

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

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**30 JUNE 2018**

**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 2018.

**Directors**

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

**Sue Woodward** (Chair)

**Graham West**

**Leisl Baumgartner** (Secretary)

**Peter Ricketts** (Treasurer)

**Susan Helyar**

**Stanley Johnson**

**Jodie Lydeker**

**Stephanie Lai** (resigned 16 November 2017)

**Jae-uk Kang** (resigned 18 October 2017)

**Information on directors**

**Sue Woodward**

Qualifications	Chair of the Board from 15 November 2017 BA Communications, MA Marketing
Memberships	GAICD
Experience	Appointed 16 April 2013

**Graham West**

Qualifications	Chair of the Board from 19 October 2016 to 15 November 2017 B. Comm (Mgmt), Master of International Studies (Merit)
Experience	Appointed 28 September 2010, resigned 29 January 2016, reappointed 24 August 2016

**Peter Ricketts**

Qualifications	Treasurer MBA, B. Comm
Memberships	FAICD, FGIA, FCIS, CA, CFTP (Snr)
Experience	Appointed 19 October 2016

**Jae Kang**

Qualifications	Secretary BA/LLB/Dip. Legal Practice
Experience	Appointed 18 June 2012, resigned 18 October 2017

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**Stephanie Lai**

Former Treasurer  
Qualifications B. Bus  
Memberships GAICD, CA  
Experience Appointed 19 June 2013, resigned 16 November 2017

**Jodie Lydeker**

Qualifications LLB, B. Bus  
Experience Appointed 11 November 2014

**Stanley Johnson**

Experience Appointed 15 February 2017

**Susan Helyar**

Qualifications B. Social Work and Social Policy  
Memberships GAICD  
Experience Appointed 17 May 2017

**Leisl Baumgartner**

Qualifications B. Arts (Communications), B. Ec., Master of International Studies  
Experience Appointed 18 October 2017

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

<b>Directors' meetings</b>		
	Number eligible to attend	Number attended
Susan Helyar	10	9
Stanley Johnson	10	7
Jae Kang	3	0
Stephanie Lai	6	5
Jodie Lydeker	10	5
Peter Ricketts	10	9
Graham West	10	10
Sue Woodward	10	9
Leisl Bumgartner	8	8

**Principal activities**

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

**Significant changes**

The SHINE Café, run as a social enterprise and located at Silverwater Correctional Centre, was closed in April 2018.

**Operating result**

The net operating result for the year amounted to a deficit of \$(207,585) (2017: Surplus of \$2,324).

**Events subsequent to balance date**

There were no subsequent events that occurred after balance date.

**Likely developments**

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

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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' benefit**

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

**Legal proceedings**

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

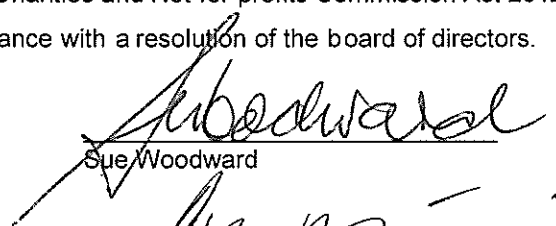
The Co-operative was not a party to any such proceedings during the year.

**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.

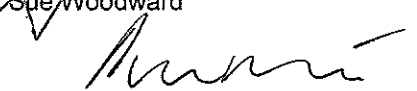
Signed in accordance with a resolution of the board of directors.

Director:



Sue Woodward

Director:



Peter Ricketts

Dated this 24 day of October 2018

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

24 October 2018

Dear Board Members

Shine for Kids Co-operative Limited

In accordance with subdivision 60C 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 2018, 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 sincerely

