

STAR COMMUNITY SERVICES

# ANNUAL REPORT 2019



**STAR**  
Community  
Services.org.au



# Board of Directors



## **Robin Spencer, Chairperson**

University Qualifications (Agriculture and Business) C.dec , Board Position at STAR since 2004  
Board Member - TDSA , Past Zone Chair of National Seniors, member of Policy Group. Current Convenor  
Redlands Disability Network, Past positions on Redlands Committee of the Ageing. Holds positions on  
Board Sub-Committees - Finance, Risk & Audit and Strategic Planning & Governance



## **Peter Mann, Director/Board Treasurer**

Various university qualifications, Former CPA Member  
Extensive experience in the Australian Not-For-Profit sector  
General Manager at Star Community Services for 7 years  
Chair of the Finance, Risk & Audit Committee



## **Pamela Bridges, Director**

Registered Nurse, BA Social Welfare, Grad Diploma in Health Service Management, Ministerial Appointed  
Member of Nurse Adviser and Administrator Panels, Justice of Peace (Qual), Certified Quality Assessor.  
Worked in the aged care sector for many years as a Director of Nursing, General Manager. Residential  
Care Manager for ACQ - now LASA Q. Pam has run her own Aged Care Consultancy for the past 10 yrs .



## **Darryl McConochie, Director**

Business Strategy & Implementation Consultant. Executive Business Coach, Facilitator and Trainer.  
Secretary  
Holds position on Finance and Audit Sub-Committee



## **Danielle Butcher, Director**

Former Director of CODI, Board member of Disability groups in Ipswich.  
10 years involvement in disability organisations and funded community transport.  
Holds position on Strategic Planning and Governance Sub-Committee



## **James Farrell OAM, Director**

Bachelor of Commerce (Accounting) , Bachelor of Laws (Honours) - Deakin University; Graduate Diploma  
of Legal Practice - College of Law; Master of Laws - University of New England; Graduate Diploma of  
Applied Human Rights - RMIT University; Current General Manager of Advocacy, Cancer Council Qld;  
Former Director of Community Legal Centres, QLD



## **Colin Sutcliffe OAM, Director**

Current Chairman of Mangrove Housing (Disability)  
Chair of the Strategic Planning and Governance Committee



## **Kenneth Ewald GAICD, Director**

Chair of the Board of Directors, Churches of Christ Qld; Board Member Redland Foundation Ltd  
Holds position on Finance and Audit Sub-Committee



## **Bruce Durie, Director**

LLB (UQ) 1976, Solicitor – Qld S/Ct & H/Ct Aust 1977  
Property lawyer with 42 years in practice. Head of McCarthie Durie Lawyers Commercial and Estates  
team. Member of Queensland Law Society



# Chairperson's Report

The real change from this year compared to the last year is that there has been change and more change. The one constant throughout this storm of transformations has been STAR's commitment to the quality of service, support and care to our clients.

This year has seen the results of Royal Commissions, which have and will continue to change the systems and processes by which we operate and are judged. The first was the Banking, the second still under way is the Aged Care and the third about to commence is the Disability Care. The way we do business and care for clients has had to change due to the changes to Government regulations and funding, at both Federal and State levels.

STAR is now embedded as, not just a Community Transport organisation, but a fully fledged Care Services Provider. We offer transport, care, and support and home maintenance to Aged and Disability clients in Redland, Logan, West Moreton and Ipswich, and Gold Coast. We continue to grow in terms of staff, clients, vehicles, services, and geography. We have had a re-structure following an appraisal of operations and this has been a success. We enjoy the support of Government and Government agencies, including Federal, State and Local.

We are committed to our varied and various communities and are actively involved in and support Networks covering Seniors, Disability, Dementia, Mental Health in Redlands; Seniors and Disability in Logan and Ipswich; Community Transport Peak Body in Queensland (TDSA); National Disability Services and its agency NDIS; Seniors Week in Redlands with sponsorship of Seniors Walk and other activities; Redland City Council initiatives with the Co-ordinators' Group and the SMBI Wellbeing Hub; and projects such as the Redland Community and Wellbeing Hub and the Redland Age Friendly City concept. We are involved in the Information and Emerging Technology areas, which involves virtual reality and remote assistance into aged and disability care. We continue to receive awards and award nominations for excellence.

We continue to watch the landscape in which we operate at mergers, partnerships, alliances and amalgamations, those which are happening around us which could impact and for opportunities that could benefit STAR.



# Chairperson's Report

*Contd.*

We have a full board, with two additions to the Board – I welcome Bruce Durie and James Farrell.

Your Board of Directors now has a full complement of skills, experience and qualifications to look after us in the future. As Chair, and on behalf of the Board of Directors, I wish to express my admiration to our General Manager, Patsy Wilshire and her Management Team for their dedication, resilience and professionalism as they have tackled the changes and tasks set before them. And the style and manner in which they have steered the Starship. Thank you to all staff and volunteers.

I would also pay tribute to my fellow Board members for the support, assistance, and skills they have brought to the stewardship and governance of the organisation.

Rob Spencer

Chairperson, STAR Community Services



# General Manager's Report

## The Year Gone

With each year that passes we learn new lessons and accept new challenges – 2018-19 has been no different.

