

# Annual Financial Report

SunnyKids Inc

ABN 62 774 810 987

For the year ended 30 June 2021

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# General Information

## SunnyKids Inc

For the year ended 30 June 2021

### General Information

The financial statements cover SunnyKids Inc as an individual entity. The financial statements are presented in Australian dollars, which is SunnyKids Inc's functional and presentation currency.

SunnyKids Inc is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its registered office and principle place of business are:

#### Registered office

49 Price Street

Nambour QLD 4560

#### Principal place of business

49 Price Street

Nambour QLD 4560

A description of the nature of the incorporated association's operations and its principal activities are included in the officers' report, which is not part of the financial statements.

The financial statements were authorised for issue on 15 November 2021.

# Committee's Report

## SunnyKids Inc

### For the year ended 30 June 2021

#### Committee's Report

Your committee members submit the financial report of SunnyKids Inc for the financial year ended 30 June 2021.

#### Committee Members

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

| <b>Committee Member</b> | <b>Position</b>                      |
|-------------------------|--------------------------------------|
| Sally Desch             | President                            |
| Victor Woll             | Treasurer                            |
| Gabe Hutchinson         | Secretary                            |
| Marilyn Black           | Board Member                         |
| Brendan Mason           | Board Member                         |
| Susan Gilbert           | Board Member (Resigned 16 June 2021) |
| John Burnie             | Board Member                         |

#### Principal Activities

To work with children, families and communities to help everyone take responsibility for the future. Activities included accommodation care, family support services, and youth support services.

#### Significant Changes

There were no significant changes from the prior year.

#### Operating Result

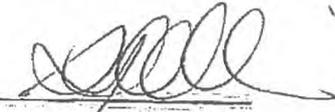
The net surplus for the financial year amounted to \$538,857 (2020 loss: \$14,499).

#### Going Concern

This financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the association to continue to operate as a going concern is dependent upon the ability of the association to generate sufficient cashflows from operations to meet its liabilities. The management committee of SunnyKids Inc. believe that the going concern assumption is appropriate.

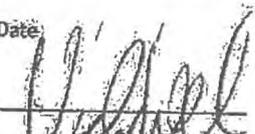
Committee's Report

Signed in accordance with a resolution of the Members of the Management Committee on:

 23/11/21

Sally Desch (President)

Date:

  
Victor Woll (Treasurer)

Date 18/11/2021

# Statement of profit or loss and other comprehensive income

## SunnyKids Inc

For the year ended 30 June 2021

|  | NOTES | 2021             | 2020             |
|--|-------|------------------|------------------|
| <b>Income</b>                              |       |                  |                  |
| Donations, gifts and contributions         | 3     | 261,633          | 360,357          |
| Grants & acquittal funds                   | 3     | 750,927          | 658,127          |
| Fundraising income                         | 3     | 161,678          | 238,389          |
| Other Income                               | 3     | 505,204          | 299,626          |
| <b>Total Income</b>                        |       | <b>1,679,443</b> | <b>1,556,499</b> |
| <b>Expenditure</b>                         |       |                  |                  |
| Accounting Fees                            |       | 14,166           | 10,873           |
| Administration expenses                    |       | 155,812          | 140,449          |
| Advertising and marketing expenses         |       | 18,971           | 19,192           |
| Bank Charges                               |       | 3,247            | 4,198            |
| Facility related expenses                  |       | 52,550           | 44,437           |
| Frontline expenses                         |       | 48,380           | 57,854           |
| Fundraising and event expenses             |       | 880              | 262,818          |
| Legal Fees                                 |       | 146              | -                |
| Motor vehicle expenses                     |       | 11,386           | 16,795           |
| Other employment expenses                  |       | (11,786)         | 73,907           |
| Salaries and wages                         |       | 739,751          | 845,332          |
| Salaries and wages - superannuation        |       | 68,962           | 73,592           |
| Utilities expense                          |       | 26,939           | 9,219            |
| <b>Total Expenditure</b>                   |       | <b>1,129,404</b> | <b>1,558,665</b> |
| <b>Operating Surplus / (Deficit)</b>       |       | <b>550,039</b>   | <b>(2,166)</b>   |
| <b>Other</b>                               |       |                  |                  |
| Depreciation                               |       | 11,178           | 12,330           |
| Loan Interest Expense                      |       | 4                | 4                |
| <b>Total Other</b>                         |       | <b>11,182</b>    | <b>12,334</b>    |
| <b>Total Comprehensive Income / (Loss)</b> |       | <b>538,857</b>   | <b>(14,499)</b>  |

The accompanying notes form part of these financial statements.

