

THE HOME AWAY FROM HOME INC.

ABN 17 197 600 778

Concise Financial Report – 31 December 2022

Basis of Preparation and Statement of Compliance

This concise report covers that of The Home Away From Home Inc. ("the Entity") for the year ended 31 December 2022. This concise report has been derived from the full 2022 Financial Report of the Entity, which complies with the Corporations Act 2001 and Accounting Standard AASB 1039 Concise Financial Reports.

The financial statements and specific disclosures required by AASB 1039 have been derived from the entity's full financial report. The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing activities of the entity as the full financial report.

This concise financial report is presented in Australian Dollars and has been prepared on a historical cost basis, except for financial assets which have been measured as their fair value at the balance date. A full description of the accounting policies adopted by the Entity is provided in the full 2022 financial report.

Further financial information can be obtained from the financial report, which is available, free of charge, on request by contacting the entity on (08) 9346 9000 or ourhouse.wa@rmhc.org.au, or from the ACNC web site.

Treasurer's report

Despite challenges during 2022 Ronald McDonald House Charities Western Australia remains in a sound financial position, thanks to an outstanding operational team led by CEO Peter King and continued community, corporate and government support.

The comprehensive loss of \$2.07M in 2022 is the charity's first deficit in over 10 years. Material factors contributing towards the financial outcome include the Nedlands House building remediation works and the lingering impact of COVID-19 resulting in lower occupancy levels, delayed fundraising events, and the broader macro-economic conditions which have contributed to unrealised investment losses.

After investigation into significant waterproofing defects in the Nedlands house (resulting from its original construction in 2015), building remediation works commenced with a new builder during the year. These works are expected to be completed in mid-2024 and a provision of \$6.7M towards the total potential cost of works has been included in the 2022 financial year.

Whilst we have been challenged by these issues, the charity continues to invest in our need to deliver on mission. While some temporary headwinds are expected to continue into 2023, we anticipate that the strategies being implemented and the hard work being undertaken by our team, will return the charity to sustainable surpluses in the future.

On a very positive note, I am delighted to report that Up All Night and the Gala Ball during the year delivered record fundraising results. This is an incredible tribute to our wonderful supporters, our mission partner McDonalds, our patron Adam Gilchrist, and the amazing efforts of our staff and volunteers who make these events happen.

Our absolute focus on providing a home away from home for Western Australian families with sick children and expectant mothers with health concerns, is at the centre of all we do, and in looking forward it was exciting to receive recognition of our value to the community from the WA State Government. Their contribution pledge in February 2023, will greatly contribute to the costs of providing temporary accommodation solutions over the next five years, as we look towards longer term growth and the potential of a new or extended House. We need and are grateful for their support, and that of the whole Western Australian community as we plan for a sustainable future, where we no longer have a constant waitlist of families who need our help.

In closing, I would like to acknowledge and thank the outgoing Chair, Andrew Sullivan. It is evident that Andrew has made a significant contribution towards the financial stewardship of Ronald McDonald House Charities Western Australia over the years and his efforts will greatly contribute to our future success.

Sonny Rahim
Treasurer
14 April 2023

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2022

	Note	2022 \$	2021 \$
Revenue from operations	2	10,986,742	10,537,070
Investment income	2	(933,082)	1,948,337
Gain on sale of assets	2	8,660	-
Transfer from reserve	2	7,505,774	745,983
		<u>17,568,094</u>	<u>13,231,390</u>
Employee benefits expense		(4,860,651)	(4,748,077)
Depreciation, amortisation and impairment		(841,737)	(835,590)
Fundraising expenses		(2,164,074)	(1,309,333)
Loss on sale of assets		-	(1,569)
Operating expenses		(3,542,299)	(2,866,969)
Building remediation expenses		(6,761,428)	-
Other expenses		(1,466,452)	(911,366)
		<u>(19,636,641)</u>	<u>(10,672,904)</u>
Operating (deficit) / surplus for the year		<u>(2,068,547)</u>	<u>2,558,486</u>
Total deficit / surplus for the year before income tax		(2,068,547)	2,558,486
Income tax benefit		-	-
		<u>-</u>	<u>-</u>
Surplus / (deficit) after income tax expense for the year attributable to the members of The Home Away from Home Inc.		(2,068,547)	2,558,486
Other comprehensive income, net of income tax		-	-
		<u>-</u>	<u>-</u>
Total comprehensive income / (loss) for the year attributable to the members of The Home Away from Home Inc.		<u>(2,068,547)</u>	<u>2,558,486</u>

