

STAR
Community
Services

Annual Report 2017



STAR Community Services LTD (using as STAR Care \$12 / 100) Transport / Mounting Facilities - STAR Community Transport

Business Unit

Transport

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Agenda

1. Welcome and opening
2. Apologies
3. Minutes of previous Annual General Meeting
4. Business arising from previous minutes
5. Reports – Chairman, Treasurer, General Manager
6. Election of Office Bearers
7. Appointment of Auditor
8. General Business

List of Current Board of Directors

- Rob Spencer, Chairman
- Tony Christinson, Secretary
- Peter Mann, Treasurer
- Pam Bridges, Director
- Christine Saunders, Director
- Thomas Jithin, Director
- Colin Sutcliffe, Director
- Pat Morgan, Director
- Danielle Butcher, Director

Key Staff

Management Team

- Patsy Wilshire, General Manager
- Warren Doyle, Transport Manager
- Peter Mann Business, Finance Manager
- Nectaria Chronopoulos, Office Manager
- Melissa Bannerman, Care Services Manager

Office/Admin Staff

- Julie Jones, Call Centre Supervisor
- Pam Coven, Call Centre
- Shalene Osvatics, Head Scheduler
- Kylie Hartley, Scheduler
- Billy Simpson, Scheduler
- Karen Spethman, Receptionist
- Jacqui Jumisic, Home Maintenance Coordinator
- Colleen Johnston, Care Coordinator
- Deb Tearle, Volunteer Coordinator
- Paul Barns, Finance Officer
- Jane Flight, Accounts Officer
- Barbara Clay, Intake Officer
- Meg Henderson, Intake Officer
- Neha Shukla, Marketing and Communications Officer

Other Key Staff and Volunteers


- Drivers
- Radio Operators
- Care Companions
- Volunteers

Minutes of AGM 2016

Minutes of the Annual General Meeting of Special Transport Assistance Redlands Association Inc, for 2016, held at 122 Shore St North, Cleveland.

Date	17 September 2016
Time opened	10:05 am
Present	<p>Members</p> <p>Shirley Alderson; Clive Cooper; Sally Ann Cooper; George Davies; Myrna Davies;</p> <p>Barry Dimento; Joan Dreon; Jill Grima; John Lovett; Paula Manger; Shirley O'Neill; Brenda Richards; Virginia Ridgley; Leslie Roberts; Nola Stringer; Del Whitby; Irene Christinson; Tony Christinson; Patsy Wilshire; Fay Walker; Thomas Jithin; Cr Tracey Huges; Rob Spencer; Peter Mann; Col Sutcliffe.</p> <p>Non-members</p> <p>Ted Dawson; Christine Plumridge; Shalene Osvatich; Nectaria Chronopoulos; Kath McNeilly; Meg O'Driscoll; Catherine Gordon; Pam Corvan; Maryanne Attrill; Julie Jones; Paul Barnes; Janette Buddee; Nev Miles; Sheila Bradshaw; Carolyn Byrn; Connie Gunn; Sue Tanner; Lance Hewlett; Sheena Hewlett; Mark Robinson; Tony Healy.</p>
Apologies	
Chairperson introduction and welcome	<p>The Chairman, Rob Spencer, acknowledged the original inhabitants of the Red land area and paid respect to their elders, past and present</p> <p>He welcomed clients, staff, committee, honoured guests and friends.</p> <p>He reported that, in a re-vamped strategic Plan, STAR has extended its core business to include, as well as Transport and Volunteering, Care of frail elderly, disabled and disadvantaged persons, Community services to assist with providing services and resources to community groups with similar aims to ours.</p>
Previous Minutes	Moved: Myrna Davies; seconded: Brenda Richards THAT the minutes of the 2015 AGM as printed be accepted.

Business Arising	Nil
Special Resolution	
Changes to Constitution	
Chair's Report	<p>Chairman, Rob Spencer, spoke to his report printed in the Annual report 2016. He reported that, in a re-vamped strategic Plan, STAR has extended its core business to include, as well as Transport and Volunteering, Care of frail elderly, disabled and disadvantaged persons, Community services to assist with providing services and resources to community groups with similar aims to ours.</p> <p>He thanked management, staff, volunteers and board for their efforts.</p> <p>Moved: Thomas Jithin; seconded: Tracey Huges THAT the Chairman's report be received.</p>
Treasurer's Report	<p>The Treasurer, Peter Mann, Auditor's Report and Financial Statements.</p> <p>These indicated that the company is able to meet its financial commitments. He explained the annual deficit as the result of deliberate over-delivery ahead of funding to build a client base in anticipation of funding changes; entry into My Aged care and a quicker than needed depreciation of vehicles.</p> <p>Peter explained that our situation will change in two years when direct funding will cease and we will rely on clients spending their My Aged Care and NDIS funds with us.</p> <p>Moved: Peter Mann; seconded: Tony Christinson THAT the Treasurer's Report be accepted.</p>
General Manager's Report	<p>The General Manager, Patsy Wilshire, spoke to her written report. She focussed on change over the last twelve months and introduced and thanked staff present at the meeting.</p> <p>Moved: Les Roberts; seconded: Peter Mann THAT the General Manager's report be received.</p>