# Statement of financial position

## SunnyKids Inc

As at 30 June 2021

|                                      | NOTES | 30 JUN 2021      | 30 JUN 2020    |
|--------------------------------------|-------|------------------|----------------|
| <b>Assets</b>                        |       |                  |                |
| <b>Current Assets</b>                |       |                  |                |
| Cash and Cash Equivalents            | 4     | 785,549          | 310,452        |
| Trade and Other Receivables          | 5     | 36,890           | 41,911         |
| Prepayments                          | 6     | 14,677           | 14,827         |
| GST Receivable                       |       | 716              | 1,186          |
| <b>Total Current Assets</b>          |       | <b>837,832</b>   | <b>368,376</b> |
| <b>Non-Current Assets</b>            |       |                  |                |
| Plant and Equipment and Vehicles     | 7     | 117,147          | 58,855         |
| Land and Buildings                   | 7     | 390,000          | 390,000        |
| <b>Total Non-Current Assets</b>      |       | <b>507,147</b>   | <b>448,855</b> |
| <b>Total Assets</b>                  |       | <b>1,344,980</b> | <b>817,230</b> |
| <b>Liabilities</b>                   |       |                  |                |
| <b>Current Liabilities</b>           |       |                  |                |
| Bank Overdraft                       | 4     | 8,993            | 1,436          |
| Trade and Other Payables             | 8     | 101,117          | 88,373         |
| Employee Provisions                  | 9     | 64,467           | 95,880         |
| <b>Total Current Liabilities</b>     |       | <b>174,578</b>   | <b>185,689</b> |
| <b>Non-Current Liabilities</b>       |       |                  |                |
| Loans                                | 10    | 65               | 61             |
| <b>Total Non-Current Liabilities</b> |       | <b>65</b>        | <b>61</b>      |
| <b>Total Liabilities</b>             |       | <b>174,643</b>   | <b>185,750</b> |
| <b>Net Assets</b>                    |       | <b>1,170,337</b> | <b>631,480</b> |
| <b>Member's Funds</b>                |       |                  |                |
| Asset revaluation reserve            |       | 11,940           | 11,940         |
| Retained surplus                     |       | 1,158,397        | 619,540        |
| <b>Total Member's Funds</b>          |       | <b>1,170,337</b> | <b>631,480</b> |

The accompanying notes form part of these financial statements.

# Statement of changes in equity

SunnyKids Inc

For the year ended 30 June 2021

|                        | 2021             | 2020            |
|------------------------|------------------|-----------------|
| <b>Equity</b>          |                  |                 |
| Opening Balance        | 631,480          | 645,980         |
| <b>Increases</b>       |                  |                 |
| Profit for the Period  | 538,857          | (14,499)        |
| <b>Total Increases</b> | <b>538,857</b>   | <b>(14,499)</b> |
| <b>Total Equity</b>    | <b>1,170,337</b> | <b>631,480</b>  |

The accompanying notes form part of these financial statements.

# Statement of Cash Flows - Direct Method

SunnyKids Inc

For the year ended 30 June 2021

|  | 2021            | 2020            |
|--|-----------------|-----------------|
| <b>Operating Activities</b>                      |                 |                 |
| Receipts from grants                             | 112,057         | 196,184         |
| Payments to suppliers and employees              | (777,300)       | (914,672)       |
| GST  | 7,161           | 27,588          |
| Cash receipts from other operating activities    | 1,660,664       | 1,256,098       |
| Cash payments from other operating activities    | (455,257)       | (658,869)       |
| <b>Net Cash Flows from Operating Activities</b>  | <b>547,325</b>  | <b>(93,672)</b> |
| <b>Investing Activities</b>                      |                 |                 |
| Payment for property, plant and equipment        | (72,232)        | (5,503)         |
| <b>Net Cash Flows from Investing Activities</b>  | <b>(72,232)</b> | <b>(5,503)</b>  |
| <b>Financing Activities</b>                      |                 |                 |
| Proceeds from borrowings                         | 4               | 4               |
| <b>Net Cash Flows from Financing Activities</b>  | <b>4</b>        | <b>4</b>        |
| <b>Net Cash Flows</b>                            | <b>475,097</b>  | <b>(99,172)</b> |
| <b>Cash and Cash Equivalents</b>                 |                 |                 |
| Cash and cash equivalents at beginning of period | 310,452         | 409,624         |
| Net change in cash for period                    | 475,097         | (99,172)        |
| Cash and cash equivalents at end of period       | 785,549         | 310,452         |

The accompanying notes form part of these financial statements.

