Maroba

ABN: 76 102 674 939

Consolidated Financial Statements

For the Year Ended 30 June 2022

Maroba

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Contents

For the Year Ended 30 June 2022

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Directors' Report
30 June 2022

The directors present their report, together with the consolidated financial statements of the Group, being the Company and its controlled entity, for the financial year ended 30 June 2022.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Sharon Smith	Chairperson
Occupation	Business Owner
Experience	5 years
David G Litchfield	Director (Resigned 16 June 2022)
Occupation	Business Owner
Experience	16 years
John Hollier	Director
Occupation	Solicitor
Experience	5 years
John Smith	Director
Occupation	Business Owner
Experience	5 years
Graeme Evans	Director
Occupation	Head of Executive Services, St Phillips Christian Education
Experience	3 years
Lynette Mackenzie	Director (Appointed 21 November 2021)
Occupation	Professor in Occupational Therapy
Experience	1 year

Experience relates to the number of years each director has served on the Board of Maroba since it's incorporation (2002).

Principal activities

The principal activities of the Group during the financial year was to provide aged care services.

No significant change in the nature of these activities occurred during the year.

Short term objectives

The Group's short term objectives are to:

Financial Objectives

- Create a financially sustainable organisation.

Customer/Resident Objectives

- Develop a diverse range of lifestyle and well being enhancements to existing services.

Internal Process Objectives

- Develop our internal and external procedures to continually improve the quality and professionalism of our services and reduce waste where appropriate.

People and Learning Objectives

- Continue to develop our performance appraisal processes and staff development offerings to maximise staff satisfaction and productivity.

Long term objectives

The Group's long term objectives are to:

- Create sustainable caring communities through transformational leadership and passionate people.

Strategy for achieving the objectives

To achieve these objectives, the Group has adopted the following strategies:

- Maximise our opportunities for increased government funding and other sources of revenue;
- Expand our range of services where possible;
- Continually seek client feedback for service enhancement;
- Develop flexibility in our services;
- Develop our profile within the local business community and aged care industry;
- Develop our marketing and branding plan;
- Develop our plan for achieving highest level of sustainability in our practices;
- Provide education regarding our values to staff;
- Develop a culture of transformational leadership; and
- Develop efficient rostering systems using time saving technology systems.

Directors' Report

30 June 2022

Performance measures

The following measures are used within the Group to monitor performance:

- Financial - profitability, liquidity ratios, expense ratios and benchmarking to industry standards;
- Quality and Systems - accreditation achievement, resident and family feedback and occupancy ratios;
- People and Culture - staff performance reviews, staff turnover and satisfaction.

Members' guarantee

Maroba is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to $20 subject to the provisions of the company's constitution.

At 30 June 2022 the collective liability of members was $960 (2021: $1,020).

Operating results

The consolidated deficit of the Group amounted to $ 1,752,766 (2021: $719,753).

Matters or circumstances arising after the end of the year

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

Future developments and results

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Meetings of directors

During the financial year, 5 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Graeme Evans	5	5
David G Litchfield	5	-
John Hollier	5	5
John Smith	5	5
Sharon Smith	5	5
Lynette Mackenzie	3	3

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Directors' Report

30 June 2022

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2022 has been received and can be found on page 5 of the consolidated financial report.

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

Director: .... S Smith

Dated 26/10/22

Director: .... J. Smith

26/10/22

Auditors' Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Directors of Maroba

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

(i) no contraventions of the auditor independence requirements as set out in the under Section 60-40 of the 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.

