



2022

CONCISE FINANCIAL REPORT

BEYOND
HOUSING

**Rural Housing Network Limited trading as Beyond
Housing**
ABN: 82 965 609 218

Concise Financial Report

For the year ended 30 June 2022

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Directors' Report

For the year ended 30 June 2022

Your directors present the financial statements of the Rural Housing Network Limited ('the Company') for the year ended 30 June 2022.

Directors

The following persons were directors of Rural Housing Network Limited during the whole of the financial year and up to the date of this report unless otherwise stated:

| | |
|--------------|-------------------------------------|
| Ann Telford | Cade Gow (resigned 27/02/2022) |
| Neil Funston | Susanne Pains (resigned 24/11/2021) |
| Alan Arthur | Lisa Ryan (appointed 27/10/2021) |
| Carly Martin | Skye Roberts (appointed 24/11/2021) |
| Ben Ruscoe | Michael Gomez (appointed 1/04/2022) |

Company secretary

Celia Adams acted as company secretary throughout the financial year.

Principal activities

The principal activity of the entity during the financial year was to provide benevolent relief to people in need through the provision of homeless support services and affordable housing. Rural Housing Network Limited is a not-for-profit public company limited by guarantee which is established to be, and to continue as, a charity.

The company provides a range of housing options including access to emergency accommodation, transitional housing, long term housing, support to social housing tenants and support to obtain or sustain housing in the private rental market.

No significant changes in the nature of the entity's activity occurred during the financial year.

Objectives

Rural Housing Network Limited is committed to ending homelessness and works to ensure all people have access to safe, secure and affordable housing. Our aim is to provide the full range of quality housing and homelessness services by working in partnership with Government, business, communities and individuals.

Strategies

Rural Housing Network Limited's strategies to achieve these objectives are -

1. To deliver services to our clients in ways that represent our values, promote the rights of people and ensure the best possible housing outcomes; prioritising for the most vulnerable in our communities.
2. To provide leadership, advocacy, and influence on the issues of homelessness and affordable housing within our catchment and beyond.
3. To be a values-based organisation, with a positive team culture that promotes safety and well-being; and supports each other in the pursuit of achieving our vision to end homelessness
4. To use evidence of demand to grow, recognising that it requires the courage to take some considered risks and the resources to develop concepts that, when tested, may not proceed.
5. To have robust systems that enhance the experience for all stakeholders, drive strategic improvements and provide for an objective basis for decision-making and accountability.

Directors' Report

For the year ended 30 June 2022

6. To minimise our environmental impact through the adoption of financially viable initiatives to improve resource efficiency, reduce waste generation and reduce the consumption of natural resources.

KPI's

Rural Housing Network Limited monitors its financial performance by setting targets for some key financial benchmarks. Performance against these indicators for the financial year ending 30 June 2022 and prior year are set out in the table below.

| Performance Indicator | 2022 | | 2021 | |
|--|------------|------------|------------|------------|
| | Actual | Benchmark | Actual | Benchmark |
| ICR (Earnings (excluding Capital Grants) before Interest Expense, Tax, Depreciation & Amortization (EBITDA) to Interest Expense, 'Interest Cover') | 4.19 Times | 1.35 Times | 8.34 Times | 1.35 Times |
| LVR (Total Borrowings to Security at 30/6/22) | 34% | <60% | 20% | <60% |

Meetings of directors

The number of meetings of the Company's directors held during the year ended 30 June 2022, and the number of meetings attended by each director were:

| | No. of Meetings Attended | No. of Meetings Held * |
|---------------|--------------------------|------------------------|
| Ann Telford | 6 | 8 |
| Susanne Paini | 3 | 3 |
| Carly Martin | 8 | 9 |
| Cade Gow | 6 | 6 |
| Neil Funston | 9 | 9 |
| Alan Arthur | 9 | 9 |
| Ben Ruscoe | 7 | 9 |
| Lisa Ryan | 6 | 7 |
| Skye Roberts | 3 | 5 |
| Michael Gomez | 3 | 3 |

** reflects the number of meetings held during the time the director held office during the year excluding any periods where a director was granted a leave of absence.*

Information on directors

Neil Funston
 Director since 30/08/2017
 Responsibilities:
 - Finance & Audit Committee
 - People & Culture Committee
 Qualifications:
 - Diploma of Mechanical Engineering

