MACQUARIE HOME STAY LIMITED
(a company limited by guarantee)
ABN 69 608 408 091

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2019

MACQUARIE HOME STAY LIMITED
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MACQUARIE HOME STAY LIMITED
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DIRECTORS' REPORT
(Continued)

Your directors present their report on the Macquarie Home Stay Limited for the financial year ended 30 June 2019.

DIRECTORS

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

Elizabeth Allen
Dawn Collins
Rodney Crowfoot
Nola Honeysett
Raymond Nolan
Fiona Prentice
Lorna White

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 activities of the company during the financial year were:

1) Fundraising and promotion to obtain donations, sponsorships and grants to develop, construct and manage the Macquarie Home Stay Accommodation facility for patients, carers and relatives seeking medical treatment in Dubbo;
2) Construct the facility; and
3) Open and operate the facility.

SHORT TERM OBJECTIVES AND STRATEGIES OF THE COMPANY

The company has identified the following short-term objectives:

To develop, construct, establish and open serviced apartments for short term accommodation to support residents and their carers of regional NSW who require treatment at Dubbo Hospital.

The company has adopted the following strategies for achievement of these short-term objectives:

Under the guidance of the Managing Director, who will bring together the community feedback, research and agreed direction of the Board of Directors, finish construction of stage 1 of the serviced apartments and continue to engage in community consultation, promotion and pursue further grant, sponsorship and donations towards the construction of future stages.

LONG TERM OBJECTIVES AND STRATEGIES OF THE COMPANY

The company has identified the following long term objectives:

Operate serviced apartments for short term accommodation to support residents and their carers of regional NSW who require treatment in Dubbo. Undertake and obtain further sponsorship, donations, grants and bequests to construct future stages of the facility.

The company has adopted the following strategies for achievement of these long term objectives:

Supervised by the Board of Directors, under the guidance of the Managing Director, manage the facility according to the objectives and activities of Macquarie Home Stay Ltd.

DIRECTORS' REPORT
(Continued)

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.

INFORMATION ON DIRECTORS

Director	Experience	Special Responsibilities
Rodney Crowfoot	Director since September 2015	Chairperson
Elizabeth Allen	Director since September 2015	Director
Dawn Collins	Director since September 2015	Director
Raymond Nolan	Director since September 2015	Director
Fiona Prentice	Director since September 2015	Director
Lorna White	Director since September 2015	Director
Nola Honeysett	Director since September 2015	Director

MEETINGS OF DIRECTORS

During the year eleven (11) meetings of directors were held. Attendances were:

	Number Eligible to Attend	Number Attended
Elizabeth Allen	11	9
Dawn Collins	11	10
Rodney Crowfoot	11	11
Lorna White	11	11
Fiona Prentice	11	10
Nola Honeysett	11	9
Raymond Nolan	11	9

MEMBERS GUARANTEE

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 $1 towards meeting any outstanding obligations of the entity. At 30 June 2019, the total amount that members of the company are liable to contribute if the company is wound up is $11.

MACQUARIE HOME STAY LIMITED
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DIRECTORS' REPORT
(Continued)

AUDITOR'S INDEPENDENCE DECLARATION

The auditors' independence declaration for the year ended 30 June 2019 has been received and can be found on page 4 of the financial statements.

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

Rodney Crowfoot

Fiona Prentice

Dated at Dubbo on this 25th day of November 2019

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF MACQUARIE HOME STAY LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been:

i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and

ii) No contraventions of any applicable code of professional conduct in relation to the audit.

Luka Group

LUKA GROUP

JM Shanks

JM SHANKS
PARTNER

2 River Street
Dubbo
Dated: 25 November 2019

MACQUARIE HOME STAY LIMITED
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DIRECTORS' DECLARATION

The directors of the Macquarie Home Stay Limited declare that:

1. The financial statement and notes as set out on pages 6 to 23 are in accordance with the Corporations Act 2001;

   (a) Comply with Accounting Standards and the Corporations Regulations 2001; and

   (b) Give a true and fair view of the financial position as at 30 June 2019 and the performance for the year ended on that date of the Company.

2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Rodney Crowfoot	Fiona Prentice

Dated at Dubbo on this 25th day of November 2019.

