

SHINE FOR KIDS CO-OPERATIVE LIMITED
ABN 60 662 072 775

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2016

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SHINE FOR KIDS CO-OPERATIVE LIMITED
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DIRECTORS' REPORT

The board of directors submit the financial report of the SHINE For Kids Co-operative Limited (the Co-operative) for the financial year ended 30 June 2016.

Directors

The names of the directors throughout the year and at the date of this report are:

Helen Wiseman (Chairperson)

Paul Freeman (Deputy Chairperson)

Jae Kang (Secretary)

Stephanie Lai (Treasurer)

Graham West (resigned 29 January 2016, reappointed 24 August 2016)

Jonathan Arthur (resigned 17 February 2016)

Patrick Garcia (resigned 27 January 2016)

Sue Woodward

Carol Vale

Jodie Lydeker

Information on directors

Helen Wiseman

Qualifications	Chairperson of the Board, BSc in European Studies, BSc in Psychology, Graduate Member of the Australian Institute of Company Directors, Chartered Accountant
Experience	Director since 17 November 2004

Paul Freeman

Qualifications	Deputy Chairperson, Fundraising and Marketing Consultant
Experience	Director since 15 November 2005

Jae Kang

Qualifications	Secretary, BA/LLB/Diploma of Legal Practice
Experience	Director since 18 June 2012

Stephanie Lai

Qualifications	Treasurer, Bachelor of Business, Chartered Accountant, Graduate Member of the Australian Institute of Company Directors
Experience	Director since 19 June 2013

Graham West

Qualifications	Bachelor of Commerce (Mgmt), Master of International Studies (Merit)
Experience	Director since 28 September 2010, resigned 29 January 2016, reappointed 24 August 2016

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Jonathan Arthur

Qualifications Bachelor of Science, Doctor of Philosophy, Graduate Member of the Australian Institute of Company Directors
 Experience Director since 18 November 2010, resigned 17 February 2016

Patrick Garcia

Qualifications Bachelor of Commerce, Bachelor of Law (Hons), Masters of Public Policy
 Experience Director since 13 February 2013, resigned 27 January 2016

Sue Woodward

Qualifications BA Communications, MA Marketing, Graduate Member of the Australian Institute of Company Directors
 Experience Director since 16 April 2013

Carol Vale

Qualifications Bachelor of Arts, Masters of Indigenous Studies, Post Graduate Diploma in Public Sector Leadership
 Experience Director since 16 April 2013

Jodie Lydeker

Qualifications Bachelor of Laws, Bachelor of Business
 Experience Director since 11 November 2014

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
Helen Wiseman	10	10
Paul Freeman	10	8
Jae Kang	10	9
Stephanie Lai	10	10
Graham West	6	6
Jonathan Arthur	6	6
Patrick Garcia	6	4
Sue Woodward	10	10
Carol Vale	10	5
Jodie Lydeker	10	6

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Principal activities

The principal activities of the Co-operative during the financial year were to provide a range of tailored programs across NSW, Victoria, the ACT and QLD to support the unique needs of children with parents impacted by the criminal justice system.

Significant changes

No significant change in the nature of these activities occurred during the year.

Operating result

The net operating result for the year amounted to a surplus of \$329,134 (2015: Deficit of \$67,876).

Events subsequent to balance date

No events have arisen since the end of the financial year, which may significantly affect the operation of the Co-operative, its results, or the state of its affairs in subsequent financial years.

Likely developments

The Co-operative will continue its objective of providing a range of tailored programs across NSW, Victoria, ACT and QLD to support the unique needs of children with parents impacted by the criminal justice system.

Tax concession

The Co-operative is endorsed as a Public Benevolent Institution and continues to receive Australian Taxation Office exemption from income tax. Gifts of \$2 and over are allowable income tax deductions for donors to the Co-operative.

Directors' benefit

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the accounts, or the fixed salary of a full-time employee of the Co-operative by reason of a contract made by the Co-operative or a related corporation with the director or with a firm of which the director is a member, or with an entity in which the director has a substantial financial interest).

Legal proceedings

No person has applied for leave of court to bring proceedings on behalf of the Co-operative, or intervene in any proceedings to which the Co-operative is a party, for the purpose of taking responsibility on behalf of the Co-operative for all, or any part of those proceedings.

