

Rural Housing Network Limited trading as Beyond Housing

ABN: 82 965 609 218

Financial Statements

For the year ended 30 June 2021

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Rural Housing Network Limited trading as Beyond Housing

Directors' Report

For the year ended 30 June 2021

Your directors present the financial statements of the Rural Housing Network Limited ('the Company') for the year ended 30 June 2021.

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:

| | |
|--------------------------------------|--------------|
| Susanne Paini | Ann Telford |
| Ronni Druitt | Ben Ruscoe |
| Alan Arthur | Cade Gow |
| Carly Martin (Appointed August 2020) | Neil Funston |

Company secretary

Ronni Druitt acted as company secretary throughout the finance year.

Principal activities

The principal activity of the entity during the financial year was:

To provide housing support services to disadvantaged households; broadly grouped into the following areas: Transitional Housing Services, Long Term Housing Services and Rental Housing Support Services.

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

Objectives

Rural Housing Network Limited's objective is for all people to have safe, secure, affordable and appropriate housing. Rural Housing Network Limited is committed to ending homelessness. 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.
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.

Rural Housing Network Limited trading as Beyond Housing

Directors' Report

For the year ended 30 June 2021

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 2021 and prior year are set out in the table below.

| Performance Indicator | 2021 | | 2020 | |
|--|--------------|--------------|--------------|--------------|
| | Actual | Benchmark | Actual | Benchmark |
| Earnings (excluding Capital Grants) before Interest Expense, Tax, Depreciation & Amortization (EBITDA) to Interest Expense, 'Interest Cover' | 8.34 Times | 1.35 Times | 5.83 Times | 1.35 Times |
| EBITDA as percentage of Operating Revenues | 16.36% | > 15% | 16.85% | > 15% |
| Net Assets as percentage of Total Assets | 82.1% | > 75% | 80.8% | > 75% |
| Current Assets to Current Liabilities | 0.80 to 1.00 | 1.00 to 1.00 | 0.70 to 1.00 | 1.00 to 1.00 |
| Total Borrowings to Total Equity | 12.5% | <15% | 13.5% | <15% |

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 since 5/11/2008

Responsibilities:

- Chairperson from 30/11/2017
- People & Culture Committee

Qualifications:

- Master of Business Administration
- Graduate, Australian Institute of Company Directors

Ronni Druitt

Director since 25/09/2019

Responsibilities:

- Secretary from 27/11/19
- Risk & Governance Committee

Qualifications:

- Bachelor of Arts (Political Science & Sociology)

Ann Telford

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

Reappointed 22/02/2020

Responsibilities:

- Deputy Board Chair
- People & Culture Committee

Qualifications:

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

Alan Arthur

Director since 27/11/2019

Responsibilities:

- Risk & Governance Committee

Qualifications:

- BSC (Hons), MBA, MACS (Snr), CP, MAHRI
- Graduate, Australian Institute of Company Directors

Cade Gow

Director since 28/11/2012

Responsibilities:

- Treasurer from 28/11/2019
- Finance & Audit Committee

Qualifications:

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

Rural Housing Network Limited trading as Beyond Housing

Directors' Report

For the year ended 30 June 2021

Carly Martin

Director since 26/08/2020

Responsibilities:

- Capital & Projects Committee

Qualifications:

- Master of Architecture
- Bachelor of Architecture
- Registered Architect
ARBV 20460, NSW ARB 9598

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

Meetings of directors

The number of meetings of the Company's directors held during the year ended 30 June 2021, and the number of meetings attended by each director were:

| | No. of Meetings Attended | No. of Meetings Held* |
|-----------------|--------------------------|-----------------------|
| Susanne Paini** | 6 | 7 |
| Carly Martin | 8 | 8 |
| Cade Gow | 7 | 9 |
| Ann Telford | 9 | 9 |
| Neil Funston | 9 | 9 |
| Ronni Druitt | 4 | 9 |
| Alan Arthur | 9 | 9 |
| Ben Ruscoe | 8 | 9 |

* reflects the number of meetings held during the time the director held office during the year.

** Susanne Paini was on a leave of absence for the last two meetings during the year.

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 2021, the total amount that members of the company are liable to contribute if the company is wound up is \$70 (2020: \$70).

Auditor's independence

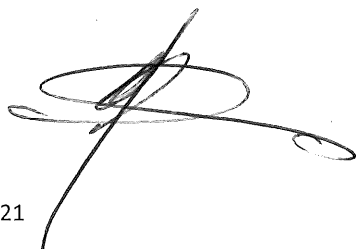
A copy of the auditors' independence declaration as required by the *Australian Charities and Not-for-profits Commission Act 2012* has been received and can be found following this director's report.