Election of 2016-17 Board	<p>The Chairman declared all Board positions vacant and invited Patsy Wilshire to conduct the election of the Board for 2016-17.</p> <p>As the Constitution allows a Board of nine to be elected and there were seven nominations, Patsy declared the following Board Members elected:</p> <p>Pam Bridges; Tony Christinson; Thomas Jithin; Peter Mann; Christine Saunders; Rob Spencer; Col Sutcliffe.</p> <p>Moved: Les Roberts; seconded: Myrna Davies</p> <p>THAT the meeting declare the above Board Members elected to the STAR Community services Board for 2016-17.</p>
Appointment of Auditor	<p>Moved: Peter Mann; seconded: Tony Christinsen</p> <p>That Robert White, registered Company and SMSF Auditor, be appointed as STAR Community Services auditor for 2016-17.</p>
General Business	Nil
Time Closed	10:50 am
Next Meeting	Saturday 16 September 2017
Signed	 Chairperson: Rob Spencer Date: September

Chairperson's Report

STAR's footprint continues to spread further and wider.

We have been asked why we are straying from the original concept of community transport, where we were ensconced within the boundaries of Redland then-Shire now-City, looking after the transport needs of aged, needy and socially isolated residents.

That all changed some years ago, and the original concept is no more.

These changes were imposed on us, they were not of our making, but we do not necessarily disagree with the new systems of doing business

We recognised that we needed to accept the new system and work within it. We could see that we faced competition within our borders, that we needed to face the reality of funding changes and that the launch of NDS in Redlands would be a major impact on all the aspects of service provision.

Our belief that as a small community transport operator with no other economic impacts, STAR would not survive.

As the changes occurred, we changed with them, but at our pace and direction.

You can now see the changes evolving and opening up.

We are involved now, with Community Transport as the core, in Aged Care, Disability Care, Training, Youth Development, Home Maintenance, Community Care and other ancillary projects.

We instigated Volunteering Redlands and now see that organisation blossom and grow with benefits to all Redlands.

We started a Community Bus service and a Social Club and are seeing the benefits of those off-shoots to residents. We maintain Easy Shopper.

We changed to STAR Community Services and STAR Care to offer top level services to Redland residents and elsewhere.

We are established in Ipswich, we are developing a Logan presence, we move into Moreton and Gold Coast. We are expanding in South East Brisbane region.

The Board of Directors of STAR is conscious of the impact these changes have on management, staff, volunteers, and, most importantly, our clients, current and future.

From the Chair, I appreciate the efforts and commitment of the Board, all of whom are volunteers, Without their guidance, STAR would have less of a firm path, and all Board members are to be commended. Thank you.

Our Board has been stable now for a few years, which is good. For a period, while the changeover in Ipswich occurred, we managed with 2 Boards. Since the alliance was completed, we have the one Board for the 2 organisations and we are pleased to welcome the Ipswich connection to the Board, namely, Danielle Butcher and Pat Morgan.

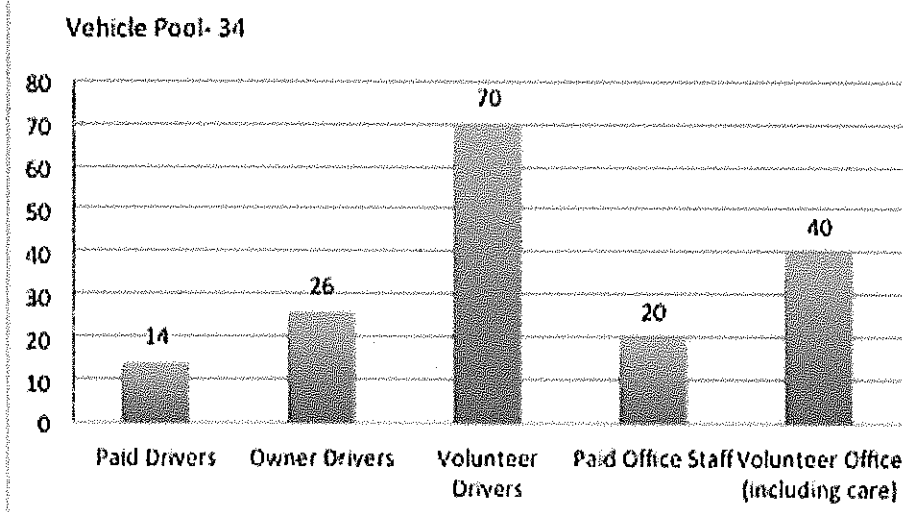
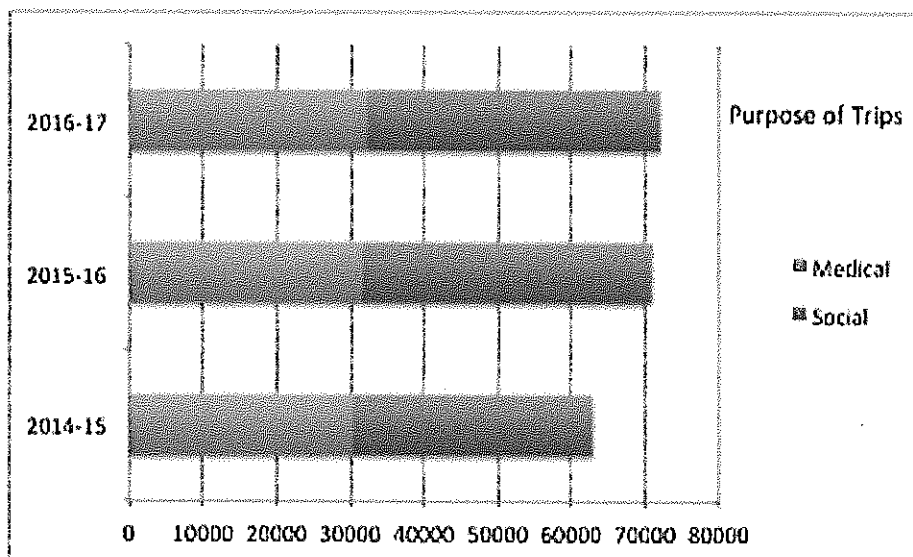
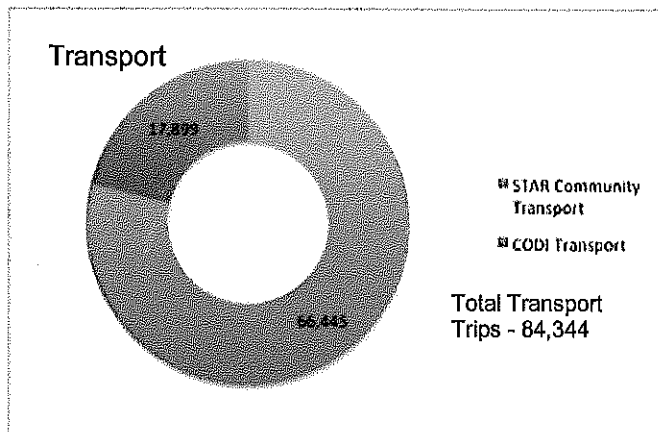
Thanks also to a wonderful management team, a strong, dedicated and loyal staff, and a fantastic team of volunteers, who continue to amaze with their efforts, loyalty and good humour.

