

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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2023

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 2023.

DIRECTORS

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

James Cleaver	Susan Madden (appointed 22 March 2023)
Leanne Collins (appointed 22 March 2023)	Sharon Portelli (resigned 30 November 2022)
Rodney Crowfoot	David Ringland
Susan Hill (resigned 21 February 2023)	Marie Russell (appointed 21 February 2023)
David Haywood	Andrew Single (appointed 22 March 2023)
Pip Job	Peter Woodward

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) To operate serviced apartments for short term accommodation that supports residents and their carers of regional NSW who require medical treatment in Dubbo.
- 2) Fundraising and promotion to obtain donations, sponsorships and grants to develop, construct and manage stage 2 of the Macquarie Home Stay Accommodation facility.

SHORT TERM OBJECTIVES AND STRATEGIES OF THE COMPANY

The company has identified the following short-term objectives:

To operate serviced apartments for short term accommodation that supports residents and their carers of regional NSW who require medical treatment in Dubbo.

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

Under the guidance of the Managing Director, operate the first stage of the accommodation precinct and continue to engage in community consultation, promotion and pursue further grants, donations and sponsorship that leads to the construction of future accommodation 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.

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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	Managing Director
David Haywood	Director since December 2021	Chairperson
Peter Woodward	Director since April 2021	Secretary
Pip Job	Director since November 2019	Public Officer
Leanne Collins	Director since March 2023	Treasurer
James Cleaver	Director since November 2021	Director
David Ringland	Director since December 2021	Director
Susan Madden	Director since February 2023	Director
Marie Russell	Director since March 2023	Director
Andrew Single	Director since March 2023	Director

MEETINGS OF DIRECTORS

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

	Number Eligible to Attend	Number Attended
James Cleaver	11	8
Leanne Collins	3	3
Rodney Crowfoot	11	11
David Haywood	11	11
Susan Hill	6	6
Pip Job	11	11
Susan Madden	3	2
Sharon Portelli	5	5
David Ringland	11	8
Marie Russell	4	2
Andrew Single	3	3
Peter Woodward	11	11

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DIRECTORS' REPORT
(Continued)

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 2023, the total amount that members of the company are liable to contribute if the company is wound up is \$11.

EVENTS SUBSEQUENT TO YEAR END

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

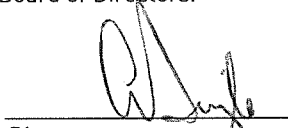
AUDITOR'S INDEPENDENCE DECLARATION

The auditors' independence declaration for the year ended 30 June 2023 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.



Director



Director

Dated at Dubbo on this 31st day of October 2023

Luka Group

CHARTERED ACCOUNTANTS & FINANCIAL ADVISERS

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AUDITOR'S INDEPENDENCE DECLARATION UNDER ACNC ACT SECTION 60-40 TO THE DIRECTORS OF MACQUARIE HOME STAY LIMITED

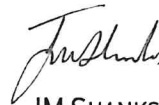
In accordance with Subdivision 60-C of the Australian Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the directors of Macquarie Home Stay Limited. As the audit partner for the audit of the financial report of Macquarie Home Stay Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- i) No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit, and
- ii) No contraventions of any applicable code of professional conduct in relation to the audit.



LUKA GROUP

7/30 Blueridge Drive
Dubbo
Dated: 31 October 2023



**JM SHANKS
PARTNER**



CHARTERED ACCOUNTANTS
AUSTRALIA - NEW ZEALAND

Liability limited by a scheme approved under Professional Standards Legislation

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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 25 satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) Comply with Australian Accounting Standards – Reduced Disclosure requirements applicable to the Company; and
 - (b) Give a true and fair view of the financial position as at 30 June 2023 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 signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Director

Director

Dated at Dubbo on this 31st day of October 2023.