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

Director
Susanne Paini



Director
Cade Gow



Wodonga
28 October 2021

Rural Housing Network Limited trading as Beyond Housing

Directors' Report

For the year ended 30 June 2021

Auditors' Independence Declaration

As lead auditor for the audit of Rural Housing Network Limited for the year ended 30 June 2021, 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
28 October 2021

Rural Housing Network Limited trading as Beyond Housing

Directors' Declaration

For the year ended 30 June 2021

The directors declare that the financial statements and notes set out on pages 7 to 22:

- a) comply with Accounting Standards – Reduced Disclosure Requirements 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 2021 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:

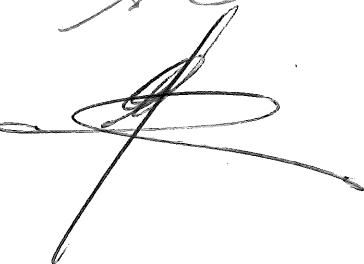
- a) the financial statements and notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Susanne Paini
Director



Cade Gow
Director



Wodonga
28 October 2021

Rural Housing Network Limited trading as Beyond Housing

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

| | Note | 2021 \$ | 2020 \$ |
|--|------|------------------|------------------|
| Revenue & Income | 2 | 19,718,616 | 16,307,800 |
| Employee benefits expense | | (5,627,445) | (5,059,561) |
| Depreciation and amortisation expense | 3 | (1,327,597) | (1,215,524) |
| Finance costs | 3 | (264,763) | (371,224) |
| Property expenses | | (1,339,349) | (1,351,941) |
| Client expenses | | (1,168,925) | (1,244,334) |
| Maintenance and asset management expenses | | (820,749) | (609,596) |
| Administrative and office expenses | | (531,415) | (636,774) |
| Rents remitted expenses | | (1,767,996) | (1,829,726) |
| Loss on sale of assets | 3 | (19,877) | (92,338) |
| Surplus before income tax | | <u>6,850,500</u> | <u>3,896,782</u> |
| Income tax expense | 1(h) | - | - |
| Net surplus for the year | | <u>6,850,500</u> | <u>3,896,782</u> |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | <u>6,850,500</u> | <u>3,896,782</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 2021

| | Note | 2021 \$ | 2020 \$ |
|--------------------------------|------|-------------------|-------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 4 | 4,447,105 | 3,642,345 |
| Trade and other receivables | 5 | 331,941 | 114,481 |
| Other assets | 6 | 154,040 | 142,022 |
| Total Current Assets | | <u>4,933,086</u> | <u>3,898,848</u> |
| Non-Current Assets | | | |
| Property, plant and equipment | 7 | <u>83,126,138</u> | <u>77,135,099</u> |
| Total Non-Current Assets | | <u>83,126,138</u> | <u>77,135,099</u> |
| Total Assets | | <u>88,059,224</u> | <u>81,033,947</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | 8 | 4,649,234 | 3,993,674 |
| Borrowings | 9 | 291,645 | 381,768 |
| Lease Liabilities | 10 | 313,041 | 300,870 |
| Provisions | 11 | 764,439 | 819,752 |
| Total Current Liabilities | | <u>6,018,359</u> | <u>5,496,064</u> |
| Non-Current liabilities | | | |
| Borrowings | 12 | 8,754,935 | 8,481,997 |
| Lease Liabilities | 13 | 916,005 | 1,521,060 |
| Provisions | 14 | 43,786 | 59,187 |
| Total Non-Current Liabilities | | <u>9,714,726</u> | <u>10,062,244</u> |
| Total Liabilities | | <u>15,733,085</u> | <u>15,558,308</u> |
| Net Assets | | <u>72,326,139</u> | <u>65,475,639</u> |
| EQUITY | | | |
| Retained earnings | | <u>72,326,139</u> | <u>65,475,639</u> |
| Total Equity | | <u>72,326,139</u> | <u>65,475,639</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 2021

| | Retained Earnings |
|---|--------------------------|
| | \$ |
| Balance at 1 July 2020 | 61,578,857 |
| Net surplus for the year | 3,896,782 |
| Other comprehensive income for the year | - |
| Balance at 30 June 2020 | <u>65,475,639</u> |
| Net surplus for the year | 6,850,500 |
| Other comprehensive income for the year | - |
| Balance at 30 June 2021 | <u>72,326,139</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 2021