MACQUARIE HOME STAY LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 $	2018 $
INCOME			
Donations		44,471	182,338
Guest room income		140,055	-
Interest		4,652	10,875
Sponsorship		200,236	491,591
Subsidy		9,545	-
Deferred grant income		79,919	-
TOTAL INCOME		478,878	684,804
EXPENDITURE			
Advertising and marketing		11,888	3,925
Bank fees		433	28
Chair expenses - conference		-	50
Cleaning		3,936	-
Consumables - motel		4,035	-
Corporate gifts		601	-
Depreciation		74,318	280
Electricity and gas		9,876	-
Employee leave entitlements		8,171	8,942
Fuel and oil		1,494	-
Functions and events		2,777	-
Grant application		5,000	-
Insurance - general		9,126	1,472
Insurance - workers compensation		1,234	1,739
Laundry services		4,825	-
Meeting and board expenses		1,156	488
Postage, printing and stationery		2,867	737
Professional fees - accounting		6,500	6,550
Professional fees - audit		4,000	2,000
Professional fees - legal		-	7,537
Rates		2,602	1,642
Repairs and Maintenance			
Gardening		16,531	-
General		1,352	-
Parts and duplicates		3,617	-
Tools and equipment		3,803	-
Security		1,075	-
Subscriptions		5,247	959
Sundry expenses		-	109
Superannuation		18,850	5,247
Trailer registration		273	-
Travelling expenses		819	307
Telephone		1,194	-

MACQUARIE HOME STAY LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019
(Continued)

	Notes	2019 $	2018 $
Uniforms		1,277	-
Wages		195,972	57,990
Waste removal		879	-
Website		385	350
TOTAL EXPENDITURE		406,113	100,352
SURPLUS FOR THE YEAR		72,765	584,452
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		$72,765	$584,452

The accompanying notes form part of these financial statements.

MACQUARIE HOME STAY LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Notes	2019 $	2018 $
CURRENT ASSETS			
Cash and cash equivalents	2	135,107	682,925
Trade and other receivables	3	160,468	430,399
TOTAL CURRENT ASSETS		295,575	1,113,324
NON-CURRENT ASSETS			
Investments	4	20	20
Property, plant and equipment	5	4,386,808	2,174,002
TOTAL NON-CURRENT ASSETS		4,386,828	2,174,022
TOTAL ASSETS		4,682,403	3,287,346
CURRENT LIABILITIES			
Trade and other payables	6	46,569	374,543
Provisions	7	17,113	8,942
TOTAL CURRENT LIABILITIES		63,682	383,485
NON-CURRENT LIABILITIES			
Deferred grant income	8	3,359,987	1,717,892
TOTAL NON-CURRENT LIABILITIES		3,359,987	1,717,892
TOTAL LIABILITIES		3,423,669	2,101,377
NET ASSETS		$1,258,734	$1,185,969
EQUITY			
Retained earnings		1,258,734	1,185,969
TOTAL EQUITY		$1,258,734	$1,185,969

The accompanying notes form part of these financial statements.

MACQUARIE HOME STAY LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Retained Earnings $	Total $
Balance at 1 July 2017	601,517	601,517
Surplus for the year	584,452	584,452
Total other comprehensive income for the year	-	-
Balance at 30 June 2018	1,185,969	1,185,969
Surplus for the year	72,765	72,765
Total other comprehensive income for the year	-	-
Balance at 30 June 2019	1,258,734	1,258,734

The accompanying notes form part of these financial statements.

MACQUARIE HOME STAY LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	677,121	629,974
Grants received	1,731,559	1,196,021
Interest received	4,652	10,875
Payments to suppliers and employees	(674,026)	(152,980)
Net cash flows provided by / (used in) operating activities (Note 10.2)	1,739,306	1,683,890
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,287,124)	(1,298,643)
Net cash flows used in investing activities	(2,287,124)	(1,298,643)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(547,818)	385,247
Cash and cash equivalents at beginning of year	682,925	297,678
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 2)	$135,107	$682,925

The accompanying notes form part of these financial statements.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Macquarie Home Stay Limited 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), the Corporations Act 2001 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 have been prepared on an accruals 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 25 November 2019 by the directors of the Company.

Accounting Policies

1.1. Revenue

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

Donations are recognised as revenue when received.

Interest revenue is recognised using the effective interest method. Dividend revenue is recognised when the right to receive the dividend has been established.

