,118,571	1,304,615
Merchandise Sales	232,014	-	161,429	-
Government grants	5,642,261	4,515,600	5,156,534	4,043,944
Donations received	3,838,803	3,952,629	2,898,689	2,368,173
Rent	10,632	20,563	2,549	15,259
Dividends received	41,988	59,568	41,988	48,164
Net (loss)/gain on sale of fixed assets	7,121	10,500	2,772	6,900
Net gain on sale of investments	4,312	(27,432)	4,312	(27,432)
Interest income	10,661	10,696	8,476	7,490
<b>Total</b>	<b>10,906,869</b>	<b>9,891,702</b>	<b>9,395,320</b>	<b>7,767,113</b>



**Whitelion Youth Agency Ltd and Controlled Entities**  
**Financial Report for the Year Ending 30 June 2017**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 3: EXPENSES**

	Group		Whitelion	
	2017	2016	2017	2016
	\$	\$	\$	\$
The following expenses are included in the Statement of Comprehensive Income :-				
Interest paid	28,750	23,619	28,746	22,847
Rental on operating leases	455,901	496,240	407,461	441,528
Remuneration of the auditor of the company for:				
- Auditing or reviewing the financial report	7,763	8,000	4,750	6,000
- Other services	-	-	-	-
Staffing and On Costs	7,410,305	6,597,650	6,107,687	5,173,568

**NOTE 4: INCOME TAX EXPENSE**

Whitelion Youth Agency Ltd and Open Family Australia are both Public Benevolent Institutions and as such are not required to pay income tax. Whitelion Youth Agency Ltd has a 100% beneficial interest in the Fruit2Work Pty Ltd Unit Trust and is not required to pay income tax on any surplus this entity may earn.

**NOTE 5: CASH ON HAND**

	Note	Group		Whitelion	
		2017	2016	2017	2016
		\$	\$	\$	\$
Cash at bank and in hand		1,669,391	1,464,196	1,169,464	1,038,946
Short-term investments – bank deposits		29,008	31,130	29,008	31,130
	18	<u>1,698,399</u>	<u>1,495,326</u>	<u>1,198,472</u>	<u>1,070,076</u>

The effective interest rate on short-term bank deposits 0.0675% (2016: 2.75%) these deposits have an average maturity of nil days.

**NOTE 6: ACCOUNTS RECEIVABLE AND OTHER DEBTORS**

	Note	Group		Whitelion	
		2017	2016	2017	2016
		\$	\$	\$	\$
<b>CURRENT</b>					
Trade debtors receivable		700,821	1,145,907	398,672	862,386
Prepayments		55,397	77,026	43,918	56,537
Other debtors		72,027	64,197	65,525	61,644
Total current accounts	18	<u>828,245</u>	<u>1,287,130</u>	<u>508,115</u>	<u>980,567</u>

The impairment of accounts receivable and other debtors required at 30 June 2017 was \$Nil (2016: \$15,406).

**Whitelion Youth Agency Ltd and Controlled Entities**  
**Financial Report for the Year Ending 30 June 2017**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6: ACCOUNTS RECEIVABLE AND OTHER DEBTORS (CONTINUED)**

**Credit risk**

The company 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 company 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 company 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 company.

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	
	\$	\$	\$	\$	\$	\$
<b>Group</b>						
<b>2017</b>						
Trade debtors receivable	700,821	-	43,390	3,334	33,688	620,409
Total	700,821	-	43,390	3,334	33,688	620,409
<b>2016</b>						
Trade debtors receivable	1,145,907	-	60,026	26,982	61,102	997,797
Total	1,145,907	-	60,026	26,982	61,102	997,797
<b>Whitelion</b>						
<b>2017</b>						
Trade debtors receivable	398,672	-	38,649	2,250	1,635	356,138
Total	398,672	-	38,649	2,250	1,635	356,138
<b>2016</b>						
Trade debtors receivable	862,386	-	43,528	26,982	5,578	786,298
Total	862,386	-	43,528	26,982	5,578	786,298

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

**NOTE 7: OTHER CURRENT ASSETS**

	Group		Whitelion	
	2017	2016	2017	2016
	\$	\$	\$	\$
Amount owed by Fruit2Work Pty Ltd	-	-	70,831	-
Amount owed by Open Family Australia	-	-	213,526	491,518
	-	-	284,357	491,518

**Whitelion Youth Agency Ltd and Controlled Entities**  
**Financial Report for the Year Ending 30 June 2017**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 8: FINANCIAL ASSETS**