PKF

CLAYTON HICKEY
PARTNER

26 OCTOBER 2022
NEWCASTLE, NSW

PKF (NS) Audit & Assurance Limited Partnership
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Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2022

	Note	2022 $	2021 $
Revenue	4	**15,241,843**	15,723,220
Employee benefits expense		**(11,236,721)**	(11,115,327)
Depreciation and amortisation expense	5	**(1,271,717)**	(1,287,748)
Administration expenses		**(1,168,658)**	(783,215)
Catering expenses		**(1,662,131)**	(1,653,887)
Cleaning expenses		**(57,127)**	(68,362)
Laundry expenses		**(37,265)**	(41,011)
Property and maintenance expenses		**(570,981)**	(602,122)
Resident care expenses		**(464,205)**	(429,592)
Utility expenses		**(272,952)**	(261,648)
Finance expenses		**(252,852)**	(200,061)
Deficit before income tax		**(1,752,766)**	(719,753)
Income tax expense	2(j)	**-**	-
Deficit for the year		**(1,752,766)**	(719,753)
Other comprehensive income, net of income tax			
Net fair value movements for financial assets		**315,713**	(337,028)
Total comprehensive income for the year		**(1,437,053)**	(1,056,781)

The accompanying notes form part of these financial statements.

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Consolidated Statement of Financial Position
As At 30 June 2022

	Note	2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	**15,365,232**	12,887,700
Trade and other receivables	8	**5,040,971**	2,535,324
Other financial assets	9	**18,844,542**	20,937,508
Other assets		**208,262**	239,622
TOTAL CURRENT ASSETS		**39,459,007**	36,600,154
NON-CURRENT ASSETS			
Goodwill		**113,012**	113,012
Property, plant and equipment	10	**23,696,382**	22,948,824
Intangible assets		**123,684**	139,008
Right-of-use assets		**379,688**	164,779
TOTAL NON-CURRENT ASSETS		**24,312,766**	23,365,623
TOTAL ASSETS		**63,771,773**	59,965,777
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	**60,068,318**	54,456,671
Lease liabilities		**73,091**	13,402
Employee benefits	12	**1,529,380**	1,445,595
TOTAL CURRENT LIABILITIES		**61,670,789**	55,915,668
NON-CURRENT LIABILITIES			
Lease liabilities		**318,059**	154,590
Employee benefits		**42,284**	65,084
TOTAL NON-CURRENT LIABILITIES		**360,343**	219,674
TOTAL LIABILITIES		**62,031,132**	56,135,342
NET ASSETS		**1,740,641**	3,830,435
EQUITY			
Reserves		**(189,489)**	147,539
Retained earnings		**1,930,130**	3,682,896
TOTAL EQUITY		**1,740,641**	3,830,435

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2022

	Retained Earnings	Financial Asset Reserve	Total
	$	$	$
Balance at 1 July 2020	4,402,649	(168,174)	4,234,475
Deficit for the year	(719,753)	-	(719,753)
Revaluation decrement	-	315,713	315,713
Balance at 30 June 2021	**3,682,896**	**147,539**	**3,830,435**
Deficit for the year	(1,752,766)	-	(1,752,766)
Revaluation increment	-	(337,028)	(337,028)
Balance at 30 June 2022	**1,930,130**	**(189,489)**	**1,740,641**

The accompanying notes form part of these financial statements.

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Consolidated Statement of Cash Flows

For the Year Ended 30 June 2022

	Note	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**16,182,260**	16,397,009
Payments to suppliers and employees		**(17,624,266)**	(15,640,331)
Dividends received		**437,438**	443,490
Interest received		**104,852**	105,098
Interest paid		**(252,852)**	(200,061)
Net cash (used in)/provided by operating activities		**(1,152,568)**	1,105,205
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		**325**	-
Purchase of intangible asset		**(13,662)**	(17,398)
Purchase of property,plant and equipment		**(1,969,492)**	(1,727,711)
Acquisition of financial assets		**-**	(5,114,144)
Proceeds on disposal of financial assets		**1,755,938**	3,078,583
Net cash used in investing activities		**(226,891)**	(3,780,670)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net proceeds of accommodation deposits		**3,869,539**	2,237,984
Payment of lease liabilities		**(12,548)**	(11,544)
Net cash provided by financing activities		**3,856,991**	2,226,440
Net increase/(decrease) in cash and cash equivalents held		**2,477,532**	(449,025)
Cash and cash equivalents at beginning of year		**12,887,700**	13,336,725
Cash and cash equivalents at end of financial year	7	**15,365,232**	12,887,700

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2022

The financial statements cover Maroba and its controlled entity ('the Group'). Maroba is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 24 October 2022.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act* 2012.