And most importantly, thank you to all our clients, with the message that we do everything with your wellbeing in mind



Rob Spencer
Chairperson

ANALYSIS OF ACTIVITIES



Financial Report

STAR COMMUNITY SERVICES LTD

ABN: 267 296 190 90

Financial Report For The Year Ended
30 June 2017

Star Community Services Ltd

ABN: 267 296 190 90

Financial Report For The Year Ended 30 June 2017

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STAR COMMUNITY SERVICES LTD

ABN: 267 296 190 90

DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 June 2017.

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 appointed (17/09/2016)
Christine Saunders
Pam Bridges
Danielle Butcher appointed (14/12/2016)
Thomas Thykoodathil
Tony Christinson
Col Sutcliffe
Pat Morgan appointed (14/12/2016)
Marjorie Wallace resigned (10/08/2016)
Peter Harding resigned (13/07/2016)

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 company during the financial year was:

The principal activities of the company during the financial year was to provide Community Transport services through Star Community Transport, and volunteering intake services through Volunteering Redlands.

Short-term and Long-term Objectives

The company's short-term objectives are to:

- Provide Community Transport services per Commonwealth Home Support funding, and Queensland Community Care funding, and non-funded Community Transport
- Maintain a Volunteering intake service to Redlands residents,
- Manage Community projects as requested by other organisations (funded and unfunded).

The company's long-term objectives are to:

- Maintain Community Transport services in Redlands and Brisbane South, whether funded or unfunded;
- Provide Disability Support services to residents of the Redlands and Brisbane South, whether funded or unfunded;
- Provide Direct Care services to our ageing residents of the Redlands;
- Provide a Volunteering intake service to Redlands residents;
- Manage Community projects as requested by other organisations (funded or unfunded);
- Develop consortium, partnerships or amalgamations with other similar Community organisations, with a view of forming a Hub Community Centre in the Redlands.

Strategies

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

- Focus its management objectives on Community Transport and Disability Care programs'
- Leverage programs outside Community Transport with other Community Service providers, building consortiums, partnership or amalgamations, as required;
- Maintain focus on having a robust and significant Volunteer base, who are well trained and aware of the significant benefits they provide to residents who require care in Redlands and Brisbane South;
- The organisation strives for best practice through adherence to Quality programs required by funders, and through on-going training of all staff.

STAR COMMUNITY SERVICES LTD

ABN: 267 296 190 90

DIRECTORS' REPORT

Key Performance Measures

The company 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 company and whether the company's short-term and long-term objectives are being achieved.

	2017		2016	
	Actual	Benchmark	Actual	Benchmark
Clients				
Number of new clients	955	1,000	1,018	900
Number of active clients	2,770	1,500	5,609	2,156
Commonwealth HACC Trips to funding	53,527	46,250	56,801	51,035
Queensland Community Care trips fund	8,978	9,300	11,244	9,304
Client Surveys-average satisfaction rates	95%	100%	95%	100%
Staff Climate Surveys (estimate)	95%	90%	95%	90%
Financial - Current ratio	160%	n/a	520%	n/a

