STAR Community Services

Annual Report 2020

STAR supporting vulnerable people
in our community.

VISION

Collaborative communities that enjoy diverse,
sustainable and innovative services

MISSION

We lead, facilitate, support, develop and
deliver services within our communities for
our communities

VALUES

People
Client/Worker 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 - surplus required annually

Safety
Prioritise Safety

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

STAR Community Services Annual General Meeting

Saturday, 19th September, 2020
10:00am

STAR Community Service Office
15/152 Shore St West
CLEVELAND

AGENDA:

- Welcome and opening
- Apologies
- Minutes of previous Annual General Meeting
- Business arising
- Reports – Chairman, Treasurer & General Manager
- Election of Office Bearers
- Appointment of Auditor
- General Business

Thank you to our Supporters

STAR is registered with the Australian Charities and Not-for-profits Commission (ACNC).

STAR
COMMUNITY SERVICES

Detailed Minutes

Meeting Title:	**STAR Community Services AGM**	Chairperson:	Rob Spencer
Date/Time:	**21th September 2019 10:00am**	Minute Taker:	Patsy Wilshire
Location:	Lions Community Hall – 122 Shore Street North, Cleveland		
ATTENDEES			
Attended:	**Financial Members** Peter Mann, Rob Spencer, Patsy Wilshire, Clive Cooper, Sally-Ann Cooper, Fay Finnerty Daryl McConochie, Joan Mill, Janice Paten, Joan Thompson. **Non-Members** Tracy Darroch, Cr Lance Hewlett, Sheena Hewlett, Meg Henderson, Nectaria Chronopoulos, Nancy Watson, Janet Boan, Catherine Williams, Beverly Bourke, John Bourke, Albert Lacoste, Bob Curry, Margret Curry, Neha Shukla, Michelle McCluney, Shalene Osvatics, Brett Osvatics, Karen Spethman, Virginia Ridley.		
Apology:	Pam Bridges, Mayor Karen Williams, Kim Richards MP, Cr Murray Elliott, Cr Wendy Boglary, Cr Tracey Huges, Danielle Butcher, Col Sutcliffe, Ken Ewald, James Farrell, Bruce Durie		
Welcome:	Rob welcomed all to the meeting and extended a warm welcome to Cr Hewlett and wife Sheena and thanked them for their support.		
MINUTES OF PREVIOUS MEETING			
Minutes of Previous Meeting:	Minutes of the previous AGM held on 15 September 2018 were distributed		
Motion:	That the minutes of the previous meeting on 15 September 2018 be accepted as a true record		
Moved:	Clive Cooper	Seconded:	Sally-Ann Cooper
			Carried:
Business Arising:	Nil		
CHAIRPERSON REPORT			
Chairperson Report	Chairperson presented his report		
Motion:	That the Chairpersons report be accepted		
Moved:	Rob Spencer	Seconded:	Peter Mann
			Carried

TREASURERS REPORT			
Treasurers Report	The Treasurer presented the Audited Report		
Motion:	That the external Audited Report be accepted		
Moved:	Peter Mann	Seconded:	Rob Spencer
			Carried

GENERAL MANAGERS REPORT			
General Managers Report	The General Manager presented her report		
Motion:	That the General Managers Report be accepted		
Moved:	Patsy Wilshire	Seconded:	Clive Cooper
			Carried

ELECTION OF BOARD			
Election of 2019/20 Board	The Chairperson declared all Board positions vacant and invited Cr Hewlett to conduct the election of the Board for 2019/20. Cr Hewlett announced the following nominations: Rob Spencer Peter Mann Danielle Butcher Pam Bridges Ken Ewald Darryl McConochie Col Sutcliffe Bruce Durie James Farrell		
Motion:	That the meeting declares the above named nominations be elected to the STAR Community Services Board for 2019/20		
Moved:	Clive Cooper	Seconded:	Sally-Ann Cooper
			Carried

APPOINTMENT OF AUDITOR			
Motion:	That Delegation be given to the Finance Risk and Audit Sub-Committee to appoint an Auditor by no later than 30 November 2019.		
Moved:	Peter Mann	Seconded:	Clive Cooper
			Carried

GENERAL BUSINESS	
Client Satisfaction	Fay (client) spoke about her appreciation to STAR and wanted to note that she wouldn't know what she would do without STAR. Jan (client) seconded the comment and said that STAR has helped her in her life. Virginia also praised the work of STAR Community Services.