We started the year with an organisational review conducted with a leading consultancy in Change Management. STAR Managers, Staff, Volunteers and Directors participated in the review process.

Following the review, we implemented a range of recommendations to better structure our organisation and gain more efficiencies, ultimately resulting in improved service delivery, *viz.*

- Removing the silos of operations
- Splitting the operations into two sections
  - Client Functions
  - Enabling Functions
- Introduction to new leadership roles
  - Leadership, Governance and Strategy (General Manager) – Patsy Wilshire
  - Client Planning and Services Delivery Manager – Melissa Bannerman
  - Client Contact Manager – Tracy Darroch
  - Logistics Manager – Warren Doyle
  - Business Services Manager – Nectaria Chronopoulos

Our success stories are numerous but one that stands out from the others is the successful Commonwealth tender to assist 300 people over the age of 65, or 50 for Aboriginal, Torres Strait Islanders, who wish to use technology in their daily lives to not only access information and services online but also to build new social connections, improve well-being, and build a support network. This program will commence in October 2019 where STAR will invite expressions of interest to register for information.

## The Year Ahead

STAR will continue to offer a range of services including Transport, Social Support, Domestic Assistance, Home Maintenance, Home Modifications, NDIS Support Coordination, NDIS Direct Support, Home Care Packages with a growing portfolio.

We are excited about the future and are constantly seeking opportunities to improve on our triple bottom line. The Social, Environment and Financial aspects of our organisation will be monitored closely by the Board of Directors to ensure the sustainability of STAR.



# General Manager's Report

*Contd.*

We have established strong internal groups to guide our overall strategies and stay committed to our priorities around human resources being:

- high-quality staff in all locations
- empowered and capable leaders
- continuous quality improvements
- ensuring a high performing inclusive workplace, and
- commitment to volunteer engagement.

Collectively these priorities will assist us to ensure that our efforts, resources and innovative practices are focused on delivering consumer directed care.

It is important to note that there are changes and reforms ahead within Aged and Disability Services Sector. STAR- like other providers- relies on Government Funded Programs in the Aged Care Space, but we are constantly seeking innovative ways to be independent outside of Government Funding.

The government has indicated major changes in providers funding by year 2022. That's why we have begun to plan some social enterprises via pilot projects in the coming years...watch this space.

We also have a new addition to the group, Catherine Williams, whose role is to secure and grow sponsorship, fundraising and partnerships. We welcome the much-needed assistance for our future community impact.

With an enormous amount of growth last year and an expected amount of change ahead I feel that 2019-20 will offer new and exciting opportunities that will enhance the lives of vulnerable people in our communities...that is my motivation to continue leading STAR Community Services.

Patsy Wilshire

General Manager, STAR Community Services



# Minutes of AGM 2018

## MINUTES OF THE ANNUAL GENERAL MEETING OF STAR COMMUNITY SERVICES HELD AT 122 SHORE ST NORTH, CLEVELAND

**Date:** 15/09/2018, 10 am

**Opening:** Meeting Opened

**Present:**

### MEMBERS

**Financial Members** Peter Mann, Col Sutcliffe, Darryl McConochie, Ken Ewald, M Todd, Virginia Ridgley, Rob Spencer, Kay Tregaskis, Clive Cooper, Sally-Ann Cooper, Brenda Richards, Danielle Butcher, Patsy Wilshire.

**Non-Members** Tom Baster, Tracy Darroch, Cr Lance Hewlett, Sheena Hewlett, Robert White, Meg Henderson, Gaven Ginger, Doug Tearle, Deborah Tearle, Nectaria Chronopolous

### Apologies:

Pam Bridges, Mayor Karen Williams, Kim Richards MP, Cr Murray Elliott, Cr Peter Mitchell, Cr Wendy Boglary, Cr Julie Talty, Cr Paul Bishop, Cr Paul Golle

### OPENING AND WELCOME

Rob welcomed all to the meeting and extended a warm welcome to Cr Hewlett and thanked him for his ongoing support.

### MINUTES OF 2017 AGM

Minutes of the previous AGM held on 7 October were distributed Amendment to minutes – include in attendees Clive and Sally-Ann Cooper

Motion: That the minutes of the previous meeting on 7 October 2017 be accepted as true record.

Moved: Clive Cooper; Seconded: Peter Mann

CARRIED

### BUSINESS ARISING: Nil

### REPORTS

#### CHAIRMAN

Chairperson presented his report

Motion: That the Chairpersons report be accepted

Moved: Danielle Butcher; Seconded: Col Sutcliffe

CARRIED



# Minutes of AGM 2018

Contd...

## **TREASURER**

The Treasurer invited the external Auditor Robert White to make any comments regarding the audited reports. The Treasurer presented the Audited Report

Motion: That the Treasurers Audited Report be accepted

Moved: Peter Mann; Seconded: Danielle Butcher

CARRIED

## **GENERAL MANAGER**

The General Manager presented her report.

Motion: That the General Managers Report be accepted

Moved: Patsy Wilshire; Seconded: Brenda Richards

THAT the General Manager's report be received.