Information on Directors

Robin Spencer	—	Chairperson
Qualifications and Education	—	University Qualifications (Agriculture and Business) C.dec
Experience	—	Board Position at STAR since 2004 Board Member - TDSA (Transport Development & Solutions Alliance) Current Zone Chair of National Seniors, member of Policy Group, 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- WH&S, HR, Strategic Planning, Membership.
Peter Mann	—	Director
Qualifications and Education	—	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	—	Nil
Christine Saunders	—	Director
Qualifications and Education	—	Full Time Carer, South East Regional Disability Advisory Council Member (6 Years and appointed until 2019 with the full implementation of the NDIS), Free lance business Consultant
Experience	—	Board Position at STAR since 2015
Special Responsibilities	—	Nil
Pam Bridges	—	Director
Qualifications and Education	—	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, Reside till Care Manager for ACQ - Now LASA Q. For 10 years Pam runs her own Aged Care Consultancy and in this capacity she is involved in a wide range of activities across the State as well as interstate.
Experience	—	Board Position at STAR since 2015
Special Responsibilities	—	Nil

STAR COMMUNITY SERVICES LTD

ABN: 267 296 190 90

DIRECTORS' REPORT

Danielle Butcher	—	Director
Qualifications and Education	—	Former Director of CODI, Board member of Disability groups in Ipswich.
Experience	—	10 years involvement in Disability organisations, and funded Community Transport.
Special Responsibilities	—	Nil
Thomas Thykoodathil	—	Director
Qualifications and Education	—	Degree and MBA
Experience	—	Manager of Community Centre in Redlands
Special Responsibilities	—	IT, Marketing
Tony Christinson	—	Company Secretary
Qualifications and Education	—	Worked in Education
Experience	—	Board Position at STAR since 2013 Chair of Board Donald Simpson Community Centre Chair Redlands Seniors Network Former President RDCOTA
Special Responsibilities	—	Holds positions on Board Sub-Committees - Membership
Col Sutcliffe	—	Director
Qualifications and Education	—	Tertiary
Experience	—	Current Chairman of Mangrove Housing (Disability)
Special Responsibilities	—	Nil
Pat Morgan	—	Director
Qualifications and Education	—	Tertiary
Experience	—	Government, General Manager of CODI (Community Transport)
Special Responsibilities	—	Nil
Marjorie Wallace	—	Director
Qualifications and Education	—	Diploma Applied Science Certificates in Child Protection/Counselling Employed in the retail sector
Experience	—	Board Position at STAR since 2013 Past Volunteer at Donald Simpson Community Centre Volunteer Redlands Community Centre
Special Responsibilities	—	Holds positions on Board Sub-Committees - HR
Peter Harding	—	Director
Qualifications and Education	—	Senior Commissioned Officer - Queensland Police
Experience	—	Board Position at STAR since 2012
Special Responsibilities	—	Chair - Human Resources Sub Committee

STAR COMMUNITY SERVICES LTD
ABN: 267 296 190 90
DIRECTORS' REPORT

Meetings of Directors

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

	Directors' Meetings	
	Number eligible to attend	Number attended
Robin Spencer	12	12
Peter Mann	12	12
Christine Saunders	12	9
Pam Bridges	12	7
Danielle Butcher	6	4
Thomas Thykoodathil	12	9
Tony Christinson	12	10
Col Sutcliffe	12	8
Pat Morgan	6	6
Marjorie Wallace	2	2
Peter Harding	1	1

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

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 5 of the financial report.

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

Director



Peter Mann

Dated this 25th day of September 2017

STAR COMMUNITY SERVICES LTD
ABN: 267 296 190 90
AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF
THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF STAR COMMUNITY SERVICES LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* 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 John White

Date 25/09/2017

Address 19 Abney Street, Moorooka
QLD 4105

STAR COMMUNITY SERVICES LTD
ABN: 267 296 190 80
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenue	2	1,896,428	1,918,097
Other income	2	782,499	646,469
Employee provisions expense		(1,229,489)	(1,156,443)
Depreciation and amortisation expense	3	(278,527)	(254,524)
Interest expense	3	(8,073)	-
Bad and doubtful debts expense	3	(10,000)	-
Fuel, light and power expense		(7,480)	(11,233)
Rental expense	3	(111,161)	(107,390)
Audit, legal and consultancy fees		(16,614)	(21,923)
Transport expense		(678,977)	(658,490)
Administration expense		(491,642)	(494,315)
Current year surplus (Loss)		(153,016)	(139,752)
Movement in Reserves			20,000
Net current year surplus (Loss)		(153,016)	(119,752)
Net current year surplus attributable to members of the entity		<u>(153,016)</u>	<u>(119,752)</u>

The accompanying notes form part of these financial statements.

STAR COMMUNITY SERVICES LTD
ABN: 287 296 190 90
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Net current year surplus		(153,016)	(119,752)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of land	7,		
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Fair value remeasurement gains/(losses) on available-for-sale financial assets			
Items that have been reclassified to profit or loss:			
Reclassification of fair value losses on available-for-sale financial assets to profit or loss			
Total other comprehensive income for the year			
Total comprehensive income for the year		<u>(153,016)</u>	<u>(119,752)</u>
Profit attributable to members of the entity		<u>(153,016)</u>	<u>(119,752)</u>
Total comprehensive income attributable to members of the entity		<u>(153,016)</u>	<u>(119,752)</u>

The accompanying notes form part of these financial statements.