*DELOITTE TOUCHE TOHMATSU*  
DELOITTE TOUCHE TOHMATSU



Delarey Nell  
Partner  
Chartered Accountant

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
Revenue	2	3,194,523	2,782,730
Cafe cost of sales		(36,040)	(61,021)
Depreciation and amortisation expenses		(44,106)	(24,593)
Employee benefits expenses		(2,493,182)	(1,975,022)
Rental expenses		(26,218)	(23,396)
Repairs and maintenance		(61,169)	(89,416)
Staff training expenses		(16,361)	(9,548)
Fundraising expenses		(141,836)	(128,999)
Program expenses		(34,693)	(23,692)
Travel expenses		(53,284)	(45,301)
Consultancy expenses		(245,610)	(152,191)
Other expenses		(249,949)	(247,485)
<b>(Deficit)/Surplus before income tax</b>		<b>(207,925)</b>	<b>2,066</b>
Income tax expense		-	-
<b>(Deficit)/Surplus for the year</b>		<b>(207,925)</b>	<b>2,066</b>
<b>Other comprehensive (loss)/income:</b>			
<i>Items that are or may be reclassified to profit or loss:</i>			
Net change in fair value of available for sale financial assets		340	258
<b>Other comprehensive (loss)/income for the year</b>		<b>340</b>	<b>258</b>
<b>Total comprehensive (loss)/income for the year</b>		<b>(207,585)</b>	<b>2,324</b>
Total comprehensive (loss)/income attributable to members of the entity		(207,585)	2,324

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 2018**

	Note	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	860,908	1,282,680
Trade and other receivables	5	226,522	112,509
Inventories	6	-	2,292
Financial assets	7	1,655	1,315
<b>TOTAL CURRENT ASSETS</b>		<b>1,089,085</b>	<b>1,398,796</b>
<b>NON-CURRENT ASSETS</b>			
Motor vehicles, equipment and fixtures	8	108,418	103,289
<b>TOTAL NON-CURRENT ASSETS</b>		<b>108,418</b>	<b>103,289</b>
<b>TOTAL ASSETS</b>		<b>1,197,503</b>	<b>1,502,085</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	559,183	566,566
Employee provisions	10	145,939	232,354
<b>TOTAL CURRENT LIABILITIES</b>		<b>705,122</b>	<b>798,920</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee provisions	10	37,439	40,978
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>37,439</b>	<b>40,978</b>
<b>TOTAL LIABILITIES</b>		<b>742,561</b>	<b>839,898</b>
<b>NET ASSETS</b>		<b>454,942</b>	<b>662,187</b>
<b>EQUITY</b>			
Reserves	11	1,310	970
Retained surplus	12	453,632	661,217
<b>TOTAL EQUITY</b>		<b>454,942</b>	<b>662,187</b>

The accompanying notes form part of these financial statements

**SHINE FOR KIDS CO-OPERATIVE LIMITED**  
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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Retained earnings	Fair value reserve	Total
	\$	\$	\$
<b>Balance at 1 July 2016</b>	<b>658,893</b>	<b>712</b>	<b>659,605</b>
<b>Total comprehensive income:</b>			
Surplus for the year attributable to members	2,324	-	2,324
Other comprehensive income	-	258	258
<b>Total comprehensive income</b>	<b>2,324</b>	<b>258</b>	<b>2,582</b>
<b>Balance at 30 June 2017</b>	<b>661,217</b>	<b>970</b>	<b>662,187</b>
<b>Balance at 1 July 2017</b>	<b>661,217</b>	<b>970</b>	<b>662,187</b>
<b>Total comprehensive income:</b>			
Deficit for the year attributable to members	(207,585)	-	(207,585)
Other comprehensive income	-	340	340
<b>Total comprehensive (loss)</b>	<b>(207,585)</b>	<b>340</b>	<b>(207,245)</b>
<b>Balance at 30 June 2018</b>	<b>453,632</b>	<b>1,310</b>	<b>454,942</b>

**SHINE FOR KIDS CO-OPERATIVE LIMITED**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b><u>Receipts</u></b>		
Donations	188,351	295,193
Grants - government and private	2,767,794	2,389,036
Interest received	9,816	20,707
Other	63,185	116,906
Total	3,029,146	2,821,842
<b><u>Less payments</u></b>		
Cash paid to employees	(2,583,137)	(1,941,994)
Cash paid to suppliers	(818,546)	(732,048)
Total	(3,401,683)	(2,674,042)
<b>Net cash from operating activities</b>	<b>(372,537)</b>	<b>147,800</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	(49,235)	(37,421)
<b>Net cash used in investing activities</b>	<b>(49,235)</b>	<b>(37,421)</b>
Net decrease in cash	(421,772)	110,379
Cash and cash equivalents at 1 July	1,282,680	1,172,301
<b>Cash and cash equivalents at 30 June</b>	<b>860,908</b>	<b>1,282,680</b>

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 2018**

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**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 2018.