CARRIED

## **ELECTION OF 2018-19 BOARD**

The Chairperson declared all Board positions vacant and invited Cr Hewlett to conduct the election of the Board for 2018/19. Cr Hewlett announced the following Board Members elected:

Rob Spencer, Peter Mann, Danielle Butcher, Pam Bridges, Ken Ewald, Darryl McConochie, Col Sutcliffe

Motion: That the meeting declares the above Board members elected to the STAR Community Services Board for 2018/19

Moved: Rob Spencer; Seconded: Peter Mann

CARRIED

## **APPOINTMENT OF AUDITOR**

That Robert White, Advanced Accountants RTN, be appointed as STAR Community Services auditor for 2018/19

Moved: Peter Mann; Seconded: Danielle Butcher

CARRIED





# Minutes of AGM 2018

Contd...

## GENERAL BUSINESS

### Constitution Amendment

Suggested changes to the constitution were circulated

1. THAT MEMBERSHIP BE DEFINED AS ONE OF TWO GROUPS, NAMELY, FULL MEMBERS WITH FULL VOTING RIGHTS WHO PAY AN ANNUAL MEMBERSHIP AND COMMUNITY MEMBERS WHO ARE CONSIDERED SUPPORTIVE OF THE ORGANISATION WITH AN INTEREST IN ITS WELLBEING WHO DO NOT A FEE AND HAVE NO VOTING RIGHTS
2. ALL REFERENCES TO THE POSITION OF CHAIRPERSON BE SO DESIGNATED
3. THE POSITION OF COMPANY SECRETARY BE RE-DESIGNED AS A FORMAL POSITION, WITH DUTIES OUTLINED
4. DUTIES AND OBLIGATIONS OF BOARD DIRECTORS UNDER THE CORPORATIONS ACT AND ACNC ACT BE DEFINED TO INCLUDE GOVERNANCE AND REGULATORY STANDARDS
5. THE ORGANISATION'S OBJECT WITH REGARD TO CHARITABLE PURPOSES IS ALTERED TO REFLECT THE CHANGING NATURE OF ORGANISATION TO INCLUDE THE ASSESSMENT AND RESPONSE TO THE NEEDS OF FRAIL, ELDERLY, DISADVANTAGED PERSONS AND PERSONS WITH DISABILITY WITHIN A WIDER GEOGRAPHICAL AREA AND WITH THE SUPPORT OF THE BOARD OF DIRECTORS.
6. SHOULD THESE CHANGES BE PASSED AT SAID ANNUAL GENERAL MEETING, THIS VERSION OF THE CONSTITUTION OF STAR COMMUNITY SERVICES SHALL BE DESIGNATED VERSION 3 10 JULY 2018.

Motion: That points 1-5 amendments be accepted and that as per point 6 these changes shall be designated version 3 / 10 July 2018.

Moved: Ken Ewald Seconded: Darryl McConochie

### Client Satisfaction:

Virginia Ridgley (client) spoke about her appreciation to STAR and wanted to note that she wouldn't know what she would do without STAR. Brenda Richards (client) seconded the comment and said that STAR has always been a wonderful service.

**CLOSURE** The Chairman closed the meeting and thanked all for attending at 10:45 am.

# **STAR COMMUNITY SERVICES LTD**

**ABN: 26 729 619 090**

**Financial Report For The Year Ended  
30 June 2019**

# Star Community Services Ltd

ABN: 26 729 619 090

## Financial Report For The Year Ended 30 June 2019

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**STAR COMMUNITY SERVICES LTD**  
**ABN: 26 729 619 090**  
**DIRECTORS' REPORT**

Your directors present this report on the entity for the financial year ended 30 June 2019.

**Directors**

The names of each person who has been a director during the year and to the date of this report are:

Robin Spencer  
Peter Mann  
Pamela Bridges  
Danielle Butcher  
Colin Sutcliffe  
Kenneth Ewald (appointed 19/09/2018)  
Darryl McConochie (appointed 19/09/2018)  
Bruce Durie (appointed 17/04/2019)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Principal Activities**

The principal activity of the entity during the financial year was:

- Community Transport – both Aged and Disability
- Direct Care – both Aged and Disability
- Support Coordination – Disability
- Package Coordination – Aged
- Home Maintenance (including garden and modifications) – Aged
- Social Support (including group and individual) – Aged
- Volunteering Intake – Community Groups and Residents of Redland City

**Short-term and Long-term Objectives**

- Client and staff/volunteer satisfaction
- Equality and fairness
- Investment in people relationships
- Meet social impact needs
- Best practice, high-quality services
- Understanding and planning for non-funded programs
- Meet service need within finance ability i.e. break-even or surplus required annually
- Prioritise safety
- Ensure responsible financial management
- Ensure authentic leadership
- Ensure extensive knowledge of funded programs
- Create a culturally diverse and inclusive workforce
- Deliver outstanding customer service

## **STAR COMMUNITY SERVICES LTD**

**ABN: 26 729 619 090**

### **DIRECTORS' REPORT**

#### **Strategies**

To achieve its stated objectives, the entity has adopted the following strategies:

- Leverage from survey analysis including client and staff/volunteers as well as service needs
- Maintain high workplace standards ensuring IR and HR legislation is adhered to
- Offer professional development to improve and grow services
- Be workplace inclusive and develop a charter for employment of people with disability and CALD
- Maintain focus on Continuous Quality Assurance including Good Governance, Human Services Quality Framework and Quality Standards
- Ensure budget monitoring and reviewing pre, during and post monthly Board meetings
- Seek opportunities to raise revenue outside of government funding by striving to develop other business
- Continue to operate in a safe environment by way of monthly reviews and risk assessments
- Review and update the business continuity plan including risk assessment through the Strategic Planning and Governance sub-committee
- Develop a Volunteer Engagement Plan
- Develop a Strategic HR plan

#### **New Accounting Standards Implemented**

The entity has implemented AASB 9: Financial Instruments using the retrospective method, with comparative amounts restated where appropriate.