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

1.2. Grant Revenue

Restart NSW Funding, Commonwealth Safer Communities Fund and Community Building Partnership program grants for the construction of the Macquarie Home Stay regional patient and family accommodation facility in Dubbo, including patient and carer accommodation, units for medical professionals and medical professional villas, security cameras and fencing has been accounted for as deferred income. The grant income will be brought to account on a systematic basis over the useful life of the asset. This treatment is in accordance with Accounting Standard AASB 120 Accounting for Government Grants and Disclosure of Government Assistance. For the year ended 30 June 2019, funding received has been treated as Deferred Grant Income. The structure was operational from 29 January 2019 and there were no unfilled conditions or contingencies attached to the receipt of the government assistance.

1.3. Income Tax

The Company is a charity as defined under the Charities Act 2013. It is registered with the Australian Charities and Not-for-profits Commission (ACNC) and endorsed by the Australian Taxation Office to access an income tax exemption concession.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.4. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

1.5. Trade and Other Receivables

Trade receivables, which generally have 30-day terms, are recognised and carried at the original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

1.6. 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.

Property
Freehold land and buildings are measured at fair value, less where applicable, accumulated depreciation.

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 immediately written down to the estimated recoverable amount and the impairment amount is recognised in the statement of comprehensive income.

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

Depreciation
The depreciable amount of all fixed assets including buildings, but excluding freehold land, are depreciated over their useful lives commencing from the time the assets are held ready for use.

The depreciation rates for each class of assets are:

Class	Rate
Buildings	2%
Plant and equipment	5 - 40%

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in the statement of comprehensive income.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.7. Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

The provision for annual leave was reviewed with entitlements expected to be used within 12 months classified as current, and entitlements expected to be used longer than 12 months classified as non-current and discounted accordingly.

1.8. Other Taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except:

- where the GST incurred on a purchase of goods and services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables are stated with the amount of GST included.

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

1.9. Trade and Other Payables

Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.10. Financial Instruments

Initial recognition and measurement

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

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is the amount for which a 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 the initial amount and the maturity amount calculated using the effective interest method.

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

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking. Realised and unrealised gains and losses arising from changes in fair value are included in the statement of comprehensive income in the period in which they arise.

(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.

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.

(iv) Available for sale financial assets

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.10. Financial Instruments (Continued)

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised.

Impairment

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

Derecognition

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

1.11. Impairment of Assets

At each reporting date, the Company reviews the carrying value 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 cost to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.

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

Where it is not possible to estimate the recoverable amount of an assets class, the Company estimates the recoverable amount of the cash generating unit to which the class of assets belong.

1.12. 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.12. Fair Value of Assets and Liabilities (Continued)

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 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 value 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 (that is, the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, information is extracted from the most advantageous market available to the Company at reporting date (that is, the market that maximises the receipts from the sale of the asset or minimises the payment 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 may be valued, where there is no observable market price in relation to the transfer of an identical or similar financial instrument, by reference to observable market information where identical or similar assets are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective notes to the financial statements.

1.13. Critical Accounting Estimates and Judgements

The Company evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates

(i) Impairment - general
The Company assess impairment at the end of each reporting period by evolution of conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using the value in use calculations which incorporate various key assumptions.

Key Judgements

(i) Employee benefits
For the purpose of measurement, AASB 119: Employee Benefits 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 employee render the related services. As the Company expects that most employees will not use all

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.13. Critical Accounting Estimates and Judgements (Continued)

of their annual leave entitlement in the same year in which they are earned or during the following 12 month period, obligations for annual leave entitlements are classified under AASB 119 as long term employee benefits and therefore, are assumed to be measured at the present value of the expected future payments to be made to employees. Long service leave entitlements are classified under AASB 119 as long term employee benefits and therefore, are assumed to be measured at the present value of the expected future payments to be made to employees.

(ii) *Useful lives of depreciable assets*
As describe in note 1.6, the Company reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of assets.

1.14. Comparative Amounts

When the presentation or classification of items in the financial statements is amended, comparative amounts shall be reclassified unless the reclassification is impractical.

