

2018 ANNUAL REPORT



SERVICE STATEMENT

SHINE BRIGHT Core Values

- Quality education and care for all children
- Parent, family and community engagement
- An environment of continuous learning and improvement

SHINE BRIGHT Core Purpose

To foster a healthy and active early childhood community working together to provide quality education and care for young children.

SHINE BRIGHT Vision

That SHINE BRIGHT children's services will be highly regarded and sought after by families and community.

SHINE BRIGHT Mission

SHINE BRIGHT will ensure its services are the best by:-

- Supporting its children's services to be rated as excellent by external inspectors
- Ensuring a high level of community consultation through set processes, sharing and evolving our vision for children together
- Providing a high level of peer support between educators
- Promoting a culture of continuous learning, reflection, review and improvement.

SHINE BRIGHT Key Responsibilities

As the manager of early childhood services SHINE BRIGHT accepts legal responsibility for the following:

- Licensing and regulatory compliance
- Policy development and implementation
- Financial management
- Human resource management
- Building leases and maintenance
- Central enrolments services

SHINE BRIGHT Performance

To ensure SHINE BRIGHT is accountable to its early childhood community, measures of its performance are undertaken on a regular basis as follows:-

MANDATORY

- External financial audit report conducted annually
- External Financial accountability to DET as primary funding body
- Quality audits via DET of SHINE BRIGHT and its services
- External User satisfaction surveys conducted annually with all families

VOLUNTARY

- Internal Stakeholders surveys conducted annually with Volunteer Parent Committees
- Internal Organisational Climate surveys conducted with SHINE BRIGHT staff

FROM THE CHAIR

2018 is the first year of operation, and has been a year of great achievement for Shine Bright. Not only did we begin actual operation on the 16th April 2018, but we also opened our new building in Swan Hill, were successful in our application for a grant with the state government in relation to building an early education/health service hub in Maiden Gully, we moved into our new office in Wills St Bendigo, and completed the rebrand of the organisation.

We have continued to focus on our Strategic Plan with the Board specifically making our focus on Key Goal 3 (excellence in organisational governance and support) as we felt as a Board that this key goal set the groundwork for our path forward with the other key goals. Work has also continued on the other key areas. Some of the key takeout's from our work on the Strategic Plan during the year has been the completion of the Business Process Review, which also informed our decision about an initiative to adopt 2 new software solutions for both payroll and finance; with new state of the art systems being adopted to replace older manual processes. These systems will be implemented during the 2019 year.

Our project at Kunawaa Kindergarten in Swan Hill was opened, with construction completed, and children moving into the service during the year. This project, whilst initially unplanned, has been a fantastic learning experience for us in the building process, and the dynamics of negotiating with the various departments and levels of government to get this project completed on time and on budget.

During the year it was announced by Maree Edwards (Member for Bendigo West) that we had been successful in our application for a grant for an integrated early childhood education and health precinct, which will go towards our project in Maiden Gully. By the end of the year we had



FROM THE CHAIR

CONTINUED

appointed an architect and consultants to begin the planning and designing phase of the project with a desired completion date of October 2020, with first students beginning in January 2021.

Our new central office in Wills St Bendigo has been a breath of fresh air for the organisation as it has given Shine Bright a face and presence within the community. The better physical facilities have been a huge benefit with larger and less cramped working environments for the team and a place for all staff to call home.

Our rebrand to “Shine Bright” has been a success with great take up from the staff and community with all services now adopting the new Shine Bright logo and branding, with children beginning 2019 with new uniforms.

Overall 2018 has been a year of great successes and on behalf of the Board I would like to pay tribute to our CEO, Suzi Sordan and her management team for achieving such a large body of strategic work, plus keeping the wheels turning and ensuring great educational outcomes for our families at a service level.

David Richmond

Chair



FROM THE CEO

“How one handles success or failure is determined by their early childhood.” Harold Ramis

Our Strategic Plan has provided important direction on projects and activities undertaken during the year. 2018 was Year 1 of our Strategic Plan and focused on establishing our foundations. By year’s end I am pleased to report that 18 actions were completed in the following areas:

Goal 1 – Shaping Education through innovative teaching and learning practices = 7 tasks completed.

