SHINE FOR KIDS
ABN 60 662 072 775

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2021

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DIRECTORS' REPORT

The board of directors submit the financial report of the SHINE for Kids (the Company) for the financial year ended 30 June 2021.

Directors

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

Shane Hamilton (Chair)

Leisl Baumgartner

Susan Helyar

Martin Irwin (Secretary)

Simon McSweeney

Peter Ricketts (Treasurer)

Sue Woodward

Information on directors

Shane Hamilton

Qualifications	Chair of the Board from 24 February 2021, Graduate Certificate Indigenous Sector Management, Certificate III Corrections
Experience	Director since 26 September 2018

Leisl Baumgartner

Qualifications	BA (Communications), B. Ec, M International Studies
Experience	Director since 18 October 2017

Susan Helyar

Qualifications	BA Social Work and Social Policy, GAICD
Experience	Director since 17 May 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

Peter Ricketts

Qualifications	Chair of the Board from 1 July 2020 until 24 February 2021, Treasurer FAICD, FGIA, FCGCCS, CGP, CAANZ, ACTA (Snr), MBA, B. Com
Experience	Director since 19 October 2016

Sue Woodward

Qualifications	Chair of the Board from 15 November 2017 to 30 June 2020, previously Deputy Chair of the Board, BA Communications, MA Marketing, GAICD
Experience	Director since 16 April 2013

During the financial year, 11 meetings of directors were held. Attendances by each director were as follows:

	Directors' meetings	
	Number eligible to attend	Number attended
Susan Helyar	11	8
Peter Ricketts	11	11
Sue Woodward	11	8
Leisl Baumgartner	11	10
Martin Irwin	11	8
Simon McSweeney	11	11
Shane Hamilton	11	10

Principal activities

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

Significant changes

During the period there were no significant changes.

Operating result

The net operating result for the year amounted to a surplus of $825,023: (2020: Surplus of $382,435).

Events subsequent to balance date

COVID 19 has had a significant impact on SHINE for Kids and its ability to undertake its regular service delivery during periods of lockdown. SHINE for KIDS has adapted its programs to enable it to deliver alternate services and programs during this time. SHINE for Kids will continue delivering essential services in ways that are safe for the staff, volunteers and community.

Likely developments

SHINE for Kids will continue its objective of providing a range of tailored programs across NSW, VIC, ACT, QLD and WA to support the unique needs of children with parents impacted by the criminal justice system.

Tax concession

The Company 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 Company.

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 Company by reason of a contract made by the Company 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 Company, or intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all, or any part of those proceedings.

The Company 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 5.

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

Director: _____
Shane Hamilton

Director: _____
Peter Ricketts

Dated this 11th day of November 2021

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Grosvenor Place
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Australia

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

Dear Board Members

Auditor's Independence Declaration to SHINE for Kids Limited

In accordance with subdivision 60-C section 60-40 of the 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 Limited.

As lead audit partner for the audit of the financial report of SHINE for Kids Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

Delarey Nell
Partner
Chartered Accountants

SHINE FOR KIDS
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
Revenue	2	4,642,729	3,769,465
Depreciation and amortisation expenses		(10,161)	(55,322)
Employee benefits expenses		(2,945,619)	(2,735,113)
Rental expenses		(24,407)	(11,636)
Staff training expenses		(17,512)	(8,172)
Fundraising expenses		(173,223)	(161,384)
Program expenses		(78,439)	(101,165)
Travel expenses		(31,909)	(43,902)
Consultancy expenses		(60,000)	(6,680)
Other expenses		(476,355)	(263,115)
Surplus before income tax		825,104	382,976
Income tax expense		-	-
Surplus for the year		825,104	382,976
Other comprehensive income/loss:			
Items that are or may be reclassified to profit or loss:			
Net change in fair value of financial assets through other comprehensive income		(81)	(541)
Other comprehensive loss for the year		(81)	(541)
Total comprehensive income for the year		825,023	382,435
Total comprehensive income attributable to members of the entity		825,023	382,435

