

Brite Services

ABN: 47 114 989 650

Financial Report for the Year Ended
30 June 2013

Brite Services

ABN: 47 114 989 650

Corporate Information

Directors

Helena Gillies (Chairperson)
John Patsikatheodorou (Company Secretary/Treasurer)
Beverley Lee (Senior Vice Chairperson)
Chandrasiri Bamunusinghe (Junior Vice Chairperson)
Megan Broome
Victor Dougall
Richard Duffy
Catherine Farres
Christina Farres
Brian Gillis
Ray Gorman
Kathleen Halfpenny
Louie Josef
Terri McNaughton
Lorraine Mitchell
Cindy Shelley
Deborah Stenning

Company Secretary

John Patsikatheodorou

Registered Office and Principal Place of Business

Street Address:
Corner Belfast Street & Dallas Drive
Broadmeadows
VIC 3047

Postal Address:
PO Box 342
Dallas
VIC 3047

Bankers

Commonwealth Bank of Australia
781-783 Pascoe Vale Road
Glenroy
VIC 3046

Auditors

Rizza Alexander
Suite 5, 50 Upper Heidelberg Road
Ivanhoe
VIC 3079

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Directors' Report

Your directors present this report on the company for the financial year ended 30 June 2013.

Directors

The names and details of each person who has been a director during the year and to the date of the report are as follows. Directors were in office for the entire period unless otherwise stated:

Helena Gillies (Chairperson)

Service - Appointed Director 2005
Qualifications/Experience - Diploma Business Studies
- Diploma Industrial Relations
- Diploma Quality Control Management
- Diploma English/Communications
- Training & Assessment Cat 4
- Past Executive Director B.C.O.R.C. Inc
- Past Director Northern Region ACFE Council
- Local resident of Oak Park
Special Responsibilities -Executive Chairperson
-Member, Finance, Audit & Risk Committee

John Patsikatheodorou (Treasurer/Company Secretary) – appointed 10th December 2012

Qualifications/Experience - Justice of the Peace for Victoria
- Former CEO of a number of welfare agencies in north west Melbourne
- Business owner
- Local resident of Westmeadows
Special Responsibilities -Treasurer/Company Secretary/Public Officer
-Chair, Finance, Audit & Risk Committee

Beverley Lee (Senior Vice Chairperson)

Service - Appointed Director 2005
Qualifications/Experience - Advanced Certificate in Residential and Community Services (ACRACS)
- Past President & Member Broadmeadows Special School Council
- Course in Management for Community Based Committees
- Advocate for people with a disability
- Local resident of Reservoir
Special Responsibilities -Senior Vice Chairperson

Chandrasiri Bamunusinghe (Junior Vice Chairperson) – appointed 10th December 2012

Qualifications/Experience - Diploma in Management
- Justice of the Peace for Victoria
- Councillor, Hume City Council (Aitken Ward)
- Member, Board of Directors Radio 3ZZZ
- Aircraft maintenance engineer
- Local resident of Greenvale
Special Responsibilities -Junior Vice Chairperson

Megan Broome – appointed 26th November 2012

Qualifications/Experience - Architect and Urban Planner
- Masters Degree in Environment & Planning
- Royal Australian Institute of Architects (Director level)
- Member of Governance Board of Directors, Melbourne Rental Research Group Pty Ltd
- Member, Australian Institute of Company Directors
- Experience in providing policy advice and developing design guidelines for disability sector
- Former member interdepartmental Disability Discrimination Act Working Party (1997 – 1999)

Victor Dougall – appointed 10th December 2012

Qualifications/Experience - Qualified in Materials Drafting
- Extensive experience in document control processes
- Councillor, Hume City Council (Meadow Valley Ward)

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Directors' Report

Special Responsibilities - Local resident of Dallas and community activist
-Member, Finance, Audit & Risk Committee

Richard Duffy – appointed 10th December 2012

Qualifications/Experience - Extensive experience in industrial relations
- Assistant Secretary of the Australian Services Union in Victoria
- Former President, Moreland Legal Centre
- Experience in advising community organisations on governance issues
- Has family members with disabilities
- Local resident of Glenroy

Catherine Farres – appointed 10th December 2012

Qualifications/Experience - Currently completing a Law Degree
- 12 years' experience in the legal sector
- Has family member with a disability
- Local resident of Oak Park

