

Beyond
housing



2022-2023
Concise Financial Report

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

Concise Financial Report

For the year ended 30 June 2023

Contents

Directors' report	2
Directors' declaration	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to and forming part of the financial statements	10
Independent auditor's report to the members	12

Rural Housing Network Limited trading as Beyond Housing

Directors' Report

For the year ended 30 June 2023

Your directors present the financial statements of the Rural Housing Network Limited ('the Company') for the year ended 30 June 2023.

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:

Ben Ruscoe (Chairperson)	Ann Telford
Neil Funston	Carly Martin
Lisa Ryan	Michael Gomez
Skye Roberts	Alan Arthur (retired 4/9/2022)

Company secretary

Celia Adams acted as company secretary until 31 August 2022.

Skye Roberts acted as company secretary from 1 September 2022.

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 increased quality services (our clients) through:
 - a. Improved outcomes for First Nations people
 - b. Expanded crisis accommodation
 - c. Advocacy for our clients
 - d. Sharing our stories
2. To provide innovative living solutions (our homes) through:
 - a. Growing our housing portfolio
 - b. Identifying creative housing solutions
 - c. Increasing environmental stewardship
 - d. Measuring and reducing our carbon footprint
3. To develop an agile and enabled culture (our people) by:
 - a. Ensuring a healthy, safe and satisfied team
 - b. Delivering a reward & recognition program
 - c. Building demographic diversity
 - d. Fostering an engaged and high performing team

Directors' Report

For the year ended 30 June 2023

Strategies (cont.)

4. To increase financial sustainability (our business) through:
 - a. Enhancing philanthropy and identifying new revenue streams.
 - b. Applying smart systems to integrated data and reporting
 - c. Driving operational efficiencies

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 2023 and prior year are set out in the table below.

Performance Indicator	2023		2022	
	Actual	Benchmark	Actual	Benchmark
ICR (Earnings (excluding Capital Grants) before Interest Expense, Tax, Depreciation & Amortization (EBITDA) to Interest Expense, 'Interest Cover')	2.2 Times	1.35 Times	4.19 Times	1.35 Times
Gearing Ratio (Total Liabilities to Total Assets)	25%	<30%	25%	<30%

Meetings of directors

The number of meetings of the Company's directors held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	No. of Meetings Attended	No. of Meetings Held*
Ann Telford	8	11
Carly Martin	11	11
Neil Funston	11	11
Alan Arthur	2	2
Ben Ruscoe	9	11
Lisa Ryan	10	11
Skye Roberts	9	11
Michael Gomez	10	11

* 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

Ben Ruscoe

Director since 29/04/2020

Responsibilities:

- Chairperson from 28/06/2023
- Finance & Audit Committee
- Chair - Capital & Projects Committee

Qualifications:

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

Ann Telford

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

Reappointed 22/02/2020

Responsibilities:

- Chairperson until 28/06/2023
- People & Culture Committee

Qualifications:

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

Rural Housing Network Limited trading as Beyond Housing

Directors' Report

For the year ended 30 June 2023

Carly Martin

Director since 26/08/2021

Responsibilities:

- Capital & Projects Committee

Qualifications:

- Master of Architecture
- Bachelor of Architecture

Michael Gomez

Director since 01/04/2022

Responsibilities:

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

Qualifications:

- Bachelor of Business – Accounting
- Certified Practice Accountant (CPA)
- Masters in Information Systems (Executive)
- Graduate Australian Institute of Company Directors

Lisa Ryan

Director since 27/10/2021

Responsibilities:

- Chair - People & Culture Committee

Qualifications:

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

Neil Funston

Director since 30/08/2017

Responsibilities:

- Finance & Audit Committee
- People & Culture Committee

Qualifications:

- Diploma of Mechanical Engineering

Skye Roberts

Director since 24/11/2021

Responsibilities:

- Company Secretary
- Chair - Risk & Governance Committee

Qualifications:

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

Alan Arthur

Director since 27/11/2019

Retired 4/9/2022

Responsibilities:

- Risk & Governance Committee
- Capital Projects Committee

Qualifications:

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


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 2023, the total amount that members of the company are liable to contribute if the company is wound up is \$70 (2021: \$70).