Susanne Paini
 Director from 5/11/2008 to resigned 24/11/2021
 Responsibilities:
 - Chairperson from 30/11/2017 to 24/11/2021
 - People & Culture Committee
 Qualifications:
 - Master of Business Administration
 - Graduate, Australian Institute of Company Directors
 -

Directors' Report

For the year ended 30 June 2022

Information on directors (continued)

Alan Arthur

Director since 27/11/2019

Responsibilities:

- Risk & Governance Committee
- Capital Projects Committee

Qualifications:

- Bachelor of Science (Hons)
 - Master of Business Administration
- Graduate, Australian Institute of Company Directors

Ann Telford

Director since 24/02/2017. Resigned 15/08/19

Reappointed 22/02/2020

Responsibilities:

- Chairperson from 24/11/2021
- People & Culture Committee

Qualifications:

- Bachelor of Arts
- Graduate, Australian Institute of Company Directors
- Grad Cert. Leadership & Management
- Executive Master of Public Administration

Carly Martin

Director since 26/08/2021

Responsibilities:

- Capital & Projects Committee

Qualifications:

- Master of Architecture
- Bachelor of Architecture

Cade Gow

Director from 28/11/2012. Resigned 31/03/2022

Responsibilities:

- Treasurer from 28/11/2019 to 24/11/2021
- Finance & Audit Committee

Qualifications:

- Bachelor Business (Accounting)
- Member, Institute of Chartered Accountants

Michael Gomez

Director since 01/04/2022

Responsibilities:

- Finance & Audit Committee
- Treasurer from 27/04/2022

Qualifications:

- Bachelor of Business – Accounting
- Certified Practising Accountant (CPA)
- Masters in Information Systems (Executive)

Ben Ruscoe

Director since 29/04/2020

Responsibilities:

- Finance & Audit Committee
- Capital & Projects Committee

Qualifications:

- Bachelor of Agricultural Science (Hons)
- Graduate, Australian Institute of Company Directors
- Masters in Finance

Lisa Ryan

Director since 27/10/2021

Responsibilities:

- People & Culture Committee

Qualifications:

- Post Graduate Diploma in Digital Business
- Master of Business Administration
- Diploma in Financial Markets
- Graduate Australian Institute of Company Directors

Skye Roberts

Director since 24/11/2021

Responsibilities:

- Risk & Governance Committee

Qualifications:

- Graduate Certificate in Applied Corporate Governance
- Master of Law
- Graduate Diploma in Legal Practice
- Bachelor Arts & Bachelor Law

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding and obligations of the entity. At 30 June 2022, the total amount that members of the company are liable to contribute if the company is wound up is \$70 (2021: \$70).

Rural Housing Network Limited trading as Beyond Housing

Directors' Report

For the year ended 30 June 2022

Auditor's independence

A copy of the auditors' independence declaration as required by the *Australian Charities and Not-for-profits Commission Act 2012* has been received with no independence matters noted.

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



Director
Ann Telford



Director
Michael Gomez

Wodonga
27 October 2022

Rural Housing Network Limited trading as Beyond Housing

Directors' Declaration

For the year ended 30 June 2022

The directors of Rural Housing Network Limited declare that the concise financial report of the Company for the year ended 30 June 2022:

- a) complies with Accounting Standard AASB 1039: Concise Financial Reports; and
- b) is an extract from the full financial report for the year ended 30 June 2022 and has been derived from and is consistent with the full financial report of the Rural Housing Network Limited.

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



Director
Ann Telford



Director
Michael Gomez

Wodonga
27 October 2022

Rural Housing Network Limited trading as Beyond Housing

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

| | Note | 2022 \$ | 2021 \$ |
|--|------|-------------------|------------------|
| Revenue & Income | 2 | 24,668,418 | 19,718,616 |
| Employee benefits expense | | (6,436,081) | (5,627,445) |
| Depreciation and amortisation expense | 3 | (1,475,496) | (1,327,597) |
| Finance costs | 3 | (310,422) | (264,763) |
| Property expenses | | (1,449,481) | (1,339,349) |
| Client expenses | | (1,014,881) | (1,168,925) |
| Maintenance and asset management expenses | | (995,014) | (820,749) |
| Administrative and office expenses | | (600,961) | (531,415) |
| Rents remitted expenses | | (1,726,710) | (1,767,996) |
| Loss on sale of assets | 3 | (99,499) | (19,877) |
| Surplus before income tax | | <u>10,559,873</u> | <u>6,850,500</u> |
| Income tax expense | | - | - |
| Net surplus for the year | | <u>10,559,873</u> | <u>6,850,500</u> |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | <u>10,559,873</u> | <u>6,850,500</u> |