The accompanying notes form part of these financial statements

SHINE FOR KIDS
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 $	2020 $
CURRENT ASSETS			
Cash and cash equivalents	4	2,600,036	1,961,275
Trade and other receivables	5	405,049	415,864
Financial assets	6	980	1,061
Right of Use Assets		0	7,581
TOTAL CURRENT ASSETS		**3,006,065**	2,385,781
NON-CURRENT ASSETS			
Motor vehicles, equipment and fixtures	7	61,594	31,636
TOTAL NON-CURRENT ASSETS		61,594	31,636
TOTAL ASSETS		**3,067,659**	2,417,417
CURRENT LIABILITIES			
Trade and other payables	8	952,772	1,139,710
Employee provisions	9	238,057	217,887
Lease Liability		0	7,647
TOTAL CURRENT LIABILITIES		**1,190,829**	1,365,244
NON-CURRENT LIABILITIES			
Employee provisions	9	51,063	51,348
TOTAL NON-CURRENT LIABILITIES		51,063	51,348
TOTAL LIABILITIES		1,241,892	1,416,592
NET ASSETS		**1,825,767**	1,000,825
EQUITY			
Reserves	10	635	716
Retained earnings	11	1,825,132	1,000,109
TOTAL EQUITY		**1,825,767**	1,000,825

The accompanying notes form part of these financial statements

SHINE FOR KIDS
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Retained earnings	Fair value reserve	Total
	$	$	$
Balance at 1 July 2019	617,133	1,257	618,390
Total comprehensive income:			
Surplus for the year attributable to members	382,976	-	382,976
Other comprehensive income	-	(541)	(541)
Total comprehensive income/(loss)	382,976	(541)	627,235
Balance at 30 June 2020	1,000,109	716	1,000,825
Balance at 1 July 2020	**1,000,109**	716	1,000,825
Total comprehensive income:			
Surplus for the year attributable to members	825,104	-	825,104
Other comprehensive income	-	(81)	(81)
Total comprehensive income/(loss)	**825,104**	**(81)**	**825,023**
Balance at 30 June 2021	**1,825,213**	**635**	**1,825,767**

The accompanying notes form part of these financial statements

SHINE FOR KIDS
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Donations		410,954	402,657
Grants - government and private		4,088,334	3,496,162
Interest received		655	7,994
Other		13	1,020
Total		4,499,956	3,907,833
Less payments			
Cash paid to employees		(2,925,734)	(2,775,389)
Cash paid to suppliers		(909,929)	(428,129)
Total		(3,835,663)	(3,203,518)
Net cash from operating activities		**664,294**	704,315
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of assets		15,767	0
Payments for property, plant and equipment		(41,300)	0
Net cash used in investing activities		**(25,533)**	0
Net Increase in cash		638,761	704,315
Cash and cash equivalents at 1 July		1,961,275	1,256,960
Cash and cash equivalents at 30 June		2,600,036	1,961,275

The accompanying notes form part of these financial statements

1. Statement of significant accounting policies

Reporting entity

SHINE for Kids is an individual not-for-profit entity incorporated under the Corporations ACT 2001 and is a company limited by guarantee. These financial statements are individual financial statements of the Company and are as at and for the year ended 30 June 2021.

Basis of accounting

(a) Statement of compliance

In the opinion of the directors, the Company 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 Company'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 Company.

1. Statement of significant accounting policies (continued)

Accounting policies

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

Income tax

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

The income of the Company 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

The carrying amounts of motor vehicles, equipment and fixtures are reviewed annually by the Company to ensure the carrying amounts are not in excess of the amount recoverable 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.

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%

1. Statement of significant accounting policies (continued)

Impairment of assets

At each reporting date, the Company 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.

Revenue Recognition

The Company recognises income from its main revenue/income streams, as listed below:

• Government grants

• Donations and bequests

• Other Organisational Income

Government grants, donations and bequests

When the Company receives government grants, donations and bequests that are in the scope of AASB 1058 being a transaction where the consideration paid to acquire an asset is significantly less than fair value principally to enable the Company to further its objectives, it performs an assessment to determine if the contract is ‘enforceable’ and contains ‘sufficiently specific’ performance obligations.

In cases where there is an ‘enforceable’ contract with a customer with ‘sufficiently specific’ performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied.

1. Statement of significant accounting policies (continued)

In all other cases (where the contract is not 'enforceable' or the performance obligations are not 'sufficiently specific'), the transaction is accounted for under AASB 1058 where the Company:

• Recognises the asset in accordance with the requirements of other relevant applicable Australian Accounting Standards (e.g. AASB 9, AASB 16, AASB 116 and AASB 138)

• Considers whether any other financial statement elements should be recognised ('related amounts') in accordance with the relevant applicable Australian Accounting Standard including:

– a lease liability (AASB 16)

– revenue, or a contract liability arising from a contract with a customer (AASB 15)

– a financial instrument (AASB 9)

– a provision (AASB 137)

• Recognises income immediately in profit or loss for the excess of the initial carrying amount of the asset over any related amounts recognised.