#### **Key Performance Measures**

The entity measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the entity and whether the entity's short-term and long-term objectives are being achieved.

**STAR COMMUNITY SERVICES LTD**

**ABN: 26 729 619 090**

**DIRECTORS' REPORT**

	2019		2018	
	Actual	Benchmark	Actual	Benchmark
<b>Clients</b>				
Commonwealth HACC Trips to funding	66,719	80,533	59,436	75,862
Queensland Community Care trips fund	6,885	N/A	12,149	15,950
Client Surveys-average satisfaction rates	94%	100%	96%	100%
Staff Climate Surveys (estimate)	*89%	90%	89%	90%
Financial - Current ratio	1.92	N/A	1.53	N/A

\*Staff climate survey is bi-annual

**Information on Directors**

<b>Robin Spencer</b>	—	Chairperson
Qualifications	—	University Qualifications (Agriculture and Business) C.dec
Experience	—	Board Position at STAR since 2004 Board Member - TDSA (Transport Development & Solutions Alliance) Past Zone Chair of National Seniors, member of Policy Group. Past Branch Secretary of National seniors Australia Current Convenor Redlands Disability Network Past positions on Redlands Committee of the Ageing
Special Responsibilities	—	Holds positions on Board Sub-Committees - Finance, Risk & Audit and Startegic Planning & Governance
<b>Peter Mann</b>	—	Director/Board Treasurer
Qualifications	—	Various university qualifications Former CPA Member
Experience	—	Extensive experience in the Australian Not-For-Profit sector General Manager at Star Community Services for 7 years
Special Responsibilities	—	Chair of the Finance, Risk & Audit Committee
<b>Pamela Bridges</b>	—	Director
Qualifications	—	Registered Nurse, BA Social Welfare, Grad Diploma in Health Service Management, Ministerial Appointed Member of Nurse Adviser and Administrator Panels, Justice of Peace (Qual), Certified Quality Assessor. Pam has worked in the aged care sector for many years as a Director of Nursing, General Manager. Residential Care Manager for ACQ - now LASA Q. Pam has run her own Aged Care Consultancy for the past 10yrs and in this capacity she is involved in a wide range of activities across the state and interstate.
Experience	—	Board position at STAR since 2015
Special Responsibilities	—	Holds position on Strategic Planning and Governance Sub-Committee
<b>Danielle Butcher</b>	—	Director
Qualifications	—	Former Director of CODI, Board member of Disability groups in Ipswich.
Experience	—	10 years involvement in disability organisations and funded community transport.
Special Responsibilities	—	Holds position on Strategic Planning and Governance Sub-Committee
<b>Colin Sutcliffe</b>	—	Director
Qualifications	—	Tertiary
Experience	—	Current Chairman of Mangrove Housing (Disability)
Special Responsibilities	—	Chair of the Strategic Planning and Governance Committee

**STAR COMMUNITY SERVICES LTD**

**ABN: 26 729 619 090**

**DIRECTORS' REPORT**

<b>Kenneth Ewald</b>	—	Director
Experience	—	Chair of Churches of Christ Qld
Special Responsibilities	—	Holds position on Finance and Audit Sub-Committee
<b>Darryl McConochie</b>	—	Director
Experience	—	Business Strategy & Implementation Consultant. Executive Business Coach, Faciliator and Trainer.
Special Responsibilities	—	Secretary Holds position on Finance and Audit Sub-Committee
<b>Bruce Durie</b>	—	Director
Qualifications	—	Laywer
Special Responsibilities	—	Nil

**Meetings of Directors**

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

	Directors' Meetings	
	Number eligible to attend	Number attended
Robin Spencer	12	12
Peter Mann	12	12
Pamela Bridges	12	6
Danielle Butcher	12	9
Colin Sutcliffe	12	8
Kenneth Ewald	10	9
Darryl McConochie	10	8
Bruce Durie	3	3

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 7 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Director \_\_\_\_\_

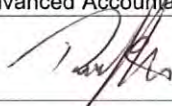
Dated this 17th day of September 2019

**STAR COMMUNITY SERVICES LTD**  
**ABN: 26 729 619 090**  
**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF**  
**THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF STAR COMMUNITY SERVICES LTD**

In accordance with Subdivision 60-C of the Australian Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the directors of Star Community Services Ltd. As the lead audit partner for the audit of the financial report of Star Community Services Ltd for the year ended 30 June 2019. I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been no contraventions of:

- (i) the auditor independence requirements of the Australian Charities and Not for Profits Commission Act 2012 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Name of Firm      Advanced Accountants RTM Pty Ltd