Concern regarding Home Maintenance	Sally-Ann (client) announced concerns over the Home Maintenance portal being closed in the Redland Region. The General Manager explained that there is a bucket of funding that must be shared among the existing clients and by leaving the portal open will not leave enough funds to offer effective assistance or services to everyone, therefore we await for an opportunity for Growth Funding and re-assess the program throughout the year.
CLOSURE	
The Chairperson closed the meeting and thanked all for attending at 10:45am	

Robin Spencer

Chairman

26/09/2019

BOARD OF DIRECTORS

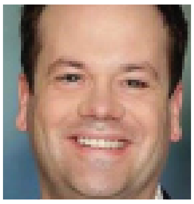
Robin Spencer, Chairperson
University Qualifications (Agriculture and Business) C.dec , Board Position at STAR since 2004 Board Member - TDSA , Past Zone Chair of National Seniors, member of Policy Group. Current Convenor Redlands Disability Network, Past positions on Redlands Committee of the Ageing. 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.

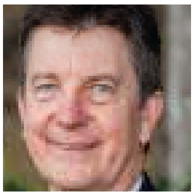
Darryl McConochie, Director
Business Strategy & Implementation Consultant. Executive Business Coach, Facilitator and Trainer.
Secretary
Holds position on Finance and Audit Sub-Committee

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

MANAGEMENT TEAM

Patsy Wilshire, General Manager

As the leader of a community services organisation in four regions, Patsy's role mostly focuses on leadership, governance and strategy. Patsy ensures that STAR's efforts, resources and innovative practices are always targeted at the provision of services offered and the wellbeing of vulnerable people in the community.

"As the General Manager I have an open door policy for both Staff and Clients"

Melissa Bannerman, Client Planning and Service Delivery Manager

Melissa has overseen the expansion of STAR's Direct Support Services under STAR Care QLD and is proud to be working with a very diverse, client focused and passionate team.

I am proud to work with a team that demonstrates care for each other through adversity and who are dedicated to the highest standard of service.

Warren Doyle, Logistics Manager

Warren manages 150 professional and volunteer drivers with fleets of vehicles across the Redlands, Ipswitch, Logan and Gold Coast.

Everyday our drivers prove that they have our clients care as their first priority. Our team who schedule up to 500 trips a day show outstanding skill in their flexibility in catering for client services and needs.

Nectaria Chronopoulos, Business Services Manager

Nectaria plays a central leadership role in managing and developing STAR's business and operational support capability and functions.

My team ensures that volunteers are placed in the correct volunteering program to allow for a great fit and that their values resonate with STAR's. STAR is fortunate to have such a great pool of workers with various backgrounds and expertise that enhance our clients participation in the community.

Tracy Darroch, Manager Client Contact Centre

Tracy oversees the Contact Centre Team of staff and volunteers which are the first point of call for inquiries. Tracy also manages the Intake Team and the Maintenance Team.

The dedication that our staff and volunteers demonstrate is inspiring. They face new and challenging calls each day, always with an aim to help the person calling.

CHAIRMAN'S REPORT

The second half of this year has been unprecedented for all Australians

The COVID 19 pandemic, its ramifications, its effects and the control measures taken to control the spread have had a marked effect on STAR, its clients, staff, volunteers and stakeholders.

Through the changes enforced, and through internal decisions, STAR has held its head high in terms of client care and support, staff stability and morale and the support of stakeholders.

The main reason for this continuity of care, communication and business has been the efforts and attitude of management.

As Chair, and on behalf of the Board of Directors, a vote of thanks and appreciation is due for General Manager Patsy Wilshire, and her senior management team comprising Warren Doyle, Nectaria Chronopoulos, Melissa Bannerman and Tracy Darroch. With this group, of course, is a whole team of carers, support workers, staff and volunteers. All of whom have stepped up to manage the changes. Thank you all.

We continue to supply services in Redlands, Logan, Ipswich and Gold Coast, in the aged care, disability care, home maintenance and community transport areas. All sectors are growing and STAR's commensurate growth and development reflect well on the way the organisation is managed.

We keep enjoying the support of Government and Government agencies, including Federal, State and Local. In the time of the COVID crisis, STAR was considered an essential service and we were members of and provided input into the various committees set up to provide information, assist control of, and manage the crisis.