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 and can be found following this director's report.

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


Director - Michael Gomez


Director - Neil Funston

Wodonga

27th October 2023

Rural Housing Network Limited trading as Beyond Housing

Directors' Declaration

For the year ended 30 June 2023

The directors declare that the financial statements and notes set out on pages 6 to 24:

- a) comply with Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
- b) give a true and fair view of the Company's financial position as at 30 June 2023 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the director's opinion:

- a) the financial statements and notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*; and
- b) 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 directors.

Michael Gomez

Director
Michael Gomez


Director
Neil Funston

Wodonga
27th October 2023

Rural Housing Network Limited trading as Beyond Housing

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue & Income	2	34,015,570	24,668,418
Employee benefits expense		(7,161,648)	(6,436,081)
Depreciation and amortisation expense	3	(1,604,462)	(1,475,496)
Finance costs	3	(874,820)	(310,422)
Property expenses		(1,864,477)	(1,449,481)
Client expenses		(1,399,354)	(1,014,881)
Maintenance and asset management expenses		(946,776)	(995,014)
Administrative and office expenses		(1,249,331)	(600,961)
Rents remitted expenses		(1,717,715)	(1,726,710)
Loss on sale of assets		(63,416)	(99,499)
Surplus before income tax		<u>17,133,572</u>	<u>10,559,873</u>
Income tax expense		-	-
Net surplus for the year		<u>17,133,572</u>	<u>10,559,873</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>17,133,572</u>	<u>10,559,873</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Rural Housing Network Limited trading as Beyond Housing

Statement of Financial Position

As at 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents		4,686,804	2,251,300
Trade and other receivables		2,738,630	2,629,398
Other assets		211,785	48,254
Total Current Assets		<u>7,637,219</u>	<u>4,928,952</u>
Non-Current Assets			
Property, plant and equipment		125,473,713	104,544,825
Total Non-Current Assets		<u>125,473,713</u>	<u>104,544,825</u>
Total Assets		<u>133,110,932</u>	<u>109,473,777</u>
LIABILITIES			
Current Liabilities			
Trade and other payables		1,354,687	1,371,179
Contract liabilities		12,421,112	7,071,321
Borrowings		2,955,551	1,658,935
Lease Liabilities		364,155	299,385
Provisions		888,322	881,457
Total Current Liabilities		<u>17,983,828</u>	<u>11,282,277</u>
Non-Current liabilities			
Borrowings		13,964,565	14,052,747
Lease Liabilities		1,111,241	1,237,922
Provisions		31,715	14,819
Total Non-Current Liabilities		<u>15,107,520</u>	<u>15,305,488</u>
Total Liabilities		<u>33,091,348</u>	<u>26,587,765</u>
Net Assets		<u>100,019,584</u>	<u>82,886,012</u>
EQUITY			
Retained earnings		100,019,584	82,886,012
Total Equity		<u>100,019,584</u>	<u>82,886,012</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

Rural Housing Network Limited trading as Beyond Housing

Statement of Changes in Equity

For the year ended 30 June 2023

	Retained Earnings
	\$
Balance at 1 July 2021	72,326,139
Net surplus for the year	10,559,873
Other comprehensive income for the year	-
Balance at 30 June 2022	<u>82,886,012</u>
Net surplus for the year	17,133,572
Other comprehensive income for the year	-
Balance at 30 June 2023	<u>100,019,584</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Rural Housing Network Limited trading as Beyond Housing