**Basis of accounting**

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**Accounting policies**

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

**Inventories**

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

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

**Income tax**

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

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

**Motor vehicles, equipment and fixtures**

**Recognition and measurement**

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

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

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**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:

<b>Class of fixed asset</b>	<b>Depreciation rate</b>
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.

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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**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 27.

**Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

**Leases**

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

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

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

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**Economic dependency**

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

**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 2017, 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 9 Financial Instruments (2014)**

AASB 9, approved in December 2014, replaces the existing guidance in AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from AASB 139.

AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018. The Company is assessing the potential impact on its financial statements resulting from the application of AASB 9.

**(ii) 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 2018. The Company is assessing the potential impact on its financial statements resulting from the application of AASB 15.

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**(iii) 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.

**(iv) 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 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>2 Revenue and other income</b>		
<b>Revenue</b>		
Revenue from government grants and other grants:		
Federal government grants	849,709	561,370
State government grants	1,371,302	1,255,244
Other organisations	546,783	572,422
	2,767,794	2,389,036
Other revenue:		
Cafe takings	43,583	89,365
Dividend income	87	82
Interest income	9,816	20,707
	53,486	110,154
Total revenue	2,821,280	2,499,190
<b>Other income</b>		
Donations and fundraising	353,729	256,082
Other	19,515	27,458
Total other income	373,244	283,540
<b>Total revenue and other income</b>	<b>3,194,523</b>	<b>2,782,730</b>

**3 (Deficit)/Surplus for the year**

The deficit from continuing operations includes the following specific expenses:

**Employee benefits**

Contributions to defined contribution plans	198,436	158,854
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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 2018**

	2018	2017
	\$	\$
<b>4 Cash and cash equivalents</b>		
<b>Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the balance sheet as follows:		
Cash at bank	114,143	214,995
ING Direct	746,765	1,066,949
Petty cash float	-	736
	<b>860,908</b>	<b>1,282,680</b>
<b>5 Trade and other receivables</b>		
Sundry debtors	184,222	110,029
Rental bond	2,872	2,480
Grants receivable	39,428	-
	<b>226,522</b>	<b>112,509</b>
<b>6 Inventories</b>		
Cafe stock on hand – at cost	-	2,292
<b>7 Financial assets</b>		
Shares in public companies at fair value	1,655	1,315

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<hr/>		
<b>8 Motor vehicles, equipment and fixtures</b>		
<i>Reconciliation of carrying amount:</i>		
<b>Cost</b>		
At 1 July	386,246	348,825
Additions	49,235	37,421
Disposals	-	-
<b>Balance at 30 June</b>	<b>435,481</b>	<b>386,246</b>
<b>Accumulated depreciation</b>		
At 1 July	(282,957)	(258,364)
Depreciation for the year	(44,106)	(24,593)
Disposals	-	-
<b>Balance at 30 June</b>	<b>(327,063)</b>	<b>(282,957)</b>
<b>Carrying amounts at 30 June</b>	<b>108,418</b>	<b>103,289</b>
<b>9 Trade and other payables</b>		
Creditors and accruals	185,829	160,832
Deferred income	316,317	367,682
Goods and services tax liability	57,037	38,052
	<b>559,183</b>	<b>566,566</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	<b>2018</b>	<b>2017</b>
	\$	\$
<hr/>		
<b>10 Employee provisions</b>		
<b>Current</b>		
Provision for long service leave	7,415	59,596
Provision for annual leave	138,524	172,758
<b>Current employee provisions</b>	<u><b>145,939</b></u>	<u><b>232,354</b></u>
<b>Non-current</b>		
Provision for long service leave	37,439	40,978
<b>Non-current employee provisions</b>	<u><b>37,439</b></u>	<u><b>40,978</b></u>
<b>11 Reserve</b>		
<b>Fair value reserve</b>		
Shares in public companies	<u>1,310</u>	<u>970</u>
<b>12 Retained surplus</b>		
Retained surplus at the beginning of the financial year	661,217	658,893
(Deficit)/Surplus attributable to members of the Co-operative	(207,585)	2,324
Retained surplus at the end of the financial year	<u><b>453,632</b></u>	<u><b>661,217</b></u>

**13 Financial instruments**

**Financial risk management**

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

The Co-operative does not have any derivative instruments at 30 June 2018.



