

**Rural Housing Network Limited trading as Beyond
Housing**

ABN: 82 965 609 218

Financial Statements

For the year ended 30 June 2022

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Rural Housing Network Limited trading as Beyond Housing

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
Neil Funston
Alan Arthur
Carly Martin
Ben Ruscoe

Cade Gow (resigned 27/02/2022)
Susanne Pains (resigned 24/11/2021)
Lisa Ryan (appointed 27/10/2021)
Skye Roberts (appointed 24/11/2021)
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 and can be found following this director's report.

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' Report

For the year ended 30 June 2022

Auditors' Independence Declaration

As lead auditor for the audit of Rural Housing Network Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

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



Ryan Schischka
Director
Johnsons MME

Albury
27 October 2022

Rural Housing Network Limited trading as Beyond Housing

Directors' Declaration

For the year ended 30 June 2022

The directors declare that the financial statements and notes set out on pages 8 to 23:

- 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 2022 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.



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	1(h)	-	-
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>

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 2022

	Note	2022 \$	2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	2,251,300	4,447,105
Trade and other receivables	5	2,629,398	423,582
Other assets	6	48,254	154,040
Total Current Assets		<u>4,928,952</u>	<u>5,024,727</u>
Non-Current Assets			
Property, plant and equipment	7	<u>104,544,825</u>	<u>83,126,138</u>
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	8	1,371,179	806,071
Contract liabilities	9	7,071,321	3,934,805
Borrowings	10	1,658,935	291,645
Lease Liabilities		299,385	313,041
Provisions	11	<u>881,457</u>	<u>764,439</u>
Total Current Liabilities		<u>11,282,277</u>	<u>6,110,000</u>
Non-Current liabilities			
Borrowings	12	14,052,747	8,754,935
Lease Liabilities		1,237,922	916,005
Provisions	13	<u>14,819</u>	<u>43,786</u>
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		<u>82,886,012</u>	<u>72,326,139</u>
Total Equity		<u>82,886,012</u>	<u>72,326,139</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 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>

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 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 (principle payments)		(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	4	<u>2,251,300</u>	<u>4,447,105</u>

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

Rural Housing Network Limited trading as Beyond Housing

Notes to and forming part of the financial statements

For the year ended 30 June 2022

Note 1. Summary of significant accounting policies

Rural Housing Network Limited (the 'Company') is an individual entity, incorporated and domiciled in Australia. Rural Housing Network Limited is a company limited by guarantee.

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.

(a) Revenue & Income

Where operating grants have enforceable obligations attached and have sufficiently specific performance obligations required to be fulfilled these grants are recognised in accordance with AASB 15. Under AASB 15 this grant revenue is recognised over time as the specific performance obligations are met. The specific performance obligations for most operating grants received are met in the year in which the related grant is received. Where specific performance obligations are not met, the grant revenue is deferred on the balance sheet as a contract liability (refer to note 9).

Where operating grants do not have enforceable obligations attached or do not have sufficiently specific performance obligations required to be fulfilled these grants are recognised in accordance with AASB 1058. Grants accounted for under AASB 1058 are recognised as income at a point-in-time at the earlier of receipt of the related funding or when an unconditional right to the revenue is established.

Capital grants received to enable the company to acquire or construct a recognisable non-financial asset to be controlled by the entity are accounted for under AASB 1058. The transfers received are initially recognised as an unexpended grant liability (refer to note 9), which is released as income over time as obligations are met. For most capital grants, the obligations are deemed to have been met in accordance with the stage of completion of the underlying non-financial asset.

Rural Housing Network Limited trading as Beyond Housing

Notes to and forming part of the financial statements

For the year ended 30 June 2022

Note 1. Summary of significant accounting policies (continued)

Contributed assets received for zero or nominal value are recognised at fair value at the point in time when company gains control of the asset.

Donations and bequests are recognised as income under AASB 1058 at a point in time when received.

Interest is recognised on an accrual basis taking into account the interest rates applicable to the financial assets.

Rental revenue is recognised over time as it becomes due by the tenant. Any rental revenue received in excess of rents owing is treated as a contract liability called rent received in advance (refer note 8).

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair values as indicated, less, where applicable, accumulated depreciation and impairment losses.

Property

Freehold land and buildings are measured at cost, less depreciation for buildings.