	Note	Group		Whitelion	
		2017	2016	2017	2016
		\$	\$	\$	\$
<u>Current Assets</u>					
Available-for-sale financial assets :-					
- shares in listed corporations at fair value		611,875	354,959	611,875	354,959
- listed interest trusts at fair value		474,123	701,322	474,123	701,322
- Property trusts at fair value		198,332	135,062	198,332	135,062
Total available-for-sale financial assets	18	1,284,330	1,191,343	1,284,330	1,191,343
<u>Non Current Assets</u>					
Units in Fruit2Work Unit Trust		-	-	50,000	-

**NOTE 9: PROPERTY PLANT & EQUIPMENT**

	Group		Whitelion	
	2017	2016	2017	2016
	\$	\$	\$	\$
Freehold Property at Independent Valuation	387,500	339,000	387,500	339,000
Equipment at cost	358,146	426,709	358,146	287,932
Less Accumulated depreciation	(276,542)	(366,631)	(276,542)	(228,475)
	81,604	60,078	81,604	59,457
Motor Vehicles at cost	1,413,263	1,321,059	962,810	844,423
Less Accumulated depreciation	(1,111,193)	(996,323)	(689,950)	(567,564)
	302,070	324,736	272,860	276,859
Software & Trade Marks at cost	77,755	218,663	77,756	139,957
Less Accumulated amortisation	(68,469)	(144,243)	(68,469)	(75,539)
	9,286	74,420	9,287	64,418
Total property, plant and equipment	780,460	798,234	751,251	739,734

**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:

	Land and Buildings	Office equipment	Motor Vehicles	Software & Intangibles	Total
Group	\$	\$	\$	\$	\$
Balance at 1 July 2015	-	101,561	373,947	103,184	578,692
Additions	339,000	6,477	118,599	7,500	471,576
Disposals	-	-	-	-	-
Depreciation expense	-	(47,960)	(167,810)	(36,264)	(252,034)
Balance at 30 June 2016	339,000	60,078	324,736	74,420	798,234
Additions	-	70,213	148,120	-	218,333
Revaluation	48,500				48,500
Disposals	-	-	(3,718)	(28,983)	(32,701)
Depreciation expense	-	(48,687)	(167,068)	(36,151)	(251,906)
Carrying amount at 30 June 2017	387,500	81,604	302,070	9,286	780,460

**Whitelion Youth Agency Ltd and Controlled Entities**  
**Financial Report for the Year Ending 30 June 2017**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9: PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (Continued)**

	Land and Buildings	Office Equipment	Motor Vehicles	Software & Intangibles	Total
<b>Whitelion</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2015	-	98,767	320,905	93,629	513,301
Additions	339,000	6,477	84,295	4,500	434,272
Disposals	-	-	-	-	-
Depreciation expense	-	(45,787)	(128,341)	(33,711)	(207,839)
Balance at 30 June 2016	339,000	59,457	276,859	64,418	739,734
Additions	-	70,213	148,120	-	218,333
Revaluation	48,500				48,500
Disposals	-	-	(3,717)	(26,286)	(30,003)
Depreciation expense	-	(48,066)	(148,402)	(28,845)	(225,313)
Carrying amount at 30 June 2017	387,500	81,604	272,860	9,287	751,251

**NOTE 10: ACCOUNTS PAYABLE**

	Note	Group		Whitelion	
		2017	2016	2017	2016
		\$	\$	\$	\$
<b>CURRENT</b>					
Accounts payable		804,251	676,111	750,206	638,772
		804,251	676,111	750,206	638,772
Financial liabilities at amortised cost classified as accounts payable					
– total current		804,251	676,111	750,206	638,772
– total non-current		-	-	-	-
Financial liabilities as accounts payable	18	804,251	676,111	750,206	638,772

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	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>CURRENT</b>				
Annual leave	504,721	421,454	468,535	394,981
Long Service Leave	164,646	120,148	147,094	104,550
Total Current	669,367	541,602	615,629	499,531
<b>NON-CURRENT</b>				
/ Long Service Leave	197,855	196,497	182,262	184,827
Total Non-Current	197,855	196,497	182,262	184,827
Total Provisions	867,222	738,099	797,891	684,358

**Whitelion Youth Agency Ltd and Controlled Entities**  
**Financial Report for the Year Ending 30 June 2017**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 : EMPLOYEE PROVISIONS (Continued)	Group	Whitelion
	\$	\$
<b>Movement in Provisions</b>		
Opening balance at 1 July 2016	738,099	684,358
Additional provisions	867,222	797,891
Amounts used	(738,099)	(684,358)
Balance at 30 June 2017	867,222	797,891