Goal 2 – A great place to work, be and grow = 6 tasks completed.

Goal 3 – Excellence in organisational governance and support = 3 tasks completed.

Goal 5 – Strategic growth and renewal = 2 tasks completed.

In addition, work commenced on 32 other strategic actions throughout the year. My report will outline these achievements.

Rebranding

The most significant direction that came out of the Strategic Plan was the rebranding of the organisation from Loddon Mallee Preschool Association Pty Ltd (LMPA) to Shine Bright EYM. Shine Bright EYM (Shine Bright) took over management of the 28 kindergarten services in 3 regions within Central and Northern Victoria from LMPA from 16th April 2018. This was a deliberate decision that came out of the organisation’s Strategic Plan. The reason behind the name change was to position the organisation to create presence, stronger connections and a sense of belonging to the organisation for staff, kindergarten communities and key stakeholders, with the aim of building strength via unity and providing a sense of identity enabling the organisation to be a stronger advocate and leader for our early years education sector.

Key rebranding messages included:

- Shine Bright delivers excellence in early years education,
- We are warm, caring, passionate, dedicated, and
- Every day, in every moment, every child matters.

FROM THE CEO

CONTINUED

The organisation engaged an external marketing consultant to assist with the roll out of the new brand and to create greater awareness of our organisation - *who we are and what we do*. Kindergartens were involved in local community events. The rebranding was further publicised and celebrated at the Open Day at all Shine Bright kindergartens. Current enrolled children and those that visited on Open Day were given promotional materials as gifts to celebrate the occasion (bags, water bottles and colouring pencils). The name change was promoted via social media (including launch of a new Facebook page), print and radio advertising and a new website. There were also media opportunities that promoted our new name (WIN and Channel 9). Each kindergarten received new permanent signage at their premises with our new name and logo clearly displayed.

From a regulative perspective, we went through an extensive process for Shine Bright to become a registered Approved Provider and each kindergarten obtained a new Service Approval with the Department of Education and Training.

Office Relocation

The rebranding coincided with our central office staff moving to new premises at 53 Wills Street, Bendigo. The new space enhanced our capability to promote our strategic direction, created a presence in the local community, provided a bright and positive workspace for staff and visitors and allowed for sufficient spaces for meetings and professional development. The move was received and seen in general as a positive signal of the organisation's growth and development.



FROM THE CEO

CONTINUED

Maiden Gully Project

We were successful in obtaining a \$1.6 million dollar *Children's Facilities Capital Grant* through DET (VSBA). The grant submission was based primarily on the 'Community Hub' principle where education, childcare, allied health and medical services would operate in an integrated fashion from the one facility. A feature of this model would be the wraparound child assessment, case management and family support function.

After a brief schematic design and costings process for the grant submission, we realised we did not have enough land area for the building (single story), playground and car park. The Board decided to investigate the purchase of more land to resolve this issue and after successful negotiations, the 2 adjoining blocks were purchased, adding to the 3 blocks already owned. This increased our collective land area from 3,474 to 4,754 sqm and allowed our design to proceed on a single level.

Early in 2018 we held a Community Partnership Reference Forum at La Trobe University. The aim of this forum was to bring key stakeholders together to explain our vision for the early years facility and to strategically explore partnership opportunities. As well as the Shine Bright Board and staff members, representatives from Bendigo Community Health, DET, Bendigo TAFE, La Trobe University and Local and State Government were in attendance.

After a mid-year tender process, the Board approved the appointment of NTC Architects as our project architect and Cerno Management as project managers.

Service Provision

Being responsive to community needs is key in continuing to provide a relevant service. During the enrolment process we took the opportunity to seek feedback from families on their preferences for short or longer session times and extended care options. As a result of this feedback we introduced (in 2019) 2 additional extended care options (Strathfieldsaye and Kunawaa kindergartens) and offered additional longer day sessions at a number of our kindergartens (Epsom, White Hills, Huntly and Swan Hill North).