STAR COMMUNITY SERVICES LTD
ABN: 267 296 190 90
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	4	2,404,620	1,464,389
Accounts receivable and other debtors	5	80,888	56,922
Other current assets	6	20,762	140
TOTAL CURRENT ASSETS		<u>2,506,270</u>	<u>1,521,451</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	496,504	504,933
Intangible assets	8	77,733	-
TOTAL NON-CURRENT ASSETS		<u>574,237</u>	<u>504,933</u>
TOTAL ASSETS		<u>3,080,506</u>	<u>2,026,384</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	9	1,148,785	135,537
Loans Payable	10	280,760	101,275
Employee provisions	11	68,470	55,641
TOTAL CURRENT LIABILITIES		<u>1,498,015</u>	<u>292,453</u>
NON-CURRENT LIABILITIES			
Borrowings		-	17,934
Employee provisions	11	44,699	25,189
TOTAL NON-CURRENT LIABILITIES		<u>44,699</u>	<u>43,123</u>
TOTAL LIABILITIES		<u>1,542,715</u>	<u>335,576</u>
NET ASSETS		<u>1,537,792</u>	<u>1,690,808</u>
EQUITY			
Retained surplus		1,537,792	1,690,808
Reserves		-	-
TOTAL EQUITY		<u>1,537,792</u>	<u>1,690,808</u>

The accompanying notes form part of these financial statements.

STAR COMMUNITY SERVICES LTD
ABN: 267 296 190 90
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Note	Retained Surplus \$	Revaluation Surplus \$	Financial Assets Reserve \$	Total \$
Balance at 1 July 2015		1,810,560	20,000		1,830,560
Comprehensive Income					
Surplus for the year attributable to members of the entity		(119,752)			(119,752)
Other comprehensive income for the year					
Net fair value gains on available-for-sale financial assets					-
Gains on revaluation of land and buildings	7				-
Movement in Reserves			(20,000)		(20,000)
Total other comprehensive income		-	(20,000)	-	(20,000)
Total comprehensive income attributable to members of the entity		(119,752)	(20,000)	-	(139,752)
Balance at 30 June 2016		1,690,808	-	-	1,690,808
Balance at 1 July 2016		1,690,808	-	-	1,690,808
Comprehensive Income					
Surplus for the year attributable to members of the entity		(153,016)			(153,016)
Other comprehensive income for the year					
Net fair value losses on available-for-sale financial assets					-
Total other comprehensive income		-	-	-	-
Total comprehensive income attributable to members of the entity		(153,016)	-	-	(153,016)
Other transfers					
Cumulative revaluation surplus relating to sale of property, transferred to retained surplus transfers		-	-	-	-
Balance at 30 June 2017		1,537,792	-	-	1,537,792

The accompanying notes form part of these financial statements

STAR COMMUNITY SERVICES LTD
ABN: 267 296 190 90
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Commonwealth, state and local government grants		2,798,596	1,918,097
Receipts from donations, bequests and raffles		679,808	593,161
Payments to suppliers and employees		(2,399,982)	(2,369,053)
Interest received		40,748	45,361
Interest paid		(8,073)	(10,035)
Net cash generated from operating activities		<u>1,111,097</u>	<u>177,531</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		58,097	7,000
Payment for property, plant and equipment		(308,839)	(97,243)
(Payment)/proceeds (from)/of borrowings		161,552	(108,057)
Payment for intangible assets		(81,676)	-
Net cash used in investing activities		<u>(170,866)</u>	<u>(198,300)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in finance lease commitments		-	-
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net increase in cash held		940,231	(20,769)
Cash on hand at beginning of the financial year		<u>1,464,389</u>	<u>1,485,158</u>
Cash on hand at end of the financial year	4	<u><u>2,404,620</u></u>	<u><u>1,464,389</u></u>

The accompanying notes form part of these financial statements.

STAR COMMUNITY SERVICES LTD

ABN: 267 296 190 90

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 company 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 25th September 2017 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.

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

STAR COMMUNITY SERVICES LTD
ABN: 267 296 190 90
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(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.

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
Plant and equipment	70 - 33%
Leased plant and equipment	10 - 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. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

STAR COMMUNITY SERVICES LTD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(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 equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are recognised immediately as expenses in profit or loss.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value (refer to Note 1(q)), amortised cost using the effective interest method, or cost.

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

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

(f) Financial assets at fair value through profit or loss

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments

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

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(f) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives

(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 company 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 government 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 Company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, in which case the obligations are presented as current liabilities.

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (revised from 9.25% to 9.5% with effect from 1 July 2014) 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) 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(j) Income Tax

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

(k) Intangible Assets

Software

Software is initially recognised at cost. 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.

(l) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

(m) Comparative Figures

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

(n) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company 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) 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 Company 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 Company 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.

(p) 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.

(q) Fair Value of Assets and Liabilities

The company 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 company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie 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 (ie 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 (ie 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.

STAR COMMUNITY SERVICES LTD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 2 Revenue and Other Income

	2017	2016
	\$	\$
Revenue		
Revenue from (non-reciprocal) government grants and other grants		
— State/federal government grants – operating	1,877,450	1,852,254
— Other organisations	18,978	65,843
Total revenue	1,896,428	1,918,097
Other income		
— Gain on disposal of property, plant and equipment	15,414	-
— Other	235,706	157,341
— Transport Contributions	490,400	443,787
— Maintenance Contribution	232	-
— Interest	40,748	45,361
Total other income	782,499	646,469
Total revenue and other income	2,678,927	2,564,566

