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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2021

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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 2021.

DIRECTORS

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

Trudy Behsman (resigned 8 September 2020)
Dawn Collins
Rodney Crowfoot
Ailsa Graham (resigned 24 November 2020)
Steve Guy
Susan Hill (appointed 24 November 2020)
Pip Job
Raymond Nolan
Sharon Portelli
Fiona Prentice
Peter Woodward (appointed 13 April 2021)

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 services 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.

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
Dawn Collins	Director since September 2015	Chairperson
Raymond Nolan	Director since September 2015	Public Officer
Fiona Prentice	Director since September 2015	Secretary
Sharon Portelli	Director since November 2019	Treasurer
Steve Guy	Director since November 2019	Director
Pip Job	Director since November 2019	Director
Susan Hill	Director since November 2020	Director
Peter Woodward	Director since April 2021	Director

MEETINGS OF DIRECTORS

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

	Number Eligible to Attend	Number Attended
Trudy Behsman	2	-
Dawn Collins	11	11
Rodney Crowfoot	11	11
Susan Hill	6	5
Ailsa Graham	5	3
Steve Guy	11	8
Pip Job	11	10
Raymond Nolan	11	11
Fiona Prentice	11	11
Sharon Portelli	11	9
Peter Woodward	2	2

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 2021, 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

The Covid-19 outbreak that was declared by the World Health Organisation as a global pandemic on 11 March 2020 continues to cause uncertainty after year end. The spread of the virus has resulted in Australia enacting border closures, travel restrictions, quarantine and social distancing measures. These responses have assisted in reducing the exponential spread of the virus, but until the population is widely vaccinated it is likely that these types of control measures will remain in place for the foreseeable future. While the Company has continued operations, tighter restrictions by the Government may impact the operations of the Company.

Apart from the abovementioned, 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 2021 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.

D Collins — Dawn Collins

S Portelli — Sharon Portelli

Dated at Dubbo on this 19th day of November 2021

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 2021, 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

LUKA GROUP

2 River Street
Dubbo
Dated: 19 November 2021

JM SHANKS
PARTNER

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 26 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 2021 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.

D Collins
Dawn Collins

S Portelli
Sharon Portelli

Dated at Dubbo on this 19th day of November 2021.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 $	2020 $
Revenue	2	949,564	833,514
Employee expenses	3	(443,768)	(410,225)
Depreciation expense	3	(146,676)	(168,347)
Other expenses	3	(215,455)	(149,060)
SURPLUS FOR THE YEAR		143,665	105,882
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		$143,665	$105,882

MACQUARIE HOME STAY LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Notes	2021 $	2020 $
CURRENT ASSETS			
Cash and cash equivalents	4	436,495	161,055
Trade and other receivables	5	45,964	189,233
TOTAL CURRENT ASSETS		482,459	350,288
NON-CURRENT ASSETS			
Investments	6	20	20
Property, plant and equipment	7	4,203,896	4,344,282
TOTAL NON-CURRENT ASSETS		4,203,916	4,344,302
TOTAL ASSETS		4,686,375	4,694,590
CURRENT LIABILITIES			
Trade and other payables	8	61,335	77,927
Provisions	9	25,719	29,656
Deferred grant income	10	137,596	137,596
TOTAL CURRENT LIABILITIES		224,650	245,179
NON-CURRENT LIABILITIES			
Provisions	9	6,241	-
Deferred grant income	10	2,947,203	3,084,795
TOTAL NON-CURRENT LIABILITIES		2,953,444	3,084,795
TOTAL LIABILITIES		3,178,094	3,329,974
NET ASSETS		$1,508,281	$1,364,616
EQUITY			
Retained earnings		1,508,281	1,364,616
TOTAL EQUITY		$1,508,281	$1,364,616

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Retained Earnings $	Total $
Balance at 1 July 2019	1,258,734	1,258,734
Surplus for the year	105,882	105,882
Total other comprehensive income for the year	-	-
Balance at 30 June 2020	1,364,616	1,364,616
Surplus for the year	143,665	143,665
Total other comprehensive income for the year	-	-
Balance at 30 June 2021	$1,508,281	$1,508,281

MACQUARIE HOME STAY LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,003,684	697,516
Interest received	1,849	995
Payments to suppliers and employees	(723,803)	(546,742)
Net cash flows provided by operating activities (Note 12.2)	281,730	151,769
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,290)	(125,821)
Net cash flows used in investing activities	(6,290)	(125,821)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	275,440	25,948
Cash and cash equivalents at beginning of year	161,055	135,107
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	$436,495	$161,055

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Macquarie Home Stay Limited as an individual entity, incorporated and domiciled in Australia. Macquarie Home Stay Limited is a company limited by guarantee.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The Company is a not-for-profit 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 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 19 November 2021 by the directors of the Company.

