

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

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2019

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

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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 2019.

Directors

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

Sue Woodward (Chair)

Graham West (Deputy Chair) (resigned 26 September 2018)

Leisl Baumgartner (Secretary)

Peter Ricketts (Treasurer)

Susan Helyar

Stanley Johnson

Jodie Lydeker (resigned 14 November 2018)

Martin Irwin

Simon McSweeney

Shane Hamilton

Information on directors

Sue Woodward

Qualifications	Chair of the Board from 15 November 2017, previously Deputy Chair of the Board, BA Communications, MA Marketing, GAICD
Experience	Director since 16 April 2013

Graham West

Qualifications	Deputy Chair of the Board from 15 November 2017, Chair of the Board from 19 October 2016 to 15 November 2017, B.Com (Mgmt), M. of International Studies (Merit)
Experience	Director since 28 September 2010, resigned 29 January 2016, reappointed 24 August 2016, resigned 26 September 2018

Peter Ricketts

Qualifications	Treasurer FAICD, FGIA, FCIS, CA, CFTP (Snr), MBA, B. Com
Experience	Director since 19 October 2016

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Jodie Lydeker

Qualifications

B. Bus/LLB

Experience

Director since 11 November 2014, resigned 14 November 2018

Stanley Johnson

Experience

Director since 15 February 2017

Susan Helyar

Qualifications

BA Social Work and Social Policy, GAICD

Experience

Director since 17 May 2017

Leisl Baumgartner

Qualifications

BA (Communications), B. Ec, M International Studies

Experience

Director since 18 October 2017

Martin Irwin

Qualifications

BA/LLB (Hons)

Experience

Director since 22 August 2018

Simon McSweeney

Qualifications

B. Com / LLB, LLM

Experience

Director since 22 August 2018

Shane Hamilton

Qualifications

Graduate Certificate Indigenous Sector Management, Certificate III
Corrections

Experience

Director since 26 September 2018

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During the financial year, 12 meetings of directors were held. Attendances by each director were as follows:

Directors' meetings		
	Number eligible to attend	Number attended
Susan Helyar	12	9
Stanley Johnson	12	8
Jodie Lydeker	5	0
Peter Ricketts	12	11
Graham West	3	0
Sue Woodward	12	12
Leisl Bumgartner	12	9
Martin Irwin	11	11
Simon McSweeney	11	9
Shane Hamilton	6	4

Principal activities

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

Significant changes

There were no significant changes to the operations of the Co-operative.

Operating result

The net operating result for the year amounted to a surplus of \$163,447: (2018:Deficit of (\$207,585)).

Events subsequent to balance date

There were no subsequent events that occurred after balance date that would require disclosure in this financial report.

Likely developments

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

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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' benefits

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.

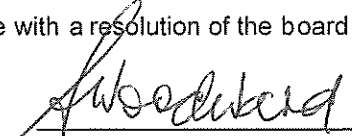
The Co-operative was not a party to any such proceedings during the year.

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 6.

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

Director:


Sue Woodward

Director:


Peter Ricketts

Dated this 30th day of October 2019

The Board of Directors
SHINE for Kids Co-operative Limited
128-130 O'Connell Street
North Parramatta NSW 2151

30 October 2019

Dear Board Members

Auditor's Independence Declaration to SHINE for Kids Co-operative Limited

In accordance with subdivision 60 C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the directors of SHINE for Kids Co-operative Limited.

As lead audit partner for the audit of the financial statements of SHINE for Kids Co-operative Limited for the financial year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit ; and
- (ii) any applicable code of professional conduct in relation to the audit .

Yours faithfully

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU



Delarey Nell
Partner
Chartered Accountants

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Revenue	2	3,224,125	3,194,523
Cafe cost of sales		(0)	(36,040)
Depreciation and amortisation expenses		(36,622)	(44,106)
Employee benefits expenses		(2,469,878)	(2,493,182)
Rental expenses		(27,553)	(26,218)
Repairs and maintenance		(5,837)	(61,169)
Staff training expenses		(4,699)	(16,361)
Fundraising expenses		(132,232)	(141,836)
Program expenses		(39,409)	(34,693)
Travel expenses		(29,696)	(53,284)
Consultancy expenses		(20,183)	(245,610)
Other expenses		(294,516)	(249,949)
Surplus before income tax		163,500	(207,925)
Income tax expense		-	-
Surplus for the year		163,500	(207,925)
Other comprehensive income/loss:			
<i>Items that are or may be reclassified to profit or loss:</i>			
Net change in fair value of financial assets through other comprehensive income		(53)	340
Other comprehensive income/(loss) for the year		(53)	340
Total comprehensive income/(loss) for the year		163,447	(207,585)
Total comprehensive income/(loss) attributable to members of the entity		163,447	(207,585)