Note 3 Profit for the year

	2017	2016
	\$	\$
(a) Expenses		
Employee benefits expense:		
— contributions to superannuation funds	104,612	97,737
— Wages	1,124,857	1,058,706
Total employee benefits expense	1,229,469	1,156,443
Depreciation and amortisation:		
— land and buildings	-	-
— motor vehicles	252,222	219,696
— furniture and equipment	1,052	34,828
Total depreciation and amortisation	278,527	254,524
Finance costs:		
— Interest expense on financial liabilities	8,073	-
Bad and doubtful debts:		
— trade and other receivables	10,000	-
Rental expense on operating leases:		
— minimum lease payments	111,161	107,390
— contingent rents	-	-
Total Rental Expense	111,161	107,390
Audit fees		
— audit services	12,000	9,800
— taxation services	-	-
Total Audit Remuneration	12,000	9,800
(b) Significant Revenue and Expenses		
Property, plant and equipment:		
Proceeds on disposal	58098.2	-
Disposals at carrying amount	(42,684)	-
Net gain on disposals	15,414	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 4 Cash and Cash Equivalents

	2017	2016
	\$	\$
CURRENT		
Cash at bank	2,098,545	163,469
Cash on hand	1,795	920
Term deposit	304,280	1,300,000
Total cash on hand as stated in the statement of financial position and statement of cash flows	2,404,620	1,464,389

Note 5 Trade and Other Receivables

	Note	2017	2016
		\$	\$
CURRENT			
Accounts receivable		60,888	14,358
Provision for doubtful debts		(10,000)	-
		50,888	14,358
Other debtors		-	12,564
Rental Bond		30,000	30,000
Total current accounts receivable and other debtors		80,888	56,922

(a) Provision for doubtful debts

Movement in the provision for doubtful debts is as follows:

	2017	2016
	\$	\$
Provision for doubtful debts as at 1 July 2015	-	-
— Charge for the year	-	-
— Written off	-	-
Provision for doubtful debts as at 30 June 2016	-	-
— Charge for the year	(10,000)	-
— Written off	-	-
Provision for doubtful debts as at 30 June 2017	(10,000)	-

Note 6 Other Assets

	2017	2016
	\$	\$
Accrued Income	11,801	-
Prepayments	9,161	140
	20,762	140

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 7 Property, Plant and Equipment

	2017 \$	2016 \$
PLANT AND EQUIPMENT		
Furniture & Fittings - at cost	14,424	14,424
(Accumulated depreciation)	(10,650)	(9,598)
Computer/Office Equipment - at cost	163,571	137,829
(Accumulated depreciation)	(133,766)	(97,089)
Motor Vehicles - at cost	1,281,790	908,602
(Accumulated depreciation)	(832,268)	(471,574)
Leasehold Improvements - at cost	78,562	77,366
(Accumulated depreciation)	(65,158)	(55,027)
	<u>496,504</u>	<u>504,933</u>
Total plant and equipment	<u>496,504</u>	<u>504,933</u>
Total property, plant and equipment	<u>496,504</u>	<u>504,933</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 \$	Motor Vehicles \$	Plant and Equipment \$	Total \$
2016				
Balance at the beginning of the year		567,981	102,733	670,714
Additions at cost		97,243		97,243
Additions at fair value				
Disposals		(8,500)		(8,500)
Revaluations				
Depreciation expense		(219,696)	(34,828)	(254,524)
Carrying amount at the end of the year	-	<u>437,028</u>	<u>67,905</u>	<u>504,933</u>
2017				
Balance at the beginning of the year	-	437,028	67,905	504,933
Additions at cost		281,815	1,440	283,255
Additions at fair value		25,584		25,584
Disposals		(42,684)		(42,684)
Revaluations				
Depreciation expense		(252,222)	(22,362)	(274,584)
Carrying amount at the end of the year	-	<u>449,521</u>	<u>46,983</u>	<u>496,504</u>

Note 8 Intangible Assets

	2017 \$	2016 \$
Computer software - at cost	63,100	-
Accumulated amortisation	(3,944)	-
Accumulated impairment	-	-
Goodwill at Cost	18,576	-
Net carrying amount	<u>77,733</u>	-
	Computer software \$	
2017		
Balance at the beginning of the year	-	
Additions	63,100	
Disposals	-	
Amortisation charge	(3,944)	
Impairment losses	-	
	<u>59,156</u>	

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 9 Trade and Other Payables

	2017	2016
Note	\$	\$
CURRENT		
Accounts payable	61,599	20,311
Deferred income	907,950	-
Other current payables	207,896	115,226
Other payables (net amount of GST payable)	(28,459)	-
9(a)	<u>1,148,785</u>	<u>135,537</u>

	2017	2016
	\$	\$
(a) Financial liabilities at amortised cost classified as accounts payable and other payables		
Accounts payable and other payables:		
— Total current	1,148,785	135,537
— Total non-current	-	-
	<u>1,148,785</u>	<u>135,537</u>
Less deferred income	(907,949)	-
Less other payables (net amount of GST payable)	28,459	-
Financial liabilities as accounts payable and other payables	<u>269,295</u>	<u>135,537</u>
14		

Note 10 Borrowings

	2017	2016
Note	\$	\$
CURRENT		
Loans Payable	280,760	101,275
	<u>280,760</u>	<u>101,275</u>
NON-CURRENT		
Commercial Loan	-	17,934
	<u>-</u>	<u>17,934</u>
TOTAL LEASE LIABILITIES	<u>280,760</u>	<u>119,209</u>
14		

Lease liabilities are secured by the underlying leased assets.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 11 Provisions

	2017	2016
CURRENT	\$	\$
Provision for employee benefits: annual leave	68,470	55,641
Provision for employee benefits: long service leave	-	-
	<u>68,470</u>	<u>55,641</u>
NON-CURRENT		
Provision for employee benefits: long service leave	44,699	25,189
	<u>44,699</u>	<u>25,189</u>
	<u>113,169</u>	<u>80,830</u>
Analysis of total provisions:		
	Employee Benefits	Total
Opening balance at 1 July 2016	80,830	80,830
Additional provisions raised during the year	86,319	86,319
Amounts used	(53,980)	(53,980)
Balance at 30 June 2017	<u>113,169</u>	<u>113,169</u>

Employee Provisions

Employee provisions 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 company 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 company 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).