Accounting Policies

1.1. Revenue

Revenue Recognition

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, AABS 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.1. Revenue (Continued)

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.

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, revenue or contract liability arising from a contract with a customer); 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, revenue or contract liability arising from a contract with a customer) 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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 be 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, it 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. 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 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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. 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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).

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.10. Financial Instruments (Continued)

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.

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.).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.10. Financial Instruments (Continued)

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 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).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.12. Fair Value of Assets and Liabilities (Continued)

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 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.

	2021 $	2020 $
2. REVENUE		
Donations	57,725	181,420
Fundraising income	1,013	-
Government Covid-19 stimulus	157,558	98,718
Grants	40,325	-
Guest room income	463,093	359,099
Interest	1,849	995
Insurance proceeds	-	6,134
Sponsorship	90,409	35,000
Membership	-	6
Subsidy	-	14,546
Deferred grant income	137,592	137,596
	$949,564	$833,514
3. EXPENSES		
Employee expenses		
Wages	394,732	351,771
Superannuation	32,900	30,789
Employee leave entitlements	2,304	12,544
Insurance – workers compensation	9,763	11,903
Other employee expenses	4,069	3,218
	$443,768	$410,225
Depreciation expense		
Buildings	98,024	98,024
Plant and equipment	41,077	65,640
Property improvements	7,575	4,683
	$146,676	$168,347
Other expenses		
Bad debts	9,527	-
Consumables - motel	13,571	11,622
Electricity and gas	15,332	17,955
Insurance – general	15,153	12,040
Laundry services	18,445	15,880
Professional fees – accounting	7,323	14,932
Professional fees – audit	4,250	4,000
Professional fees – consultant	38,597	2,800
Rates	23,694	13,357
Repairs and maintenance	30,912	26,452
Other expenses	38,651	30,022
	$215,455	$149,060

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021
(Continued)

	2021 $	2020 $
4. CASH AND CASH EQUIVALENTS		
Cash at bank	436,295	160,855
Cash on hand	200	200
	$436,495	$161,055
5. TRADE AND OTHER RECEIVABLES		
Trade and other receivables	40,549	141,807
Accrued income	7,670	47,426
Provision for impairment	(2,255)	-
	$45,964	$189,233
6. INVESTMENTS		
Shares held in Regional Australia Bank	$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	3,928,443	3,928,443
Less: accumulated depreciation	(236,937)	(138,913)
	3,691,506	3,789,530
Property improvements		
- at cost	125,744	125,744
Less: accumulated depreciation	(13,380)	(5,805)
	112,364	119,939
Plant and equipment		
- at cost	235,285	228,995
Less: accumulated depreciation	(139,304)	(98,227)
	95,981	130,768
Total Property, plant and equipment	$4,203,896	$4,344,282

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 2019	304,045	3,880,068	181,963	20,732	4,386,808
Additions	-	7,486	14,445	103,890	125,821
Depreciation	-	(98,024)	(65,640)	(4,683)	(168,347)
Opening balance at 1 July 2020	304,045	3,789,530	130,768	119,939	4,344,282
Additions	-	-	6,290	-	6,290
Depreciation	-	(98,024)	(41,077)	(7,575)	(146,676)
Balance at the 30 June 2021	304,045	3,691,506	95,981	112,364	4,203,896

	2021 $	2020 $
8. TRADE AND OTHER PAYABLES		
Trade and other payables	39,299	61,483
Accrued expenses	22,036	16,444
	$61,335	$77,927
9. PROVISIONS		
Current		
Annual leave	$25,719	$29,656
Non-current		
Long service leave	$6,241	$-
Reconciliation of employee benefits		
Opening balance	29,656	17,113
Additional provisions raised during the year	25,057	23,729
Amounts used	(20,753)	(11,186)
Closing balance	$33,960	$29,656

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.