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); Aged Care Peak Body (LASA); National Disability Services and its agency NDIS; Seniors Week in Redlands with sponsorship of Seniors Walk and other activities; Disability Action Week; Volunteering activities and promotions; 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. An emerging area is the ever-increasing need for staff in the aged and disability care sectors, and we support the various employment initiatives being conducted in all areas of operation.

I want to thank the members of the Board of Directors. We have had a full and stable complement of 9 members all year, with a vast array of skills, experience and expertise and this year, as a feature of governance, each board member is allocated a specific area to manage, inform and control. Thank you all for your support, perseverance and initiatives. STAR is the better organisation for your input.

Through a very difficult year, I believe we are a stronger organisation, with the care and well being of our clients at the forefront of our activities, together with support for and from our stakeholders.

Rob Spencer
Chairperson

"Through a very difficult year, I believe we are a stronger organisation"

GENERAL MANAGER REPORT

2020 started in the usual way, like any other year, we didn't realise it would be anything but!

STAR's focus, for the majority of the year, has been on the safety of clients, staff and volunteers.

When COVID-19 hit we had a need to update our Business Continuity Plan and develop and implement a Pandemic Response Framework.

This was done as a matter of priority and to ensure we had best practices around risk reduction while considering alternative service delivery models. A Pandemic Response Management Team (PRMT) was developed with Melissa Bannerman (Client Planning and Service Delivery Manager) as the Lead. Mel structured the Team and Processes, which in turn allowed the organisation to respond efficiently to the ever growing issues that the pandemic created. The PRMT were committed to an hour by hour, day by day and finally week by week review of where COVID-19 was in the World, Country and Region, allowing for a prompt response to new restrictions. We saw a mass exit from Office Staff, working from home – which includes a whole range of challenges in it's self.

While most front line workers had reduced hours, we continued to support aged clients and clients with disability with a COVID safe plan. The front line staff, armed with personal protective equipment are commended for their commitment to supporting our vulnerable clients, I can not praise them enough for their bravery and resilience in facing this pandemic head on.

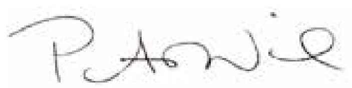
STAR has always been supported by the generosity of volunteers, this year, as a result of COVID, we have seen a reduction in volunteers, due to the recommendation of the Chief Health Officer for high risk categories to self-exclude. It is our intention to welcome those volunteers back into the workplace, when the risk has been reduced. Like every other person in the World, we are very much looking forward to a vaccine that will allow us to get back to some kind of normality.

It is important to note that while Queensland is seemingly doing well right now, with COVID-19, by the time you are reading this message things may have changed, if so we will continue to respond effectively.

Outside of COVID the Board and Senior Management Team continue to strategies on quality services that meet the needs of our community and financial sustainability to ensure we are around for many years to come.

On a warm note, I am humbled to be a part of a group of people that are passionate and genuinely care about vulnerable people in our community, we had a successful campaign last year where we raised over $9,300 and $16,400 in kind support at Christmas time, this provided 650 gifts for lonely people in our communities, thank you to Catherine Williams for leading this fantastic cause and all the volunteers and supporters that contributed money, time and in-kind support.

We are looking forward to an exciting year ahead, where we will continue to offer quality support to assist our clients to live an independent lifestyle.



Patsy Wilshire
General Manager

"I am proud of the dedication our staff and volunteers have shown during this unprecedented year."

BOARD TREASURER'S REPORT

As the STAR Board Treasurer (Honorary) , in my opinion, I report:

- ***per section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013***

• there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and

• the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

• The External Auditor has audited the financial transactions and has concluded the financial reports comprising Balance Sheet, Profit and Loss, Bank Reconciliation, Statement of Cash Flows and notes to the financial statements for the year ended 30th June 2020 are presented in accordance with Australian Auditing Standards.

Highlights of Financial Year June 2020 include:

- Significant increases in Key Financial Indicators in 2020 over previous Year 2019 including Net Assets, Cash at Bank, Total Revenues and Surplus, as per the available audited Financial Reports.

- Introduction of integrated financial and management software solutions (TRAACS and Xero) to all divisions within STAR, resulting in significant benefits to STAR clients in Call Centre, Client Management and financial support.

- Professional Management of the COVID-19 pandemic by senior management resulting in significant reduction of financial impact that could have been anticipated.