Name of Partner      Robert White

Date                      17/09/2019

Address                 19 Abney Street

Moorooka QLD 4105



**STAR COMMUNITY SERVICES LTD**  
**ABN: 26 729 619 090**  
**STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Note</b>	2019 \$	2018 \$
Revenue	2	5,456,892	3,654,638
Other income	2	2,932,138	1,907,728
Employee benefits expense	3	(4,238,767)	(2,942,939)
Depreciation and amortisation expense	3	(379,457)	(319,787)
Interest expense	3	(9,373)	(11,380)
Bad and doubtful debt expense	3	(15,090)	(40,000)
Motor vehicle expenses		(394,699)	(348,873)
Utilities expense		(16,024)	(11,750)
Rental expense	3	(239,343)	(149,876)
Audit, legal and consultancy fees		(218,751)	(89,195)
Marketing expenses		(63,316)	(57,830)
Administration Expenses		(334,322)	(477,651)
Transport Expenses		(256,109)	(170,257)
Maintenance Expenses		(1,428,151)	(428,379)
Care Expenses		(75,442)	(109,795)
Volunteer Expenses		(700,845)	(155,952)
Other Employee Expenses		(62,951)	(23,806)
Sundry expenses		(44,393)	(114,630)
<b>Current year surplus before income tax</b>		<u>(88,004)</u>	<u>110,266</u>
Income tax expense		-	-
<b>Net current year surplus</b>		<u>(88,004)</u>	<u>110,266</u>
Net current year surplus attributable to members of the entity		<u>(88,004)</u>	<u>110,266</u>

The accompanying notes form part of these financial statements.

**STAR COMMUNITY SERVICES LTD**  
**ABN: 26 729 619 090**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Note</b>	2019	2018
		\$	\$
<b>Net current year surplus</b>		(88,004)	110,266
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Gain on revaluation of land	7,	-	-
Fair value gains/(losses) on financial assets at fair value through other comprehensive income, net of tax		-	-
<b>Total other comprehensive (losses)/income for the year</b>		-	-
<b>Total comprehensive income for the year</b>		<u>(88,004)</u>	<u>110,266</u>
Surplus attributable to members of the entity		<u>(88,004)</u>	<u>110,266</u>
Total comprehensive income attributable to members of the entity		<u>(88,004)</u>	<u>110,266</u>

The accompanying notes form part of these financial statements.

**STAR COMMUNITY SERVICES LTD**  
**ABN: 26 729 619 090**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	1,969,161	2,454,657
Trade and other receivables	5	234,829	293,322
Other current assets	6	187,347	67,887
<b>TOTAL CURRENT ASSETS</b>		<u>2,391,337</u>	<u>2,815,867</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	586,973	636,908
Intangible assets	8	16,392	42,791
<b>TOTAL NON-CURRENT ASSETS</b>		<u>603,365</u>	<u>679,699</u>
<b>TOTAL ASSETS</b>		<u>2,994,702</u>	<u>3,495,566</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	851,901	1,446,578
Borrowings	10	160,495	210,452
Employee provisions	11	230,416	182,621
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,242,812</u>	<u>1,839,651</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	10	147,880	-
Employee provisions	11	43,957	7,859
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>191,837</u>	<u>7,859</u>
<b>TOTAL LIABILITIES</b>		<u>1,434,649</u>	<u>1,847,510</u>
<b>NET ASSETS</b>		<u>1,560,053</u>	<u>1,648,056</u>
<b>EQUITY</b>			
Retained surplus		1,560,053	1,648,057
Reserves		-	-
<b>TOTAL EQUITY</b>		<u>1,560,053</u>	<u>1,648,057</u>

The accompanying notes form part of these financial statements.

**STAR COMMUNITY SERVICES LTD**  
**ABN: 26 729 619 090**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019**

Note	Retained Surplus \$	Revaluation Surplus \$	Financial Assets Reserve \$	Total \$
<b>Balance at 1 July 2017</b>	1,537,792			1,537,792
Retrospective adjustment upon change in accounting policy - AASB 9				-
<b>Balance at 1 July 2017 (restated)</b>	1,537,792	-	-	1,537,792
<b>Comprehensive Income</b>				
Surplus for the year attributable to owners of the entity	110,266			110,266
Other comprehensive income for the year				
Total other comprehensive income	-	-	-	-
Transfer – gains/(losses) on disposal of equity instruments at fair value through other comprehensive income to retained surplus				-
<b>Total comprehensive income attributable to owners of the entity</b>	110,266	-	-	110,266
<b>Balance at 30 June 2018</b>	1,648,057	-	-	1,648,057
<b>Balance at 1 July 2018</b>	1,648,057	-	-	1,648,057
<b>Comprehensive Income</b>				
Surplus for the year attributable to owners of the entity	(88,004)			(88,004)
Other comprehensive income for the year				
Total other comprehensive income	-	-	-	-
Transfer – gains/(losses) on disposal of equity instruments at fair value through other comprehensive income to retained surplus				-
<b>Total comprehensive income for the year</b>	(88,004)	-	-	(88,004)
Transactions with owners, in their capacity as owners, and other transfers				-
Transfer on sale of asset				-
<b>transfers</b>	-	-	-	-
<b>Balance at 30 June 2019</b>	1,560,053	-	-	1,560,053

The accompanying notes form part of these financial statements.