# Notes to the Financial Statements

## SunnyKids Inc

For the year ended 30 June 2021

### 1. Summary of Significant Accounting Policies

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act QLD 1981. The committee has determined that the association is not a reporting entity because there are no users dependent on general purpose financial statements. The officers have determined that the accounting policies adopted are appropriate to meet the needs of the members.

The financial statements have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB107 'Statement of Cash Flows', AASB 108 'Accounting Policies, changes in Accounting Estimates and Errors', AASB 104 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention.

#### *Critical accounting estimates*

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the incorporated association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

#### **Revenue recognition**

The incorporated association recognises revenue as follows:

##### *Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the incorporated association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the incorporated association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of their relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

#### *Sales revenue*

Events, fundraising and raffles are recognised when received or receivable.

#### *Donations*

Donations are recognised at the time the pledge is made.

#### *Grants*

Grant revenue is recognised in profit or loss when the incorporated association satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the incorporated association is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

#### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

### **Income Tax**

No provision for income tax has been raised as the association is exempt for income tax under Div 50 of the Income Tax Assessment Act 1997.

### **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

## Property, Plant and Equipment (PPE)

Plant and equipment, leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

Depreciation is recognised on an asset class basis on either a diminishing value or straight-line basis to write down the cost less estimated residual value of buildings, plant and other equipment. The following useful lives are applied:

- Buildings: 40 years
- Motor vehicles: 8 years
- Office equipment: 2-10 years

## Impairment of Assets

At the end of each reporting period, the committee reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired.

If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

## Employee Provisions

### *Short-term employee benefits*

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

### *Other long-term employee benefits*

SunnyKids' liabilities for annual leave and long service leave are included in other long term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

SunnyKids presents employee benefit obligations as current liabilities in the statement of financial position if it does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

## Provisions

Provisions are recognised when the association 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 are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

### Cash on Hand

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

### Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

### Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the assets and liabilities statement.

Cashflows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

### New accounting standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the incorporated association for the annual reporting period ended 30 June 2021. The incorporated association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

### Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

### Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the association retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.

## 2. Critical accounting judgements, estimates and assumptions

### *Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the incorporated association based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the incorporated association operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the incorporated association unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

### *Estimation of useful lives of assets*

The incorporated association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

### *Employee benefits provision*

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

|  | 2021               | 2020               |
|--|--------------------|--------------------|
| <b>3. Revenue</b>                                  |                    |                    |
| <i>Revenue from contracts with customers</i>       |                    |                    |
| Grants & acquittal funds                           | (750,927)          | (658,127)          |
| Fundraising Income                                 | (161,678)          | (238,389)          |
| <b>Total Revenue from contracts with customers</b> | <b>(912,605)</b>   | <b>(896,516)</b>   |
| <i>Other Revenue</i>                               |                    |                    |
| Donations, gifts and contributions                 | (261,633)          | (360,357)          |
| Other Income                                       | (505,204)          | (299,626)          |
| <b>Total Other Revenue</b>                         | <b>(766,838)</b>   | <b>(659,983)</b>   |
| <b>Total Revenue</b>                               | <b>(1,679,443)</b> | <b>(1,556,499)</b> |