Statement of Financial Position as at 31 December 2022

	2022	2021
	\$	\$
Assets		
Current assets		
Cash and cash equivalents - Unrestricted	1,308,402	1,655,042
Cash and cash equivalents - Restricted	2,083,948	2,487,890
Trade and other receivables	785,658	647,049
Inventory	4,194	6,323
Other current assets	112,495	226,374
Total current assets	4,294,697	5,022,678
Non-current assets		
Financial assets at fair value through profit or loss – Unrestricted	14,470,863	15,803,190
Financial assets at fair value through profit or loss – Restricted	171,907	171,907
Property, plant and equipment	24,942,456	25,625,275
Total non-current assets	39,585,226	41,600,372
Total assets	43,879,923	46,623,050
Liabilities		
Current liabilities		
Trade and other payables	1,365,148	764,738
Borrowings	40,718	40,718
Provisions	7,278,513	1,011,602
Total current liabilities	8,684,379	1,817,058
Non-current liabilities		
Borrowings	675,346	718,614
Provisions	155,400	148,259
Total non-current liabilities	830,746	866,873
Total liabilities	9,515,125	2,683,931
Net assets	34,364,798	43,939,119
Equity		
Retained earnings	14,785,979	16,854,526
Learning program reserve	-	-
Capital campaign reserve	19,578,819	27,084,593
Total equity	34,364,798	43,939,119

Statement of Changes in Equity for the Year Ended 31 December 2022

	Capital campaign reserve	Learning program reserve	Retained earnings	Total equity
	\$	\$	\$	\$
Balance at 1 January 2021	27,830,576	54,979	14,241,061	42,126,616
Surplus for the year	-	-	2,558,486	2,558,486
Transfer from reserve	(745,983)	(54,979)	54,979	(745,983)
Total comprehensive income for the year	(745,983)	(54,979)	2,613,465	1,812,503
Balance at 31 December 2021	27,084,593	-	16,854,526	43,939,119
(Deficit) / surplus for the year	-	-	(2,068,547)	(2,068,547)
Transfer from reserve	(7,505,774)	-	-	(7,505,774)
Total comprehensive income for the year	(7,505,774)	-	(2,068,547)	(9,574,321)
Balance at 31 December 2022	19,578,819	-	14,785,979	34,364,798

Statement of Cash Flows for the Year Ending 31 December 2022

	2022	2021
	\$	\$
Cash flows from operating services (Unrestricted)		
Receipts from:		
Donations and appeals	7,770,950	6,257,023
Operational grants	1,136,398	645,219
Accommodation	1,907,206	1,292,928
Other income	240,031	354,098
Interest Paid	-	(1)
Payments to suppliers and employees	(12,010,885)	(6,963,711)
Transfer from restricted to unrestricted	403,942	47,293
Net cash provided by operating services (Unrestricted)	<u>(552,358)</u>	<u>1,632,849</u>
Cash flows from investing activities (Unrestricted)		
Distributions received	242,133	551,280
Dividends received	121,811	115,121
Interest received	23,657	1,117
Proceeds on disposal of investments	687,346	5,830,472
Purchase of property, plant and equipment	(150,257)	(196,456)
Purchase of financial assets	(675,702)	(6,472,214)
Net cash provided by investing activities (Unrestricted)	<u>248,988</u>	<u>(170,680)</u>
Cash flows to financing activities (Unrestricted)		
Repayment of borrowings	(43,270)	(40,717)
Net cash provided to financing activities (Unrestricted)	<u>(43,270)</u>	<u>(40,717)</u>
Net (decrease)/increase in cash and cash equivalents	(346,640)	1,421,452
Cash and cash equivalents at the beginning of the financial year	1,655,042	233,590
Cash and cash equivalents at the end of the financial year (Unrestricted)	<u>1,308,402</u>	<u>1,655,042</u>
Cash flows from operating services (Restricted)		
Transfer from restricted to unrestricted	(403,942)	(47,293)
Net cash provided by operating services (Restricted)	<u>(403,942)</u>	<u>(47,293)</u>
Net (decrease)/increase in cash and cash equivalents	(403,942)	(47,293)
Cash and cash equivalents at the beginning of the financial year	2,487,890	2,535,183
Cash and cash equivalents at the end of the financial year (Restricted)	<u>2,083,948</u>	<u>2,487,890</u>
Total cash and cash equivalents at the end of the financial year	<u>3,392,351</u>	<u>4,142,932</u>