Christina Farres – appointed 10th December 2012

Qualifications/Experience - Mechanical Engineer
- Currently completing an MBA
- Has family member with a disability
- Employed as an engineer with Ford
- Involved in community volunteering through employer
- Local resident of Glenroy

Special Responsibilities -Member, Finance, Audit & Risk Committee

Brian Gillis – appointed 10th December 2012

Qualifications/Experience - Works in the not-for-profit sector
- Extensive management experience in printing, publishing and commercial advertising
- Experience of community work with Moonee Valley and Darebin councils
- Local resident of Moonee Ponds

Ray Gorman – appointed 10th December 2012

Qualifications/Experience - Extensive experience in storage and packing industry and industrial relations
- Involved with maintenance of industrial award provisions for people with disabilities
- Current President of the Australian Postal Workers Union in Victoria
- Local resident of Tullamarine

Kathleen Halfpenny – appointed 10th December 2012

Qualifications/Experience - Former Registrar and Business Manager in local government schools
- Extensive experience in the education support area
- Local resident of Preston

Louie Josef – appointed 10th December 2012

Qualifications/Experience - Works with youth as a Cultural Support Officer
- Extensive experience in community development, policy development and organisation of community consultations and events
- Member, Middle Eastern Ministerial Consultative Committee
- Board Member, Australian Chaldean Federation, Chaldean Social Cultural and Welfare Association of Australia
- Local resident of Roxburgh Park

Terri McNaughton – appointed 10th December 2012

Qualifications/Experience - Extensive experience of local volunteering
- Active member and Secretary of Vic PACE (Victorian People Against Child Exploitation) for many years and local resident of Broadmeadows

Lorraine Mitchell – appointed 10th December 2012

Qualifications/Experience - Extensive experience of local volunteering with Girl Guides, local school communities

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Directors' Report

- Former Board Member and President, Coolaroo South Primary School
- Knowledge and experience in best practice processes, fundraising, community development and government relations
- Local resident of Broadmeadows

Cindy Shelley – appointed 10th December 2012

- Qualifications/Experience
- Extensive experience in warehousing and despatch
 - Holds Workplace Safety Certification
 - Has a child with a disability
 - Local resident of Mill Park

Deborah Stenning – appointed 26th November 2012

- Qualifications/Experience
- Science Degree/MBA (Australian Graduate School of Management)
 - Director of consultancy working in health and not-for-profit sector, particularly assisting organisations prepare for DisabilityCare Australia
 - Extensive experience in management positions, particularly in risk, governance and insurance portfolios
- Special Responsibilities
- Member, Finance, Audit & Risk Committee

Neil Strapp – appointed 10th December 2012; resigned 18th March 2013

- Qualifications/Experience
- Advocate for people with disabilities
 - Parent of a Brite Services employee
 - Local resident of Campbellfield

Elena di Giacomo – resigned 10th December 2012

- Service
- Appointed Director 2008; resigned 2012
- Qualifications/Experience
- Bachelor of Arts (Victoria University)
 - Post Grad Diploma Adolescence & Child Psychology (Melbourne University)
 - Certificate IV in Training & Assessment
 - Parent of a Brite Services employee
 - Local resident of Keilor

Jane Evans – appointed 27th August 2012; resigned 7th December 2012

- Experience/Qualifications
- Graduate Diploma in Business Administration (Swinburne University)
 - Diploma Australian Institute of Company Directors Course

Ian R. Lee (former Treasurer/Company Secretary) – resigned 10th December 2012

- Experience/Service
- Appointed Director 2005; resigned 2012
- Qualifications
- Retired bank manager
 - Rotarian (Past President)
 - Paul Harris Fellow

John Lewis – resigned 10th December 2012

- Experience/Service
- Appointed Director 2005; resigned 2012
- Qualifications
- Diploma Industrial Relations
 - Certificate Personnel Administration
 - Rotarian (Past President)
 - Paul Harris Fellow
 - Chartered Member Australian Human Resources Institute (CMAHRI)

Megan Lewis (former Chairperson) – resigned 8th December 2012

- Experience/Service
- Appointed Director 2007; resigned 2012
- Qualifications
- Senior Associate of the Australian New Zealand Institute of Insurance & Finance

Principal Activities

The principal activity of the entity during the financial year was to further the interests and promote the welfare of intellectually and/or physically disabled persons over the age of sixteen years and to train and educate any such persons. The entity operates a packaging business (Brite Pak) and wholesale nursery (Brite Plants).