Woorinen South Kindergarten went through an Assessment and Rating process where they received an "Exceeding" assessment overall and in each quality area.

Staff Support and Feedback

The organisation further supported our kindergarten staff and strengthened the consistency of services by increasing Advisor hours in the Campaspe region and appointing a new Advisor in the Swan Hill region. This

FROM THE CEO

CONTINUED

has further developed and strengthened partnerships in local communities as the Advisors are based locally.

Staff were provided with an opportunity to provide feedback via a staff survey. 95.5% of the respondents said that they would recommend Shine Bright to their family and friends as a great place to work! This is a fantastic response and reflects our aspiration and achievement to be an Employer of Choice.

The 3 highest rated categories were:

- Professional Development is encouraged and supported,
- Management of relief and casual staff, and
- Level of support provided via service support visits or in person.

These results show that staff feel supported in their positions.

It must be acknowledged that 2018 was a difficult year on some levels in the central office, in particular within the finance team. Due to staffing issues at senior level, the annual budgets process was significantly delayed and poor regular reporting occurred. This had a ripple effect on our staff and did cause frustration. A number of actions have been implemented since to resolve these issues which included appointment of a new Finance and Business Operations Manager, exploration of new a finance system, the commitment to finalise the Budget process early in the financial year and the issuing of regular finance reporting.

Partnerships

Partnerships with key stakeholders, including local councils, the Department of Education and Training, politicians and community groups continue to be strengthened through increased participation and contribution at various forums, events and meetings. Consequent to the Maiden Gully project, a number of partnerships have been formed, in particular with La Trobe University and Bendigo TAFE. Our organisation continues to support “Off to an Early Start Program” and in doing so we work closely with Koori Preschool Assistants and local Aboriginal Control Organisations. Our involvement in Communities for Children (C4C) has strengthened our relationship with Anglicare Victoria.

The City of Greater Bendigo completed the new Strathfieldsaye Kindergarten Early Years Hub build towards the end of the year. This new premises contains 3 kindergartens rooms with 2 maternal health nurses being co-located on site. We are very thankful to our local council for this great new facility which enables us to not only continue to provide quality services to the local community, but provides additional enrolment capacity forecasted for this growth area.

FROM THE CEO

CONTINUED

Business Process Review

A Business Process Review was undertaken by an external consultant who reviewed our processes and systems with the intent to identify improvements. The following functions were reviewed – finance, payroll, enrolments, HR, maintenance and Early Years Management. The results showed that many of the systems being used were obsolete and archaic. A large number of our processes are paper based and stored in granular files. As the organisation has grown this has placed additional demand on systems and staff. 7 recommendations were made which related to system upgrades for various applications, such as new finance, payroll, HR, on-line enrolment and video-conferencing systems.

Following on from the completion of the Business Process Review we explored and obtained feedback from other Early Years Manager organisations on what systems they were using. We then invited providers to present their systems and by the end of the year we had achieved the following:

- Purchased, set up and commenced using an electronic on-line enrolment system,
- Signed a contract with AXSYS for MYOB Advanc (finance system), and
- Signed a contract with ADP (payroll and HR systems).

School Readiness Funding

School Readiness Funding is a key initiative of the Andrews Labor Government's Early Childhood Reform Plan: Ready for Kinder, Ready for School, Ready for Life. The intent is that this funding will help children to get the most out of kindergarten, particularly children who are educationally disadvantaged. Funding is available to enrich programs and match the needs of children and families with the resources best suited to support them, such as allied health services and additional resourcing for kindergartens including staffing. The amount of funding a service receives is based on the education and occupation of parents and carers of children enrolled. This funding was introduced to the Early Years sector with a phased in approach based on level of vulnerability and family/carer needs. Our kindergartens in the Mallee region (Swan Hill) were to be included in Round 1, 2019. Campaspe region will be included in Round 2, 2020 and Bendigo region in the last round, 2021. We welcome the additional financial support the government is providing to enable our organisation to provide quality services to children and families. It is encouraging to witness early years education receiving recognition and acknowledgement of the importance and value it has on a child's life.