The Co-operative was not a party to any such proceedings during the year.

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Lead Auditor's Independence Declaration

A copy of the lead auditor's independence declaration as required under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012 is set out on page 5.

Signed in accordance with a resolution of the board of directors.

Director: 
Helen Wiseman

Director: 
Stephanie Lai

Dated this 19 day of October 2016



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: The Directors of SHINE for Kids Co-operative Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Cameron Roan
Partner

Sydney

20 October 2016

SHINE FOR KIDS CO-OPERATIVE LIMITED
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenue	2	3,117,964	2,663,885
Cafe cost of sales		(97,107)	(96,455)
Depreciation and amortisation expenses		(32,692)	(41,290)
Employee benefits expenses		(2,003,252)	(1,944,389)
Rental expenses		(21,831)	(18,403)
Repairs and maintenance		(93,048)	(93,135)
Staff training expenses		(2,211)	(13,708)
Fundraising expenses		(142,454)	(79,730)
Program expenses		(33,960)	(41,950)
Travel expenses		(58,107)	(54,003)
Consultation expenses		(53,832)	(71,379)
Other expenses		(250,336)	(277,319)
Surplus/(Deficit) before income tax		329,134	(67,876)
Income tax expense		-	-
Surplus/(Deficit) for the year		329,134	(67,876)
Other comprehensive (loss)/income:			
<i>Items that are or may be reclassified to profit or loss:</i>			
Net change in fair value of available for sale financial assets		(25)	(51)
Other comprehensive (loss)/income for the year		(25)	(51)
Total comprehensive income/(loss) for the year		329,109	(67,927)
Total comprehensive income/(loss) attributable to members of the entity		329,109	(67,927)

The accompanying notes form part of these financial statements

SHINE FOR KIDS CO-OPERATIVE LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	4	1,172,301	1,047,410
Trade and other receivables	5	68,873	69,752
Inventories	6	5,815	7,290
Financial assets	7	1,057	1,082
TOTAL CURRENT ASSETS		1,248,046	1,125,534
NON-CURRENT ASSETS			
Motor vehicles, equipment and fixtures	8	90,461	121,972
TOTAL NON-CURRENT ASSETS		90,461	121,972
TOTAL ASSETS		1,338,507	1,247,506
CURRENT LIABILITIES			
Trade and other payables	9	438,598	679,253
Employee provisions	10	214,488	223,762
TOTAL CURRENT LIABILITIES		653,086	903,015
NON-CURRENT LIABILITIES			
Trade and other payables	9	-	-
Employee provisions	10	25,816	13,995
TOTAL NON-CURRENT LIABILITIES		25,816	13,995
TOTAL LIABILITIES		678,903	917,010
NET ASSETS		659,605	330,496
EQUITY			
Reserves	11	712	737
Retained earnings	12	658,893	329,759
TOTAL EQUITY		659,605	330,496

The accompanying notes form part of these financial statements

SHINE FOR KIDS CO-OPERATIVE LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Retained earnings	Fair value reserve	Total
	\$	\$	\$
Balance at 1 July 2014	397,635	788	398,423
Total comprehensive income:			
Deficit for the year attributable to members	(67,876)	-	(67,876)
Other comprehensive loss	-	(51)	(51)
Total comprehensive loss	(67,876)	-	(67,927)
Balance at 30 June 2015	329,759	737	330,496
Balance at 1 July 2015	329,759	737	330,496
Total comprehensive income:			
Surplus for the year attributable to members	329,134	-	329,134
Other comprehensive loss	-	(25)	(25)
Total comprehensive income	329,134	(25)	329,109
Balance at 30 June 2016	658,893	712	659,605

SHINE FOR KIDS CO-OPERATIVE LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Donations		298,237	272,874
Grants - government and private		2,904,856	2,406,812
Interest received		19,871	16,585
Other		159,957	158,351
Total		3,382,921	2,854,622
<u>Less payments</u>			
Cash paid to employees		(2,000,705)	(1,852,978)
Cash paid to suppliers		(1,256,144)	(547,100)
Total		(3,256,849)	(2,400,078)
Net cash provided by operating activities		126,072	454,544
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(1,181)	(38,538)
Net cash used in investing activities		(1,181)	(38,538)
Net increase in cash		124,891	416,006
Cash and cash equivalents at 1 July		1,047,410	631,404
Cash and cash equivalents at 30 June	4	1,172,301	1,047,410

The accompanying notes form part of these financial statements

SHINE FOR KIDS CO-OPERATIVE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. Statement of significant accounting policies

Reporting entity

SHINE for Kids Co-operative Limited (the Co-operative) is an individual not-for-profit entity incorporated in NSW under the Co-operatives Act 1992. These financial statements are individual financial statements of the Co-operative and are as at and for the year ended 30 June 2016.