|  | 2021           | 2020           |
|--|----------------|----------------|
| <b>4. Cash on Hand</b>                   |                |                |
| <b>Cash and Cash Equivalents</b>         |                |                |
| Admin Petty Cash                         | 76             | 150            |
| CFSC Petty Cash on Hand                  | -              | 100            |
| Bendigo Gift A/C #5478                   | 58,527         | 42,580         |
| BOQ Sunny Kids (6457)                    | 171,145        | 75,273         |
| BOQ WebSavings Account                   | 4,870          | 4,870          |
| Heritage S21                             | 167,219        | 7,302          |
| Heritage S-27                            | 383,712        | 180,178        |
| <b>Total Cash and Cash Equivalents</b>   | <b>785,549</b> | <b>310,452</b> |
| <b>Bank Overdraft</b>                    |                |                |
| Heritage L52                             | (8,993)        | (1,436)        |
| <b>Total Bank Overdraft</b>              | <b>(8,993)</b> | <b>(1,436)</b> |
| <b>Total Cash on Hand</b>                | <b>776,556</b> | <b>309,016</b> |
|  | <b>2021</b>    | <b>2020</b>    |
| <b>5. Trade and Other Receivables</b>    |                |                |
| <b>Trade Receivables</b>                 |                |                |
| Accounts Receivable                      | 34,582         | 5              |
| <b>Total Trade Receivables</b>           | <b>34,582</b>  | <b>5</b>       |
| <b>Other Receivables</b>                 |                |                |
| Stripe                                   | 1,130          | 1,350          |
| Cash Passport                            | 1,138          | 556            |
| Mastercard                               | 31             | 1,000          |
| Sunshine Mitre 10                        | 10             | -              |
| Accrued revenue                          | -              | 39,000         |
| <b>Total Other Receivables</b>           | <b>2,309</b>   | <b>41,906</b>  |
| <b>Total Trade and Other Receivables</b> | <b>36,890</b>  | <b>41,911</b>  |
|  | <b>2021</b>    | <b>2020</b>    |
| <b>6. Prepayments</b>                    |                |                |
| Prepaid Insurance                        | 5,702          | 5,652          |
| Prepayments - Other                      | 8,975          | 9,175          |
| <b>Total Prepayments</b>                 | <b>14,677</b>  | <b>14,827</b>  |

|   | 2021           | 2020           |
|---|----------------|----------------|
| <b>7. Property, Plant &amp; Equipment</b>             |                |                |
| <b>Motor Vehicles</b>                                 |                |                |
| Motor Vehicles at Cost                                | 105,161        | 39,563         |
| Accumulated Depreciation of Motor Vehicles            | (27,353)       | (25,289)       |
| <b>Total Motor Vehicles</b>                           | <b>77,809</b>  | <b>14,274</b>  |
| <b>Plant &amp; Equipment</b>                          |                |                |
| Plant & Equipment at Cost                             | 77,170         | 74,365         |
| Accumulated Depreciation of Plant & Equipment         | (37,831)       | (29,785)       |
| <b>Total Plant &amp; Equipment</b>                    | <b>39,339</b>  | <b>44,580</b>  |
| <b>Buildings</b>                                      |                |                |
| Buildings at Cost                                     | 390,000        | 390,000        |
| <b>Total Buildings</b>                                | <b>390,000</b> | <b>390,000</b> |
| <b>Total Property, Plant &amp; Equipment</b>          | <b>507,147</b> | <b>448,855</b> |
|   | 2021           | 2020           |
| <b>8. Trade and Other Payables</b>                    |                |                |
| Trade Payables  | 53,592         | 22,576         |
| <b>Other Payables</b>                                 |                |                |
| <b>Payroll Liabilities</b>                            |                |                |
| PAYROLL Liabilities: CBB Salary Packaging (836)       | 800            | 6,737          |
| PAYROLL Liabilities: PAYG Withholding Tax             | 741            | 741            |
| PAYROLL Liabilities: SGC Superannuation Payable (826) | 1,505          | 7,592          |
| Wages Payable Clearing Account (890)                  | -              | -              |
| <b>Total Payroll Liabilities</b>                      | <b>3,046</b>   | <b>15,070</b>  |
| <b>Deferred Income</b>                                |                |                |
| Deferred: Streetsmart IFS grant 2019-20               | -              | 1,450          |
| Deferred: Sunshine Coast Council Grants               | 1,000          | -              |
| Prepaid: SKIs School Fundraising Income               | 16,000         | 17,500         |
| Event Prepaid Participants-Winemakers                 | -              | 10,000         |
| Event Expense Prepayment-Winemakers                   | -              | (4,748)        |
| Event Prepaid Participants - Mayoral Ball             | 21,000         | -              |
| Event Expense Prepayment - Mayoral Ball               | (12,788)       | -              |
| Event Prepaid Participants-Golf Classic               | 4,000          | 26,425         |
| <b>Total Deferred Income</b>                          | <b>29,213</b>  | <b>50,628</b>  |
| <b>Other Payables</b>                                 |                |                |
| Unspent Funds: Client Contributions                   | 15,267         | -              |
| Deposit (Key CFSC)                                    | -              | 100            |
| <b>Total Other Payables</b>                           | <b>15,267</b>  | <b>100</b>     |
| <b>Total Other Payables</b>                           | <b>47,525</b>  | <b>65,797</b>  |
| <b>Total Trade and Other Payables</b>                 | <b>101,117</b> | <b>88,373</b>  |