| | Note | 2021 \$ | 2020 \$ |
|--|------|--------------------|--------------------|
| Cash Flows from Operating Activities | | | |
| Receipt of grants | | 15,008,613 | 10,124,039 |
| Receipts from other | | 5,168,521 | 5,305,219 |
| Payments to suppliers and employees | | (11,388,556) | (10,652,276) |
| Interest received | | 14,784 | 67,671 |
| Finance costs | | (264,763) | (371,224) |
| Net cash inflow/(outflow) from operating activities | | <u>8,538,599</u> | <u>4,473,429</u> |
| Cash Flows from Investing Activities | | | |
| Proceeds from sale of property, plant and equipment | | 17,637 | 11,363 |
| Payment for property, plant and equipment | | (7,605,279) | (7,206,490) |
| Net cash inflow/(outflow) from investing activities | | <u>(7,587,642)</u> | <u>(7,195,127)</u> |
| Cash flows from Financing Activities | | | |
| Repayment of borrowings | | (317,185) | (360,805) |
| Repayment of lease liabilities (principle payments) | | (329,012) | (294,581) |
| Proceeds from borrowings | | 500,000 | 500,000 |
| Net cash inflow/(outflow) from financing activities | | <u>(146,197)</u> | <u>(155,386)</u> |
| Net Increase/(Decrease) in Cash Held | | 804,760 | (2,877,084) |
| Cash at the beginning of the financial year | | 3,642,345 | 6,519,429 |
| Cash at the End of the Financial Year | 4 | <u>4,447,105</u> | <u>3,642,345</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 2021

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

The Company applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010-2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, 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 8).

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 8), 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 2021

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 2021

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 2021

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 2021

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 2021

Note 2. Revenue & Income

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

| 2021 | 2020 |
|------|------|
| \$ | \$ |

Revenue recognised in accordance with AASB 15: Revenue from Contracts with Customers

| | | |
|-------------------------|------------------|------------------|
| Operating grant revenue | 3,916,548 | 3,406,750 |
| Rental revenue | 5,295,982 | 5,154,122 |
| Total revenue | 9,212,530 | 8,560,872 |

Income recognised in accordance with AASB 1058: Income of Not-for-Profit Entities

| | | |
|----------------------------|-------------------|------------------|
| Operating grant income | 4,194,782 | 4,102,687 |
| Capital grants | 6,221,827 | 3,255,553 |
| Interest earned | 13,617 | 63,190 |
| Donations received | 12,371 | 32,185 |
| Other | 58,343 | 74,053 |
| Recoveries | 5,146 | 12,260 |
| Non-monetary contributions | - | 207,000 |
| Total income | 10,506,086 | 7,746,928 |

Total Revenue & Income

| | |
|-------------------|-------------------|
| 19,718,616 | 16,307,800 |
|-------------------|-------------------|

Operating grants revenue/income reconciliation:

| | | |
|---|------------------|------------------|
| Operating grant revenue recognised under AASB 15 | 3,916,548 | 3,406,750 |
| Operating grant income recognised under AASB 1058 | 4,194,782 | 4,102,687 |
| Total Operating grant revenue/income | 8,111,330 | 7,509,437 |

Notes to and forming part of the financial statements

For the year ended 30 June 2021

Note 3. Profit

Net gains and expenses

Profit before income tax expense includes the following expenses:

| | 2021 | 2020 |
|---|------------------|------------------|
| | \$ | \$ |
| Expenses | | |
| Depreciation and Amortisation | | |
| Buildings | 509,306 | 470,809 |
| Motor vehicles | 37,291 | 36,604 |
| Plant and equipment | 116,011 | 97,662 |
| Furniture, fixture and fittings | 266,536 | 229,755 |
| Building improvements | 49,856 | 38,778 |
| Right Of Use leased assets | 348,597 | 341,916 |
| Total Depreciation and Amortisation | <u>1,327,597</u> | <u>1,215,524</u> |
| Short-term and low-value lease payments | - | 34,788 |
| Bank interest expense | 224,664 | 311,633 |
| Lease interest expense | 40,099 | 59,591 |
| Total Interest expense | <u>264,763</u> | <u>371,224</u> |
| Audit services | 17,760 | 17,650 |
| Property, Plant and Equipment | | |
| Proceeds on disposal | 17,637 | 11,364 |
| Disposals at written down value | (37,514) | (103,702) |
| Net gain/(loss) on disposals | <u>(19,877)</u> | <u>(92,338)</u> |

Note 4. Current assets – Cash and Cash Equivalents

| | | |
|---------------|------------------|------------------|
| Cash at bank | 2,485,440 | 1,692,360 |
| Cash on hand | 1,000 | 1,000 |
| Term deposits | 1,960,665 | 1,948,985 |
| | <u>4,447,105</u> | <u>3,642,345</u> |

Note 5. Current assets – Trade and Other Receivables

| | | |
|-------------------|----------------|----------------|
| Trade receivables | 270,831 | 58,331 |
| Rent arrears | 61,110 | 56,150 |
| | <u>331,941</u> | <u>114,481</u> |

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.