	2019 $	2018 $
2. CASH AND CASH EQUIVALENTS		
Regional Australia bank S3	11,476	7,212
Regional Australia bank S30	115,009	622,994
MHSTL fundraising account	(4)	49,899
Regional Australia bank S3.1 (debit card)	8,426	2,820
Cash on hand	200	-
	$135,107	$682,925
3. TRADE AND OTHER RECEIVABLES		
Trade receivables	40,696	304,601
Other debtors	6,171	91,863
Sundry debtors	3,276	-
Accrued income	89,094	-
GST receivable	21,231	33,935
	160,468	430,399
Less: Provision for impairment of receivables	-	-
	$160,468	$430,399
4. INVESTMENTS		
Shares held in Regional Australia Bank	$20	$20

	2019 $	2018 $
5. PROPERTY, PLANT AND EQUIPMENT		
Land		
- at fair value	273,445	273,445
Land improvements	30,600	-
	304,045	273,445
Buildings		
– at cost	3,920,957	-
- Work in progress – at cost	-	1,899,403
Less: accumulated depreciation	(40,889)	-
	3,880,068	1,899,403
Property improvements		
- at cost	21,854	-
Less: accumulated depreciation	(1,122)	-
	20,732	-
Plant and equipment		
- at cost	214,270	1,434
Less: accumulated depreciation	(32,307)	(280)
	181,963	1,154
Total Property, plant and equipment	$4,386,808	$2,174,002

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

	Land $	Buildings $	Plant and equipment $	Property Improvements $	Total $
Balance at the 30 June 2018	273,445	1,899,403	1,154	-	2,174,002
Additions	30,600	2,021,554	213,116	21,854	2,287,124
Depreciation	-	(40,889)	(32,307)	(1,122)	(74,318)
Balance at the 30 June 2019	304,045	3,880,068	181,963	20,732	4,386,808

	2019 $	2018 $
6. TRADE AND OTHER PAYABLES		
Trade payables	11,995	373,322
Accrued expenses	14,704	-
PAYG withholding payable	12,694	-
Superannuation payable	7,176	1,221
	$46,569	$374,543
7. PROVISIONS		
Current		
Annual leave	$17,113	$8,942
Reconciliation of employee benefits		
Opening balance	8,942	-
Additional provisions raised during the year	13,180	12,631
Amounts used	(5,009)	(3,689)
Closing balance	$17,113	$8,942
8. DEFERRED GRANT INCOME		
Non-current		
Government grants	$3,359,987	$1,717,892
Reconciliation of Government Grants		
Opening balance	1,717,892	221,761
Additional grants received during the year	1,722,014	1,496,131
Amount recognised as revenue	(79,919)	-
Closing balance	$3,359,987	$1,717,892

The company has been granted funding to the value of $3.3 million from Restart NSW Funding, $44,906 from the Commonwealth Safer Communities Fund and $95,000 from the Community Building Partnership. These grants have been used to fund the construction of the Macquarie Homestay regional patient and family accommodation facility, fencing as well as security cameras. The above figure represents grant funding received to balance date, netted with the yearly recognition of income calculated for the 2019 year from the date of opening 29 January 2019. It is expected that the deferred income will continue to be recognised over the following 25 years.

	2019 $	2018 $
9. CAPITAL COMMITMENTS		
MAAS Constructions (Dubbo) Pty Ltd	$-	$2,014,994
Payable within:		
- Not later than one year	$-	$2,014,994

10. CASH FLOW INFORMATION

10.1 Reconciliation of cash and cash equivalents

Cash at the end of the financial year as shown in the statement of cash flows equates to cash and cash equivalents disclosed in note 5.

	2019 $	2018 $
Cash and cash equivalents	$135,107	$682,925

10.2 Reconciliation of cash flow from operations with operating result

	2019 $	2018 $
Surplus from operations	72,765	584,452
Non-cash flows in result from operations:		
Depreciation	74,318	280
Changes in assets and liabilities		
Increase / (decrease) in provisions	8,171	8,942
(Decrease) / increase in payables	(327,974)	(6,275)
(Increase) / decrease in receivables	269,931	(396,640)
Increase / (decrease) in other liabilities	1,642,095	1,496,131
Cash flow from operations	$1,739,306	$1,683,890

11. KEY MANAGEMENT PERSONNEL COMPENSATION

11.1 Key Management Personnel

The names of the key management personnel during the year are:

Elizabeth Allen
Dawn Collins
Rodney Crowfoot
Nola Honeysett
Lorna White
Raymond Nolan
Fiona Prentice

11. KEY MANAGEMENT PERSONNEL COMPENSATION

11.1 Key Management Personnel (Continued)

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

	2019 $	2018 $
Salaries and fees	126,725	57,814
Superannuation	11,956	5,247
	$138,681	$63,061

12. RELATED PARTY TRANSACTIONS

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

13. MEMBERS GUARANTEE

Macquarie Home Stay Limited has no authorised capital as it is a company limited by guarantee of its members. On winding up, each member is required to contribute an amount not exceeding $1.00.