Freehold land and buildings that have been contributed at no cost or the nominal cost are recognised at the fair value of the asset at the date it is acquired.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	1%
Plant and equipment	6.67-33.33%
Furniture, Fixtures and Fittings	2.5-20%
Motor Vehicles	18.75%
Improvements	1-2.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Notes to and forming part of the financial statements

For the year ended 30 June 2022

Note 1. Summary of significant accounting policies (continued)

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses of disposals are determined by comparing proceeds with the carrying amount. Those gains or losses are included in the statement of profit and loss and other comprehensive income.

(c) Leases

The Company assess whether a contract is or contains a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognises a right-of-use asset and a corresponding lease liability in respect to all lease arrangements in which it is the lessee, except for short term leases (leases with a term of less than 12 months) and leases of low value assets (less than \$10,000). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

The right-of-use assets are initially measured at cost which comprises the initial measurement of the corresponding lease liability, lease payments made at the or before the commencement date and any initial direct costs. The right-of-use asset is subsequently amortised on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

(d) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction cost are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties.

Notes to and forming part of the financial statements

For the year ended 30 June 2022

Note 1. Summary of significant accounting policies (continued)

(e) Impairment of Assets

At the end of each reporting period, the Company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying amount is expensed to the statement of profit and loss and other comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

(f) Employee Benefits

(i) Short term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

(ii) Other Long term employee benefits

The Company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the re-measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in the statement of profit and loss and other comprehensive income classified under employee benefits expense.

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

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks and other short-term highly liquid investments with original liquid investments with original maturities of three months or less.

(h) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div. 50 of the *Income Tax Assessment Act 1997*.

Rural Housing Network Limited trading as Beyond Housing

Notes to and forming part of the financial statements

For the year ended 30 June 2022

Note 1. Summary of significant accounting policies (continued)

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item expense. Receivables and payables in the statement of financial position are shown inclusive of GST

(j) Trade and other receivables

Debtors are brought to account at their nominal amounts. A provision for doubtful debts is raised based on expected credit losses.

(k) Borrowings

Borrowings are carried at their principal amounts, which is not materially different to the present value of future cash flows associated with servicing the debt. Any interest payable on borrowings is accrued over the period it becomes due and is recorded as part of other creditors.

(l) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(m) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(n) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

(o) Economic Dependence

The Company is dependent on the Department of Health and Human Services for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the Department will not continue to support the company.

(p) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations which may be applicable to the Company but are not yet effective. The directors have noted the likely impact of these amendments and have determined that they will have an immaterial, if any, impact on the Company. Consequently, they have not been adopted in the preparation of these financial statements.

Rural Housing Network Limited trading as Beyond Housing

Notes to and forming part of the financial statements

For the year ended 30 June 2022

Note 2. Revenue & Income

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

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	9,134,167	9,212,530

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	15,534,251	10,506,086

Total Revenue & Income

24,668,418	19,718,616
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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	8,036,496	8,111,330

Notes to and forming part of the financial statements

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>
Finance costs		
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>
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. Current assets – Cash and Cash Equivalents

Cash at bank	2,228,163	2,485,440
Cash on hand	1,000	1,000
Term deposits	22,137	1,960,665
	<u>2,251,300</u>	<u>4,447,105</u>

Note 5. Current assets – Trade and Other Receivables

Trade receivables	479,222	270,831
GST/PAYG payable	363,977	91,641
Accrued capital grants (1)	1,747,853	-
Rent arrears	38,346	61,110
	<u>2,626,398</u>	<u>423,582</u>

- (1) Accrued capital grants represents capital works completed in respect to grant funded projects for which funding is yet to be received.

Credit risk - Trade and other Receivables

The company does not have any material credit risk exposure to any single receivables or group of receivables. It is expected that these balances will be received when due.