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 2019

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	4	1,256,960	860,908
Trade and other receivables	5	67,094	226,522
Financial assets	6	1,603	1,655
TOTAL CURRENT ASSETS		1,325,657	1,089,085
NON-CURRENT ASSETS			
Motor vehicles, equipment and fixtures	7	71,797	108,418
TOTAL NON-CURRENT ASSETS		71,797	108,418
TOTAL ASSETS		1,397,454	1,197,503
CURRENT LIABILITIES			
Trade and other payables	8	552,210	559,183
Employee provisions	9	174,884	145,939
TOTAL CURRENT LIABILITIES		727,094	705,122
NON-CURRENT LIABILITIES			
Employee provisions	9	51,970	37,439
TOTAL NON-CURRENT LIABILITIES		51,970	37,439
TOTAL LIABILITIES		779,064	742,561
NET ASSETS		618,390	454,942
EQUITY			
Reserves	10	1,257	1,310
Retained earnings	11	617,133	453,632
TOTAL EQUITY		618,390	454,942

The accompanying notes form part of these financial statements

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Retained earnings	Fair value reserve	Total
	\$	\$	\$
Balance at 1 July 2017	661,218	970	662,188
Total comprehensive income:			
Deficit for the year attributable to members	(207,585)	-	(207,585)
Other comprehensive income	-	340	340
Total comprehensive income/(loss)	(207,585)	340	(207,245)
Balance at 30 June 2018	453,633	1,310	454,943
 Balance at 1 July 2018	 453,633	 1,310	 454,943
Total comprehensive income:			
Surplus for the year attributable to members	163,500	-	163,500
Other comprehensive income	-	(53)	(53)
Total comprehensive income	163,500	(53)	163,447
Balance at 30 June 2019	617,133	1,257	618,390

The accompanying notes form part of these financial statements

SHINE FOR KIDS CO-OPERATIVE LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
<u>Receipts</u>		
Donations	315,125	188,351
Grants - government and private	3,063,756	2,767,794
Interest received	12,336	9,816
Other	10,890	63,185
Total	3,402,107	3,029,146
<u>Less payments</u>		
Cash paid to employees	(2,426,403)	(2,583,137)
Cash paid to suppliers	(579,652)	(818,546)
Total	(3,006,055)	(3,401,683)
Net cash from operating activities	396,052	(372,537)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	0	(49,235)
Net cash used in investing activities	0	(49,235)
Net decrease in cash	396,052	(421,772)
Cash and cash equivalents at 1 July	860,908	1,282,680
Cash and cash equivalents at 30 June	1,256,960	860,908

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 2019

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 2019.

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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FOR THE YEAR ENDED 30 JUNE 2019

Accounting policies

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

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 2019

Depreciation

Motor vehicles, equipment and fixtures are depreciated on a diminishing value 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% – 75%
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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Amendments to Accounting Standards and new Interpretations that are mandatory effective for the current reporting period.

SHINE for Kids has adopted AASB 9 the revised Standard and interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the accounting period that begins on or after 1 July 2018.

New and revised Standards and amendments thereof and interpretations effective for the current year that are relevant to the organisation include:

- AASB 9- *Financial Instruments* and related amending Standards

Impact of the application of AASB 9 Financial Instruments and related amending Standards

AASB 9 introduced new requirements for:

- the classification and measurement of financial assets and financial liabilities;
- impairment of financial assets; and
- general hedge accounting.

Details of these new requirements as well as their impact on the financial statements are described below.

Classification and measurement of financial assets and financial liabilities

Under AASB 9, on initial recognition, a financial asset is classified and measured at:

- amortised cost;
- fair value through other comprehensive income (FVTOCI)
- fair value through profit or loss (FVTPL).

The new standard eliminates the previous AASB 139 financial asset categories.

All recognised financial assets that are within the scope of AASB 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

On 1 July 2018 (the date of initial application of AASB 9), the Group's management assessed which business models apply to the financial assets held by the Group and the contractual cash flow characteristics of the financial assets and has classified its financial instruments into the appropriate AASB 9 categories as identified in the table below.