Statement of Financial Position

As at 30 June 2022

| | 2022 | 2021 |
|--------------------------------------|--------------------|-------------------|
| | \$ | \$ |
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | 2,251,300 | 4,447,105 |
| Trade and other receivables | 2,629,398 | 423,582 |
| Other assets | 48,254 | 154,040 |
| Total Current Assets | <u>4,928,952</u> | <u>5,024,727</u> |
| Non-Current Assets | | |
| Property, plant and equipment | 104,544,825 | 83,126,138 |
| Total Non-Current Assets | <u>104,544,825</u> | <u>83,126,138</u> |
| Total Assets | <u>109,473,777</u> | <u>88,150,865</u> |
| LIABILITIES | | |
| Current Liabilities | | |
| Trade and other payables | 1,371,179 | 806,071 |
| Contract liabilities | 7,071,321 | 3,934,805 |
| Borrowings | 1,658,935 | 291,645 |
| Lease Liabilities | 299,385 | 313,041 |
| Provisions | 881,457 | 764,439 |
| Total Current Liabilities | <u>11,282,277</u> | <u>6,110,000</u> |
| Non-Current liabilities | | |
| Borrowings | 14,052,747 | 8,754,935 |
| Lease Liabilities | 1,237,922 | 916,005 |
| Provisions | 14,819 | 43,786 |
| Total Non-Current Liabilities | <u>15,305,488</u> | <u>9,714,726</u> |
| Total Liabilities | <u>26,587,765</u> | <u>15,824,726</u> |
| Net Assets | <u>82,886,012</u> | <u>72,326,139</u> |
| EQUITY | | |
| Retained earnings | 82,886,012 | 72,326,139 |
| Total Equity | <u>82,886,012</u> | <u>72,326,139</u> |

Rural Housing Network Limited trading as Beyond Housing

Statement of Changes in Equity

As at 30 June 2022

| | Retained Earnings |
|---|--------------------------|
| | \$ |
| Balance at 1 July 2020 | 65,475,639 |
| Net surplus for the year | 6,850,500 |
| Other comprehensive income for the year | - |
| Balance at 30 June 2021 | <u>72,326,139</u> |
| Net surplus for the year | 10,559,873 |
| Other comprehensive income for the year | - |
| Balance at 30 June 2022 | <u>82,886,012</u> |

Statement of Cash Flows

For the year ended 30 June 2022

| | Note | 2022 \$ | 2021 \$ |
|--|------|---------------------|--------------------|
| Cash Flows from Operating Activities | | | |
| Receipt of grants | | 20,511,228 | 15,008,613 |
| Receipts from other | | 5,308,835 | 5,168,521 |
| Payments to suppliers and employees | | (11,495,390) | (11,388,556) |
| Interest received | | 1,912 | 14,784 |
| Interest expenses | | (253,211) | (224,664) |
| Lease interest paid | | (42,397) | (40,099) |
| Net cash inflow/(outflow) from operating activities | | <u>14,030,977</u> | <u>8,538,599</u> |
| Cash Flows from Investing Activities | | | |
| Proceeds from sale of property, plant and equipment | | 257,048 | 17,637 |
| Payment for property, plant and equipment | | (22,811,849) | (7,605,279) |
| Net cash inflow/(outflow) from investing activities | | <u>(22,554,801)</u> | <u>(7,587,642)</u> |
| Cash flows from Financing Activities | | | |
| Repayment of borrowings | | (1,558,864) | (317,185) |
| Repayment of lease liabilities | | (337,083) | (329,012) |
| Proceeds from borrowings | | 8,223,966 | 500,000 |
| Net cash inflow/(outflow) from financing activities | | <u>6,328,019</u> | <u>(146,197)</u> |
| Net Increase/(Decrease) in Cash Held | | (2,195,805) | 804,760 |
| Cash at the beginning of the financial year | | 4,447,105 | 3,642,345 |
| Cash at the End of the Financial Year | | <u>2,251,300</u> | <u>4,447,105</u> |

Notes to the concise financial report

For the year ended 30 June 2022

Note 1. Summary of significant accounting policies

Basis of preparation of the Concise Financial Report

The concise financial report is an extract of the full financial report for the year ended 30 June 2022. The concise financial report has been prepared in accordance with Australian Accounting Standard AASB 1039: *Concise Financial Reports*.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full financial report of the Rural Housing Network Ltd. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of the Rural Housing Network Ltd as the full financial report. A copy of the full financial report and auditor's report will be sent to any member, free of charge, on request.