The company has conducted an analysis of the government grant contracts and analysed the terms of each contract to determine whether the arrangement meets the enforceability and the 'sufficiently specific' criteria under AASB 15. For those grant contracts that are not enforceable or the performance obligations are not sufficiently specific, this will result in immediate income recognition under AASB 1058. Income will be deferred under AASB 15 otherwise and recognised when (or as) the performance obligations are satisfied.

Volunteer services

The Company regularly receives volunteer services as part of its operations. Under AASB 1058, private sector not-for-profit entities have a policy option to account for donated services at fair value if the fair value can be reliably measured.

While the Company has assessed that the fair value of its volunteer services can be reliably measured, it has decided to adopt the policy option not to recognise volunteer services due to the impact on the financial statements and their reliability. Accordingly, no amounts are recognised in the financial statements for volunteer services.

Donated inventories

As part of its operations, the company receives donations of goods which may then be used in its activities. AASB 102 requires the donated inventories to be measured at current replacement cost and any related amounts to be accounted for under AASB 1058.

The company has decided to make use of the practical expedient under AASB 102 and apply the materiality assessment at the individual item level (instead of the portfolio level) when recognising donated inventories. Based on that assessment, the company has noted that it only receives individually immaterial donations of inventory and accordingly will not be required to recognise such donated inventories. Accordingly, no amounts are recognised in the financial statements for donated inventories.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the

effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

(i) Amortised cost and effective interest method (continued)

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "investment income" line item.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost are measured at fair value through profit or loss.

Investments in equity instruments are classified as at fair value through profit or loss.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the ‘other gains and losses’ line item.

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 Company'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 Company'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 Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Provisions

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

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 Company's programs are supported by grants received from federal, state and local governments.

Non-reciprocal grant revenue is recognised in the profit or loss when the entity obtains control of a 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 a 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.

(v) In-kind donations

In-kind donations received by the Company 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 Company 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 Company, 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 would not have a significant impact on the Financial Statements.

(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

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

If the Company uses its incremental borrowing rate, it must explain how the rate is determined. The rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives

- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date

- The amount expected to be payable by the lessee under residual value guarantees

- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options

- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as separate line in the statement of financial position and is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liabilities is remeasured by discounting the revised lease payments using a revised discount rate

- The lease payments change due to changes in an index or rate or a change in expected payment under guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised leased payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used)

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137 Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right of-use asset reflects that the Company expects to exercise a purchase option, the related right-of use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Company applies AASB 136 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'rent expenses' in the statement of profit or loss

Economic dependency

The company 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 company 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

No new standards or interpretations have come into effect during the financial year.

2 Revenue and other income

	2021 $	2020 $
Revenue		
Revenue from government grants and other grants:		
Federal government grants	726,916	733,830
State government grants	2,136,574	1,625,641
Other organisations	1,367,931	948,322
	4,231,421	3,307,793
Other revenue:		
Dividend income	13	57
Interest income	665	7,994
	678	8,051
Total revenue	4,232,099	3,315,844
Other income		
Donations and fundraising	410,954	402,657
Other	(325)	50,964
Total other income	410,629	453,621
Total revenue and other income	**4,642,728**	3,769,465

3 Contributions to defined contributions plans

Profit from continuing operations includes the following specific expenses:

Employee benefits		
Contributions to defined contribution plans	238,301	220,784

	2021	2020
	$	$

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	2,600,036	1,961 ,275
	2,600,036	1,961,275

5 Trade and other receivables

Grants & donations receivable	390,721	404,060
Rental bond	392	2,872
Prepayments	13,936	8,932
	405,049	415,864

6 Financial assets

Shares in public companies at fair value	980	1,061

	2021	2020
	$	$

7 Motor vehicles, equipment and fixtures

Reconciliation of carrying amount:

Cost		
At 1 July	435,481	435,481
Additions	41,300	-
Disposals	(67,940)	-
Balance at 30 June	**408,841**	435,481
Accumulated depreciation		
At 1 July	(403,845)	(363,684)
Depreciation for the year	(10,161)	(40,161)
Disposals	66,759	-
Balance at 30 June	**(347,247)**	(403,845)
Carrying amounts at 30 June	**61,594**	31,636