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Directors' Report

Objectives

The entity's short term objectives are to:

- Optimise the organisational structure;
- Standardise and refine processes and reporting mechanisms; and
- Optimise and secure service operations.

The entity's long term objective is to grow and diversify Brite Services' operations, in the context of significant changes to the Australian Disability Enterprise sector.

To achieve these objectives, the Board has communicated its strategic plan to internal and external stakeholders to achieve immediate objectives, and is implementing elements of the strategy to achieve its longer term objectives.

The entity measures its performance (including any key performance indicators) through regular reporting both to the Board and the Finance Committee, as well as fortnightly Executive Team meetings.

Operating Results

The surplus of the company amounted to \$584 (2012: \$36,819 deficit).

Significant Changes in the State of Affairs

There are no significant changes in the State of Affairs during the financial year.

After Balance Date Events

There are no material after balance date events.

Environmental Regulations & Performance

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or the State of Victoria.

Meetings of Directors

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

	Directors' Meetings	
	Number eligible to attend	Number attended
Helena Gillies	12	12
John Patsikatheodorou	7	7
Beverley Lee	12	11
Chandrasiri Bamunusinghe	7	2
Megan Broome	7	5
Victor Dougall	7	4
Richard Duffy	7	2
Catherine Farres	7	5
Christina Farres	7	6
Brian Gillis	7	5
Ray Gorman	7	4
Kathleen Halfpenny	7	4
Louie Josef	7	3
Terri McNaughton	7	4
Lorraine Mitchell	7	1
Cindy Shelley	7	5
Deborah Stenning	7	5
Neil Strapp	3	1
Elena Di Giacomo	5	5
Jane Evans	4	4
Ian R. Lee	5	4
John Lewis	5	5
Megan Lewis	5	3

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Directors' Report

The Board is responsible for the finance, audit and risk management of the company. There is a Finance, Audit and Risk Committee that advises the Board on these matters.

Other standing committees of the Board are the:

- Fundraising Committee
- Governance Committee

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding contributions of the company. At 30 June 2013 the collective liability of members was \$1,270.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 8 of the financial report.

Signed in accordance with a resolution of the Board of Directors.




Helena Gillies
Chairperson/Director

Dated this eleventh day of October 2013

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Auditor's Independence Declaration Under S307C of
The Corporations Act 2001 to the Directors of Brite Services

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm	Rizza Alexander
Name of Partner	 Paul Rizza
Date	14 th October 2013
Address	Suite 5, 50 Upper Heidelberg Road Ivanhoe Victoria 3079

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Statement of Comprehensive Income for the Year Ended 30 June 2013

	Note	2013 \$	2012 \$
Revenue	2	3,242,755	3,209,710
Other income	2	138,352	281,350
Employee benefits expense		(2,470,455)	(2,591,740)
Depreciation and amortisation expense		(58,504)	(58,378)
Repairs, maintenance and vehicle running expense		(120,555)	(100,351)
Fuel, light and power expense		(76,812)	(60,039)
Rental expense	3	(210,518)	(174,658)
Staff training expenses		(6,725)	(10,871)
Audit, legal and consultancy expense		(53,349)	(54,788)
Production expenses		(244,750)	(290,637)
Marketing expenses		(6,480)	(5,029)
Other expenses		(132,375)	(181,388)
Profit/(loss) for the year		\$584	\$(36,819)
Other comprehensive income:			
Net gain on revaluation of property, plant and equipment		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		\$584	\$(36,819)
Profit/(loss) attributable to members of the entity		\$584	\$(36,819)
Total comprehensive income attributable to members of the entity		\$584	\$(36,819)

The accompanying notes form part of these financial statements.

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Statement of Financial Position as at 30 June 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	432,984	336,776
Trade and other receivables	5	277,995	299,829
Inventories	6	160,166	127,804
Other assets	7	101,191	147,698
TOTAL CURRENT ASSETS		<u>972,336</u>	<u>912,107</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	379,860	414,684
Intangible assets	9	-	497
TOTAL NON-CURRENT ASSETS		<u>379,860</u>	<u>415,181</u>
TOTAL ASSETS		<u>1,352,196</u>	<u>1,327,288</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	304,513	290,401
Provisions	11	262,450	260,959
TOTAL CURRENT LIABILITIES		<u>566,963</u>	<u>551,360</u>
NON-CURRENT LIABILITIES			
Provisions	11	25,912	17,191
TOTAL NON-CURRENT LIABILITIES		<u>25,912</u>	<u>17,191</u>
TOTAL LIABILITIES		<u>592,875</u>	<u>568,551</u>
NET ASSETS		<u>\$759,321</u>	<u>\$758,737</u>
EQUITY			
Retained Earnings		759,321	758,737
Reserves		-	-
TOTAL EQUITY		<u>\$759,321</u>	<u>\$758,737</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity for the Year Ended 30 June 2013