Notes to and forming part of the financial statements

For the year ended 30 June 2022

Note 6. Current assets – Other

	2022	2021
	\$	\$
Accrued income	-	664
Prepayments	48,254	153,376
	<u>48,254</u>	<u>154,040</u>

Note 7. Non-current assets – Property, Plant and Equipment

Land and Buildings

Freehold land – at cost	34,486,870	25,335,517
Buildings – at cost	55,938,875	51,330,527
Less: Accumulated depreciation	(5,229,820)	(4,693,745)
	<u>50,709,055</u>	<u>46,636,782</u>
Total Land and Buildings	<u>85,195,925</u>	<u>71,972,299</u>

Buildings improvements – at cost	3,035,673	2,754,226
Less: Accumulated depreciation	(416,838)	(358,990)
	<u>2,618,835</u>	<u>2,395,236</u>

Works in progress – at cost	11,444,908	4,060,748
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Plant and Equipment

Plant and equipment – at cost	1,384,682	1,365,756
Less: Accumulated depreciation	(828,470)	(777,964)
	<u>556,212</u>	<u>587,792</u>

Motor vehicles – at cost	309,797	224,323
Less: Accumulated depreciation	(147,839)	(104,986)
	<u>161,958</u>	<u>119,337</u>

Furniture and fittings – at cost	5,497,858	4,966,787
Less: Accumulated depreciation	(2,350,941)	(2,152,930)
	<u>3,146,917</u>	<u>2,813,857</u>

Total Plant and Equipment	<u>103,124,755</u>	<u>3,520,986</u>
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Right of Use Assets	2,133,444	1,760,228
Less: Accumulated Amortization	(713,374)	(583,358)
	<u>1,420,070</u>	<u>1,176,869</u>

Total Property, Plant and Equipment	<u>104,544,825</u>	<u>83,126,138</u>
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Rural Housing Network Limited trading as Beyond Housing

Notes to and forming part of the financial statements

For the year ended 30 June 2022

Note 7. Non-current assets – Property, Plant and Equipment (Continued)

	WDV 1 July 2021	Additions	Lease modifications	Disposals	Transfers	Depreciation	WDV 30 June 2022
	\$	\$	\$	\$	\$	\$	\$
Land & buildings	71,972,299	-	-	(412,926)	14,172,627	(536,075)	85,195,925
Building improvements	2,395,236	-	-	(15,394)	300,106	(61,113)	2,618,835
Works in progress	4,060,748	22,757,624	-	-	(15,373,464)	-	11,444,988
Plant & equipment	587,792	-	-	(71,000)	167,624	(128,204)	556,212
Motor vehicles	119,337	-	-	(9,147)	108,340	(56,572)	161,958
Furniture & fittings	2,813,857	-	-	(318)	624,767	(291,389)	3,146,917
Right-of-use Assets	1,176,869	597,277	48,067	-	-	(402,143)	1,420,070
	<u>83,126,138</u>	<u>23,354,901</u>	<u>48,067</u>	<u>(508,785)</u>	<u>-</u>	<u>(1,475,496)</u>	<u>104,544,825</u>

Note 8. Current liabilities – Trade and Other Payables

	2022	2021
	\$	\$
Trade payables	839,185	363,999
Accrued expenses	296,563	239,719
Rents in advance	140,418	124,688
PAYG payable	79,344	72,218
Credit cards	15,669	5,446
	<u>1,371,179</u>	<u>806,070</u>

Note 9. Current liabilities – Contract liabilities

Contract liabilities - Operating grants in advance	1,911,236	2,147,565
Unexpended capital grants	5,160,085	1,787,240
	<u>7,071,321</u>	<u>3,934,805</u>

All contract liabilities and unexpended capital grants are expected to be recognised as revenue during the 2022/23 financial year

Note 10. Current liabilities – Borrowings

Bank Australia Loan	208,433	139,333
Hume Bank Loan	30,502	32,312
Commonwealth Bank Bill	1,420,000	120,000
	<u>1,658,935</u>	<u>291,645</u>

Security and loan covenants – refer note 12.

Notes to and forming part of the financial statements

For the year ended 30 June 2022

Note 11. Current liabilities – Provisions

	2022	2021
	\$	\$
Annual leave	532,315	431,568
Provision for RDO	54,963	38,703
Long service leave	57,526	49,072
Portable long service leave	236,653	245,096
	<u>881,457</u>	<u>764,439</u>

Note 12. Non-current liabilities – Borrowings

Bank Australia loan (i)	10,205,744	3,457,894
Hume Bank loan (ii)	601,322	631,361
Commonwealth Bank bill (iii)	3,245,681	4,665,680
	<u>14,052,747</u>	<u>8,754,935</u>

- i. The Bank Australia loan is secured by first registered mortgage over the properties located at Broadford, Benalla, Cobram, Mooroopna, Kilmore, Wallan, Kialla, Seymour, Shepparton, Leneva, Wodonga, Wangaratta and Yarrawonga.