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Financial assets	Original classification under AASB 139	New classification under AASB 9	Carrying amount under AASB 139 as at 30 June 2018	Carrying amount under AASB 9 as at 1 July 2018
Cash and cash equivalents	Amortised cost	Amortised cost	\$1,256,960	\$1,256,960
Trade Receivables	Loans and receivables	Amortised cost	\$67,094	\$67,094
Financial liabilities				
Trade & Other Payables	Amortised cost	Amortised cost	\$552,210	\$552,210

Impairment

AASB 9 replaces the 'incurred loss' model in AASB1 39 with an 'expected credit loss' (ECL) model. This applies to financial assets measured at amortised cost and debt investments at fair value through other comprehensive income (FVTOCI). The Entity does not hold any debt or equity investments at FVTOCI.

The Co-operative has the following major financial asset classes that need to be considered.

<i>Asset</i>	<i>Assessment</i>
Cash	As all cash is held with major financial institutions (ADI)'s and there has been no history of loss, it has been determined that ECL would not be material and consequently has not been recognised.
Trade receivables	Trade receivables are mostly Government clients. There has been no historical instances where a loss has been incurred, including through the GFC. ECL would not be material and consequently has not been recognised.

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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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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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(v) *In-kind donations*

In-kind donations received by the Co-operative relate 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. A summary of revenue and expenses associated with fundraising is disclosed on page 29.

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.

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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FOR THE YEAR ENDED 30 JUNE 2019

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.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2019, and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early.

(i) AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much, and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue, AASB 111 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

AASB 15 is effective for annual reporting periods beginning on or after 1 January 2017. The Company is assessing the potential impact on its financial statements resulting from the application of AASB 15. SHINE for Kids as a Not for Profit organisation has the option to decide on the adoption of deferring AASB 15 and management have elected not to adopt.

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(ii) AASB 16 Leases

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments.

AASB 16 is effective from annual reporting periods beginning on or after 1 January 2019, with early adoption permitted for entities that also adopt AASB 15. The Company is assessing the potential impact on its financial statements resulting from the application of AASB 16.

(iii) AASB 1058 Income of Not-for-Profit Entities

AASB 1058 establishes the principles for NFP entities that apply specifically to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a NFP entity to further its objectives; and to volunteer services received.

AASB 1058 is effective from annual reporting periods beginning on or after 1 January 2019, with early adoption permitted for entities that also adopt AASB 15. The Company is assessing the potential impact on its financial statements resulting from the application of AASB 1058. No other new standards, amendments to standards and interpretations are expected to significantly affect the Company's financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
2 Revenue and other income		
Revenue		
Revenue from government grants and other grants:		
Federal government grants	729,847	849,709
State government grants	1,568,874	1,371,302
Other organisations	587,053	546,783
	<u>2,885,774</u>	<u>2,767,794</u>
Other revenue:		
Cafe takings	0	43,583
Dividend income	72	87
Interest income	12,336	9,816
	<u>12,408</u>	<u>53,486</u>
Total revenue	<u>2,898,182</u>	<u>2,821,280</u>
Other income		
Donations and fundraising	315,125	353,729
Other	10,818	19,515
Total other income	<u>325,943</u>	<u>373,244</u>
Total revenue and other income	<u>3,224,125</u>	<u>3,194,523</u>

3 (Deficit)/Surplus for the year

Profit from continuing operations includes the following specific expenses:

Employee benefits

Contributions to defined contribution plans	<u>198,204</u>	<u>198,436</u>
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SHINE FOR KIDS CO-OPERATIVE LIMITED
ABN 60 662 072 775

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
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	1,256,960	860,908
	<u>1,256,960</u>	<u>860,908</u>
5 Trade and other receivables		
Grants & Donations Receivable	59,225	184,222
Rental bond	2,872	2,872
Prepayments	4,997	39,428
	<u>67,094</u>	<u>226,522</u>
6 Financial assets		
Shares in public companies at fair value	<u>1,603</u>	<u>1,655</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
<hr/>		
7 Motor vehicles, equipment and fixtures		
<i>Reconciliation of carrying amount:</i>		
Cost		
At 1 July	435,481	386,246
Additions	-	49,235
Disposals	-	-
Balance at 30 June	<u>435,481</u>	<u>435,481</u>
 Accumulated depreciation		
At 1 July	(327,063)	(282,957)
Depreciation for the year	(36,621)	(44,106)
Disposals	-	-
Balance at 30 June	<u>(363,684)</u>	<u>(327,063)</u>
 Carrying amounts at 30 June	<u>71,797</u>	<u>108,418</u>
 8 Trade and other payables		
Creditors and accruals	156,510	185,829
Deferred income	334,871	316,317
Goods and services tax liability	60,829	57,037
	<u>552,210</u>	<u>559,183</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
9 Employee provisions		
Current		
Provision for long service leave	12,414	7,415
Provision for annual leave	162,470	138,524
Current employee provisions	174,884	145,939
Non-current		
Provision for long service leave	51,970	37,439
Non-current employee provisions	51,970	37,439
10 Reserves		
Fair value reserve		
Shares in public companies	1,257	1,310
11 Retained earnings		
Retained surplus at the beginning of the financial year	453,633	661,218
(Deficit)/Surplus attributable to members of the Co-operative	163,500	(207,585)
Retained surplus at the end of the financial year	617,133	453,633
12 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 2019.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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 Grants 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 Board.