Note 2: Revenue & Income

| | 2022 | 2021 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Revenue recognised in accordance with AASB 15: Revenue from Contracts with Customers | | |
| Operating grant revenue | 3,751,959 | 3,916,548 |
| Rental revenue | 5,382,208 | 5,295,982 |
| Total revenue | <u>9,134,167</u> | <u>9,212,530</u> |
| Income recognised in accordance with AASB 1058: Income of Not-for Profit Entities | | |
| Operating grant income | 4,284,537 | 4,194,782 |
| Capital grants | 11,086,069 | 6,221,827 |
| Interest earned | 1,248 | 13,617 |
| Donations received | 3,318 | 12,371 |
| Other | 152,922 | 58,343 |
| Recoveries | 6,157 | 5,146 |
| Total income | <u>15,534,251</u> | <u>10,506,086</u> |
| Total Revenue & Income | <u>24,668,418</u> | <u>19,718,616</u> |
| Operating grants revenue/income reconciliation: | | |
| Operating grant revenue recognised under AASB 15 | 3,751,959 | 3,916,548 |
| Operating grant income recognised under AASB 1058 | 4,284,537 | 4,194,782 |
| Total Operating grant revenue/income | <u>8,036,496</u> | <u>8,111,330</u> |

Notes to the concise financial report

For the year ended 30 June 2022

Note 3. Profit

Net gains and expenses

Profit before income tax expense includes the following expenses:

| | 2022 | 2021 |
|-------------------------------------|------------------|------------------|
| | \$ | \$ |
| Expenses | | |
| Depreciation and Amortisation | | |
| Buildings | 536,075 | 509,306 |
| Motor vehicles | 56,572 | 37,291 |
| Plant and equipment | 128,204 | 116,011 |
| Furniture, fixture and fittings | 291,389 | 266,536 |
| Building improvements | 61,113 | 49,856 |
| Right Of Use leased assets | 402,143 | 348,597 |
| Total Depreciation and Amortisation | <u>1,475,496</u> | <u>1,327,597</u> |
| | | |
| Bank interest expense | 268,025 | 224,664 |
| Lease interest expense | 42,397 | 40,099 |
| Total Interest expense | <u>310,422</u> | <u>264,763</u> |
| | | |
| Audit services | 18,650 | 17,760 |
| | | |
| Property, Plant and Equipment | | |
| Proceeds on disposal | 409,286 | 17,637 |
| Disposals at written down value | (508,785) | (37,514) |
| Net gain/(loss) on disposals | <u>(99,499)</u> | <u>(19,877)</u> |

Note 4. Events Occurring after Reporting Date

Subsequent to year end the Company has entered into a \$24m loan facility with Bank Australia. This facility consists of \$16m to re finance existing loans and \$8m to assist in funding future capital projects.

Also subsequent to year end the Company has been awarded grant funding to a total value of \$12,644,504 under the Homes Victoria social housing growth fund regional round to construct social housing dwellings. A further \$913,703 (excl. GST) of construction contract commitments have been entered into in respect to these grants funded construction projects.

No other events have occurred since the end of the financial year that have significantly affected, or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in the ensuing or any subsequent financial years.

Note 5. COVID-19 Impact

Coronavirus (COVID 19) was first reported to the World Health Organisation as an unknown virus in late December 2019, developments through out 2021 and 2022 to date are causing great uncertainty in respect to both health and safety and for the global economy. The Company has not been significantly impacted by the restrictions given the Company is an essential service, however some programs that are run, have been subsidised further to accommodate the current events.

Notes to the concise financial report

For the year ended 30 June 2022

Note 6. Analysis of Financial Report

The discussions and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on the Rural Housing Network Ltd financial statements and the information contained in the concise financial report has been derived from the full financial report of the Rural Housing Network Ltd for the year ended 30 June 2022.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022, a surplus of \$10,559,873 has been achieved. The reported surplus was based on total revenues of \$24,668,418. Comparative figures for the prior year, 2020/2021, were a surplus of \$6,850,500 and total revenues of \$19,718,616.