Reportable Conduct Scheme

The Reportable Conduct Scheme was introduced to the early years sector as of January 2019. In preparation for this new legislation our Board Chair, HR Manager and I attended training conducted by the Commission

FROM THE CEO

CONTINUED

for Children and Young People. As a result, the organisation's Child Safe Environment Policy was updated to reflect these additional requirements and supporting documentation was developed. The Policy and supporting documentation has been rolled out to staff and discussed at various levels within the organisation. This will be further strengthened by developing a process that is incorporated in an annual refresher training for staff.

Rural Governance Project

Our organisation participated in a rural governance project funded by DET and undertaken by Early Learning Association Australia (ELAA). Governance information about the organisation was obtained through a number of different channels, including surveys, documentation and interviews. Preliminary results were very positive, with 56 out of 65 principles met and 9 actions in progress. This is a very pleasing result. Upon receipt of the final report we will receive from ELAA an action plan to assist in finalising the principles in progress.

Kunawaa Kindergarten Relocation

Further to the eviction notice we received from the building owner in September 2017, the relocation of Kunawaa kindergarten from the Chapman Street premises to the Swan Hill Primary School was successfully completed and kindergarten services were operational as of Term 3, 2018. This was a fantastic result given the circumstances and the very tight timelines. This demonstrates the organisation's ability to respond, negotiate and manage challenging situations.

Acknowledgement

2018 was the year that our organisation commenced work on our Strategic Plan. The Plan has provided solid direction and assisted in strengthening our organisation, its systems and processes. Partnerships are being developed and strengthened and the organisation has developed greater presence within our local communities. This significant work has been driven by our Board of Directors who I would like to acknowledge and thank. Our Board members are very engaged, passionate people who provide solid and diverse skills that support the organisation in achieving its aspirations and goals. The Board are an integral part of our organisation.

I would also like to acknowledge and thank our senior leadership team whose efforts have turned many aspirations into reality. Our Early Years Manager has been instrumental in developing our early years team and improving the level of service delivery to children and families. Despite having a significant change within the senior leadership team, with the appointment of both a new Finance and Business Operations Manager

FROM THE CEO CONTINUED

and HR Manager, the organisation continued to develop and progress. These 2 new employees bring with them a wealth of knowledge and experience that will further develop the organisation.

Our staff display outstanding passion and commitment. Our services would not be what they are without them. They play a significant role in the lives of their children and families and have the ability to have such a positive influence and “set children up” in their journey of education. We thank them for their great work and efforts.

The involvement of parents, committees and volunteers is also significant and must be recognised. The support that is provided to our services is immeasurable and we have so much appreciation for what they do – thank you!

Suzi Sordan

CEO



SHINE BRIGHT TEAM

Our Board



David Richmond

Shine Bright EYM Chairman, Bachelor of Business (Accounting & Business Law), Diploma of Financial Services (Financial Planning), Graduate Diploma Chartered Accounting



Jag Dhaliwal

BSc(Hons) Podiatry, Advanced Diploma Business Management



Marc Blanks

Bachelor of Arts, Grad Diploma (Computing) Grad Diploma (Education)



Pam Jenkins

MC Nurse, Grad Dip Mgt, Master of Business, Graduate Aus Institute of Company Directors



Russell Barnier

B.Juris, LL.B, FCIS, FGIA (Life), MAICD

Our Leadership Team



Suzi Sordan

CEO - Masters of Business, Post Graduate of Business Management, Bachelor in Arts (Humanities)



Belinda Schultz

Early Years Manager - Diploma of Teaching ECE, Cert 4 in TAA



Craig Wade

Human Resources Manager – Masters of Industrial and Employee Relations, Bachelor of Business (Applied Economics)



Chris Cope

Finance & Business Operations Manager – Advanced Diploma of Applied Finance, Bachelor of Commerce

DIRECTOR'S REPORT

Shine Bright EYM
ACN: 616 588 213

DIRECTOR'S REPORT

The Directors of Shine Bright EYM submit the Annual Financial Report for the 12 months ended 31 December 2018.