Statement of Cash Flows

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash Flows from Operating Activities			
Receipt of grants		36,470,858	20,511,228
Receipts from other		6,683,030	5,308,835
Payments to suppliers and employees		(18,480,474)	(11,495,390)
Interest received		23,737	1,912
Interest expenses		(831,899)	(253,211)
Lease interest paid		(42,921)	(42,397)
Net cash inflow/(outflow) from operating activities		<u>23,822,331</u>	<u>14,030,977</u>
Cash Flows from Investing Activities			
Proceeds from sale of property, plant and equipment		70,007	257,048
Payment for property, plant and equipment		(22,582,629)	(22,811,849)
Net cash inflow/(outflow) from investing activities		<u>(22,512,622)</u>	<u>(22,554,801)</u>
Cash flows from Financing Activities			
Repayment of borrowings		(9,207,914)	(1,558,864)
Repayment of lease liabilities (principle payments)		(82,640)	(337,083)
Proceeds from borrowings		10,416,349	8,223,966
Net cash inflow/(outflow) from financing activities		<u>1,125,795</u>	<u>6,328,019</u>
Net Increase/(Decrease) in Cash Held		2,435,504	(2,195,805)
Cash at the beginning of the financial year		2,251,300	4,447,105
Cash at the End of the Financial Year		<u>4,686,804</u>	<u>2,251,300</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the concise financial report

For the year ended 30 June 2023

Note 1. Summary of significant accounting policies

Basis of preparation

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Australian Charities and Not for Profits Commission Act 2012*.

The principal accounting policies adopted in the presentation of the financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated. Comparative figures have been adjusted to conform to changes in presentation where required.

Under Australian Accounting Standards, there are requirements that apply specifically to not-for-profit entities that are not consistent with International Reporting Standards (IFRS) requirements. The Company has analysed its purpose, objectives and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate the Company has elected to apply options and exemptions within the accounting standards which are applicable to not-for-profit entities.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Note 2. Revenue & Income

The company has recognised the following amounts relating to revenue & income in the statement of profit or loss:

	2023	2022
	\$	\$
Revenue recognised in accordance with AASB 15: Revenue from Contracts with Customers		
Operating grant revenue	4,595,899	3,751,959
Rental revenue	5,755,716	5,385,208
Total revenue	<u>10,351,615</u>	<u>9,134,167</u>
Income recognised in accordance with AASB 1058: Income of Not-for-Profit Entities		
Operating grant income	5,544,318	4,284,537
Capital grants	17,764,618	11,086,069
Interest earned	23,737	1,248
Donations received	7,930	3,318
Other	308,473	152,922
Recoveries	14,879	6,157
Total income	<u>23,663,955</u>	<u>15,534,251</u>
Total Revenue & Income	<u>34,015,570</u>	<u>24,668,418</u>
Revenue recognised at a point in time	23,520,334	16,471,277
Revenue recognised over time	10,495,235	8,197,141
	<u>34,015,570</u>	<u>24,668,418</u>

Notes to the concise financial report

For the year ended 30 June 2023

Note 3. Profit

Net gains and expenses

Profit before income tax expense includes the following expenses:

	2023	2022
	\$	\$
Expenses		
Depreciation and Amortisation		
Buildings	619,906	536,075
Motor vehicles	70,201	56,572
Plant and equipment	331,757	128,204
Furniture, fixture and fittings	144,467	291,389
Building improvements	58,498	61,113
Right Of Use leased assets	379,633	402,143
Total Depreciation and Amortisation	<u>1,604,462</u>	<u>1,475,496</u>
Finance costs		
Bank interest expense	831,899	268,025
Lease interest expense	42,921	42,397
Total Interest expense	<u>874,820</u>	<u>310,422</u>
Audit Services	18,650	17,760
Property, Plant & Equipment		
Proceeds on disposal	70,007	257,048
Disposals at written down value	133,423	356,547
Net gain/(loss) on disposals	(63,416)	(99,499)

Note 4. Events after the Reporting Period

No 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. 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 2023.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023, a surplus of \$17,133,572 has been achieved. The reported surplus was based on total revenues of \$34,015,570. Comparative figures for the prior year, 2021/2022, were a surplus of \$10,559,873 and total revenues of \$24,668,418.

Included in the current year's result was capital grant income of \$17,764,618, 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 2022/2022 year

Rural Housing Network Limited trading as Beyond Housing

Notes to the concise financial report

For the year ended 30 June 2023

which included capital grants of \$11,086,069. Excluding capital grant income, a deficit of \$631,046 is reported in the current year compared to a surplus of \$526,196 in the 2021/2022 year.