Basis of accounting

(a) Statement of compliance

In the opinion of the directors, the Co-operative is not publicly accountable (as defined in AASB 1053 which requires not-for-profit private sector entities to prepare Tier 2 reporting. Public accountability under AASB 1053 is different from the notion of public accountability in the general sense and includes entities such as those with debt or equity securities traded in a public market). The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012 (ACNC).

(b) Basis of measurement

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Co-operative's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Co-operative.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, by the Co-operative.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Income tax

The Co-operative is operated as a non-profit organisation with income and any surplus being applied solely toward the promotion of the objectives of the Co-operative.

The income of the Co-operative is exempt from Australian Income Tax under Subdivision 50-5 of the Income Tax Assessment Act 1997 item 1.1 charitable institution.

Motor vehicles, equipment and fixtures

Recognition and measurement

Each class of property, motor vehicles, equipment and fixtures is carried at fair value or cost less any accumulated depreciation and impairment losses, where applicable.

The carrying amounts of motor vehicles, equipment and fixtures are reviewed annually by the Co-operative to ensure the carrying amounts are not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Depreciation

Motor vehicles, equipment and fixtures are depreciated on a straight line basis at rates calculated to allocate the cost less the estimated residual value over the estimated useful life of each asset.

The assets' carrying values are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. An asset's carrying value is written down immediately to its recoverable value if the asset's carrying value is greater than its estimated recoverable amount.

Profit and loss on disposal are determined by comparing proceeds with the carrying amount. These amounts are included in the income statement.

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

Class of fixed asset	Depreciation rate
Equipment and fixtures	11.25% – 50%
Motor vehicles	25%

Impairment of assets

At each reporting date, the Co-operative reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

If the recoverable amount of a cash generating unit is estimated to be less than its carrying amount, the carrying amount of the cash generating unit is reduced to its recoverable amount.

An impairment loss is recognised immediately in the income statement. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset. The reversal of an impairment loss is recognised immediately in income.

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NOTES TO THE FINANCIAL STATEMENTS
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Financial instruments

The Co-operative classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

The Co-operative classifies non-derivative financial liabilities into the other financial liabilities category.

(i) *Non-derivative financial assets and financial liabilities – recognition and derecognition*

The Co-operative initially recognises loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Co-operative derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Co-operative is recognised as a separate asset or liability.

The Co-operative derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Co-operative has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The Co-operative classifies non-derivative financial assets into the following categories: loans and receivables, cash and cash equivalents and available-for-sale financial assets.

(ii) *Non-derivative financial assets – measurement*

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less.

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Available-for-sale financial assets

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in Other Comprehensive Income and accumulated in the fair value reserve. When these assets are derecognised, the gain or loss in equity is reclassified to profit or loss.

(iii) Non-derivative financial liabilities - measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

Employee benefits

Provision is made for the liability due to employee benefits arising from services rendered by employees to the reporting date. Employee benefits expected to be settled within twelve months have been measured at their nominal amount. Other employee benefits payable later than twelve months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as a personnel expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Other long-term employee benefits

The Co-operative's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated or government bonds that have maturity dates approximating the terms of the Co-operative's obligations.

(iii) Short-term benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employee's services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Co-operative expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

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NOTES TO THE FINANCIAL STATEMENTS
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Provisions

Provisions are recognised when the Co-operative 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.

Revenue

(i) Interest income

Interest income is recognised as it accrues in profit or loss using the effective interest rate method.

(ii) Dividend income

Dividend income is recognised when the right to receive a dividend has been established.

(iii) Grant revenue

Certain funding comprises grants for ongoing funding and specific purposes. The Co-operative's programs are supported by grants received from the federal, state and local governments.