	2021 $	2020 $
10. DEFERRED GRANT INCOME		
Current		
Government grants	$137,596	$137,596
Non-current		
Government grants	$2,947,203	$3,084,795
Reconciliation of Government Grants		
Opening balance	3,222,391	3,359,987
Amount recognised as revenue	(137,592)	(137,596)
Closing balance	$3,084,799	$3,222,391

11. CAPITAL COMMITMENTS

There were no capital expenditure commitments at 30 June 2021 (2020 - $Nil).

	2021 $	2020 $
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	$436,495	$161,055

12. CASH FLOW INFORMATION (Continued)

12.2 Reconciliation of cash flow from operations with operating result

	2021 $	2020 $
Surplus from operations	143,665	105,882
Non-cash flows in result from operations:		
Depreciation	146,676	168,347
Changes in assets and liabilities		
Decrease / (increase) in receivables	143,269	(28,765)
Increase / (decrease) in payables	(16,592)	31,358
Increase / (decrease) in provisions	2,304	12,543
(Decrease) / increase in deferred grant income	(137,592)	(137,596)
Cash flow from operations	$281,730	$151,769

13. KEY MANAGEMENT PERSONNEL COMPENSATION

13.1 Key Management Personnel

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

Trudy Behsman (resigned 8 September 2020)
Dawn Collins
Rodney Crowfoot
Ailsa Graham (resigned 24 November 2020)
Steve Guy
Susan Hill (appointed 24 November 2020)
Pip Job
Raymond Nolan
Sharon Portelli
Fiona Prentice
Peter Woodward (appointed 13 April 2021)

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.

	2021 $	2020 $
Salaries and fees	137,285	136,267
Superannuation	12,887	12,825
	$150,172	$149,092

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.

16. 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:

		2021 $	2020 $
Financial assets			
Financial assets at amortised cost			
Cash and cash equivalents	4	436,495	161,055
Trade and other receivables	5	45,964	189,233
Total financial assets		$482,459	$350,288
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	8	61,335	77,927
Total Financial liabilities		$61,335	$77,927

17. FAIR VALUE MEASUREMENT

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Financial assets at fair value through profit and loss;
- Available for sale financial assets; and
- Property, plant and equipment.

The Company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

a) Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

17. FAIR VALUE MEASUREMENT (Continued)

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined by using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Company are consistent with one or more of the following valuation approaches.

- *Market approach*: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach*: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

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

17. FAIR VALUE MEASUREMENT (Continued)

2021	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements					
Non-financial assets					
Land	7	-	304,045	-	304,045
Buildings	7	-	3,691,506	-	3,691,506
Total non-financial assets recognised at fair value		$-	$3,995,551	$-	$3,995,551

2020	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements					
Non-financial assets					
Land	7	-	304,045	-	304,045
Buildings	7	-	3,789,530	-	3,789,530
Total non-financial assets recognised at fair value		$-	$4,093,575	$-	$4,093,575

There were no transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period (2020: no transfers).

18. EVENTS AFTER THE REPORTING PERIOD

The Covid-19 outbreak that was declared by the World Health Organisation as a global pandemic on 11 March 2020 continues to cause uncertainty after year end. The spread of the virus has resulted in Australia enacting border closures, travel restrictions, quarantine and social distancing measures. These responses have assisted in reducing the exponential spread of the virus, but until the population is widely vaccinated it is likely that these types of control measures will remain in place for the foreseeable future. While the Company has continued operations, tighter restrictions by the Government may impact the operations of the Company.

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.

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 2021, 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 2021 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of *Australian Charities and Not-for-profits Commission Regulation 2013.*

Material Uncertainty Regarding Events After the Reporting Period – Covid-19

Without qualifying our audit opinion, we draw attention to Note 18 in the financial statements which indicate uncertainty in events after the reporting period due to the ongoing Covid-19 pandemic with border closures, travel restrictions, quarantine and social distancing measures. These control measures will remain in place for the foreseeable future. Tighter restrictions by the Government to manage the pandemic may impact the operations of the Company into the future. These conditions provide a material uncertainty regarding events after the reporting period.

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 2021.

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 Management and the Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, 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.

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 management intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole 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.

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

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

LUKA GROUP

2 River Street
Dubbo
Dated: 19 November 2021

JM Shanks

JM SHANKS
PARTNER