In order to comply with the Corporations Act the Directors report the following;

Principal Activities

Shine Bright EYM is a Early Years Management organisation which was established to operate Kindergarten and Childcare facilities in Central and Northern Victoria, with 28 kindergartens in Bendigo, Campaspe and Swan Hill regions.

Review of Operations

This is the first full year of operations for Shine Bright EYM, following incorporation in 2017.

Shine Bright began formally trading on 16 April 2018, taking over the operation of the kindergarten facilities from Loddon Mallee Preschool Association Pty Ltd (LMPA). LMPA remained the provider of Central Enrolment services in the Bendigo and Swan Hill regions. This change was put in place to ensure there was a clear delineation between our educational services and the operation of the Central Enrolment service.

On 16 April 2018 the majority of assets and liabilities previously held by LMPA were transferred to Shine Bright EYM. All employees of LMPA were also transferred across to Shine Bright EYM on this date.

Enrolments at our services in the 2018 year were again down on the previous year, with the increase in competition from long day care operators being the major reason for this.

The financial deficit of \$283,343 for the year ended 31 December 2018 was as a result of the Company only formally commencing to trade from 16 April 2018. A significant amount of revenue was received by Loddon Mallee Preschool Association in January 2018, in relation to pre-purchased places by the Department of Education & Training. This funding is received as an up-front lump sum, as compared to other funding which is paid on a monthly basis. As such, Loddon Mallee Preschool Association recorded a surplus of \$606,723 for the year ended 31 December 2018.

A number of key activities were undertaken during 2018, in line with the Company's Strategic Plan. The Kunawaa kindergarten was relocated, with a new facility built on the site of the Swan Hill Primary School. The cost of the new building was in excess of \$1m and provided Shine Bright with its first self-owned kindergarten facility.

Work on the purpose built Kindergarten, Childcare and community hub in Maiden Gully continued, with additional blocks of land purchased and an Architect and Project Manager appointed by the Board during 2018, Construction of this new facility is expected to commence in mid-late 2019.

DIRECTOR'S REPORT

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Changes in State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Company that occurred during the year under review not otherwise disclosed in this report.

Subsequent Events

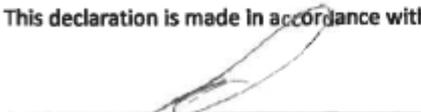
There has not been any matter or circumstance that has arisen since the end of the financial year that has significantly effected, or may significantly effect, the operations of Shine Bright EYM or the state of affairs of Shine Bright EYM in future years.

Directors Listing

The following table sets out the names of each of the Directors and the date that each Director became eligible to attend Director Meetings, the number of Directors meetings eligible to attend, and the number attended.

Name	Date Commenced	Date Ceased	Meetings Eligible to Attend	Meetings Attended
P Jenkins	Jan-2017		12	10
J Dhaliwal	Jan-2017		12	5
M Blanks	Jan-2017		12	7
D Richmond	Jan-2017		12	12
R Barnier	Jan-2017		12	11

This declaration is made in accordance with a resolution of the Board of Directors.


Director - David Richmond (Chairperson)


Director - Pamela Jenkins

Dated this 18th day of March 2018

AUDITOR'S INDEPENDENCE DECLARATION



Office 20 Lydiard Street South, Ballarat
Post PO Box 605, Ballarat VIC 3353
Email ppt@ppt.com.au
Web www.ppt.com.au
Phone (03) 5331 3711
Fax (03) 5331 7980

Shine Bright EYM

Auditor's Independence Declaration to the Members of Shine Bright EYM

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PPT Audit Pty Ltd
PPT Audit Pty Ltd

A handwritten signature in blue ink, appearing to read 'J. Hargreaves', written over a dotted line.