Non-reciprocal grant revenue is recognised in the profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity 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 entity incurs an obligation to deliver economic value directly back to the contributor, including the return of unspent funds, this is considered a reciprocal transaction and the grant revenue is initially recognised in the statement of financial position as a liability. The liability is then released to the statement of profit or loss and other comprehensive income as revenue on a systematic basis in the same periods in which expenses are recognised.

(iv) Donation income

Donations and bequests are recognised as revenue when received or, where special terms and conditions are attached to these, in accordance with those terms and conditions. Funds received in advance of obligations being met are deferred and taken to income as the related expenses are incurred and obligations are met.

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NOTES TO THE FINANCIAL STATEMENTS
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(v) *In-kind donations*

In-kind donations received by the Co-operative relates to goods provided by third parties and are measured, when provided, at their fair values during the financial year through profit or loss. In-kind donations are recognised when the Co-operative obtains control of the contribution, or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the entity and the amount of the contribution can be measured reliably.

Where services are donated to the Co-operative, no assessment of the value of those services is included in the financial statements as it has been determined that the fair value of these services received cannot be measured reliably.

(vi) *Fundraising activities*

Revenue from fundraising is recognised when received. A licence to fundraise is currently held for New South Wales, Victoria and Queensland. A summary of revenue and expenses associated with fundraising is disclosed on page 31.

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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Leases

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

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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.

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Economic dependency

The organisation is largely dependent on the continued financial support of the Federal Government, State Governments, charitable trusts and foundations and private philanthropists in order to fund its operations. The organisation is also largely dependent on the continued provision of donated items, including access to office facilities and premises, supplier services provided on a pro bono or discounted basis and volunteer labour.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
2 Revenue and other income		
Revenue		
Revenue from government grants and other grants:		
Federal government grants	707,387	163,711
State government grants	937,967	1,009,077
Other government grants	-	13,000
Other organisations	995,424	1,002,224
	2,640,778	2,188,012
Other revenue:		
Cafe takings	137,912	148,943
Dividend income	108	107
Interest income	19,871	16,585
	157,891	165,635
Total revenue	2,798,669	2,353,647
Other income		
Gain on disposal of motor vehicles	-	-
Donations and fundraising	298,237	272,874
Other	21,058	37,365
Total other income	319,295	310,238
Total revenue and other income	3,117,964	2,663,885

3 Profit for the year

Profit from continuing operations includes the following specific expenses:

Employee benefits

Contributions to defined contribution plans	160,362	151,386
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
4 Cash and cash equivalents		
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash at bank	80,323	170,303
ING Direct	1,091,242	876,371
Petty cash float	736	736
	1,172,301	1,047,410
5 Trade and other receivables		
Current		
Sundry debtors	66,373	66,721
Deferred interest finance contracts	-	531
Rental bond	2,500	2,500
	68,873	69,752
6 Inventories		
Current		
Cafe stock on hand – at cost	5,815	7,290
7 Financial assets		
Current		
Shares in public companies at fair value	1,057	1,082

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	2016	2015
	\$	\$
<hr/>		
8 Motor vehicles, equipment and fixtures		
<i>Reconciliation of carrying amount:</i>		
Cost		
At 1 July	347,644	309,107
Additions	1,181	38,537
Disposals	-	-
Balance at 30 June	348,825	347,644
 Accumulated depreciation		
At 1 July	(225,672)	(184,383)
Depreciation for the year	(32,692)	(41,279)
Disposals	-	-
Balance at 30 June	(258,364)	(225,672)
 Carrying amounts at 30 June	90,461	121,972
 9 Trade and other payables		
Current		
Creditors and accruals	116,542	173,034
Deferred income	284,936	422,068
Goods and services tax liability	37,120	57,788
Finance contracts amounts payable	-	26,363
	438,598	679,253
Non-current		
Finance contracts	-	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
<hr/>		
10 Employee provisions		
Provision for long service leave	62,825	59,001
Provision for annual leave	151,663	164,761
Current employee provisions	<u>214,488</u>	<u>223,762</u>
Provision for long service leave	25,816	13,995
Non-current employee provisions	<u>25,816</u>	<u>13,995</u>
11 Reserves		
Fair value reserve		
Shares in public companies	<u>712</u>	<u>737</u>
12 Retained earnings		
Retained surplus at the beginning of the financial year	329,759	397,635
Net deficit attributable to members of the Co-operative	329,134	(67,876)
Retained surplus at the end of the financial year	<u>658,893</u>	<u>329,759</u>

13 Financial instruments

Financial risk management

The Co-operative's financial instruments consist primarily of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The Co-operative does not have any derivative instruments at 30 June 2016.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance of counter parties of contractual obligations that could lead to financial loss.