Note 12 Capital and Leasing Commitments

(b) Operating Lease Commitments

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

	2017	2016
Payable – minimum lease payments	\$	\$
— not later than 12 months	111,181	33,970
— between 12 months and five years	213,059	-
— later than five years	-	-
	<u>324,220</u>	<u>33,970</u>

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

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel (KMP).

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

	2017	2016
KMP compensation:	\$	\$
— employee benefits	289,415	299,177
	<u>289,415</u>	<u>299,177</u>

STAR COMMUNITY SERVICES LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 14 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, receivables and payables, and lease liabilities.

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

	Note	2017 \$	2016 \$
Financial assets			
Cash and cash equivalents	4	2,404,620	1,464,389
Loans and receivables	5	80,888	56,922
Financial assets at fair value through profit or loss		-	-
Held-to-maturity investments		-	-
Available-for-sale financial assets		-	-
Other		-	-
Total financial assets		2,485,508	1,521,311
Financial liabilities			
Financial liabilities at amortised cost:			
— accounts payable and other payables	9(a)	269,295	135,537
— borrowings	10	280,760	119,209
Total financial liabilities		550,056	254,746

Refer to Note 14 for detailed disclosures regarding the fair value measurement of the company's financial assets and financial liabilities.

The company has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after their initial recognition. The company does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

	Note	2017 \$	2016 \$
Recurring fair value measurements			
Financial assets			
Financial assets at fair value through profit or loss:			
— held-for-trading Australian listed shares (i)		-	-
Available-for-sale financial assets:			
— shares in listed corporations (i)		-	-
Non-financial assets			
Freehold land (ii)	7	-	-
Buildings (ii)	7	-	-

- (i) For investments in listed shares, the fair values have been determined based on closing quoted bid prices at the end of the reporting period.
- (ii) For freehold land and buildings, the fair values are based on a directors' valuation taking into account an external independent valuation performed in the previous year, which used comparable market data for similar properties.

Note 15 Entity Details

The registered office of the entity is:

Star Community Services Ltd
15/152-166 Shore St W
Cleveland
QLD 4163

The principal place of business is:

Star Community Services Ltd
15/152-166 Shore St W
Cleveland
QLD 4163

Note 16 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.

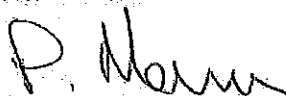
STAR COMMUNITY SERVICES LTD
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DIRECTORS' DECLARATION

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

1. The financial statements and notes, as set out on pages 6 to 22, 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 2017 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



Peter Mann

Dated this 25th day of September 2017

STAR COMMUNITY SERVICES LTD
ABN: 267 296 190 90
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 registered entity), which comprises the statement of financial position as at 30 June 2017, 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 Star Community Services Ltd has been prepared in accordance with Div 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- i. giving a true and fair view of the registered entity's financial position as at 30 June 2017 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 Div 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 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.

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- 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.