**STAR COMMUNITY SERVICES LTD**  
**ABN: 26 729 619 090**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Note</b>	2019	2018
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Commonwealth, state and local government grants		5,450,767	3,614,000
Receipts from trading		3,155,994	1,735,332
Payments to suppliers and employees		(8,913,338)	(4,825,893)
Interest received		35,631	45,330
Dividends received		-	-
Distributions received		-	-
Interest paid		(9,373)	(11,473)
Net cash generated from operating activities		<u>(280,319)</u>	<u>557,296</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		26,152	79,773
Payment for property, plant and equipment		(329,252)	(516,724)
Net cash used in investing activities		<u>(303,100)</u>	<u>(436,951)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings / (Repayment of borrowings)		<u>97,923</u>	<u>(70,308)</u>
Net cash used in financing activities		<u>97,923</u>	<u>(70,308)</u>
Net increase in cash held		(485,496)	50,037
Cash on hand at beginning of the financial year		<u>2,454,657</u>	<u>2,404,620</u>
Cash on hand at end of the financial year	4	<u><u>1,969,161</u></u>	<u><u>2,454,657</u></u>

The accompanying notes form part of these financial statements.

**STAR COMMUNITY SERVICES LTD**  
**ABN: 26 729 619 090**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**Note 1      Summary of Significant Accounting Policies**

**Basis of Preparation**

Star Community Services Ltd applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

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 (AASB) and the Australian Charities and Not-for-profits Commission Act 2012. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 17th September 2019 by the directors of the company.

**Accounting Policies**

**(a) Revenue**

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, 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.

Star Community Services Ltd 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 profit or loss.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue 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 services tax.

**(b) Inventories**

Inventories held for sale are measured at the lower of cost and net realisable value. Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.  
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 any impairment losses.

**Plant and Equipment**

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. 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 valued and recognised at the fair value of the asset at the date it is acquired.

**STAR COMMUNITY SERVICES LTD**

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**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 the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Motor Vehicles	25-33.33 %
Plant and equipment	20-25 %
Leased motor vehicles	20-25%

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 recognised in profit or loss in the period in which they arise. Gains are not classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

**(d) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

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 the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified as "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15: Revenue from Contracts with Customers.

**Classification and subsequent measurement**

*Financial liabilities*

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit-taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

A financial liability cannot be reclassified.

*Financial assets*

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The entity initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

**Derecognition**

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

*Derecognition of financial liabilities*

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

*Derecognition of financial assets*

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the entity elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

The entity recognised a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity recognised a loss allowance for expected credit losses on:

- the general approach;
- the simplified approach;
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

*General approach*

Under the general approach, at each reporting period, the entity assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there is no significant increase in credit risk since initial recognition, the entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

*Simplified approach*

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc.).

*Purchased or originated credit-impaired approach*

For financial assets that are considered to be credit-impaired (not on acquisition or originations), the entity measured any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event);
- a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

*Low credit risk operational simplification approach*

If a financial asset is determined to have low credit risk at the initial reporting date, the entity assumed that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the entity applied its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdiction in which it operates.

**Recognition of expected credit losses in financial statements**

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit and loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**(f) Impairment of Assets**

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

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual 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.

**(g) Employee Benefits**

**Short-term employee benefits**

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

**Other long-term employee benefits**

The entity classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

**Retirement benefit obligations**

*Defined contribution superannuation benefits*

All employees of the entity receive defined contribution superannuation entitlements, for which the entity pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

**(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) Trade and Other Debtors**

Trade and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**(j) Goods and Services Tax (GST)**

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**(k) 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*.

**(l) Intangible Assets**

**Software**

Software is initially recognised at cost. Where software is acquired at no cost, or for a nominal cost, the cost is its fair value as at the date of acquisition. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Software has an estimated useful life of between 1 and 3 years. It is assessed annually for impairment.

**(m) 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 reporting period.

**(n) Comparative Figures**

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

**(o) Trade and Other Payables**

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

**(p) 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.

*Employee benefits*

For the purpose of measurement, AASB 119: *Employee Benefits* (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the entity expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12 month period that follows (despite an informal internal policy that requires annual leave to be used within 18 months), the Directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

**(q) Economic Dependence**

Star Community Services Ltd is dependent on the Department of Social Services 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 the department will not continue to support Star Community Services Ltd.

**STAR COMMUNITY SERVICES LTD**

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**(r) Fair Value of Assets and Liabilities**

The entity measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

“Fair value” is the price the entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

**Note 2 Revenue and Other Income**

	2019	2018
	\$	\$
<b>Revenue</b>		
Revenue from reciprocal government grants and other grants		
— State/federal government grants – operating	5,391,952	3,609,308
— Other government grants	-	-
— Other organisations	29,308	-
	5,421,260	3,609,308
Other revenue		
— Dividends received	-	-
— Interest received on investments in government and fixed interest securities	35,631	45,330
	35,631	45,330
<b>Total revenue</b>	5,456,892	3,654,638
<b>Other income</b>		
— Gain on disposal of property, plant and equipment	29,371	13,295
— Charitable income and fundraising	15,116	11,485
— Other	11,726	190,037
— Care Contribution	1,479,443	566,661
— Transport Contribution	838,836	853,988
— Maintenance Contribution	44,439	93,451
— Home Care Package Contribution	492,581	169,500
— Membership Income	20,627	9,310
<b>Total other income</b>	2,932,138	1,907,728
<b>Total revenue and other income</b>	8,389,030	5,562,366