2 Summary of Significant Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 20 to the financial statements.

(b) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services.

Aged care income

The Group recognises revenue from aged care over time as performance obligations are satisfied, which is as the services are rendered, primarily on a daily or monthly basis. Revenue arises from discretionary and non-discretionary services, as agreed in a single contract with the resident. Fees received in advance of aged care services performed are recognised as contract liabilities and are included within Trade and Other Payables.

2 Summary of Significant Accounting Policies

(b) Revenue and other income

Revenue from contracts with customers

Nature of revenue and timing of cash flows

Government revenue

Government revenue reflects the Group's entitlement to revenue from the Australian Government based upon the specific care and accommodation needs of the individual residents. Government revenue comprises of basic subsidy amounts calculated in accordance with the Aged Care Funding Instrument ('ACFI'), accommodation supplements, funding for short-term 'respite' residents and other Government incomes. Revenue is recognised over time as services are provided. Funding claims are submitted/updated daily, and Government revenue is usually payable within approximately one month of services having been performed.

Resident basic daily fee revenue

Residents are charged a basic daily fee as a contribution to the provision of care and accommodation. The quantum of resident basic daily fees is regulated by the Government and typically increases in March and September each year. Resident basic daily fee revenue is recognised over time as services are provided. Residents are invoiced on a monthly basis and revenue is usually payable within 30 days.

Other resident revenue

Other resident revenue represents other fees charged to residents in respect of care and accommodation services provided by the Group and includes means tested care fees, Daily Accommodation Payment (DAP)/Daily Accommodation Contribution (DAC) revenue, additional services revenue and other income. Other resident revenue is recognised over time as services are provided. Residents are invoiced on a monthly basis and revenue is usually payable within 30 days.

Deferred management fee (DMF) revenue

DMF revenue represents a fee that is contractually deducted from the ingoing contribution that is paid back to a resident upon exit from a retirement village. DMF revenue is recognised over the expected length of stay of a resident.

Other operating revenue

Other operating revenue comprises rental income, aged care bond retention amounts and other sundry revenue. Revenue is recognised over time as services are provided. Residents are typically invoiced on a monthly basis and revenue is usually payable within 30 days.

Interest income

Interest revenue is recognised using the effective interest method.

All revenue is stated net of the amount of goods and service tax (GST).

2 Summary of Significant Accounting Policies

(c) Property, plant and equipment

Each class of property, plant and equipment is carried at cost, less any accumulated depreciation and impairment.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5% - 10%
Plant and Equipment	10% - 33%
Motor Vehicles	10% - 33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(d) Leases

Right-of-use asset

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss or other comprehensive income

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Group has a number of strategic investments in listed and unlisted entities over which are they do not have significant influence nor control. The Group has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and lease liabilities.

Accommodation deposit liabilities

Accommodation deposit are non-interest bearing deposits made by aged care facility residents to the Company upon admission to nursing home care. These deposits are liabilities which fall due and payable when the resident leaves the facility. As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities.

Accommodation deposit liabilities are recorded at an amount equal to the contract liability, net of retention and any other amounts deducted from the bond.

Interest-free at call loans

Interest-free at call loans are non-interest bearing payments made by retirement village residents to the Company upon signing of an agreement to occupy a self-care villa. These payments are liabilities which fall due and payable upon termination of the agreement less the non-refundable gift calculated in accordance with the agreement. As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities.

Interest-free at call loans are recorded at an amount equal to the loan agreement value, net of the non-refundable gift amounts per the agreement.

(f) Intangible Assets

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years.

2 Summary of Significant Accounting Policies

(f) Intangible Assets

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality government bond rates, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(i) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the consolidated statement of cash flows are included 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 taxation authority is classified as operating cash flows.