As always, the Financial and accounting processes in STAR could not have maintained and developed efficiently without the total support of our General (Patsy) and Senior Manager's, our current Board and Board sub-committee's (Strategic Planning, Finance Audit and Risk), and in particular our small but very competent accounting team led by Jane Flight – I cannot express my gratitude enough. To our so competent contractor Accountants, Hopscotch Accounting, led by Brendan Lucas, my sincere thank you to you and your team for such a professional approach and support to STAR.
I express, on behalf of STAR the valuable contribution made by our external Auditors HLB Mann Judd for the completion of auditing and financial reporting for financial year 2019-2020, and advise the members at this AGM that HLB Mann Judd will continue in this role for year 2020-2021 Financial Year.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013.*

Responsible Person: : Peter Mann
Board Treasurer.

Dated this 13th day of August 2020

Peter Mann
Board Treasurer

Star Community Services Ltd

ABN 26 729 619 090

Financial Report
30 June 2020

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Directors' Report

Your directors present this report on the entity for the financial year ended 30 June 2020.

Information on directors

The details of the directors in office at any time during, or since the end of, the year are:

Robin Spencer
Chairperson

Qualifications and experience	- University qualifications (Agriculture and Business) C.dec - 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 convener Redlands Disability Network - Past positions on Redlands Committee of the Ageing
Special responsibilities	- Holds positions on Board sub-committees - Finance, Risk & Audit and Strategic Planning & Governance

Peter Mann
Treasurer

Qualifications and experience	- Various university qualifications - Former CPA Member - 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

Pamela Bridges

Qualifications and experience	- 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 10 years and in this capacity she is involved in a wide range of activities across the state and interstate.
Special responsibilities	- Board position at STAR since 2015 - Holds position on Strategic Planning and Governance Sub-Committee

Danielle Butcher

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

Colin Sutcliffe

Qualifications and experience	- Tertiary - Current Chairman of Mangrove Housing (Disability)
Special responsibilities	- Chair of the Strategic Planning and Governance Committee

Kenneth Ewald

Qualifications and experience	- Chair of Churches of Christ Qld
Special responsibilities	- Holds position on Finance and Audit Sub-Committee

Darryl McConochie
Secretary

Qualifications and experience	- Business Strategy & Implementation Consultant. - Executive business coach, facilitator and trainer.
Special responsibilities	- Holds position on Finance and Audit Sub-Committee

Bruce Durie

Qualifications and experience	- Lawyer
Special responsibilities	- Nil

James Farrell OAM

Qualifications and experience	- Bachelor of Commerce (Accounting), Bachelor of Law (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
Special responsibilities	- Nil

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

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Darryl McConochie

Meetings of Directors

During the financial year, ten meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Robin Spencer	12	12
Peter Mann	12	12
Pamela Bridges	12	11
Danielle Butcher	12	11
Colin Sutcliffe	12	10
Kenneth Ewald	12	10
Darryl McConochie	12	12
Bruce Durie	12	9
James Farrell	12	11

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 financial ability i.e. break-even or surplus
- 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

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

Principal Activities

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

- 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
- Community Transport – both Aged and Disability

Review of Operations

The surplus of the Company for the financial year after providing for income tax amounted to $1,024,193 (2019: $88,004 loss).

COVID-19 impact on entity

COVID-19 pandemic hit globally early 2020, as a result, Australia went into strict shutdown in mid-March 2020. These restrictions affected a number of services that the organisation offered. During this period the government introduced and implemented various stimulus packages to assist businesses and the economy to navigate their way through the pandemic. The organisation's response to the pandemic was swift with the introduction of a COVID-19 Pandemic Response Framework that started with the Pandemic Response Management Team. The Framework included business continuity planning, pandemic response plan, business impact analysis, business unit operation plan, workforce snapshot, communication strategy and finally a recovery plan. With restrictions being continually reviewed and slowly lifting, the organisation continues to see a recovery of the level of demand for services.

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.

	2020		2019	
Clients	**Actual**	**Benchmark**	**Actual**	**Benchmark**
Client Surveys-average satisfaction rates	96.6%	100%	94%	100%
Staff Climate Surveys (estimate)	98.2%	90%	*89%	90%
Financial – Current Ratio	2.05	N/A	1.92	N/A

**Staff climate survey is bi-annual*

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Events Subsequent to the End of the Reporting Period

Other than the ongoing impact of COVID-19 as described in Note 1(a), no other matters or circumstances have arisen since the end of the financial year that significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

New Accounting Standards Implemented

The company has implemented AASB 15: *Revenue from contracts with customers*, AASB 16: *Leases* and AASB 1058: *Income of Not-for-Profit Entities* which has come into effect and is included in the results.