Jason D. Hargreaves
Director

20 Lydiard Street South, Ballarat

15 March 2019

FINANCIAL STATEMENTS

Shine Bright EYM

ACN: 616 588 213

Financial Statements for the Year Ended 31 December 2018

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December 2018

	Note	2018 \$	2017 \$
Revenue	4	5,817,911	0
Total Revenue		5,817,911	0
Expenses			
Advertising expenses		64,208	0
Bad & doubtful debts		101,331	0
Building & grounds expenses		143,644	0
Cleaning expenses		218,582	0
Computer expenses		94,197	0
Consumables - food		6,075	0
Depreciation and amortisation expenses	5	85,677	0
Employee benefits expenses		4,865,534	0
Equipment purchases		109,093	0
Insurance expenses		21,280	0
Lease expenses		8,956	226
Preschool program expenses		60,080	0
Stationery & office supply expenses		37,056	0
Utilities expenses		112,720	0
Other expenses		172,821	90
Total Expenses		6,101,254	316
Deficit before income tax		(283,343)	(316)
Income tax expense		0	0
Deficit for the year		(283,343)	(316)
Other comprehensive income for the year		0	0
Total comprehensive income for the year		(283,343)	(316)

FINANCIAL STATEMENTS CONTINUED

Shine Bright EYM

ACN: 616 588 213

Financial Statements for the Year Ended 31 December 2018

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Note	2018 \$	2017 \$
Assets			
<i>Current Assets</i>			
Cash and cash equivalents	6	346,367	0
Trade and other receivables	7	88,698	138,684
Other financial assets	8	2,082,812	0
Total Current Assets		2,517,877	138,684
<i>Non-Current Assets</i>			
Property, plant and equipment	9	3,655,489	1,550,529
Total Non-Current Assets		3,655,489	1,550,529
Total Assets		6,173,366	1,689,213
Liabilities			
<i>Current Liabilities</i>			
Loans and advances	10	0	1,689,529
Trade and other payables	11	730,652	0
Employee benefits	12	298,816	0
Other liabilities	13	110,232	0
Total Current Liabilities		1,139,700	1,689,529
<i>Non-Current Liabilities</i>			
Employee benefits	12	664,953	0
Total Non-Current Liabilities		664,953	0
Total Liabilities		1,804,653	1,689,529
Net Assets		4,368,713	(316)
Equity			
Retained surplus		4,368,713	(316)
Total Equity		4,368,713	(316)

FINANCIAL STATEMENTS CONTINUED

Shine Bright EYM

ACN: 616 588 213

Financial Statements for the Year Ended 31 December 2018

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December 2018

2018	Retained surplus \$	Total Equity \$
Balance at 1 January 2018	(316)	(316)
Deficit attributable to members of the entity	(283,343)	(283,343)
Transfer of equity from Loddon Mallee Preschool Association Pty Ltd	4,652,372	4,652,372
Balance at 31 December 2018	<u>4,368,713</u>	<u>4,368,713</u>
2017	Retained surplus \$	Total Equity \$
Balance at 1 January 2017	0	0
Deficit attributable to members of the entity	(316)	(316)
Balance at 31 December 2017	<u>(316)</u>	<u>(316)</u>

FINANCIAL STATEMENTS CONTINUED

Shine Bright EYM

ACN: 616 588 213

Financial Statements for the Year Ended 31 December 2018

STATEMENT OF CASH FLOWS

For the Year Ended 31 December 2018

	Note	2018 \$	2017 \$
Cash Flows from Operating Activities			
Operating grants received		1,116,664	0
Fees received from parents		655,542	0
Receipts from other ordinary activities		807,015	0
Interest received		37,146	0
Payments to suppliers and employees		(959,394)	(139,000)
Net cash provided by/(used in) operating activities	16	<u>1,656,973</u>	<u>(139,000)</u>
Cash Flows from Investing Activities			
Payments for term deposits		(2,082,812)	0
Payments for property, plant and equipment		(1,950,299)	(1,550,529)
Net cash used in investing activities		<u>(4,033,111)</u>	<u>(1,550,529)</u>
Cash Flows from Financing Activities			
Proceeds from related party		2,722,505	1,689,529
Net cash provided by financing activities		<u>2,722,505</u>	<u>1,689,529</u>
Net increase in cash and cash equivalents held		346,367	0
Cash and cash equivalents at beginning of year		0	0
Cash and cash equivalents at end of financial year	6	<u>346,367</u>	<u>0</u>