(j) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997.*

(k) Net current asset deficiency

As at 30 June 2022 the Group has recognised a net current asset deficiency of $22,211,782. Current liabilities include $58,862,611 in interest free accommodation loans entered into with residents entering the facility. These loans are due and payable upon the resident leaving the facility; therefore the Company does not have an unconditional right to defer payment for 12 months. The directors of the Company have adopted a liquidity management strategy in accordance with the regulatory prudential reporting requirements. Details of the liquidity management strategy is outlined in Note 14.

2 Summary of Significant Accounting Policies

(k) Net current asset deficiency

Notwithstanding the Group's deficiency in net assets, the consolidated financial report has been prepared on the going concern basis.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these consolidated financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - fair value of financial instruments

The Group has certain financial assets and liabilities which are measured at fair value based on a quoted market price. The market price at balance date takes into account all market movements including the effects of COVID 19 on the valuation of financial instruments.

Key judgments - income tax exemption

The directors have performed an assessment of the Group's income tax status and have determined the Group to be exempt from income tax on the basis of the Group's status as a Public Benevolent Institution.

4 Revenue and Other Income

	2022	2021
	$	$
Revenue from contracts with customers		
- Government funding	**9,231,743**	9,599,526
- Resident basic daily fee revenue	**3,101,656**	2,622,923
- Other resident revenue	**1,565,430**	1,820,112
- Other operating revenue	**46,367**	94,321
- Training income	**433,556**	516,012
Other revenue		
- Deferred management fee revenue	**189,679**	230,675
- Interest received	**104,852**	105,098
- Dividends received	**437,438**	443,490
- Other income	**44,148**	69,500
- Rental income	**86,974**	80,528
- Gain on investment	**-**	141,035
	15,241,843	15,723,220

5 Result for the Year

The result for the year includes the following specific expenses:

	2022	2021
Depreciation and amortisation		
Depreciation - buildings	**689,793**	688,487
Depreciation - plant	**511,642**	523,072
Depreciation - motor vehicles	**20,499**	26,314
Depreciation - property, plant and equipment	**1,221,934**	1,237,873
Amortisation - computer software	**28,986**	35,118
Depreciation - Right of use assets	**20,797**	14,757
	1,271,717	1,287,748
Other expenses		
- Loss on investment	**198,067**	-

6 Operating Segments

(a) Accounting policies adopted

Unless stated below, all amounts reported to the Board of Directors, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

Notes to the Financial Statements

For the Year Ended 30 June 2022

6 Operating Segments

(b) Segment performance

	Maroba		Smart Training and Consulting		Elimination		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	$	$	$	$	$	$	$	$
REVENUE								
Sales revenue	**14,031,503**	14,416,314	**433,438**	516,012	**132,556**	(143,078)	**14,597,497**	14,789,248
Other revenue	**605,539**	759,374	**1,000**	69,500	**-**	-	**606,539**	828,874
Interest revenue	**104,852**	105,098	**-**	-	**-**	-	**104,852**	105,098
	14,741,894	15,280,786	**434,438**	585,512	**132,556**	(143,078)	**15,308,888**	15,723,220
Operating deficit	**(1,612,726)**	(721,519)	**(140,041)**	1,766	**-**	-	**(1,752,767)**	(719,753)

(c) Segment assets

	Maroba		Smart Training and Consulting		Elimination		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	$	$	$	$	$	$	$	$
Cash	**15,310,092**	12,765,787	**55,140**	121,913	**-**	-	**15,365,232**	12,887,700
Receivables	**5,803,385**	3,157,305	**80,255**	170,688	**(842,669)**	(792,669)	**5,040,971**	2,535,324
Financial assets	**18,844,542**	20,937,508	**-**	-	**-**	-	**18,844,542**	20,937,508
Fixed assets	**23,622,803**	22,944,301	**73,579**	4,523	**-**	-	**23,696,382**	22,948,824
Other assets	**594,984**	656,421	**229,662**	-	**-**	-	**824,646**	656,421
	64,175,806	60,461,322	**438,636**	297,124	**(842,669)**	(792,669)	**63,771,773**	59,965,777