Based on past experience, the company 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 company 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	
		2017	2016	2017	2016
		\$	\$	\$	\$
Current Liability - Leases		162,091	90,259	162,091	85,542
Non Current Liability - Leases		185,867	251,532	185,867	251,532
Total finance liabilities		347,958	341,791	347,958	337,074

NOTE 13: INCOME IN ADVANCE	Note	Group		Whitelion	
		2017	2016	2017	2016
		\$	\$	\$	\$
Income Received in Advance		1,342,856	1,788,097	982,277	1,672,612
		1,342,856	1,788,097	982,277	1,672,612

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	Group		Whitelion	
Asset Reserves	2017	2016	2017	2016
	\$	\$	\$	\$
Opening Balance	502,395	142,149	502,395	142,149
Revaluation gains/(losses) on property in current year	48,500	339,000	48,500	339,000
Revaluation gains/(losses) on investments in current year	63,522	21,246	63,522	21,246
Revaluation gains/(losses) on acquisition of subsidiaries	(25,030)	-	-	-
Closing Balance	589,387	502,395	614,417	502,395

The Asset 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, property and other investments.

**Whitelion Youth Agency Ltd and Controlled Entities**  
**Financial Report for the Year Ending 30 June 2017**

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 15: CAPITAL AND LEASING COMMITMENTS**

	Note	Group		Whitelion	
		2017 \$	2016 \$	2017 \$	2016 \$
<b>a. Finance Lease Commitments</b>					
Payable – minimum lease payments:					
– not later than 12 months		185,167	111,238	185,167	105,714
– between 12 months and 5 years		210,948	271,979	210,948	271,978
– later than 5 years		-	-	-	-
Minimum lease payments		396,115	383,217	396,115	377,692
Less future finance charges		48,157	41,426	48,157	40,618
Present value of minimum lease payments	12	347,958	341,791	347,958	337,074
<b>b. Operating Lease Commitments</b>					
Non-cancellable operating leases contracted for but not recognised in the financial statements					
Payable – minimum lease payments:					
– not later than 12 months		368,945	231,226	312,912	224,444
– between 12 months and 5 years		554,905	13,750	502,681	13,750
– later than 5 years		-	-	-	-
		923,850	244,976	815,593	238,194

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 company for the finance leases on the photocopiers.

**NOTE 16: RELATED PARTY TRANSACTIONS**

**2017**  
**\$**                      **2016**  
**\$**

**Key Management Personnel Compensation**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including its board members, is considered key management personnel.

– short-term benefits	312,024	275,806
– post-employment benefits	24,356	24,696
	336,380	300,502

**Whitelion Youth Agency Ltd and Controlled Entities**  
**Financial Report for the Year Ending 30 June 2017**

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	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Reconciliation of cash flow from operating activities with net current year surplus</b>				
Current year (loss)/surplus after income tax	(85,510)	65,875	(54,251)	51,366
Cash flows excluded from current year surplus				
Non-cash flows in current year surplus:				
- depreciation expense	251,906	252,034	225,313	207,839
- net (profit)/loss on disposal of property, plant and equipment	(7,121)	(10,500)	(6,900)	(6,900)
- (Profit)/Loss on Disposal of investments	(4,312)	27,432)	(4,312)	27,432
- Write back loan	(5,000)		(5,000)	
- Write-off pre-acquisition reserves of Fruit2Work Pty Ltd	(25,030)	-	-	-
Changes in assets and liabilities:				
- Decrease/(increase) in accounts receivable and other debtors	458,886	(647,024)	472,452	(613,946)
- increase/(decrease) in accounts payable and other payables	128,140	343,483	111,434	329,695
- decrease in deferred income	(445,511)	487,293	(690,335)	747,533
- increase in employee provisions	129,123	150,693	113,533	238,878
	<u>395,571</u>	<u>669,286</u>	<u>161,934</u>	<u>981,897</u>

**NOTE 18: FINANCIAL RISK MANAGEMENT**

The company'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	
		2017	2016	2017	2016
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash on hand	5	1,698,399	1,495,326	1,198,472	1,070,076
Accounts receivable and other debtors	6	828,245	1,287,130	508,115	980,567
Available-for-sale financial assets – listed shares	8	1,284,330	1,191,343	1,284,330	1,191,343
<b>Total financial assets</b>		<u>3,810,974</u>	<u>3,973,799</u>	<u>2,999,917</u>	<u>3,241,986</u>