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**Credit risk**

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

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

**Liquidity risk**

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

**14 Related party transactions**

**(a) Key management personnel remuneration**

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

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

	<b>Total</b>
	<b>\$</b>
<hr/>	
<b>2017</b>	
Total remuneration	146,765
<b>2018</b>	
Total remuneration	380,752

**(b) Other related parties**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
The following amounts were paid to Yaltech for IT services (hardware and software support). K Yalda, the principal of Yaltech, is the spouse of a former member of key management. Yaltech is no longer a related party.	-	64,769

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**15 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 2018**

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**16 Funding**

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

Corrective Services NSW

Department of Social Services

ACT Corrective Services

Department of the Prime Minister and Cabinet

Department of Juvenile Justice NSW

Department of Justice, Corrections Victoria

Department of Education and Communities NSW

Community Services, Department Family and Community Services NSW

**17 Subsequent events**

There were no subsequent events that occurred after balance date.

**SHINE FOR KIDS CO-OPERATIVE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**18 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 \$661,631. Of this amount, \$353,244 was derived from fundraising appeals, gifts from individuals and businesses, and \$308,387 raised from trusts and foundations.

**Fundraising conducted jointly with third party traders**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Revenue	110,259	113,090
Less payments to trader	79,676	84,646
<b>Gross contribution</b>	<b>30,583</b>	<b>28,444</b>

**Specific appeal comparisons**

	<b>Gross income</b>	<b>Expenditure</b>	<b>2018 Surplus</b>	<b>2017 Surplus</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Chocolate Drives	78,800	37,308	41,492	22,843
BBQ's	1,731	595	1,136	-
Charidy Event	-	-	-	22,846
Jose Carbo Event	-	-	-	7,108

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

**DIRECTORS' DECLARATION**

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

- (a) the Co-operative is not publicly accountable (as defined in AASB 1053);
- (b) the financial statements and notes that are set out on pages 7 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 Co-operative's financial position as at 30 June 2018 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 24<sup>th</sup> day of October 2018

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

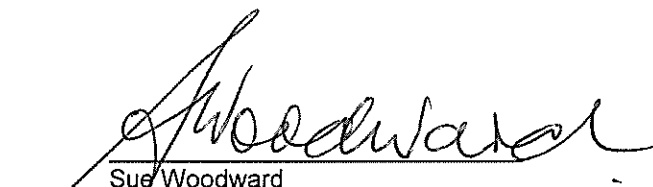
**DECLARATION IN RESPECT OF FUNDRAISING APPEALS**

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

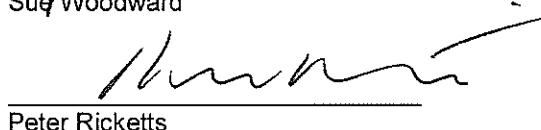
I, Sue Woodward, and I, Peter Ricketts, directors of Shine For Kids Co-operative Limited ("the Co-operative") declare that in our opinion:

- (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 2018 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 2018 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 2018; 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 24<sup>th</sup> day of October 2018

## 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, being a special purpose financial report of SHINE for Kids Co-operative Limited (the "Entity") which comprises the statement of financial position as at 30 June 2018, 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 other explanatory information, and declaration by Directors as set out on pages 28 to 29.

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 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements to the extent described in Note 1, 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 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.

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

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Director's financial reporting responsibilities under the ACNC Act. Our report is intended solely for the members and the *Australian Charities and Not-for-profits Commission* (ACNC) and should not be distributed to or used by parties other than the members and the ACNC. 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 2018, 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.
- Conclude on the appropriateness of the 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

A handwritten signature in black ink, appearing to read 'D. Nell', written in a cursive style.

Delarey Nell  
Partner  
Chartered Accountants  
Sydney, 24 October 2018