AASB 15: *Revenue from contracts with customers*, AASB 16: *Leases* and AASB 1058: *Income of Not-for-Profit Entities* have been applied using the modified approach, and as such comparatives have not been restated.

Environmental Regulation

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

Dividends or Options

No dividends were paid or declared during the financial year. No options over issued shares or interests in the company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification of Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer of the company.

To the extent permitted by law, the Company has agreed to indemnify its auditors, HLB Mann Judd, as part of the terms of its audit agreement against claims by third parties arising from the audit. No payment has been made to indemnify HLB Mann Judd during or since the financial year.

Star Community Services Ltd
ABN 26 729 619 090
Director's Report

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 7.

This report is signed in accordance with a resolution of the Board of Directors:

Robin Spencer
Chairperson
14 September 2020
Brisbane, Queensland

Peter Mann
Treasurer

HLB MANN JUDD

AUDITOR'S INDEPENDENCE DECLARATION

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of Star Community Services Ltd for the year ended 30 June 2020.

A B Narayanan
Partner

Brisbane, Queensland
14 September 2020

hlb.com.au

HLB Mann Judd (SE Qld Partnership)
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Star Community Services Ltd
ABN 26 729 619 090

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2020

	Note	2020 $	2019 $
Revenue	3	10,303,886	8,389,030
Employee benefits expense	4	(5,533,470)	(4,238,767)
Depreciation and amortisation expense	4	(266,594)	(379,457)
Interest expense		(30,390)	(9,373)
Bad and doubtful debt expense		(10,098)	(15,090)
Motor vehicle expenses		(356,005)	(394,699)
Utilities expense		(20,914)	(16,024)
Rental expense	4	(228,948)	(239,343)
Audit, legal and consultancy fees		(240,880)	(218,751)
Marketing expenses		(74,049)	(63,316)
Administration expenses		(386,373)	(334,322)
Transport expenses		(118,601)	(256,109)
Maintenance expenses		(880,374)	(1,428,151)
STAR Tech expenses		(102,682)	-
Care expenses		(101,350)	(75,442)
Volunteer expenses		(680,534)	(700,845)
Other employee expenses		(186,918)	(62,951)
Sundry expenses		(61,513)	(44,393)
Surplus before income tax		1,024,193	(88,004)
Income tax expense		-	-
Surplus for the year		1,024,193	(88,004)
Other comprehensive income		-	-
Total comprehensive income		1,024,193	(88,004)

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 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	3,096,423	1,969,161
Trade and other receivables	6	845,214	371,310
Other current assets	7	26,115	50,866
TOTAL CURRENT ASSETS		**3,967,752**	**2,391,337**
NON-CURRENT ASSETS			
Property, plant and equipment	8	649,744	586,973
Intangible assets	9	2,851	16,392
Right-of-use assets	10	623,102	-
TOTAL NON-CURRENT ASSETS		**1,275,697**	**603,365**
TOTAL ASSETS		**5,243,449**	**2,994,702**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	1,306,556	851,901
Borrowings	12	133,372	160,495
Provisions	13	295,095	230,416
Lease Liabilities	14	200,619	-
TOTAL CURRENT LIABILITIES		**1,935,642**	**1,242,812**
NON-CURRENT LIABILITIES			
Borrowings	12	200,048	147,880
Provisions	13	109,493	43,957
Lease Liabilities	14	414,020	-
TOTAL NON-CURRENT LIABILITIES		**723,561**	**191,837**
TOTAL LIABILITIES		**2,659,203**	**1,434,649**
NET ASSETS		**2,584,246**	**1,560,053**
EQUITY			
Retained surpluses		2,584,246	1,560,053
TOTAL EQUITY		**2,584,246**	**1,560,053**

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 2020

	Retained Earnings	Total
	$	$
Balance at 1 July 2018	1,648,057	1,648,057
Surplus for the year	(88,004)	(88,004)
Other comprehensive income for the year	-	-
Total other comprehensive income	(88,004)	(88,004)
Balance at 30 June 2019	1,560,053	1,560,053
Balance at 1 July 2019	1,560,053	1560053
Surplus for the year	1,024,193	1,024,193
Other comprehensive income for the year	-	-
Total other comprehensive income	1,024,193	1,024,193
Balance at 30 June 2020	2,584,246	2,584,246