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 \$	2022 \$
Revenue	2	1,447,526	691,531
Employee expenses	3	(473,352)	(419,921)
Depreciation expense	3	(123,694)	(133,114)
Other expenses	3	(276,879)	(153,911)
SURPLUS / (DEFICIT) FOR THE YEAR		573,601	(15,415)
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$573,601	\$(15,415)

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Notes	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	4	3,531,639	396,734
Trade and other receivables	5	51,526	39,686
		3,583,165	436,420
TOTAL CURRENT ASSETS			
NON-CURRENT ASSETS			
Financial assets	6	20	20
Property, plant and equipment	7	4,185,193	4,176,087
		4,185,213	4,176,107
TOTAL NON-CURRENT ASSETS			
		7,768,378	4,612,527
TOTAL ASSETS			
CURRENT LIABILITIES			
Trade and other payables	8	2,826,404	120,652
Provisions	9	49,309	40,426
Deferred grant income	10	137,596	137,596
		3,013,309	298,674
TOTAL CURRENT LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions	9	16,583	11,376
Deferred grant income	10	2,672,019	2,809,611
		2,688,602	2,820,987
TOTAL NON-CURRENT LIABILITIES			
		5,701,911	3,119,661
TOTAL LIABILITIES			
		2,066,467	\$1,492,866
NET ASSETS			
EQUITY			
Retained earnings		2,066,467	1,492,866
		\$2,066,467	\$1,492,866
TOTAL EQUITY			

The accompanying notes form part of these financial statements.
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Retained Earnings \$	Total \$
Balance at 1 July 2021	1,508,281	1,508,281
Deficit for the year	(15,415)	(15,415)
Total other comprehensive income for the year	-	-
Balance at 30 June 2022	1,492,866	1,492,866
Surplus for the year	573,601	573,601
Total other comprehensive income for the year	-	-
Balance at 30 June 2023	\$2,066,467	\$2,066,467

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	4,149,828	616,362
Interest received	21,701	1,532
Payments to suppliers and employees	(903,824)	(552,350)
	3,267,705	65,544
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(132,800)	(105,305)
	(132,800)	(105,305)
CASH FLOWS FROM FINANCING ACTIVITIES		
	-	-
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		
	3,134,905	(39,761)
Cash and cash equivalents at beginning of year	396,734	436,495
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 12.1)	\$3,531,639	\$396,734

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures 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 company 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 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 31 October 2023 by the directors of the Company.

Accounting Policies

1.1. Revenue

The Company is first required to determine whether amounts received are accounted for as Revenue per AASB 15: *Revenue from Contracts with Customers* or Income per AASB 1058: *Income for Not-for-Profit Entities*.

Funding arrangements which are enforceable and contain sufficiently specific performance obligations are recognised as revenue under AASB 15. Otherwise, such arrangements are accounted for under AASB 1058, where upon initial recognition of an asset, the Company is required to consider whether any other financial statement elements should be recognised (eg. financial liabilities representing repayable amounts), with any difference being recognised immediately in profit or loss as income.

Contributed assets

The Company receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the Company recognises related amounts being the contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer.

The Company recognises income immediately in profit or loss as the difference between initial carrying amount of the asset and the related amounts.

Operating Grants and Donations

When the Company receives operating grant revenue and donations, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.1. Revenue (Continued)

When both these conditions are satisfied, the Company:

- Identifies each performance obligation relating to the grant;
- Recognises a contract liability for its obligations under the agreement; and
- Recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Company:

- Recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- Recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions); and
- Recognises income immediately in the profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Company recognises in profit or loss when or as it satisfies obligations under the contract.

Capital Grants

When the Company receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions) recognised under other Australian Accounting Standards.

The Company recognises income in the profit or loss when or as the Company satisfies its obligations under the terms of the grant.

Guest Room Income

The Company recognise revenue from rendering the service upon the delivery of the service to the customer.

Interest income

Interest income is recognised using the effective interest method.

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

1.2. Leases

The Company as Lessee

At the inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right of use asset and a corresponding lease liability is recognised by the Company where the Company is the lessee. However all contracts that are classified as short-term leases (leases with a remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.2. Leases (Continued)

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- Fixed lease payments less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The expected amount to be payable by the lessee under residual value guarantees;
- The exercise of purchase options, if the lessee is reasonably certain to exercise the options;
- Lease payments made under extension options, if the lessee is reasonably certain to exercise the options; and
- Payment of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right of use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right of use assets is at cost less accumulated depreciation and impairment losses.

Right of use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right of use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Company as lessor

The Company does not have any leases where it is the lessor.

1.3. Income Tax

The Company is a charitable institution in terms of section 50-5 of the Income Tax Assessment Act 1997. It is exempt from paying income tax.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.5. Trade and Other Receivables

Trade and other receivables include amounts receivable from government departments and customers. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

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.

1.7. Employee Benefits

Short-term 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 wholly settled within 12 months after the end of the annual reporting period in which the employee render the related service, including wages, salaries, annual leave and sick

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.7. Employee Benefits

leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

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 expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

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

1.8. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except where the amount of GST 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 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. The GST components of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO, are presented as operating cash flows include in receipts from customers or payments to suppliers.