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2011	795,556	795,556
Comprehensive income		
Profit/(loss) for the year	(36,819)	(36,819)
Total comprehensive income	<u>(36,819)</u>	<u>(36,819)</u>
Balance at 30 June 2012	<u>758,737</u>	<u>758,737</u>
Comprehensive income		
Profit attributable to the entity	584	584
Other comprehensive income for the year	-	-
Total comprehensive income	<u>759,321</u>	<u>759,321</u>
Balance at 30 June 2013	<u>\$759,321</u>	<u>\$759,321</u>

The accompanying notes form part of these financial statements.

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Statement of Cash Flows for the Year Ended 30 June 2013

	Note	2013 \$	2012 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipt of grants and sales		3,704,620	3,626,755
Payments to suppliers and employees		(3,656,303)	(3,883,842)
Interest received		7,242	20,069
Fundraising receipts		4,018	2,672
Donations		56,369	4,744
Finance costs		(234)	-
Net cash generated from operating activities	13 (b)	<u>115,712</u>	<u>(229,602)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		28,800	2,711
Payment for property, plant and equipment		(48,304)	(92,095)
Net cash used in investing activities		<u>(19,504)</u>	<u>(89,384)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		96,208	(318,986)
Cash and cash equivalents at the beginning of the financial year		336,776	655,762
Cash and cash equivalents at the end of the financial year	4	<u>\$432,984</u>	<u>\$336,776</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements for the Year Ended 30 June 2013

The financial statements cover Brite Services as an individual entity, incorporated and domiciled in Australia. Brite Services is a company limited by guarantee.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and The Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

Accounting Policies

(a) Revenue

Grant revenue is recognised in the statement of comprehensive income 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, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Brite Services receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

Donations and bequests are recognised as revenue when received or, in the case of donations from related entities, when the directors are aware that the donation has been approved by the counterparty and is virtually certain to be received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend income is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of Goods and Service Tax (GST).

(b) Inventories

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

(c) Property, Plant and Equipment

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

Property

In periods when the buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

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Notes to the Financial Statements for the Year Ended 30 June 2013

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Plant and Equipment

Plant and equipment is measured on the cost basis and is therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time it is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated life of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5% - 10%
Plant and equipment	6.66% - 40%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Leases

As at the 30 June 2013, there were no finance leases for Brite Services.

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.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at 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. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is the amount at which the financial asset or financial liability is measured a initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

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Notes to the Financial Statements for the Year Ended 30 June 2013

(i) **Financial assets at fair value through profit or loss**
Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in fair value (i.e. gains or losses) being recognised in profit or loss.

(ii) **Loans and receivables**
Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. As at 30 June 2013 Brite Services had no loans.

Receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

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

(iv) **Available-for-sale financial assets**
Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

(v) **Financial liabilities**
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment
At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

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 which is 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.

(f) **Impairment of Assets**

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset's class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where the impairment loss on a revalued asset is identified, this is recognised 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 class of asset.

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Notes to the Financial Statements for the Year Ended 30 June 2013

- (g) **Employee Benefits**
Provision is made for the company's liability for employee benefits arising from services rendered by its employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at amounts expected to be paid when the liability is settled. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.
- Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.
- (h) **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, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.
- (i) **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.
- 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 statement of financial position.
- Cash flows are presented on a gross basis. The GST components of cash flow arising from investing or financial activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.
- (j) **Income Tax**
No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.
- (k) **Intangibles**
Software
Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It is assessed annually for impairment.
- (l) **Provisions**
Provisions are recognised when the entity 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.
- (m) **Comparative Figures**
Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.
- When an entity applies an accounting policy retrospectively, makes a retrospective restatement, or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.
- (n) **Trade and Other Payables**
Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability, with the amounts normally paid within 30 days of recognition of the liability.
- (o) **Critical Accounting Estimates and Judgements**
The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.
- Key Estimates**
Impairment
- At 30 June 2013 the directors reviewed the key assumptions made by the valuers at 30 June 2012. They have concluded that these assumptions remain materially unchanged, and are satisfied that carrying value does not exceed the recoverable amount of land and buildings at 30 June 2013.
- (p) **Economic Dependence**
Brite Services is dependent on the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe that FaHCSIA will not continue to support Brite Services.