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 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Commonwealth, state and local government grants		5,674,640	5,450,767
Receipts from trading		4,627,098	3,155,994
Payments to suppliers and employees		(8,878,866)	(8,913,338)
Interest received		22,151	35,631
Interest paid		(30,390)	(9,373)
Net cash generated from operating activities		1,414,633	(280,319)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		35,072	26,152
Payment for property, plant and equipment		(321,222)	(329,252)
Net cash used in investing activities		(286,150)	(303,100)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		25,045	97,923
Repayment of lease liabilities		(26,266)	-
Net cash (used in) / generated from financing activities		(1,221)	97,923
Net increase / (decrease) in cash held		1,127,262	(485,496)
Cash on hand at beginning of the financial year		1,969,161	2,454,657
Cash on hand at end of the financial year	5	3,096,423	1,969,161

The accompanying notes form part of these Financial Statements

Star Community Services Ltd
ABN 26 729 619 090
Notes to the Financial Statements

Note 1: 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 14 September 2020 by the directors of the company.

(a) 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.

Coronavirus (COVID-19) pandemic

On 11 March 2020, the World Health Organisation (WHO), declared the Coronavirus disease 2019 (COVID-19) a pandemic. The pandemic has adversely impacted the global economy, this has lead to an increase in unemployment, decrease in consumer demand, interruptions to supply chains and tightening of liquidity and credit conditions. To assist, Governments around the world have announced monetary and fiscal stimulus packages to minimise the adverse economic impact and encourage recovery. However, the pandemic continues to evolve, and its full economic impact remains uncertain.

Although the COVID-19 pandemic has created economic uncertainty, the directors believe the Company will be able to continue as a going concern.

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.

Economic Dependence

Star Community Services Ltd is dependent on the Department of Health 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.

Key Judgements – Receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key Judgements – Lease Term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Key Estimates – Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

The company has determined the incremental borrowing rate to be 5.03%.

(b) New accounting standards and interpretations

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

AASB 15 Revenue from Contracts with Customers

The company has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 16 Leases

The company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The impact on the financial performance and position of the consolidated entity from the adoption of this Accounting Standard is detailed below.

AASB 1058 Income of Not-for-Profit Entities

The company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Impact of adoption

AASB 15 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained surplus as at 1 July 2019.

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The company has elected to apply the following transition practical expedients:

- To exclude initial direct costs from the measurement of right-of-use assets at the date of initial application;
- To exclude lessee arrangements with a short remaining term from date of initial application or leases assessed as low value;
- Use of a single discount rate for the portfolio of leases with reasonably similar characteristics;
- Use of hindsight with regards to determination of the lease term.

AASB 16 Leases

The company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The impact on the financial performance and position of the consolidated entity from the adoption of this Accounting Standard is detailed below.

AASB 1058 Income of Not-for-Profit Entities

The company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Impact of adoption

AASB 15 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained surplus as at 1 July 2019.

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The company has elected to apply the following transition practical expedients:

- To exclude initial direct costs from the measurement of right-of-use assets at the date of initial application;
- To exclude lessee arrangements with a short remaining term from date of initial application or leases assessed as low value;
- Use of a single discount rate for the portfolio of leases with reasonably similar characteristics;
- Use of hindsight with regards to determination of the lease term.

The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

	1-Jul 2019
Operating lease commitments as at 1 July 2019 (AASB 117)	61,000
Less: short-term leases exempted under AASB 16	(61,000)
Right-of-use assets (AASB 16)	-
Lease liabilities - current (AASB 16)	-
Lease liabilities - non-current (AASB 16)	-
Reduction in opening retained surplus as at 1 July 2019	-

Note 2: Summary of Significant Accounting Policies

(a) Revenue

Revenue from contracts with customers

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

Grants

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

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

Donations

Donations are recognised at the time the pledge is made.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

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

Other revenue

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

Volunteer services
The company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

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

(b) 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.

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:

Class of Fixed Asset	Depreciation Rate
Motor Vehicles	25-33.33 %
Plant and equipment	20-25 %
Leased motor vehicles	20-25%
Leasehold improvements	33.33-40%

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 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.

(c) Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(d) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(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 and loss.

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

- a contingent consideration of an acquirer in a business combination to which AASB 3 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 in profit or loss over the relevant period. 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 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.

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.

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 of the following criteria need to be satisfied for 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. it has no practical ability to make unilateral decisions 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.

Impairment
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

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 simplified approach;

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.).

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.

(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) 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.

(h) 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.

(i) 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.