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**Note 3 Surplus for the year**

	2019	2018
	\$	\$
<b>a. Expenses</b>		
Employee benefits expense:		
— contributions to defined contribution superannuation funds	341,863	203,378
— Wages & allowances	3,896,904	2,739,561
Total employee benefits expense	4,238,767	2,942,939
Depreciation and amortisation:		
— motor vehicles	328,232	266,767
— furniture and equipment	2,210	820
— software	26,399	16,365
— Leasehold Improvements	16,677	13,276
— Computer & Office Equipment	5,940	22,560
Total depreciation and amortisation	379,457	319,787
Rental expense on operating leases:		
— rental expense	239,343	149,876
Total rental expense	239,343	149,876
Audit fees:		
— audit services	16,000	12,000
Total audit remuneration	16,000	12,000

**Note 4 Cash and Cash Equivalents**

	2019	2018
	\$	\$
<b>CURRENT</b>		
Cash at bank	1,142,832	2,141,015
Cash on hand	1,000	1,000
Term deposit	825,330	312,643
	1,969,161	2,454,657

**Note 5 Trade and Other Receivables**

		2019	2018
		\$	\$
<b>CURRENT</b>			
Trade receivables		224,829	297,843
Other receivables		-	-
Rental Bond		30,000	30,000
Provision for impairment	5a(i)	(20,000)	(34,521)
Total current accounts receivable and other debtors		234,829	293,322

The entity's normal credit term is 30 days.

**Note 6 Other Assets**

	2019	2018
	\$	\$
Accrued Income	136,481	4,437
Prepayments	50,866	63,451
	187,347	67,887

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**Note 7 Property, Plant and Equipment**

	2019 \$	2018 \$
<b>PLANT AND EQUIPMENT</b>		
Furniture & Fittings - at cost	17,951	14,424
(Accumulated depreciation)	(13,679)	(11,470)
Computer/Office Equipment - at cost	104,078	162,131
(Accumulated depreciation)	(91,568)	(149,397)
Motor Vehicles - at cost	1,492,884	1,525,840
(Accumulated depreciation)	(1,018,977)	(930,655)
Leasehold Improvements - at cost	104,468	104,468
(Accumulated depreciation)	(95,111)	(78,434)
	<u>500,046</u>	<u>636,908</u>
Leased motor vehicles:		
Capitalised leased vehicles	88,556	-
Less accumulated depreciation	(1,629)	-
	<u>86,927</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Total plant and equipment	<u>586,973</u>	<u>636,908</u>
Total property, plant and equipment	<u>586,973</u>	<u>636,908</u>

**Movements in Carrying Amounts**

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

	Land and Buildings \$	Leased Motor Vehicles \$	Plant and Equipment \$	Total \$
<b>2018</b>				
Balance at the beginning of the year			496,504	496,504
Additions at cost			517,529	517,529
Additions at fair value				-
Disposals			(79,192)	(79,192)
Revaluations				-
Depreciation expense			(297,933)	(297,933)
Impairment losses				-
Reversals of impairment losses				-
Carrying amount at the end of the year			<u>636,908</u>	<u>636,908</u>
<b>2019</b>				
Balance at the beginning of the year	-	-	636,908	636,908
Additions at cost		88,556	240,697	329,253
Additions at fair value				-
Disposals			(26,129)	(26,129)
Revaluations				-
Depreciation expense		(1,629)	(351,429)	(353,058)
Impairment losses				-
Reversals of impairment losses				-
Carrying amount at the end of the year	<u>-</u>	<u>86,927</u>	<u>500,046</u>	<u>586,973</u>

**STAR COMMUNITY SERVICES LTD**

**ABN: 26 729 619 090**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**Note 8 Intangible Assets**

	2019	2018
	\$	\$
Computer software - at cost	126,869	63,100
Accumulated amortisation	(110,476)	(20,309)
Accumulated impairment	-	-
Goodwill at Cost	18,576	18,576
(Goodwill accumulated impairment)	(18,576)	(18,576)
Net carrying amount	<u>16,392</u>	<u>42,791</u>

**Movements in Carrying Amount**

	Computer software
	\$
<b>2018</b>	
Balance at the beginning of the year	63,100
Additions	
Disposals	
Amortisation charge	(20,309)
Impairment losses	
	<u>42,791</u>
<b>2019</b>	
Balance at the beginning of the year	42,791
Additions	
Disposals	
Amortisation charge	(26,399)
Impairment losses	
	<u>16,392</u>

**Note 9 Trade and Other Payables**

	2019	2018
	\$	\$
<b>CURRENT</b>		
Trade payables	102,473	320,435
Deferred income	76,592	707,289
Other current payables	389,784	339,393
GST payable	28,826	(21,837)
HCP money held in trust	254,225	101,299
	<u>851,901</u>	<u>1,446,578</u>