|                                    | 2021          | 2020          |
|------------------------------------|---------------|---------------|
| <b>9. Employee Entitlements</b>    |               |               |
| Provision for Annual Leave         | 28,551        | 54,089        |
| Provision for Long Service Leave   | 15,917        | 21,791        |
| Provision for Personal Leave       | 20,000        | 20,000        |
| <b>Total Employee Entitlements</b> | <b>64,467</b> | <b>95,880</b> |

|                                    | 2021      | 2020      |
|------------------------------------|-----------|-----------|
| <b>10. Loans</b>                   |           |           |
| <b>Non Current Liability</b>       |           |           |
| BOQ Building Loan Account          | 65        | 61        |
| <b>Total Non Current Liability</b> | <b>65</b> | <b>61</b> |
| <b>Total Loans</b>                 | <b>65</b> | <b>61</b> |

### 11. Remuneration of Auditors

During the financial year the following fees were paid or payable for services provided by BDO, the auditor of the incorporated association:

|                               | 2021  | 2020  |
|-------------------------------|-------|-------|
| Audit Services BDO            |       |       |
| Audit of financial statements | 7,660 | 6,250 |

### 12. Contingent liabilities

The incorporated association had no contingent liabilities as at 30 June 2021 and 30 June 2020.

### 13. Commitments

The incorporated association had no commitments for expenditure as at 30 June 2021 and 30 June 2020.

### 14. Events after reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the incorporated association up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

# Committees declaration

SunnyKids Inc

For the year ended 30 June 2021

In the opinion of the Management Committee of SunnyKids Inc. ("the Association"):

(a) the incorporated association is not a reporting entity;

(b) the financial statements and notes, set out on pages 6 to 17, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

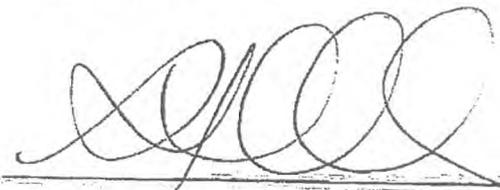
(i) giving a true and fair view of the financial position of the Association as at 30 June 2021 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date in accordance with the basis of preparation described in Note 1; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Note 1, and the Australian Charities and Not-for-profits Commission Act 2012; and

(c) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

Dated at Nambour, this 23/11/21

Signed in accordance with a resolution of the management committee:



Sally Desch (President)

Date 23/11/21



Victor Wolf (Treasurer)

Date 18/11/2021

## INDEPENDENT AUDITOR'S REPORT

To the members of SunnyKids Inc.

### Report on the Audit of the Financial Report

#### Qualified opinion

We have audited the financial report of SunnyKids Inc. (the Association), 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 report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion, except for the effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial report of SunnyKids Inc., is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the Association'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 to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for qualified opinion

Donations, gifts, and contributions income and other income are a significant source of fundraising revenue for the Association. The Association has determined that it is impracticable to establish control over the collection of Donations, gifts, and contributions income, Fundraising income and other income prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to Donations, gifts, and contributions income, Fundraising income and other income had to be restricted to the amounts recorded in the financial records amounting to \$261,633. We therefore are unable to express an opinion whether of Donations, gifts, and contributions income, Fundraising income and other income the Association recorded are complete.

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 Association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and 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 qualified opinion.

#### **Emphasis of matter - Basis of accounting**

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 Association's 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**

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Association's annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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 on the other information obtained prior to the date of this auditor's report, 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 responsible entities for the Financial Report**

The responsible entities of the Association 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 responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a 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 responsible entities are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Financial Report

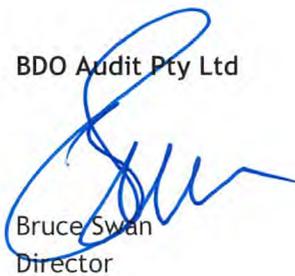
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

BDO Audit Pty Ltd



Bruce Swan  
Director

Maroochydore, 24 November 2021