Note 6. Current assets – Other

| | | |
|----------------|----------------|----------------|
| Accrued income | 664 | 1,831 |
| Prepayments | 153,376 | 140,191 |
| | <u>154,040</u> | <u>142,022</u> |

Notes to and forming part of the financial statements

For the year ended 30 June 2021

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

| | 2021 | 2020 |
|--|--------------------|--------------------|
| Land and Buildings | \$ | \$ |
| Freehold land – at cost | 25,335,517 | 22,758,806 |
| Buildings – at cost | 51,330,527 | 49,740,014 |
| Less: Accumulated depreciation | <u>(4,693,745)</u> | <u>(4,184,439)</u> |
| | 46,636,782 | 45,555,575 |
| Total Land and Buildings | <u>71,972,299</u> | <u>68,314,381</u> |
| Buildings improvements – at cost | 2,754,226 | 2,527,195 |
| Less: Accumulated depreciation | <u>(358,990)</u> | <u>(309,133)</u> |
| | 2,395,236 | 2,218,062 |
| Works in progress – at cost | 4,060,748 | 1,503,779 |
| Plant and Equipment | | |
| Plant and equipment – at cost | 1,365,756 | 1,264,030 |
| Less: Accumulated depreciation | <u>(777,964)</u> | <u>(661,953)</u> |
| | 587,792 | 602,077 |
| Motor vehicles – at cost | 224,323 | 195,817 |
| Less: Accumulated depreciation | <u>(104,986)</u> | <u>(90,541)</u> |
| | 119,337 | 105,276 |
| Furniture and fittings – at cost | 4,966,787 | 4,570,838 |
| Less: Accumulated depreciation | <u>(2,152,930)</u> | <u>(1,953,909)</u> |
| | 2,813,857 | 2,616,929 |
| Total Plant and Equipment | <u>3,520,986</u> | <u>3,324,282</u> |
| Right of Use Assets | 1,760,228 | 2,116,511 |
| Less: Accumulated Amortization | <u>(583,358)</u> | <u>(341,916)</u> |
| | 1,176,869 | 1,774,595 |
| Total Property, Plant and Equipment | <u>83,126,138</u> | <u>77,135,099</u> |

Rural Housing Network Limited trading as Beyond Housing

Notes to and forming part of the financial statements

For the year ended 30 June 2021

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

| | WDV 1 July 2020 | Additions | Derecognition right-of-use assets | Disposals | Transfers | Depreciation | WDV 30 June 2021 |
|--------------------------|--------------------|------------------|---|-----------------|-------------|--------------------|---------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Land & buildings | 68,314,381 | - | - | - | 4,167,224 | (509,306) | 71,972,299 |
| Building improvements | 2,218,062 | - | - | - | 227,030 | (49,856) | 2,395,236 |
| Works in progress | 1,503,779 | 7,605,279 | - | - | (5,048,310) | - | 4,060,748 |
| Plant & equipment | 602,077 | - | - | - | 101,726 | (116,011) | 587,792 |
| Motor vehicles | 105,276 | - | - | (16,319) | 67,671 | (37,291) | 119,337 |
| Furniture & fittings | 2,616,929 | - | - | (21,195) | 484,659 | (266,536) | 2,813,857 |
| Right-of-use Assets | 1,774,595 | 84,975 | (334,104) | - | - | (348,597) | 1,176,869 |
| | <u>77,135,099</u> | <u>7,690,254</u> | <u>(334,104)</u> | <u>(37,514)</u> | <u>-</u> | <u>(1,327,597)</u> | <u>83,126,138</u> |

Note 8. Current liabilities – Trade and Other Payables

| | 2021 | 2020 |
|--|------------------|------------------|
| | \$ | \$ |
| Trade payables | 363,999 | 267,756 |
| Contract liabilities - Operating grants in advance | 2,147,565 | 1,551,134 |
| Unexpended capital grants | 1,787,240 | 1,708,215 |
| Accrued expenses | 239,719 | 228,185 |
| Rents in advance | 124,688 | 110,549 |
| GST/PAYG payable | (19,423) | 126,197 |
| Credit cards | 5,446 | 1,638 |
| | <u>4,649,234</u> | <u>3,993,374</u> |

All contract liabilities and unexpended capital grants are expected to be recognised as revenue during the 2020/21 financial year.