Brite Services
ABN: 47 114 989 650
Notes to the Financial Statements for the Year Ended 30 June 2013

Note 2 Revenue and Other Income	2013	2012
	\$	\$
Revenue from government grants and sales		
-State/federal government grants	1,637,459	1,698,026
-Other grants	23,500	11,500
-Other organisations	1,573,833	1,480,115
	<u>3,234,792</u>	<u>3,189,641</u>
Other Revenue		
-Interest received on investment fixed interest securities	7,963	20,069
	<u>7,963</u>	<u>20,069</u>
Total Revenue	<u>3,242,755</u>	<u>3,209,710</u>
Other Income		
-Gain on disposal of property, plant and equipment	3,679	1,000
-Charitable income and fundraising	49,689	69,472
-Rental income	47,965	21,013
-Other	37,019	189,865
Total Other Income	<u>138,352</u>	<u>281,350</u>
Total Revenue and Other Income	<u><u>\$3,381,107</u></u>	<u><u>\$3,491,060</u></u>

Note 3 Profit for the Year	2013	2012
	\$	\$
(a) Expenses		
Interest expenses on financial liabilities not at fair value through profit or loss	-	-
Doubtful debts expense	259	-
Loss on disposal of non-current assets	-	-
Rental expense on operating leases:		
-minimum lease payments	210,518	174,658
Total Rental Expense	<u>210,518</u>	<u>174,658</u>
Audit Remuneration		
-audit services	8,500	9,500
-other services	-	-
Total Audit Remuneration	<u>8,500</u>	<u>9,500</u>
(b) Significant Revenue and Expenses		
Property, plant and equipment:		
-Proceeds on disposal	28,800	2,711
-Disposals at carrying value	(25,121)	(1,711)
Net gain on disposal	<u>3,679</u>	<u>1,000</u>

Note 4 Cash and Cash Equivalents	Note	2013	2012
		\$	\$
CURRENT			
Cash on hand		1,000	1,000
Cash at bank		345,235	252,713
Bank deposits		86,749	83,063
Total cash and cash equivalents as stated in the cash flows statement/statement of financial position	13(a)	<u>\$432,984</u>	<u>\$336,776</u>
Note 5 Trade and Other Receivables	Note	2013	2012
		\$	\$
CURRENT			
Trade receivables		278,647	299,829
Provision for impairment	5(i)	(652)	-
		<u>277,995</u>	<u>299,829</u>
Other receivables		-	-
Total current trade and other receivables	18	<u>\$277,995</u>	<u>\$299,829</u>

Brite Services
ABN: 47 114 989 650
Notes to the Financial Statements for the Year Ended 30 June 2013

(i) Provision for Impairment of Receivables

Current trade receivables are generally on 30 day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items. Movement in the provision for impairment of receivables is as follows:

	2013	2012
	\$	\$
Provision at 1 July	-	-
-charge for the year	652	-
-written off	-	-
Provision at 30 June	<u>652</u>	<u>-</u>

Note 6 Inventories

CURRENT

At cost:

	2013	2012
	\$	\$
Inventory	131,589	117,092
Work in progress	28,577	10,712
	<u>\$160,166</u>	<u>\$127,804</u>

Note 7 Other Assets

CURRENT

	2013	2012
	\$	\$
Accrued Income	46,432	83,070
Insurance Claim	10,640	20,000
Prepayments	44,119	44,628
	<u>\$101,191</u>	<u>\$147,698</u>

Note 8 Property, Plant and Equipment

LAND AND BUILDINGS

Buildings at fair value:

	2013	2012
	\$	\$
-Directors' valuation 2010/cost	115,359	109,364
-Less accumulated depreciation	(26,100)	(20,517)
Total buildings	<u>89,259</u>	<u>88,847</u>
Total land and buildings	<u>\$89,259</u>	<u>\$88,847</u>

PLANT AND EQUIPMENT

Plant and Equipment:

-At cost	526,236	483,928
-Less accumulated depreciation	(246,989)	(204,478)
	<u>279,247</u>	<u>279,450</u>

Owned Motor Vehicles:

-At cost	42,563	79,326
-Less accumulated depreciation	(31,209)	(32,939)
	<u>11,354</u>	<u>46,387</u>

Total plant and equipment

	<u>290,601</u>	<u>325,837</u>
Total property, plant and equipment	<u>\$379,860</u>	<u>\$414,684</u>

Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and end of the current financial year:

	Land and Buildings	Plant and Equipment	Total
	\$	\$	\$
2012			
Balance at beginning of year	90,706	291,225	381,931
Additions at cost	3,582	88,513	92,095
Additions at fair value	-	-	-
Disposals	-	(1,711)	(1,711)
Depreciation expense	(5,441)	(52,190)	(57,631)
Carrying amount at end of year	<u>\$88,847</u>	<u>\$325,837</u>	<u>\$414,684</u>

Brite Services
ABN: 47 114 989 650
Notes to the Financial Statements for the Year Ended 30 June 2013

	Land and Buildings \$	Plant and Equipment \$	Total \$
2013			
Balance at beginning of year	88,847	325,837	414,684
Additions at cost	5,994	42,310	48,304
Additions at fair value	-	-	-
Disposals	-	(25,121)	(25,121)
Depreciation expense	(5,582)	(52,425)	(58,007)
Carrying amount at end of year	<u>\$89,259</u>	<u>\$290,601</u>	<u>\$379,860</u>

Asset Revaluations

At 30th June 2013 the directors reviewed the key assumptions at 30 June 2012. They have concluded that these assumptions remain materially unchanged, and are satisfied that the carrying value does not exceed the recoverable amount of land and buildings at 30th June 2013.

Note 9 Intangible Assets

	2013 \$	2012 \$
Computer software – at cost	51,390	51,390
Accumulated amortisation	(51,390)	(50,893)
Net carrying value	<u>\$-</u>	<u>\$497</u>

	2013 \$	2012 \$
Balance at the beginning of the year	497	1,244
Additions	-	-
Disposals	-	-
Amortisation charge	(497)	(747)
Impairment losses	-	-
Net carrying value	<u>\$-</u>	<u>\$497</u>

Note 10 Trade and Other Payables

	2013 \$	2012 \$
CURRENT		
Trade payables	71,137	110,631
Deferred income	19,027	10,000
Other current payables	214,349	169,770
	<u>\$304,513</u>	<u>\$290,401</u>

(a) Financial liabilities at amortised cost classified as trade and other payables	2013 \$	2012 \$
Trade and other payables:		
-Total Current	304,513	290,401
Financial liabilities as trade and other payables	<u>\$304,513</u>	<u>\$290,401</u>

Note 11 Provisions

	2013 \$	2012 \$
CURRENT		
Short-term Employee Benefits		
-Opening balance at 1 July 2012	260,959	285,867
-Additional provisions raised during year	190,773	170,215
-Amounts used	(189,282)	(195,123)
-Balance at 30 June 2013	<u>\$262,450</u>	<u>\$260,959</u>
NON-CURRENT		
Long-term Employee Benefits		
-Opening balance at 1 July 2012	17,191	20,977
-Additional provisions raised during year	8,721	(3,786)
-Amounts used	-	-
-Balance at 30 June 2013	<u>\$25,912</u>	<u>\$17,191</u>

Brite Services
ABN: 47 114 989 650
Notes to the Financial Statements for the Year Ended 30 June 2013

	2013	2012
	\$	\$
Analysis of Total Provisions		
Current	262,450	260,959
Non-current	25,912	17,191
	\$288,362	\$278,150

Note 12 Capital and Leasing Commitments

(a) Finance Lease Commitments

Payable – minimum lease payments

Present value of minimum lease payments

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements

Payable – minimum lease payments

-not later than 12 months

-later than 12 months but not later than 5 years

-greater than 5 years

	2013	2012
	\$	\$
Payable – minimum lease payments	-	-
Present value of minimum lease payments	-	-
	\$523	\$6,799

Note 13 Cash Flow Statement Reconciliation

(a) Reconciliation of Cash

	Note	2013	2012
		\$	\$
Cash on hand		1,000	1,000
Cash at bank		345,235	252,713
Bank deposits		86,749	83,063
	4	\$432,984	\$336,776