14. FINANCIAL RISK MANAGEMENT

The Company's financial instruments mainly consist of deposits with banks, short-term investments, accounts receivable and accounts payable.

The carrying amount for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

Financial assets			
Cash and cash equivalents	2	135,107	682,925
Trade and other receivables	3	160,468	430,399
Total financial assets		$295,575	$1,113,324
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	6	46,569	374,543
Total Financial liabilities		$46,569	$374,543

14. FINANCIAL RISK MANAGEMENT (Continued)

The Company has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after 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

Recurring fair value measurements			
Non-financial assets			
Land	5	304,045	273,445
Buildings	5	3,880,068	252,202
Total financial assets		$4,184,113	$525,647

15. NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company has decided not to early adopt any of the new and amended pronouncements. A discussion of those future requirements and their impact on the Company is as follows:

- AASB 16: Lease (AASB 16) (applicable for annual reporting periods commencing on or after 1 January 2019).

  - For lessees, AASB 16 will result in most leases being recognised on the Statement of Financial Position, as the distinction between operating and finance leases is largely removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised at the commencement of the lease. The only exceptions are short-term and low-value leases. AASB 16 will therefore increase assets and liabilities reported on the Statement of Financial Position. It will also increase depreciation and interest expenses and reduce operating lease rental expenses on the Statement of Comprehensive Income. Expenses recognised in the earlier years of the lease term will be higher as the interest charges will be calculated on a larger lease liability balance. Existing finance leases are not expected to be significantly impacted from the transition to AASB 16.
  - The accounting for lessors under AASB 16 will not significantly change. The Company will however review the classification of sub-leases in which the Company is a lessor. Finance lease receivables will be recognised for sub-leases reclassified as finance leases.
  - The Company will adopt AASB 16 on 1 July 2019 through application of the partial retrospective approach, where only the current year is adjusted as though AASB 16 had always applied. Comparative information will not be restated. The Company will also adopt the practical expedient whereby the fair value of the right-of use asset will be the same as the lease liability at 1 July 2019.

  This Standard is not expected to significantly impact the Company.

15. NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS (Continued)

- AASB 15 Revenue from Contracts with Customers (applicable for annual reporting periods commencing on or after 1 January 2019).

  - Establishes a new revenue recognition model
  - Changes the basis for deciding whether revenue is to be recognised over time or at a point in time
  - Provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing)
  - Expands and improves disclosures about revenue

  This Standard is not expected to significantly impact the Company.

- AASB 1058 Income for Not-for-Profit Entities. (applicable for annual reporting periods commencing on or after 1 January 2019)

  AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-to-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions. Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment). Upon initial recognition of the asset, AASB 1058 requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as:

  1. Contributions by owners;
  2. Revenue, or a contract liability arising from a contract with a customer;
  3. A lease liability;
  4. A financial instrument; or
  5. A provision.

  These related amounts will be accounted for in accordance with applicable accounting standards

  This Standard is not expected to significantly impact the Company.

17. COMPANY DETAILS

The registered office of the company is:

Macquarie Home Stay Limited
62 Grangewood Drive
DUBBO NSW 2830

[End of the Audited Financial Statements]

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MACQUARIE HOME STAY LIMITED

Opinion

We have audited the financial report of Macquarie Home Stay Limited, which comprises the statement of financial position as at 30 June 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, accompanying notes to the financial statements and directors' declaration.

In our opinion, the financial report of Macquarie Home Stay Limited are in accordance with:

(a) the Corporations Act 2001 and the Australian Charities and Not-for-profits Commission Act 2012, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the year ended on that date; and

(ii) complying with Accounting Standards – Reduced Disclosure Requirements, the Corporations Regulations 2001 and the Australian Charities and Not-for-profits Commission Regulation 2013; and

(b) other mandatory professional reporting requirements in Australia.

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 Statements* section of our report. We are independent of the Company 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) and the *Corporations Act 2001* 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.

Information Other than the Financial Report and Auditor's Report

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MACQUARIE HOME STAY LIMITED
(Continued)

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors intends to liquidate the Company or cease operations, or has 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 are 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 it 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors, 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 the audit.

Luka Group

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JM SHANKS
PARTNER

2 River Street
Dubbo
Dated: 25 November 2019