(j) Trade and Other Debtors

Trade and other debtors include amounts due from members as well as amounts receivable from customers for services rendered 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.

(k) 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.

(l) 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*.

(m) 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.

(n) 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.

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

	Note	2020 $	2019 $
Note 3: Revenue			
Revenue from contracts with customers			
Revenue from reciprocal government grants and other grants			
— State/federal government grants – operating		5,132,685	5,391,952
— Other organisations		26,079	29,308
		5,158,764	5,421,260
— Care Contribution		2,622,623	1,479,443
— Transport Contribution		802,469	838,836
— Maintenance Contribution		121,459	44,439
— Home Care Package Contribution		740,494	492,581
— STAR Tech Contribution		18,091	-
— Membership Income		7,085	20,627
Total revenue from contracts with customers		9,470,985	8,297,186
Other revenue			
— Interest received on investments in government and fixed interest securities		22,151	35,631
— Gain on disposal of property, plant and equipment		11,041	29,371
— Charitable income and fundraising		45,649	15,116
— Other		754,060	11,726
Total other revenue		832,901	91,844
Revenue		10,303,886	8,389,030

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2020 $	2019 $
Timing of revenue recognition		
Services transferred at a point in time	4,287,045	-
Services transferred over time	5,165,849	-
	9,452,894	-

AASB 15 was adopted using the modified retrospective approach and as such comparatives have not been provided for disaggregation of revenue.

	Note	2020 $	2019 $
Note 4: Surplus for the year			
Expenses			
Employee benefits expense:			
— defined contribution superannuation expense		434,680	341,863
— wages & allowances		5,098,790	3,896,904
Total employee benefits expense		5,533,470	4,238,767
Depreciation and amortisation:			
— motor vehicles		211,444	328,232
— furniture and equipment		2,200	2,210
— software		13,541	26,399
— Leasehold Improvements		8,635	16,677
— Computer & Office Equipment		12,971	5,940
— Right of use assets		17,803	-
Total depreciation and amortisation		266,594	379,457
Rental expense on operating leases:			
— rental expense		228,948	239,343
Total rental expense		228,948	239,343
Audit fees:			
— audit services		14,000	16,000
Total audit remuneration		14,000	16,000
Note 5: Cash and Cash Equivalents			
CURRENT			
Cash at bank		2,259,771	1,142,832
Cash on hand		700	1,000
Term deposit		835,952	825,330
		3,096,423	1,969,161
Note 6: Trade and other receivables			
CURRENT			
Trade receivables		377,634	224,829
Other receivables		228,000	-
Accrued Income		229,580	136,481
Rental Bond		30,000	30,000
Provision for impairment		(20,000)	(20,000)
Total current accounts receivable and other debtors		845,214	371,310

	2020 $	2019 $
Note 7: Other Assets		
Prepayments	26,115	50,866
	26,115	50,866
Note 8: Property, Plant and Equipment		
PLANT AND EQUIPMENT		
Furniture & Fittings - at cost	26,472	17,951
(Accumulated depreciation)	(15,878)	(13,679)
Computer/Office Equipment - at cost	206,781	104,078
(Accumulated depreciation)	(104,538)	(91,568)
Motor Vehicles - at cost	1,349,469	1,492,884
(Accumulated depreciation)	(1,046,276)	(1,018,977)
Leasehold Improvements - at cost	104,468	104,468
(Accumulated depreciation)	(103,746)	(95,111)
	416,752	500,046
Leased motor vehicles:		
Capitalised leased vehicles	275,364	88,556
Less accumulated depreciation	(42,372)	(1,629)
	232,992	86,927
		-
Total plant and equipment	649,744	586,973
Total property, plant and equipment	649,744	586,973

Note 8: Property, Plant and Equipment (continued)

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 $
2019				
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	-	86,927	500,046	586,973
2020				
Balance at the beginning of the year	-	86,927	500,046	586,973
Additions at cost	-	186,961	134,414	321,375
Additions at fair value	-	-	-	-
Disposals	-		(23,354)	(23,354)
Revaluations	-	-	-	-
Depreciation expense	-	(40,896)	(194,354)	(235,250)
Impairment losses	-	-	-	-
Reversals of impairment losses	-	-	-	-
Carrying amount at the end of the year	-	232,992	416,752	649,744

	2020	2019
	$	$

Note 9: Intangible Assets

	2020	2019
Computer software - at cost	126,869	126,869
Accumulated amortisation	(124,018)	(110,476)
Accumulated impairment	-	-
Goodwill at Cost	18,576	18,576
(Goodwill accumulated impairment)	(18,576)	(18,576)
Net carrying amount	2,851	16,392