(b) Reconciliation of Cash Flow from Operations with Surplus

Net Surplus/(Deficit) for the Year	584	(36,819)
Adjustments for;		
-Depreciation and amortisation	58,504	58,378
-Bad and doubtful debts	652	-
-Net (surplus)/deficit on disposal of property, plant & equipment	(3,679)	(1,000)
Changes in assets and liabilities		
-(Increase)/decrease in trade and other receivables	21,182	(119,787)
-(Increase)/decrease in inventories	(32,362)	1,947
-(Increase)/decrease in other assets	46,507	(63,778)
-(Decrease)/increase in trade and other payables	14,112	(39,849)
-(Decrease)/increase in provisions	10,212	(28,694)
Net Cash from Operating Activities	\$115,712	\$(229,602)

Note 14 Contingent Liabilities and Contingent Assets

	2013	2012
	\$	\$
Estimates of the potential financial effect of contingent liabilities that may become payable:		
Claims	-	-

Note 15 Events After the Reporting Period

There were no significant or material events after the reporting period.

Brite Services
ABN: 47 114 989 650
Notes to the Financial Statements for the Year Ended 30 June 2013

Note 16 Related Party Transactions **2013** **2012**
\$ \$

Related parties include immediate family members of Key Management Personnel, and entities that are controlled or significantly influenced by those Key Management Personnel individually or collectively with their immediate family members.

1. Sales to CEM International Pty Ltd for the period to 30th April 2012. Mr. Donald Laught is a Director of CEM International Pty Ltd and was a Director of Brite Services until 30th April 2012.

2. Purchases from A. T. Lewis Plumbing for the period to 10th December 2012. Mr John Lewis who was a director to that date, is related to the owner of A.T. Lewis Plumbing

3. Sales by Brite Services Victorian Vocational Rehabilitation Association (VVRA) for administrative support

Value of Sales and Purchases to Related Parties

	-	5,629
	2,762	7,366
	116,004	60,000
	\$118,766	\$72,995

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

VVRA made its assets available for the use of its related company, Brite Services, free of charge during the year (buildings, plant and equipment). This transaction was therefore effectively an 'in kind' donation and not on normal commercial terms; had VVRA made a charge on normal commercial terms for these assets this would have been at least equal to the depreciation charge on these assets of \$48,454 (2012: \$52,723).

Note 17 Key Management Personnel

Key Management Personnel are defined as any persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise).

Key Management Personnel compensation was as follows:

	2013	2012
	\$	\$
Key Management Personnel Compensation	443,453	456,735
	\$443,453	\$456,735

Note 18 Financial Risk Management

The company's financial assets and liabilities consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2013	2012
		\$	\$
Financial Assets			
Cash and cash equivalents	4	346,235	253,713
Loans and receivables	5	277,995	299,829
Held-to-maturity investments			
-Investments in government and fixed interest securities	4	86,749	83,063
Total Financial Assets		\$710,979	\$636,605
Financial Liabilities			
Financial liabilities at amortised cost			
-Trade and other payables	10(a)	304,513	290,401
Total Financial Liabilities		\$304,513	\$290,401

Brite Services
ABN: 47 114 989 650
Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 9 to 21, are in accordance with The Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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

Funding received from the Department of Families, Housing, Community Services & Indigenous Affairs (FaHCSIA) was applied for the provision of employment assistance services to our supported employees, strictly in accordance with the Agreement.



Helena Gillies
Chairperson/Director



John Patsikatheodorou
Treasurer/Secretary/Director

Dated this eleventh day of October 2013

Brite Services**ABN: 47 114 989 650****Independent Auditor's Report to the Members of Brite Services****Report on the Financial Report**

We have audited the accompanying financial report of Brite Services, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Brite Services on 14th October 2013, would be in the same terms if provided to the directors at the date of this auditor's report.

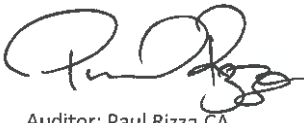
Opinion

In our opinion, the financial report of Brite Services is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

All funding received from the Department of Families, Housing, Community Services & Indigenous Affairs (FaHCSIA) was applied for the provision of employment assistance services to the supported employees, strictly in accordance with the Agreement.

Audit Firm: Rizza Alexander



Auditor: Paul Rizza.CA

Address: Suite 5, 50 Upper Heidelberg Rd
Ivanhoe Victoria 3079

Dated this 14th day of October 2013