Bank Australia loans have covenants in place as follows:

- LVR (debt as a % of the market value of secured property) at less than 60%. The LVR as at 30 June 2022 based on the carrying value of secured property was 52%.
- DCR (earnings, excluding capital grants, interest expense, tax, depreciation & amortization to interest expense, principal repayments and finance costs) at a minimum of 1.25:1. The DCR for the year ended 30 June 2022 was 4.1

- ii. The Hume Bank Loan is secured by registered mortgages over properties at 25 Drysdale Way, 14 Whitely Close and Lot 10 Pro Hart Drive, Baranduda.
- iii. The CBA borrowings are secured by registered mortgages over all assets and undertakings of the company with first registered mortgage over various properties held.

Note 13. Non-current liabilities – Provisions

Portable Long service leave	14,819	43,786
	<u>14,819</u>	<u>43,786</u>

Note 14. Capital and Other Commitments

Capital Expenditure Commitments

Capital commitments committed for at balance date but not recognised in the financial statements:

Not later than 12 months	16,037,198	8,562,199
Between 1 to 5 years	3,912,953	-
Minimal capital expenditure commitment	<u>19,950,151</u>	<u>8,562,199</u>

There were no material operating expenditure commitments held as at 30 June 2022 (2021: Nil).

Rural Housing Network Limited trading as Beyond Housing

Notes to and forming part of the financial statements

For the year ended 30 June 2022

Note 15. Events after the Reporting Period

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 16. 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.

Note 17. Related Party Transactions

(a) Directors of the Company

Members of the board of directors performed their duties in an honorary capacity.

(b) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing, controlling the activities of the company either directly or indirectly. The key management personnel of the company comprise the directors and executives who are responsible for the financial and operational management of the company.

Compensation paid to key management personnel of the company was as follows:

	2022	2021
	\$	\$
Short-term employee benefits	602,910	447,048
Other long-term employee benefits	34,419	31,625
Total compensation	<u>637,329</u>	<u>415,423</u>

(c) Other related party transactions

There have been no other transactions with related parties.

Rural Housing Network Limited trading as Beyond Housing

Notes to and forming part of the financial statements

For the year ended 30 June 2022

Note 18. Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable. The totals for each category of financial instruments, measured in accordance with AASB 7 as detailed in the accounting policies to these financial statements

		2022	2021
		\$	\$
Financial Instruments			
(i) Financial Assets			
Cash on hand	4	2,251,300	4,447,105
Trade and other receivables	5	2,790,561	331,941
Total Financial Assets		<u>5,041,861</u>	<u>4,779,046</u>
(ii) Financial Liabilities at amortized cost			
Trade and other payables	8	1,291,835	733,852
Borrowings	10,12	15,711,682	9,046,580
Lease Liabilities		1,537,307	1,229,046
Total Financial Liabilities		<u>18,540,824</u>	<u>11,009,478</u>

Note 19. Auditors Remuneration

Audit of the financial statements	16,900	16,010
Other non-assurance services	1,750	1,750
	<u>18,650</u>	<u>17,760</u>

Note 20. Contingent Liabilities

The Company had no contingent liabilities as at 30 June 2022.

Note 21. Entity Details

The registered office and principle place of business of the entity is:

Rural Housing Network Ltd
Level 4
111-113 Hume Street
Wodonga
VIC 3690

Note 22. Member's Guarantee

The entity is incorporated under the Corporation Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution state 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 number of members was 7.

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

Report on the Audit of the Financial Statements

Opinion

We have audited the general purpose – simplified disclosure financial statements of Rural Housing Network Limited, which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the director's declaration.

In our opinion the financial statements of Rural Housing Network Limited 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 registered entity'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 Disclosures 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 Statements* 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 statements in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

In conducting our audit we have complied with the independence requirements of the *Australian Charities and Not for Profits Commission Act 2012*.

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

Directors' Responsibility for the Financial Statements

The Directors of Rural Housing Network Limited are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards – Simplified Disclosure Requirements and the *Australian Charities and Not for Profits Commission Act 2012*, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial statements that is free from material misstatement, whether due to fraud or error.

Independent auditor's report (continued)

In preparing the financial statements, the Directors are responsible for Rural Housing Network Limited'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.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

A further description of our responsibilities for the audit of the financial statements 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.

Johnsons MME
Chartered Accountants



Ryan Schischka
Director

Albury
27 October 2022