The Co-operative does not have a material credit risk exposure as a major source of revenue is the receipt of Federal, State and Local Government Grants. The majority of these are in accordance with three year funding agreements.

Liquidity risk

Liquidity risk arises from the possibility that the Co-operative may encounter difficulty in paying its debts or meeting financial obligations. Liquidity risk is managed by the use of budgets, cash flows and regular reviews by the finance committee.

14 Related party transactions

(a) Key management personnel remuneration

All directors of the Co-operative act in the honorary capacity and therefore receive no compensation benefits.

Key management personnel compensation is set out below. In addition to their salaries, the Co-operative also contributes to post-employment defined contribution superannuation funds on their behalf.

	Total
	\$
2015	
Total remuneration (26 fortnights)	145,630
2016	
Total remuneration (27 fortnights)	153,284

(b) Other related parties

	2016	2015
	\$	\$
The following amounts were paid to Yaltech for IT services (hardware and software support). K Yalda is the spouse of a member of key management and is also the sole owner of Yaltech.	97,820	100,723
The following amount was paid to Lacnic Pty Ltd for a consultancy review of SHINE for Kids organisational structure. This review was carried out by Graham West, owner of Lacnic Pty Ltd. Graham was not a board member at the time of this review.	28,936	-

SHINE FOR KIDS CO-OPERATIVE LIMITED
ABN 60 662 072 775

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

15 Commitment to expenditure

The Co-operative has incurred the following contractual obligations. Amounts payable under the agreements are as follows:

(a) Equipment rental	2016 \$	2015 \$
Payable not later than 12 months	29,481	21,931
between 12 months and five years		-
greater than five years		-
	<u>29,481</u>	<u>21,931</u>

16 Co-operative details

The registered office of the Co-operative is:

SHINE for Kids Co-operative Limited

128-130 O'Connell Street
North Parramatta NSW 2151

The principal place of business is:

128-130 O'Connell Street
North Parramatta NSW 2151

SHINE FOR KIDS CO-OPERATIVE LIMITED
ABN 60 662 072 775

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

17 Funding

During the year, SHINE for Kids Co-operative Limited received funding from the following Federal and State Government Departments:

Corrective Services NSW

Department of Social Services

ACT Corrective Services

Department of the Prime Minister and Cabinet

Juvenile Justice NSW

Department of Justice Corrections Victoria

Department of Education and Communities

Community Services, Department Family and Community Services NSW

SHINE FOR KIDS CO-OPERATIVE LIMITED
ABN 60 662 072 775

DIRECTORS' DECLARATION

In the opinion of the directors of SHINE for Kids Co-operative Limited (the Co-operative):

- (a) the Co-operative is not publicly accountable (as defined in AASB 1053);
- (b) the financial statements and notes that are set out on pages 6 to 24 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - (i) giving a true and fair view of the Co-operative's financial position as at 30 June 2016 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- (c) there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the board of directors and is signed for and on behalf of the directors by:

Director:



Helen Wiseman

Director:



Stephanie Lai

Dated this 19 day of October 2016

SHINE FOR KIDS CO-OPERATIVE LIMITED
ABN 60 662 072 775

DECLARATION IN RESPECT OF FUNDRAISING APPEALS

Declaration of the board in respect of fundraising appeal pursuant to Authority Condition 7(4) of the Charitable Fundraising Act (NSW) 1991 and Regulations.

I, Helen Wiseman, and I, Stephanie Lai, directors of Shine For Kids Co-operative Limited ("the Co-operative") declare that in our opinion:


- (a) the statement of comprehensive income is drawn up so as to give a true and fair view of income and expenditure of Shine For Kids Co-operative Limited for the year ended 30 June 2016 with respect to fundraising appeals;
- (b) the statement of financial position and cash flow statement are drawn up so as to give a true and fair view of the state of affairs of the Co-operative and cash flows as at 30 June 2016 with respect to fundraising appeals;
- (c) the provisions of the Charitable Fundraising Act 1991 and the regulations under the Act and conditions attached to the authority holder have been complied with for the year ended 30 June 2016; and
- (d) the internal controls exercised by the Co-operative are appropriate and effective in accounting for all income received and applied by the Co-operative from any of the fundraising appeals.