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.

1.10. Financial Instruments

Initial recognition and measurement

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).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.10. Financial Instruments (Continued)

Financial instruments (except trade receivables) 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.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

Classification and subsequent measurement

Financial liabilities

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

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

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

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at amortised cost.

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

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

Derecognition

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

Derecognition of financial liabilities

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.10. Financial Instruments (Continued)

Derecognition of financial assets

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

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

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred;
- and
- the Company no longer controls the asset.

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

Impairment

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

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

The Company uses the simplified approach.

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to trade receivables that result from transactions within the scope of AASB 15: *Revenue from Contracts with Customers* and which do not contain a significant financing component.

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

Recognition of expected credit losses in financial statements

At each reporting date, the Company recognised the movement in the loss allowance as an impairment gain or loss in the statement of comprehensive income.

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.11. Impairment of Assets (Continued)

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.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023
[Continued]

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 assesses impairment at the end of each reporting period by evaluation 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 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.

(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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023
(Continued)

	2023	2022
	\$	\$
2. REVENUE		
Donations	465,394	54,779
Grants	144,725	9,000
Guest room income	656,778	480,386
Interest	21,701	1,532
Membership	-	65
Subsidy	20,696	5,000
Sundry	640	3,177
Deferred grant income	137,592	137,592
	<u>\$1,447,526</u>	<u>\$691,531</u>
3. EXPENSES		
Employee expenses		
Wages	408,445	354,894
Superannuation	38,815	34,396
Employee leave entitlements	14,090	19,842
Insurance – workers compensation	9,638	9,408
Other employee expenses	2,364	1,381
	<u>\$473,352</u>	<u>\$419,921</u>
Depreciation expense		
Buildings	98,023	98,024
Plant and equipment	18,960	27,954
Property improvements	6,711	7,136
	<u>\$123,694</u>	<u>\$133,114</u>
Other expenses		
Advertising	11,644	-
Bad debts	-	3,602
Consumables - motel	17,881	12,146
Electricity and gas	14,466	10,093
Insurance – general	19,305	17,471
Laundry services	17,214	16,720
Professional fees – audit	7,350	7,000
Professional fees – consultant	-	7,884
Rates	37,172	29,055
Repairs and maintenance	51,524	20,914
Traineeship expenses	60,343	-
Other expenses	39,980	29,026
	<u>\$276,879</u>	<u>\$153,911</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023
(Continued)

	2023	2022
	\$	\$
4. CASH AND CASH EQUIVALENTS		
Cash at bank	3,531,439	396,534
Cash on hand	200	200
	\$3,531,639	\$396,734
5. TRADE AND OTHER RECEIVABLES		
Trade and other receivables	24,767	22,359
Accrued income	26,759	17,327
	\$51,526	\$39,686
6. INVESTMENTS		
Shares held in Regional Australia Bank	\$20	\$20
	\$20	\$20
7. PROPERTY, PLANT AND EQUIPMENT		
Land		
- at fair value	273,445	273,445
Land improvements	30,600	30,600
	304,045	304,045
Buildings		
- at cost	4,155,251	4,022,450
Less: accumulated depreciation	(432,985)	(334,961)
	3,722,266	3,687,489
Property improvements		
- at cost	135,265	135,265
Less: accumulated depreciation	(27,227)	(20,516)
	108,038	114,749
Plant and equipment		
- at cost	237,062	237,062
Less: accumulated depreciation	(186,218)	(167,258)
	50,844	69,804
Total Property, plant and equipment	\$4,185,193	\$4,176,087

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023
(Continued)

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

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 2021	304,045	3,691,506	95,981	112,364	4,203,896
Additions	-	94,007	1,777	9,521	105,305
Depreciation	-	(98,024)	(27,954)	(7,136)	(133,114)
Opening balance at 1 July 2022	304,045	3,687,489	69,804	114,749	4,176,087
Additions	-	132,800	-	-	132,800
Depreciation	-	(98,023)	(18,960)	(6,711)	(123,694)
Balance at the 30 June 2023	304,045	3,722,266	50,844	108,038	4,185,193

2023
\$

2022
\$

8. TRADE AND OTHER PAYABLES

Trade and other payables	272,084	82,896
Accrued expenses	19,045	14,756
Contractual liabilities	2,535,275	23,000
	\$2,826,404	\$120,652