Movements in Carrying Amount

	Computer software $
2019	
Balance at the beginning of the year	42,791
Additions	
Disposals	
Amortisation charge	(26,399)
Impairment losses	
	16,392
2020	
Balance at the beginning of the year	16,392
Additions	-
Disposals	-
Amortisation charge	(13,541)
Impairment losses	
	2,851

Note 10: Right-of-use assets

	2020	2019
Building - Right-of-use	640,905	-
Less: Accumulated depreciation	(17,803)	-
	623,102	-

Additions to the right-of-use assets during the year were $640,905. The company has leased a space for its head office under an agreement for three years.

	Note	2020 $	2019 $
Note 11: Trade and other payables			
CURRENT			
Trade payables		44,180	102,473
Deferred income		285,038	76,592
Other current payables		212,689	389,784
GST payable		64,647	28,826
HCP money held in trust		700,002	254,225
		1,306,556	851,901
Financial liabilities at amortised cost classified as accounts payable and other payables			
Accounts payable and other payables:		1,306,556	851,901
— Total current		1,306,556	851,901
Less deferred income		(285,038)	(76,592)
Less other payables (net amount of GST payable)		(64,647)	(28,826)
Financial liabilities as trade and other payables	17	956,871	746,482
Note 12: Borrowings			
CURRENT			
Finance lease liabilities		133,372	15,678
Loans Payable		-	144,817
		133,372	160,495
NON-CURRENT			
Finance lease liabilities		200,048	79,671
Loans Payable		-	68,209
		200,048	147,880
TOTAL BORROWINGS	17	333,420	308,375

Lease liabilities are secured by the underlying leased assets.

	2020	2019
	$	$
Note 13: Provisions		
CURRENT		
Provision for employee benefits: annual leave	218,472	164,779
Provision for employee benefits: long service leave	76,623	65,637
	295,095	230,416
NON-CURRENT		
Provision for make-good	10,000	-
Provision for employee benefits: long service leave	99,493	43,967
	109,493	43,967

Analysis of total provisions:	Employee Benefits	Total
Opening balance at 1 July 2019	274,373	274,373
Additional provisions raised during the year	120,215	120,215
Amounts used	-	-
Balance at 30 June 2020	394,588	394,588

Note 14: Lease liabilities

	2020	2019
CURRENT		
Lease liabilities	200,619	-
	200,619	-
NON-CURRENT		
Lease liabilities	414,020	-
	414,020	-

Note 15: Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 16.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

		2020	2019
		$	$

Note 16: Key Management Personnel Compensation

Key Management Personnel

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

KMP compensation:			
— employee benefits		562,797	577,412
		562,797	577,412

Note 17: 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 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.

Financial assets			
Financial assets at amortised cost:			
— cash and cash equivalents	5	3,096,423	1,969,161
— trade and other receivables	6	377,634	234,829
Total financial assets		3,474,057	2,203,990
Financial liabilities			
Financial liabilities at amortised cost:			
— trade and other payables	11	956,871	746,482
— finance lease liabilities	12	333,420	308,375
Total financial liabilities		1,290,291	1,054,857

Note 18: 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.

Note 19: Contingent liabilities

The company had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Note 20: Events after the reporting period

Other than the ongoing impact of COVID-19 as described in Note 1, no other matters or circumstances have arisen since the end of the financial year that significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

Director's 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 set out on pages 2 to 30 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
   (i) complying with Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
   (ii) giving a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Director

P Mann

Director

14 September 2020
Brisbane, Queensland

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Independent Auditor's Report to the Members of Star Community Services Ltd

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Star Community Services Ltd ("the Company") which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the director's declaration.

In our opinion, the accompanying financial report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance and cash flows for the year then ended; and

b) complying with Australian Accounting Standards – 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 Company in accordance with the auditor independence 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 confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* has been given to the Directors.

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

Emphasis of Matter – Impact of COVID-19

We draw attention to Note 1(a) to the financial statements, which describes the uncertainties and possible effects on the Company arising from its management of the on-going issues related to COVID-19. Our opinion is not modified in respect of this matter.

Responsibilities of Management and the Directors for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going

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concern and using the going concern basis of accounting unless management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Adrian

A B Narayanan
Partner

Brisbane, Queensland
14 September 2020