Note 9. Current liabilities – Borrowings

| | | |
|------------------------|----------------|----------------|
| Bank Australia Loan | 139,333 | 144,065 |
| Hume Bank Loan | 32,312 | 32,683 |
| Commonwealth Bank Bill | 120,000 | 205,020 |
| | <u>291,645</u> | <u>381,768</u> |

Security – refer note 12.

Note 10. Current liabilities – Lease Liabilities

| | | |
|-----------------|----------------|----------------|
| Lease Liability | <u>313,041</u> | <u>300,870</u> |
|-----------------|----------------|----------------|

Rural Housing Network Limited trading as Beyond Housing

Notes to and forming part of the financial statements

For the year ended 30 June 2021

Note 11. Current liabilities –Provisions

| | 2021 | 2020 |
|-----------------------------|----------------|----------------|
| | \$ | \$ |
| Annual leave | 431,568 | 460,071 |
| Provision for RDO | 38,703 | 41,269 |
| Long service leave | 49,072 | 134,530 |
| Portable long service leave | 245,096 | 183,882 |
| | <u>764,439</u> | <u>819,752</u> |

Note 12. Non-current liabilities – Borrowings

| | | |
|------------------------------|------------------|------------------|
| Bank Australia loan (i) | 3,457,894 | 3,102,124 |
| Hume Bank loan (ii) | 631,361 | 661,703 |
| Commonwealth Bank bill (iii) | 4,665,680 | 4,718,170 |
| | <u>8,754,935</u> | <u>8,481,997</u> |

- i. The Bank Australia loan is secured by first registered mortgage over the properties located at Broadford, Kilmore, Wallan and Kialla.
- 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.

Note 13. Non-current liabilities – Lease Liabilities

| | | |
|-----------------|----------------|------------------|
| Lease Liability | <u>916,005</u> | <u>1,521,060</u> |
|-----------------|----------------|------------------|

Note 14. Non-current liabilities – Provisions

| | | |
|-----------------------------|---------------|---------------|
| Long service leave | - | 12,650 |
| Portable Long service leave | 43,786 | 46,537 |
| | <u>43,786</u> | <u>59,187</u> |

Rural Housing Network Limited trading as Beyond Housing

Notes to and forming part of the financial statements

For the year ended 30 June 2021

Note 15. Capital and Other Commitments

| | 2021 | 2020 |
|---|------------------|------------------|
| Capital Expenditure Commitments | \$ | \$ |
| Capital commitments committed for at balance date but not recognised in the financial statements: | | |
| Not later than 12 months | 8,562,199 | 2,969,134 |
| Between 1 to 5 years | - | 356,925 |
| Minimal capital expenditure commitment | <u>8,562,199</u> | <u>3,326,059</u> |

There were no material operating expenditure commitments held as at 30 June 2021 (2020: Nil).

Note 16. 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 17. 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 2020 and 2021 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 18. 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:

| | | |
|-----------------------------------|----------------|----------------|
| Short-term employee benefits | 447,048 | 365,175 |
| Other long-term employee benefits | 31,625 | 44,669 |
| Total compensation | <u>415,423</u> | <u>409,844</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 2021

Note 19. 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

| | | 2021 | 2020 |
|---|-------|-------------------|-------------------|
| | | \$ | \$ |
| Financial Instruments | | | |
| (i) Financial Assets | | | |
| Cash on hand | 4 | 4,447,105 | 3,642,345 |
| Loans and receivables | 5 | 331,941 | 114,481 |
| Total Financial Assets | | <u>4,779,046</u> | <u>3,756,826</u> |
| | | | |
| (ii) Financial Liabilities at amortized cost | | | |
| Trade and other payables | 8 | 4,668,657 | 3,867,177 |
| Borrowings | 9,12 | 9,046,580 | 8,863,765 |
| Lease Liabilities | 10,13 | 1,229,046 | 1,821,930 |
| Total Financial Liabilities | | <u>14,944,283</u> | <u>14,552,872</u> |

Note 20. Contingent Liabilities

The Company had no contingent liabilities as at 30 June 2021.

Note 21. Entity Details

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

Rural Housing Network Ltd
82 High 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 2021 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 financial statements of Rural Housing Network Limited, which comprises the statement of financial position as at 30 June 2021, 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 2021 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial 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 – Reduced 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
28 October 2021