(d) Segment liabilities

	Maroba		Smart Training and Consulting		Elimination		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	$	$	$	$	$	$	$	$
Payables	**60,026,941**	54,408,417	**884,046**	840,923	**(842,669)**	(792,669)	**60,068,318**	54,456,671
Provisions	**1,559,358**	1,500,244	**12,306**	10,435	**-**	-	**1,571,664**	1,510,679
Other liabilities	**154,590**	167,992	**236,560**	-	**-**	-	**391,150**	167,992
	61,740,889	56,076,653	**1,132,912**	851,358	**(842,669)**	(792,669)	**62,031,132**	56,135,342

Notes to the Financial Statements

For the Year Ended 30 June 2022

7 Cash and Cash Equivalents

	2022 $	2021 $
Cash on hand	**1,200**	1,200
Bank balances	**15,364,032**	12,886,500
	15,365,232	12,887,700

8 Trade and Other Receivables

CURRENT		
Trade receivables	**235,926**	111,556
Provision for impairment	**-**	(7,607)
	235,926	103,949
Other receivables	**293,045**	469,854
Accommodation deposits	**4,512,000**	1,961,521
	5,040,971	2,535,324

9 Other Financial Assets

CURRENT		
Fair value through OCI		
Investment portfolio - listed investments	**16,117,284**	16,223,438
Amortised cost		
Term deposit	**2,727,258**	4,714,070
	18,844,542	20,937,508

10 Property, plant and equipment

Buildings		
At cost	**29,614,510**	28,003,622
Accumulated depreciation	**(9,323,295)**	(8,721,141)
Total buildings	**20,291,215**	19,282,481
Self care units		
At cost	**3,487,227**	3,486,136
Accumulated depreciation	**(1,923,948)**	(1,836,275)
Total Self care units	**1,563,279**	1,649,861
Plant and equipment		
At cost	**7,884,898**	7,538,780
Accumulated depreciation	**(6,064,933)**	(5,564,720)
Total plant and equipment	**1,819,965**	1,974,060

Notes to the Financial Statements

For the Year Ended 30 June 2022

10 Property, plant and equipment

	2022 $	2021 $
Motor vehicles		
At cost	**227,324**	227,324
Accumulated depreciation	**(205,401)**	(184,902)
Total motor vehicles	**21,923**	42,422
	23,696,382	22,948,824

(a) Movements in Carrying Amounts

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

	Buildings $	Self care units $	Plant and Equipment $	Motor Vehicles $	Total $
Year ended 30 June 2022					
Opening balance	**19,282,481**	**1,649,861**	**1,974,060**	**42,422**	**22,948,824**
Additions	**1,610,854**	**1,091**	**357,547**	**-**	**1,969,492**
Depreciation expense	**(602,120)**	**(87,673)**	**(511,642)**	**(20,499)**	**(1,221,934)**
Closing balance	**20,291,215**	**1,563,279**	**1,819,965**	**21,923**	**23,696,382**

11 Trade and Other Payables

CURRENT		
Trade payables	**528,558**	915,141
Sundry payables and accrued expenses	**677,149**	684,115
Interest-free loans from beneficiaries	**53,026,860**	47,963,110
Interest-free at call loans	**5,835,751**	4,894,305
	60,068,318	54,456,671

12 Employee Benefits

Current liabilities		
Long service leave	**677,381**	623,608
Other leave	**7,610**	17,500
Annual leave	**844,389**	804,487
	1,529,380	1,445,595

13 Reserves

(a) FVOCI reserve

The FVOCI reserve records movements in the fair value and gain or loss on disposal of financial assets designated as FVOCI.

14 Financial Risk Management

Financial risk management policies

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the Company is exposed to, how these risks arise, or the board's objectives, policies and processes for managing or measuring the risks from the previous period.