# Whitelion Youth Agency Ltd and Controlled Entities

## Financial Report for the Year Ending 30 June 2017

### NOTES TO THE FINANCIAL STATEMENTS

#### NOTE 18: FINANCIAL RISK MANAGEMENT (Continued)

	Note	Group		Whitelion	
		2017	2016	2017	2016
		\$	\$	\$	\$
<b>Financial liabilities</b>					
Financial liabilities at amortised cost:					
– accounts payable and other payables	10	804,251	676,111	750,206	638,772
– finance liabilities	12	347,958	341,791	347,958	337,074
<b>Total financial liabilities</b>		<b>1,157,209</b>	<b>1,017,902</b>	<b>1,098,164</b>	<b>975,846</b>

#### Financial Risk Management Policies

The company's Treasurer is responsible for, among other issues, monitoring and managing financial risk exposures of the company. The Treasurer monitors the company'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 board.

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

#### Specific Financial Risk Exposures and Management

The main risks the company 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 company is exposed to, how these risks arise, or the board'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 company.

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 board 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 company 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 company 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 company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages this risk through the following mechanisms:



# Whitelion Youth Agency Ltd and Controlled Entities

## Financial Report for the Year Ending 30 June 2017

### NOTES TO THE FINANCIAL STATEMENTS

#### 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 company 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	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Accounts payable and other payables	804,251	676,111	-	-	-	-	804,251	676,111
Financial lease liabilities	162,091	90,259	185,867	251,532	-	-	347,958	341,791
<b>Total contractual outflows</b>	<b>966,342</b>	<b>766,370</b>	<b>185,867</b>	<b>251,532</b>	<b>-</b>	<b>-</b>	<b>1,152,209</b>	<b>1,017,902</b>
<b>Total expected outflows</b>	<b>966,342</b>	<b>766,370</b>	<b>185,867</b>	<b>251,532</b>	<b>-</b>	<b>-</b>	<b>1,152,209</b>	<b>1,017,902</b>
<b>Financial assets – cash flows realisable</b>								
Cash on hand	1,698,399	1,495,326	-	-	-	-	1,698,399	1,495,326
Accounts receivable	828,245	1,287,130	-	-	-	-	828,245	1,287,130
Available-for-sale investments	1,284,330	1,191,343	-	-	-	-	1,284,330	1,191,343
<b>Total anticipated inflows</b>	<b>3,810,974</b>	<b>3,973,799</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,810,974</b>	<b>3,973,799</b>
<b>Net (outflow)/inflow on financial instruments</b>	<b>2,844,632</b>	<b>3,207,429</b>	<b>(185,867)</b>	<b>(251,532)</b>	<b>-</b>	<b>-</b>	<b>2,658,765</b>	<b>2,955,897</b>

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 company is exposed to earnings volatility on floating rate instruments. The financial instruments that expose the company to interest rate risk are limited to lease liabilities, listed shares and cash on hand.

At 30 June 2017, approximately 100% of the company's debt is fixed. It is the policy of the company to negotiate fixed interest rates on all new financial liabilities.

The company 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.

# Whitelion Youth Agency Ltd and Controlled Entities

## Financial Report for the Year Ending 30 June 2017

### NOTES TO THE FINANCIAL STATEMENTS

#### NOTE 18: FINANCIAL RISK MANAGEMENT (CONTINUED)

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

#### *Sensitivity analysis*

The following table illustrates sensitivities to the company'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 that 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 2017	\$	\$
+/- 10% in interest rates	2,875	2,875
+/- 10% in available-for-sale investments	128,433	128,433
Year ended 30 June 2016		
+/- 10% in interest rates	4,037	4,037
+/- 10% in listed investments	119,134	119,134

No sensitivity analysis has been performed on foreign exchange risk as the company 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 company's financial assets.

	2017		2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash on hand <sup>(i)</sup>	1,698,399	1,698,399	1,495,326	1,495,326
Accounts receivable and other debtors <sup>(i)</sup>	828,245	828,245	1,287,130	1,287,130
Available-for-sale financial assets:				
– investments in listed shares	1,284,330	1,191,343	1,191,343	1,191,343
<b>Total financial assets</b>	<b>3,810,974</b>	<b>3,810,974</b>	<b>3,973,799</b>	<b>3,973,799</b>
<b>Financial liabilities</b>				
Accounts payable and other payables <sup>(i)</sup>	804,251	804,251	676,111	676,111
Lease liabilities	347,958	347,958	341,791	341,791
<b>Total financial liabilities</b>	<b>1,152,209</b>	<b>1,152,209</b>	<b>1,017,902</b>	<b>1,017,902</b>

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.