9. PROVISIONS

Current

Annual leave	\$49,309	\$40,426
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Non-current

Long service leave	\$16,583	\$11,376
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Reconciliation of employee benefits

Opening balance	51,802	33,960
Additional provisions raised during the year	40,014	38,290
Amounts used	(25,924)	(20,448)
Closing balance	\$65,892	\$51,802

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023
(Continued)

9. PROVISIONS (Continued)

Provision for employee benefits represents amounts accrued for annual leave, long service leave and time in lieu. The current portion of this provision includes the total amount accrued for time in lieu and 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 and 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 of this provision includes amounts accrued for long service leave entitlements that have not vested in relation to those employees who have not yet completed the required period of service.

	2023 \$	2022 \$
10. DEFERRED GRANT INCOME		
Current		
Government grants	\$137,596	\$137,596
	<hr/>	<hr/>
Non-current		
Government grants	\$2,672,019	\$2,809,611
	<hr/>	<hr/>
Reconciliation of Government Grants		
Opening balance	2,947,207	3,084,799
Amount recognised as revenue	(137,592)	(137,592)
	<hr/>	<hr/>
Closing balance	\$2,809,615	\$2,947,207
	<hr/>	<hr/>

11. CAPITAL COMMITMENTS

There were no capital expenditure commitments at 30 June 2023 (2022 - \$Nil).

	2023 \$	2022 \$
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12. CASH FLOW INFORMATION

12.1 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 4.

Cash and cash equivalents	\$3,531,639	\$396,734
	<hr/>	<hr/>

MACQUARIE HOME STAY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023
(Continued)

	2023	2022
	\$	\$
12. CASH FLOW INFORMATION (Continued)		
12.2 Reconciliation of cash flow from operations with operating result		
Surplus from operations	573,601	(15,415)
<i>Non-cash flows in result from operations:</i>		
Depreciation	123,694	133,114
<i>Changes in assets and liabilities</i>		
(Increase) / decrease in receivables	(11,840)	6,278
Increase / (decrease) in payables	2,705,752	59,317
Increase / (decrease) in provisions	14,090	19,842
Increase / (decrease) in deferred grant income	(137,592)	(137,592)
	\$3,267,705	\$65,544
12.3 Credit standby arrangements and loan facilities		
Overdraft facilities	200,000	-
Current borrowing	-	-
	\$200,000	\$-
Loan facilities	4,000,000	-
Current borrowing	-	-
	\$4,000,000	\$-

13. KEY MANAGEMENT PERSONNEL COMPENSATION

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.

The totals of remuneration paid to key management personnel of the Company during the year are as follows:

	2023	2022
	\$	\$
KMP compensation	\$150,055	\$155,756

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023
(Continued)

14. 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.

15. 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.

	2023 \$	2022 \$
16. AUDITOR'S REMUNERATION		
Remuneration of the auditor:		
Auditing the financial statements	\$7,350	\$7,000

17. 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:

	Note	2023 \$	2022 \$
Financial assets			
Financial assets at amortised cost			
Cash and cash equivalents	4	3,531,639	396,734
Trade and other receivables	5	51,526	39,686
Total financial assets		\$3,583,165	\$436,420
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	8	2,826,404	120,652
Total Financial liabilities		\$2,826,404	\$120,652

18. EVENTS AFTER THE REPORTING PERIOD

Since the end of the financial year and to the date of this report, in the opinion of the directors, no item, transaction or event of a material or unusual nature, which would affect substantially the result of the Company's operation for the next succeeding year, has occurred.

MACQUARIE HOME STAY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023
(Continued)

19. COMPANY DETAILS

The registered office of the company is:

Macquarie Home Stay Limited
1 Tony McGrane Place
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 2023, 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 statements of Macquarie Home Stay Limited are in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the ACNC Act) including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards – AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of *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 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 *Australian Charities and Not-for-profits Commission Act 2012* 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 non-financial statements component of the annual report for the year ended 30 June 2023.

Our opinion on the financial statements 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 statements, our responsibility is to read the other information and in doing so consider whether the other information is materially inconsistent with the financial statements 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 Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards – AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the ACNC Act, and for such internal control as management deems necessary to enable the preparation of the financial statements that are 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 statements, management is 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 intend 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

7/30 Blueridge Drive
Dubbo
Dated: 31 October 2023



**JM SHANKS
PARTNER**