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

		2022	2021
		$	$
Financial assets			
Cash and cash equivalents	7	**15,365,232**	12,887,700
Trade and other receivables	8	**5,040,971**	2,535,324
Amortised cost financial assets	9	**2,727,258**	4,714,070
Fair value through OCI financial assets	9	**16,117,284**	16,223,438
		39,250,745	36,360,532
Financial liabilities			
At amortised cost	11	**60,068,318**	54,456,671

Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Company manages this risk through the following mechanisms:

- Preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities
- Maintaining a reputable credit profile;
- Managing credit risk related to financial assets;
- Only investing funds in accordance with the Investment policy;

Comparing the maturity profile of bonds and villa loans with the realisation profile of financial assets.

14 Financial Risk Management

Liquidity risk

The Company's Investment policy manages liquidity in accordance with prudential requirements, and states that:

- A minimum of $1,010,396 in at call funds, equal to 2 average bonds of $254,081 and the highest bond of $480,000 plus interest payable on refunds at 2.25% being $22,234;

- A minimum of $2,861,374 in at call funds, equal to 2 average refundable accommodation deposits of $469,205, 1 maximum refundable accommodation deposit of $530,000, 1 deluxe suite RAD of $630,000 and a super suite accommodation deposit of $700,000 plus interest payable on refunds at 2.25% being $62,964;

Refer to Note 12 for details of the residential bond balance as at 30 June 2022.

15 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company and the Group is $ 547,805 (2021$549,670).

16 Fair Value Measurement

	2022 $	2021 $
Assets valued at Level 1		
listed investments	16,117,284	16,223,438

17 Related Parties

No related party transactions occurred during the financial year.

18 Parent entity

The following information has been extracted from the books and records of the parent, Maroba and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Maroba has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the consolidated financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

Notes to the Financial Statements
For the Year Ended 30 June 2022

18 Parent entity

	2022 $	2021 $
Consolidated Statement of Financial Position		
Assets		
Current assets	**40,166,281**	37,100,222
Non-current assets	**24,009,525**	23,361,100
Total Assets	**64,175,806**	60,461,322
Liabilities		
Current liabilities	**61,557,722**	55,856,979
Non-current liabilities	**183,167**	219,674
Total Liabilities	**61,740,889**	56,076,653
Equity		
Retained earnings	**2,624,406**	4,237,130
Fair value adjustment assets-available-for-sale reserve	**(189,489)**	147,539
Total Equity	**2,434,917**	4,384,669
Consolidated Statement of Profit or Loss and Other Comprehensive Income		
Total profit or loss for the year	**(1,612,724)**	(721,519)
Total comprehensive income	**(1,612,724)**	(721,519)

19 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2022 (30 June 2021: None).

20 Interests in Subsidiaries

Subsidiaries:	Country of Incorporation	Percentage Owned (%)* 2022	Percentage Owned (%)* 2021
Smart Training and Consulting Group Pty Ltd	Australia	**100**	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

21 Events Occurring After the Reporting Date

The consolidated financial report was authorised for issue on 24 October 2022 by the board of directors.

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

Maroba

ABN: 76 102 674 939

Directors' Declaration

In accordance with a resolution of the Directors of Maroba, the directors of the Company declare that in directors' opinion:

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

    a. comply with Australian Accounting Standards applicable to the Company; and
    b. give a true and fair view of the financial position of the Company as at 30 June 2022 and of its performance for the year ended on that date.

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

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

Director ....

S Smith

Dated 26/10/22

Director ....

J. Smith

26/10/22

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAROBA

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Maroba (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of Maroba, has been prepared in accordance with *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012*, including:

a) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards – Simplified Disclosure Requirements and *Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

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

Independence

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* (including Independence Standard) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

PKF (NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839

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under Professional Standards Legislation

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Other Information (cont'd)

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

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

In preparing the financial report, directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to 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 is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

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

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

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

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

PKF

CLAYTON HICKEY
PARTNER

26 OCTOBER 2022
NEWCASTLE, NSW