8 Trade and other payables

Creditors and accruals	210,555	250,137
Deferred income	667,716	822,010
Goods and services tax liability	74,501	67,563
	952,772	1,139,710

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2020	2019
	$	$

9 Employee provisions

Current		
Provision for long service leave	16,106	10,200
Provision for annual leave	221,951	207,687
Current employee provisions	**238,057**	217,887
Non-current		
Provision for long service leave	51,063	51,348
Non-current employee provisions	**51,063**	51,348

10 Reserves

Fair value reserve		
Shares in public companies	635	716

11 Retained earnings

Retained surplus at the beginning of the financial year	1,000,109	617,133
Surplus attributable to members of the Company	825,023	382,976
Retained surplus at the end of the financial year	**1,825,132**	1,000,109

12 Financial instruments

Financial risk management

The Company's financial instruments consist primarily of deposits with banks, accounts receivable and payable, and leases.

The Company does not have any derivative instruments at 30 June 2021.

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 Company 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 provided in accordance with three year funding agreements.

Liquidity risk

Liquidity risk arises from the possibility that the Company 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 Company 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 Company also contributes to post-employment defined contribution superannuation funds on their behalf.

	Total $
2020	
Total remuneration	198,456
2021	
Total remuneration	202,575

(b) Other related parties

	2021 $	2020 $
There were no related party transactions.	-	-

14 Company details

The registered office of the Company is:

SHINE for Kids
128-130 O'Connell Street
North Parramatta NSW 2151

The principal place of business is:

128-130 O'Connell Street
North Parramatta NSW 2151

15 Funding

During the year, the Company 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

COVID 19 has had a significant impact on SHINE for Kids and its ability to undertake its regular service delivery during periods of lockdown. SHINE for KIDS has adapted its programs so is able to deliver alternate services and programs during this time. SHINE for Kids will continue delivering essential services in ways that are safe for the staff, volunteers and community.

17 Summary of fundraising appeals conducted during the year

The Company holds an authority to fundraise under the NSW Charitable Fundraising Act of 1991.

During the year, the Company engaged in fundraising activities as defined by the NSW Charitable Fundraising Act. The total income from these activities amounted to $410,954. Of this amount, $104,977 was derived from fundraising appeals, gifts from individuals and businesses, and $305,977 raised from third party fundraising and chocolate drives.

Fundraising conducted jointly with third party traders

	2021	2020
	$	$
Revenue	87,655	95,530
Less payments to trader	(64,181)	(72,622)
Gross contribution	23,474	22,908

Specific appeal comparisons

	Gross income	Expenditure	2021 Surplus	2020 Surplus
	$	$	$	$
Chocolate Drives	218,322	101,912	116,410	93,390

SHINE FOR KIDS COMPANY LIMITED
ABN 60 662 072 775

DIRECTORS' DECLARATION

In the opinion of the directors of SHINE for Kids Company Limited (the Company):

(a) the Company is not publicly accountable (as defined in AASB 1053);

(b) the financial statements and notes that are set out on pages 6 to 27 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

  (i) giving a true and fair view of the Company's financial position as at 30 June 2021 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 Company 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: _____
Shane Hamilton

Director: _____
Peter Ricketts

Dated this 11th **day of November 2021**

SHINE FOR KIDS COMPANY 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, Shane Hamilton, and I, Peter Ricketts, directors of SHINE For Kids ("the Company") 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 for the year ended 30 June 2021 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 Company and cash flows as at 30 June 2021 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 2021; and

(d) the internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied by the Company from any of the fundraising appeals.

Director: _____
Shane Hamilton

Director: _____
Peter Ricketts

Dated this 11th **day of November 2021**

Deloitte Touche Tohmatsu ABN 74
490 121 060 Grosvenor Place
225 George Street Sydney, NSW,
2000 Australia

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www.deloitte.com.au

Independent Auditor's Report to the Members of SHINE for Kids Limited

Opinion

We have audited the financial report of SHINE for Kids Limited (the "Entity"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other 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 the 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 2021 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 Regulation 2013*.

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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 30 June 2021, 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.

Responsibilities of the Directors for the Financial Report

The directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The directors' responsibility also includes 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 the directors' 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.

Deloitte.

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.

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DELOITTE TOUCHE TOHMATSU

Delarey Nell
Partner
Chartered Accountants
Sydney, 11 November 2021