	2019	2018
	\$	\$
<b>a Financial liabilities at amortised cost classified as accounts payable and other payables</b>		
Accounts payable and other payables:		
— Total current	<u>851,901</u>	<u>1,446,578</u>
	<u>851,901</u>	<u>1,446,578</u>
Less deferred income	(76,592)	(707,289)
Less other payables (net amount of GST payable)	(28,826)	21,837
Financial liabilities as trade and other payables	<u>746,482</u>	<u>761,127</u>

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**STAR COMMUNITY SERVICES LTD**

**ABN: 26 729 619 090**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**Note 10 Borrowings**

	<b>Note</b>	2019 \$	2018 \$
<b>CURRENT</b>			
Lease liabilities	12	15,678	-
Loans Payable		144,817	210,452
		<u>160,495</u>	<u>210,452</u>
<b>NON-CURRENT</b>			
Lease liabilities	12	79,671	-
Loans Payable		68,209	-
		<u>147,880</u>	<u>-</u>
<b>TOTAL LEASE LIABILITIES</b>	14	<u>308,375</u>	<u>210,452</u>

Lease liabilities are secured by the underlying leased assets.

**Note 11 Provisions**

	2019 \$	2018 \$
<b>CURRENT</b>		
Provision for employee benefits: annual leave	164,779	118,401
Provision for employee benefits: long service leave	65,637	64,220
	<u>230,416</u>	<u>182,621</u>
<b>NON-CURRENT</b>		
Provision for employee benefits: long service leave	43,957	7,859
	<u>274,373</u>	<u>190,479</u>

**Analysis of total provisions:**

	Employee Benefits	Total
Opening balance at 1 July 2018	190,479	190,479
Additional provisions raised during the year	207,066	207,066
Amounts used	(123,172)	(123,172)
Balance at 30 June 2019	<u>274,373</u>	<u>274,373</u>

**Provision for employee benefits**

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the entity does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(g).

**STAR COMMUNITY SERVICES LTD**  
**ABN: 26 729 619 090**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**Note 12 Capital and Leasing Commitments**

**(a) Operating Lease Commitments**

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

	2019	2018
Payable – minimum lease payments	\$	\$
— not later than 12 months	61,000	178,824
— between 12 months and five years		213,059
— later than five years		
	61,000	391,883

The property lease commitments are non-cancellable operating leases contracted for but not recognised in the financial statements with a five-year term. Increases in lease commitments may occur in line with the consumer price index (CPI).

**Note 13 Key Management Personnel Compensation**

**Key Management Personnel**

The totals of remuneration paid to KMP of the entity during the year are as follows:

	2019	2018
	\$	\$
KMP compensation:		
— employee benefits	577,412	289,415
	577,412	289,415
	2019	2018
	\$	\$

**Note 14 Financial Risk Management**

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

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

	Note	2019	2018
		\$	\$
<b>Financial assets</b>			
Financial assets at amortised cost:			
— cash and cash equivalents	4	1,969,161	2,454,657
— trade and other receivables	5	234,829	293,322
<b>Total financial assets</b>		2,203,990	2,747,980
<b>Financial liabilities</b>			
Financial liabilities at amortised cost:			
— trade and other payables	9a	746,482	761,127
— borrowings	10	308,375	210,452
<b>Total financial liabilities</b>		1,054,857	971,579

**Note 15 Members' Guarantee**

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the entity.

**STAR COMMUNITY SERVICES LTD**  
**ABN: 26 729 619 090**  
**DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Star Community Services Ltd, the directors of the entity declare that:

1. The financial statements and notes, as set out on pages 8 to 25, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
  - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - (b) give a true and fair view of the financial position of the registered entity as at 30 June 2019 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Director \_\_\_\_\_

Dated this 17th day of September 2019

**STAR COMMUNITY SERVICES LTD**  
**ABN: 26 729 619 090**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**STAR COMMUNITY SERVICES LTD**

**Opinion**

We have audited the financial report of Star Community Services Ltd (the registered entity), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the registered entity is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 (the ACNC Act), including:

- i. giving a true and fair view of the registered entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards to the extent described in Note 1 – Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the ACNC Act, the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

***Emphasis of Matter – Basis of Accounting***

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

**Responsibilities of the Directors for the Financial Report**

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

**STAR COMMUNITY SERVICES LTD**  
**ABN: 26 729 619 090**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**STAR COMMUNITY SERVICES LTD**

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditor's name and signature: Robert White 

Address: 19 Abney Street  
Moorooka QLD 4105

Dated this 17th day of September 2019

# Our Values and Goals

## PEOPLE



- Client and Staff / Volunteer Satisfaction
- Equality and Fairness
- Investment in People Relationships
- Meet Social Impact Needs

## SERVICES



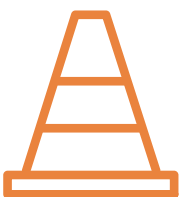
- Best Practice / High Quality Services
- Understanding and planning for non-funded programs
- Meet Service Need within Finance Ability - break even / surplus required annually

## ENVIRONMENT



- Ensure Responsible Financial Management
- Ensure Authentic Leadership
- Extensive knowledge of Funded Programs
- Create a Culturally Diverse and Inclusive Workforce
- Deliver Outstanding Customer Service

## SAFETY



- Prioritise Safety for clients, volunteers and staff