13 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
	\$
<hr/>	
2018	
Total remuneration	380,752
2019	
Total remuneration	184,250

(b) Other related parties

	2019	2018
	\$	\$
There were no related party transactions.	-	-

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

14 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 2019

15 Funding

During the year, the Co-operative 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

Department of Juvenile Justice NSW

Department of Justice, Corrections Victoria

Department of Education and Communities NSW

Community Services, Department Family and Community Services NSW

Corrective Services Queensland

Department of Child Safety, Youth and Women Queensland

16 Subsequent events

There were no subsequent events that occurred after balance date.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

17 Summary of fundraising appeals conducted during the year

The Co-operative holds an authority to fundraise under the NSW Charitable Fundraising Act of 1991.

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 \$517,141. Of this amount, \$315,125 was derived from fundraising appeals, gifts from individuals and businesses, and \$202,016 raised from trusts and foundations.

Fundraising conducted jointly with third party traders

	2019	2018
	\$	\$
Revenue	95,140	110,259
Less payments to trader	(72,060)	(79,676)
Gross contribution	23,080	30,583

Specific appeal comparisons

	Gross income	Expenditure	2019 Surplus	2018 Surplus
	\$	\$	\$	\$
Chocolate Drives	116,738	54,401	62,337	41,492
BBQ's	-	-		1,136

SHINE FOR KIDS CO-OPERATIVE LIMITED
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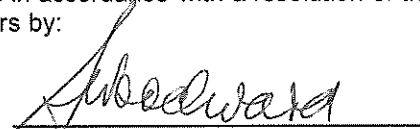
DIRECTORS' DECLARATION

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 7 to 29 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 2019 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:


Sue Woodward

Director:


Peter Ricketts

Dated this 30th day of October 2019

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

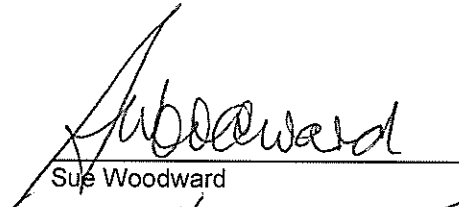
DECLARATION IN RESPECT OF FUNDRAISING APPEALS

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

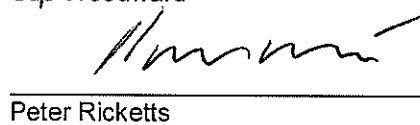
I, Sue Woodward, and I, Peter Ricketts, directors of Shine For Kids Co-operative Limited ("the Co-operative") declare that in our opinion:

- (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 2019 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 2019 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 2019; 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:


Sue Woodward

Director:


Peter Ricketts

Dated this 30th day of October 2019

Independent Auditor's Report to the members of SHINE for kids Co-operative Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of SHINE for kids Co-operative Limited (the "Entity") which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by Directors.

In our opinion, the accompanying financial report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

- (i) giving a true and fair view of the Entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards- Reduced Disclosure Requirements, and Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the ACNC Act 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Entity's annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors Responsibilities for the Financial Report

The Directors of the Entity are responsible for the preparation of the financial report in accordance with Australian Accounting Standards- Reduced Disclosure Requirements, the ACNC, Section 24(2) of the Charitable Fundraising (NSW) Act 1991 and for such internal control as the Directors determine is 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.

In preparing the financial report, the Directors are responsible for assessing the ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our 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 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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 the Directors.
- Conclude on the appropriateness of Director'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.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DELOITTE TOUCHE TOHMATSU
DELOITTE TOUCHE TOHMATSU



Delarey Nell
Partner
Chartered Accountants
Sydney, 30 October 2019