**Whitelion Youth Agency Ltd and Controlled Entities**  
**Financial Report for the Year Ending 30 June 2017**

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 19: FAIR VALUE MEASUREMENTS**

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

- available-for-sale financial assets.
- Property

The company 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 company'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 \$
<b>2017</b>					
Recurring fair value measurements					
<b>Financial assets</b>					
Property		387,500			387,500
Available-for-sale financial assets					
- shares in listed companies	8	1,284,330	-	-	1,284,330
<b>Total financial assets recognised at fair value</b>		<u>1,671,830</u>	<u>-</u>	<u>-</u>	<u>1,671,830</u>

<b>2016</b>					
Recurring fair value measurements					
<b>Financial assets</b>					
Available-for-sale financial assets					
- shares in listed companies	8	1,191,343	-	-	1,191,343
<b>Total financial assets recognised at fair value</b>		<u>1,191,343</u>	<u>-</u>	<u>-</u>	<u>1,191,343</u>

There were no transfers between Levels 1 and 2 for assets measured at fair value on a recurring basis during the reporting period (2016: 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.

# Whitelion Youth Agency Ltd and Controlled Entities

## Financial Report for the Year Ending 30 June 2017

### NOTES TO THE FINANCIAL STATEMENTS

#### NOTE 20: CONTROLLED ENTITIES

The consolidated group financials shown above combine the results and balances of Whitelion Youth Agency Ltd, Open Family Australia Ltd and the Fruit2Work Unit Trust\*. All these entities are considered controlled by the board of Whitelion Youth Agency Ltd.

\* Whitelion Youth Agency Ltd acquired a 100% of the units in the Fruit2Work Unit Trust and 51% of the shares in the Trustee company of the Trust on the 1<sup>st</sup> of April 2017.

#### 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 company's activities are largely funded by donations, the company 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 board had no reason to believe that the state government would not continue to provide financial support to Whitelion Youth Agency Ltd

#### NOTE 23: MEMBERS' GUARANTEE

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 in meeting any outstanding obligations of the entity. At 30 June 2017, the number of members was 7 (2016 = nil).

#### NOTE 24: COMPANY DETAILS

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

155 Roden Street

West Melbourne

Victoria 3003

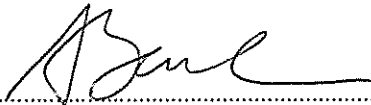
**Whitelion Youth Agency Ltd and Controlled Entities  
Financial Report for the Year Ending 30 June 2017**

**DIRECTORS' DECLARATION**

**IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS OF WHITELION YOUTH AGENCY LTD, THE DIRECTORS DECLARE THAT:**

1. The financial statements and notes, as set out on pages 6 to 28 are in accordance with *Division 60 of the Australian Charities and Not for Profits Commission Act 2012* and :
  - a. comply with the Australian Accounting Standards applicable to the company; and
  - b. give a true and fair view of the financial position of the company as at 30 June 2017 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



.....  
Ms Anne Barker (Chair)

Dated this 21st day of October 2017

# Whitelion Youth Agency Ltd and Controlled Entities

## Financial Report for the Year Ending 30 June 2017

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHITELION YOUTH AGENCY LTD

#### Audit Opinion

I have audited the financial report of Whitelion Youth Agency Ltd (the Company) and its Controlled Entities (the Group), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, notes to the financial statements and director declaration.

In my opinion, the accompanying financial report of Whitelion Youth Agency Ltd and Controlled Entities is in accordance with the *Division 60 of the Australian Charities and Not for Profits Commission Act 2012*, including:

- (a) giving a true and fair view of the group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Division 60 of the Australian Charities and Not for Profits Commission Act 2012*

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. I am independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

#### Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Accounting Standards and the ACNC Act and for such internal control as the entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the companies financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements

**Whitelion Youth Agency Ltd and Controlled Entities**  
**Financial Report for the Year Ending 30 June 2017**


**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHITELION YOUTH AGENCY LTD**

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Phillip Elliott \*

Date : 21st of October 2017

105/620 St Kilda Road Melbourne

\* Liability limited by scheme approved under professional standards legislation