Director:



Helen Wiseman

Director:



Stephanie Lai

Dated this 19 day of October 2016



Independent auditor's report to the members of SHINE for Kids Co-operative Limited

Report on the financial report

We have audited the accompanying financial report of SHINE for Kids Co-operative Limited (the Co-operative), which comprises the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 17 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Co-operative.

This audit report has also been prepared for the members of the Co-operative in pursuant to *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC) and Section 24(2) of the *Charitable Fundraising (NSW) Act 1991* and Regulations (collectively the Acts and Regulations)

Directors' responsibility for the financial report

The Directors of the Co-operative are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the ACNC, and the Acts and Regulations. The Directors' responsibility also includes such internal control as the Directors determine necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgement, 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 Co-operative's preparation of the financial report that gives a true and fair view 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 Co-operative's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report gives a true and fair view, in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, and the ACNC, a true and fair view which is consistent with our understanding of the Co-operative's financial position and of its performance.

In addition, our audit report has also been prepared for the members of the Co-operative to meet the requirements of the Acts and Regulations. Accordingly, we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the ACNC. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Acts and Regulations.

**Independent auditor's report to the members of SHINE for Kids Co-operative Limited
(continued)**

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year end financial adjustments for such matters as accruals, prepayments, provisioning and valuations necessary for year end financial report preparation.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of SHINE for Kids Co-operative Limited on 19 October 2016, would be in the same terms if given to the directors as at the time of this auditor's report.

Auditor's opinion

In our opinion the financial report of SHINE for Kids Co-operative Limited is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including:

- (a) giving a true and fair view of the Co-operative's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Audit opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion:

- (a) the financial report gives a true and fair view of SHINE for Kids Co-operative Limited's financial result of fundraising appeal activities for the financial year ended 30 June 2016;
- (b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2015 to 30 June 2016, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- (c) money received as a result of fundraising appeal activities conducted during the period from 1 July 2015 to 30 June 2016 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- (d) there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they fall due.



KPMG



Cameron Roan
Partner

Sydney

20 October 2016



**OTHER INFORMATION DISCLAIMER
OF OPINION ON THE 2016 FINANCIAL ACCOUNTS**

Disclaimer

The additional financial data presented in the following pages is in accordance with the books and records of SHINE for Kids Co-operative Limited which have been subjected to the auditing procedures applied in our statutory audit of the Co-operative for the period ended 30 June 2016. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than our client) in respect of such data, including any errors or omissions therein however caused.

Name of Firm: KPMG
Chartered Accountants

Name of Partner: Cameroon Rowland - KPMG

Dated this 20th day of October 2016

SHINE FOR KIDS CO-OPERATIVE LIMITED
ABN 60 662 072 775

ADDITIONAL INFORMATION
TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991

Summary of fundraising appeals conducted during the year

The Co-operative holds an authority to fundraise under the NSW Charitable Fundraising Act of 1991. SHINE for Kids also holds an authority to fundraise in Victoria and QLD.

During the year, the Co-operative engaged in fundraising activities as defined by the NSW Charitable Fundraising Act. The total income from these activities amounted to \$1,066,252. Of this amount, \$298,237 was derived from fundraising appeals, gifts from individuals and businesses, and \$768,015 raised from trusts and foundations.

Fundraising conducted jointly with traders

	2016	2015
	\$	\$
Revenue	101,750	76,134
Less payments to trader	75,528	55,379
Gross contribution	26,222	20,755

Specific appeal comparisons

	Gross income	Expenditure	2016 Surplus	2015 Surplus
	\$	\$	\$	\$
Chocolate drives	51,085	25,405	25,680	7,246
Mail Out – Christmas appeal	8,472	500	7,972	761
Mail Out - End of Financial Year appeal	-	-	-	3,750
BBQ's	1,073	-	1,073	5,924
Raffles	-	-	-	1,519
Event – A Night Out with a few of our Favourite Artists	32,742	13,509	19,233	-