FINANCIAL STATEMENTS CONTINUED

Shine Bright EYM

ACN: 616 588 213

Financial Statements for the Year Ended 31 December 2018

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2018

The financial report covers Shine Bright EYM as an individual entity. Shine Bright EYM is a not-for-profit Company, registered and domiciled in Australia.

The functional and presentation currency of Shine Bright EYM is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

On 16 April 2018, the majority of assets and liabilities previously held by Loddon Mallee Preschool Association Pty Ltd were transferred to Shine Bright EYM. Staff employed by Loddon Mallee Preschool Association Pty Ltd were also transferred to Shine Bright EYM on this date.

1. Basis of Preparation

In the opinion of those charged with Governance, the Company is not a reporting entity since there are unlikely to exist users of the financial statements who are able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and AASB 1054 Australian Additional Disclosures.

2. Summary of Significant Accounting Policies

(a) Income Tax

The Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Leases

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

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

FINANCIAL STATEMENTS CONTINUED

Shine Bright EYM

ACN: 616 588 213

Financial Statements for the Year Ended 31 December 2018

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2018

2. Summary of Significant Accounting Policies (continued)

(c) Revenue and other income (continued)

All revenue is stated net of the amount of goods and services tax (GST).

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment

Plant and equipment are measured using the cost model.

Land and buildings

Land and buildings are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

FINANCIAL STATEMENTS CONTINUED

Shine Bright EYM

ACN: 616 588 213

Financial Statements for the Year Ended 31 December 2018

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2018

2. Summary of Significant Accounting Policies (continued)

(e) Property, plant and equipment (continued)

Depreciation (continued)

Leased assets and leasehold improvements are amortised over the shorter of either the expected period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Motor Vehicles	15%
Computer Equipment	20%
Leasehold improvements	20%
Buildings	2.5%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Financial instruments

For comparative year

Initial recognition and measurement

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. In the case of bequeathed investments, cost is taken as the market value of each investment as the date on which the company is registered as the owner.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in current assets.

FINANCIAL STATEMENTS CONTINUED

Shine Bright EYM

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Financial Statements for the Year Ended 31 December 2018

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2018

2. Summary of Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Classification and subsequent measurement (continued)

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

For current year

Initial recognition and measurement

Financial instruments are recognised initially on the date that the company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

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

Classification

On initial recognition, the company classifies its financial assets into the following category, those measured at:

- amortised cost

FINANCIAL STATEMENTS CONTINUED

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Financial Statements for the Year Ended 31 December 2018

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2018

2. Summary of Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

Classification (continued)

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets.

The company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant information and analysis based on the company's historical experience and informed credit assessment and including forward looking information.

The company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the company in full, without recourse to the company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

FINANCIAL STATEMENTS CONTINUED

Shine Bright EYM

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Financial Statements for the Year Ended 31 December 2018

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2018

2. Summary of Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(g) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is evidence of an impairment indicator for non-financial assets. Where an indicator exists for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated. Where assets do not operate independently of other assets, the recoverable amount of the relevant cash generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash generating unit. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

INDEPENDENT AUDIT REPORT

PPT
AUDIT

Office 20 Lydiard Street South, Ballarat
Post PO Box 605, Ballarat VIC 3353

Email ppt@ppt.com.au

Web www.ppt.com.au

Phone (03) 5331 3711

Fax (03) 5331 7980

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 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 the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 Company'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 Company 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.

PPT Audit Pty Ltd
PPT Audit Pty Ltd



Jason D. Hargreaves
Director

20 Lydiard Street South, Ballarat Vic 3350

19 March 2019