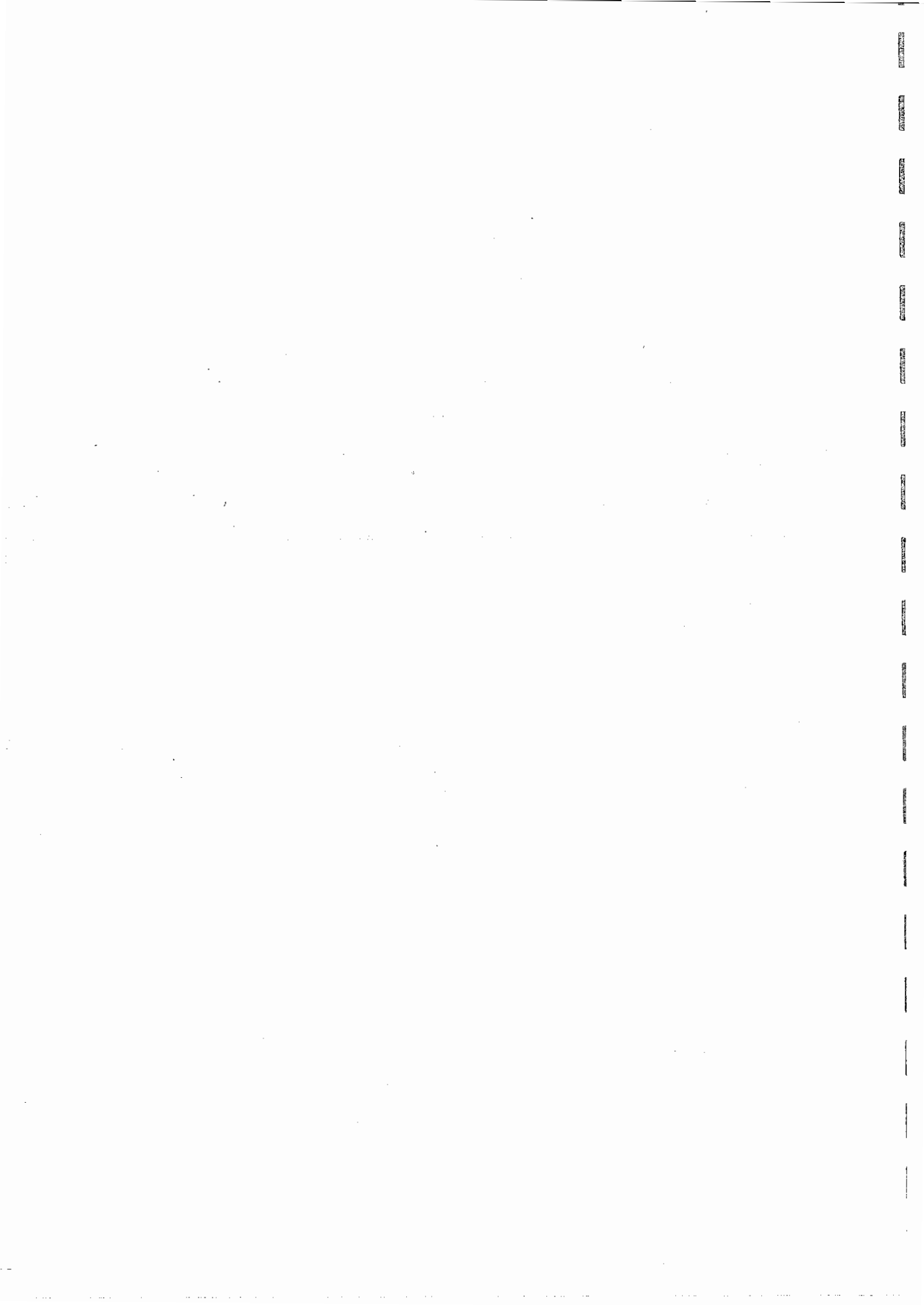
Auditor's name and signature:

Robert White



Address: 19 Abney Street
Moorooka
QLD 4105

Dated this 25th day of September 2017



General Manager's Report

I consider STAR Community Services to be somewhat successful farmers.

Over the past 3 years we have been planning and cultivating the ground to prepare for a bumper crop. Our team have worked very hard in preparing for the future and 2016/17 was a very fruitful season for STAR Community Services.

In July 2016 STAR started the year like every other, however there was the introduction of Care Services that would enable us to finally offer more to the community.

In this last year alone STAR Community Services:

- were placed to commence Home Care Packages co-ordination
- employed Care Services Manager
- employed Home Maintenance Co-Ordinator
- successfully registered to provide services for the National Disability Insurance Scheme
- ramped up our Fitness Classes and Lunch Club
- over serviced our Day Trips
- were successful with growth funding, not only for our own region but also for Logan River Valley and South Coast
- commenced delivery of new services outside transport i.e. Home Maintenance and Domestic Assistance
- successfully coordinated a companion support program
- outgrew the 5-station call centre so relocated to a 9-station call centre
- merged with CODI Transport in Ipswich
- opened a new office in Ipswich (that will allow clients to come into the office)
- commenced a range of programs for over and under 65-year-old clients in Ipswich
- employed a marketing and communications coordinator
- developed and rolled out a marketing and communication plan

- developed a short and long-term workforce strategy plan, to handle the growth
- employed additional staff in finance
- employed additional staff for scheduling
- employed additional staff in the call centre
- commenced the cashless model of transactions, and
- delivered a certificate III in individual support.

The above doesn't touch on things like professional development workshops and conferences, regulatory compliance, training and reviewing the status of our organisation as we evolve, while ensuring we are true to our vision of a collaborative community and mission of being a leader to support, develop and deliver services for our community. And best of all, it was all done while we delivered 66,445 trips for STAR clients and 17,899 trips for CODI clients.

So much work is involved with the delivery of human services, we have spent time and money reviewing our entire Policies and Procedures, this is a living breathing feat and with every piece of legislative change an update is developed.

What does the future hold for STAR?

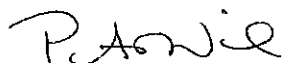
In my opinion, our future is bright and all encompassing. We, that is the Board and Management of STAR, will stay true to our vision to connect with likeminded organisations that have the ability to enhance services to vulnerable and disadvantaged people in our community. Our members can be assured that we have a knowledgeable and community focused Board that will make certain that we have the tools to map out our future and ensure financial sustainability moving forward.

I consider myself to be very fortunate to have an outstanding Management Team and this can be said of Staff and Volunteers that show their true commitment each and every day. We have been through so much change this year and the team have been trusting, supportive and willing to accept new challenges.

The next year will be all about perfecting our new services that we have commenced. Our next goal may see one or two innovative collaborative services assisting youth in our community....watch this space!

I thank the team for their dedication, I thank the Board for their support and I thank the clients for their understanding and patience while we work our way through new processes to help us to improve the quality of our services.

Personally, I feel fortunate to lead an organisation with such passion and desire of equality for the most vulnerable people in our community. I very much look forward to the year ahead.



Patsy Wilshire
General Manager