Operating grant revenue in 2022/2023 of \$10,140,217 has increased by \$2,103,721 from the 2021/2022 operating grants revenue balance of \$8,036,496. Operating grants represented 62% of operating income which is comparable to the prior year of 59%.

Rental income received has increased in 2022/2023 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 2022/2023 year, (excluding finance costs and loss on sale of assets) totalled \$15,943,762 compared to \$13,698,624 in 2021/2022. The 16% increase in operating expenses in 2022/2023 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 \$725,567. Property costs also increased by \$414,996 in line with the increase in housing stock in recent years and inflation in costs. Interest rates expenses increased \$564,378 in line with an increase in borrowings.

Interest income in 2022/2023 of \$23,737 has increased on the prior year amount of \$1,248 due to higher levels of grant income received in advance.

Statement of Financial Position

As at 30 June 2023, net assets were \$100,019,584 compared to \$82,886,012 as at 30 June 2022, an increase of 20%. Current assets including cash and cash equivalents amounted to \$7,637,219 at the end of the 2022/2023 year, compared to the corresponding total of \$4,928,952 at the end of prior year.

Property, plant and equipment at the end of 2022/2023 amounted to \$125,473,713, at written down value, which represented an increase of \$20,928,888 when compared to 2021/2022 balance of \$104,544,825. The increase is due to capital additions which mainly represents the construction, purchase and fit-out of new affordable accommodation.

Current liabilities increased to \$17,983,828 at the end of 2022/2023 compared to the 2021/2022 closing balance of \$11,282,277. The increase of \$6,701,551 is due mainly to a \$5,349,791 increase in the unexpended grants liability and a \$1,296,616 increase in current borrowings.

Non-current liabilities decreased to \$15,107,520 at the end of 2022/2023 compared to the 2021/2022 closing balance of \$15,305,488. The decrease of \$197,967 mainly reflects the amortisation of long-term borrowings and lease liabilities.

Statement of Cash Flows

During 2022/2023 operating, investing and financing activities generated a net increase in cash held of \$2,435,504 compared to a decrease of \$2,195,805 in 2021/2022. The major movement in operating cash flows in the current year was in regard to grant funding received which increased by \$15,959,630 from 2022/2022. This increase is mainly driven by an increase in capital grants received to fund construction projects. Cash outflows from investing activities remained consistent with the prior year and mostly relates to payments for property, plant and equipment. Cash inflows from financing activities was \$1,125,795 for 2022/23, due to borrowings to fund ongoing capital investment.

Report of the Independent Auditor on the Concise Financial Report

To the Directors of Beyond Housing

Opinion

We have audited the concise financial report of Beyond Housing (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and related notes, derived from the financial report of Beyond Housing for the year ended 30 June 2023 and the discussion and analysis.

In our opinion, the accompanying concise financial report, including the discussion and analysis of Beyond Housing, complies with 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* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (Including Independence Standards)* (the Code) that are relevant to our audit of the concise 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.

Concise Financial Report

The concise financial report does not contain all the disclosures required by the Australian Accounting Standards in the preparation of the financial report. Reading the concise financial report and the auditor's report thereon, therefore, is not a substitute for reading the financial report and the auditor's report thereon. The concise financial report and the financial report do not reflect the effects of events that occurred subsequent to the date of our report on the financial report.

The Financial report and Our Report Thereon

We expressed an unmodified audit opinion on the financial report in our report dated 27 October 2023.



Responsibilities of the Directors for the Concise Financial Report

The directors are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*, and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the concise financial report.

Auditor's Responsibilities for the Audit of the Concise Financial Report

Our responsibility is to express an opinion on whether the concise financial report, in all material respects, complies with AASB 1039 *Concise Financial Reports* and whether the discussion and analysis complies with AASB 1039 *Concise Financial Reports* based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

A handwritten signature in blue ink, appearing to read "Brad Bohun".

CROWE AUDIT AUSTRALIA

A handwritten signature in blue ink, appearing to read "Brad Bohun".

BRADLEY D BOHUN

Partner

Dated at Albury this 27th day of October 2023

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The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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