Included in the current year's result was capital grant income of \$11,086,069, which related mainly to funding from the Department of Justice and Community Safety, Department of Families, Fairness and Housing and the Peter and Lyndy White Foundation to construct affordable housing. This compares with the 2020/2021 year which included capital grants of \$6,221,827. Excluding capital grant income, a deficit of \$526,196 is reported in the current year compared to a surplus of \$628,673 in the 2020/21 year.

Operating grant revenue in 2021/22 of \$8,036,496 is consistent with the 2020/21 operating grants revenue balance of \$8,111,330. Operating grants represented 59% of operating income which is comparable to the prior year of 60%.

Rental income received has increased in 2021/22 due mainly to the increased number of rental properties that the company operate based on new housing constructed within the past 12 months.

Operating expenses for the 2021/2022 year, (excluding finance costs and loss on sale of assets) totalled \$13,698,624 compared to \$12,583,476 in 2020/2021. The 9% increase in operating expenses in 2021/2022 over the previous year, was mainly due to an increase full time equivalent staff along with annual wage increases, resulting in an increase in employee benefit expenses of \$808,636. Maintenance and asset management expenses also increased by \$174,265, in line with the increase in housing stock in recent years and inflation in costs. Interest rates expenses increased \$45,659 in line with an increase in borrowings.

Interest income in 2021/2022 of \$1,248 has decreased on the prior year amount of \$13,617 due to lower interest rates being received for term deposit investments.

Statement of Financial Position

As at 30 June 2022, net assets were \$82,886,012, compared to \$72,326,139 as at 30 June 2021, an increase of 15%. Current assets including cash and cash equivalents amounted to \$4,928,952 at the end of the 2021/2022 year, compared to the corresponding total of \$5,024,727 at the end of prior year.

Property, plant and equipment at the end of 2021/2022 amounted to \$104,544,825, at written down value, which represented an increase of \$21,418,687 when compared to 2020/2021 balance of \$83,126,138. The increase is due to capital additions which mainly represents the construction, purchase and fit-out of new affordable accommodation.

Current liabilities increased to \$11,282,277 at the end of 2021/2022 compared to the 2020/2021 closing balance of \$6,110,000. The increase of \$5,172,277 is due mainly to a \$3,372,845 increase in the unexpended capital grants liability and a \$1,367,290 increase in current borrowings.

Non-current liabilities decreased to \$15,305,488 at the end of 2021/2022 compared to the 2020/2021 closing balance of \$9,714,726. The increase of \$5,590,762 is mainly the result of a \$5,297,812 increase in non-current borrowings and a \$321,917 increase in non-current lease liabilities.

Notes to the concise financial report

For the year ended 30 June 2022

Note 6. Analysis of Financial Report (continued)

Statement of Cash Flows

During 2021/2022 operating, investing and financing activities generated a net decrease in cash held of \$2,195,805 compared to an increase of \$804,760 in 2020/2021. The major movement in operating cash flows in the current year was in regard to grant funding received which increased by \$5,502,615 from 2020/21. This increase is mainly driven by an increase in capital grants received to fund construction projects. Cash outflows from investing activities increased by \$14,967,159 from 2020/21, as a result of \$22,811,489 of cash outflows related to payments for property, plant and equipment. Cash inflows from financing activities increased by \$6,474,216 from 2020/2021, due to a net \$6,665,102 increase in borrowings to fund ongoing capital investment.

Independent auditor's report to the members of Rural Housing Network Ltd

Report on the concise Financial Report

The accompanying concise financial report of Rural Housing Network Ltd comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of equity and statement of cash flows for the year then ended and related notes, derived from the audited financial report of Rural Housing Network Ltd for the year ended 30 June 2022. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Auditor's opinion of the Financial Report

In our opinion, the concise financial report Rural Housing Network Ltd for the year ended 30 June 2022 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Directors' responsibility for the concise Financial Report

The Directors are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*, and for 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 concise financial report, the Directors are responsible for Rural Housing Network Ltd's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objective is to obtain reasonable assurance about whether the concise 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 concise financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Independent auditor's report (continued)

Johnsons MME
Chartered Accountants



Ryan Schischka
Director

Albury
27 October 2022