Notes to and Forming Part of the Concise Financial Report for the Year Ended 31 December 2022

1. Going concern

The financial statements have been prepared on a going concern basis which assumes the Entity will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

2. Revenue

The Entity's revenue may be analysed as follows for each major product and service category:

	2022	2021
	\$	\$
<i>Operating services:</i>		
Donations	5,201,685	5,715,094
Operational grants	454,014	645,219
In Kind Donations	2,577,032	1,853,613
Home for Dinner	93,045	125,118
Learning program	610,700	551,000
Accommodation fees	1,895,347	1,292,928
<i>Other income:</i>		
Rental income	29,249	31,286
COVID-19 Government Subsidy	0	264,829
Other	125,670	57,983
Total revenue from operations	10,986,742	10,537,070
<i>Investment income:</i>		
Distributions received	242,133	590,668
Dividends received	121,811	155,081
Interest	22,369	1,117
Gain / (loss) on disposal of financial assets	(149,084)	784,594
Increase / (decrease) in fair value of financial assets	(1,170,311)	416,877
Total investment income	(933,082)	1,948,337
Gain on sale of assets	8,660	-
Transfer from reserve	7,505,774	745,983
Total revenue	17,568,094	13,231,390

3. Building remediation expenses

The Entity has become aware of serious waterproofing defects in its 21 Monash Avenue, Nedlands house because of poorly constructed floor falls, waterproof detailing, and silicone sealant failures from its original construction in 2015 and has commenced work to rectify them.

A provision for the projected total costs of the works has been made at 31 December 2022, based on the best estimates provided by the independent project manager as at the date of this report.

The costs for the 2022 financial year have been funded from the Entity's Capital Campaign Reserve. In the event that some or all of the costs are ultimately recoverable from the builder or its insurer, that amount will be returned to the reserve.

4. Dividends

No dividends have been paid (2021: nil) and no person or entity has any entitlement to dividends.

5. Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Entity's operations, the results of those operations, or the Entity's state of affairs in future financial years.

INDEPENDENT AUDITOR'S REPORT

To the members of The Home Away From Home Inc.

Report on the Audit of the Concise Financial Report

Opinion

We have audited the concise financial report of The Home Away From Home Inc. (the entity), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and related notes, derived from the full financial report of The Home Away From Home Inc. for the year ended 31 December 2022.

In our opinion, the accompanying concise financial report of The Home Away From Home Inc., complies with Accounting Standard AASB 1039 Concise Financial Reports.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the concise financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Concise Financial Report

The concise financial report does not contain all the disclosures required by the Australian Accounting Standards in the preparation of the full financial report. Reading the concise financial report and the auditor's report thereon, therefore, is not a substitute for reading the full financial report and the auditor's report thereon.

The Full Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the full financial report in our report dated 14 April 2023.



Responsibilities of the Directors for the Concise Financial Report

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

Auditor's responsibilities for the audit of the Concise Financial Report

Our responsibility is to express an opinion on the summary financial report based on our procedures which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this financial report.

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

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Glyn O'Brien', written over a faint, light-colored BDO logo.

Glyn O'Brien
Director

Perth, 19 April 2023