

THE HOME AWAY FROM HOME INC.

ABN 17 197 600 778

Concise Financial Report – 31 December 2023

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 2023. This concise report has been derived from the full 2023 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 2023 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 for the Year Ended 31 December 2023

The 2023 year presented several challenges to the Home Away From Home Inc (trading as Ronald McDonald House Charities Western Australia). Despite these, I am pleased to report that the organisation remains in a sound financial position and poised again for growth in the future.

Unfortunately, the result for the 2023 financial year was an overall deficit (total comprehensive loss) of \$391,000, however this is a significant improvement on 2022's loss of \$2.1M. A key contributing factor to the positive turnaround, was the increased philanthropic support from our valued donors and stakeholders. This assisted in offsetting the effects of reduced occupancy at our Nedlands facility (House at QEII), due to building remediation work and reduced peer-to-peer fundraising, resulting from the lagging disruption of COVID-19 to the scheduling of key fundraising and community experience events.

While our Balance Sheet remains strong, with \$29M of net assets at the end of 2023, our position decreased by \$5M, primarily due to the ongoing building remediation. The rectification undertaken through 2023 revealed the need for more extensive work to our QEII House than initially anticipated. An additional expense of \$4M was recognised in 2023, and the balance sheet at 31 December 2023 includes a remaining remediation provision of \$7.7M (2022: \$6.4M). Through additional consultation with industry experts, this provision is expected to cover the remaining costs in returning the unavailable rooms back to the benefit of families in December 2024. While unfortunate, this necessary expenditure secures our ability to deliver on mission for decades to come.

Our cash and investment position remains sound as assets accumulated over the past years have safeguarded us through this period of significant expenditure. The Board and management team are carefully and consistently reviewing our ongoing liquidity requirements into the future.

We continue to rely on support from the WA government, corporates, the local community, and generous Western Australian philanthropic families to fund our operations. Without the contributions of these key stakeholders, we could not support Western Australian families with sick children to the extent we do. Key to our annual fundraising efforts is our RMHCWA Gala Ball, which raised \$1.4M in 2023. This success is a testament to our wonderful sponsors, our mission partner McDonalds, our Patron Adam Gilchrist and the dedicated efforts of our staff and volunteers who make this event happen. In 2024 we will be pleased to host our thirtieth Ball, a milestone to celebrate for an iconic Western Australian event.

Subsequent to year end, the organisation secured a licence to occupy a building located at the nearby St Catherine's College for up to 5 years. Now being operated as another Ronald McDonald House, House on Park has 50 rooms and welcomed its first families in April 2024. This meaningful development is helping us meet growing demand for our services and has been possible thanks to financial support towards ongoing operations from the WA government and support from Lotterywest towards the building's capital expenditure.

In addition to the temporary accommodation of families at House on Park, in June 2024 the organisation secured \$2.3M in funding to prepare a business case for the expansion of our QEII House. This contribution from the WA government reflects our hard-earned reputation for excellence and is a recognition of our contribution to the Western Australian community.

Our strategic focus for the coming year continues to be on our mission to serve more families, better.

I would like to thank everyone at RMHC WA including the volunteers, staff, Executive Team, and the Board for all that they do in having a meaningful and positive impact in support of sick children and their families in Western Australia.

Sonny Rahim

Treasurer

18 June 2024

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2023

	Note	2023 \$	2022 \$
Revenue from operations	2	12,328,943	10,986,742
Investment income	2	846,214	(933,082)
Gain on sale of assets	2	(3,996)	8,660
		<u>13,171,161</u>	<u>10,062,320</u>
Employee benefits expense		(5,436,993)	(4,860,651)
Depreciation, amortisation and impairment		(891,616)	(841,737)
Fundraising expenses		(1,555,815)	(2,164,074)
Operating expenses		(4,662,034)	(3,542,299)
Building remediation expenses	3	(4,086,551)	(6,761,428)
Other expenses		(1,615,012)	(1,466,452)
		<u>(18,248,021)</u>	<u>(19,636,641)</u>
Operating deficit or the year		<u>(5,076,860)</u>	<u>(9,574,321)</u>
Total deficit or the year before income tax		(5,076,860)	(9,574,321)
Income tax benefit		-	-
		<u>-</u>	<u>-</u>
Deficit after income tax expense for the year attributable to the members of The Home Away from Home Inc.		(5,076,860)	(9,574,321)
Other comprehensive income, net of income tax		-	-
Transfer from reserve		4,686,225	7,505,774
		<u>4,686,225</u>	<u>7,505,774</u>
Total comprehensive loss for the year attributable to the members of The Home Away from Home Inc.		<u>(390,636)</u>	<u>(2,068,547)</u>

Statement of Financial Position as at 31 December 2023

	Note	2023	2022
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		3,867,860	3,392,350
Trade and other receivables		589,205	785,658
Inventory		3,782	4,194
Other current assets		534,486	112,495
Total current assets		4,995,333	4,294,697
Non-current assets			
Financial assets at fair value through profit or loss – Unrestricted		9,413,464	14,470,863
Financial assets at fair value through profit or loss – Restricted		-	171,907
Property, plant and equipment		24,796,989	24,942,456
Total non-current assets		34,210,453	39,585,226
Total assets		39,205,786	43,879,923
Liabilities			
Current liabilities			
Trade and other payables		966,088	1,365,148
Borrowings		56,687	40,718
Provisions		8,145,693	7,278,513
Total current liabilities		9,168,468	8,684,379
Non-current liabilities			
Borrowings		604,436	675,346
Provisions		144,943	155,400
Total non-current liabilities		749,379	830,746
Total liabilities		9,917,847	9,515,125
Net assets		29,287,938	34,364,798
Equity			
Retained earnings		14,395,344	14,785,979
Capital campaign reserve		14,892,594	19,578,819
Total equity		29,287,938	34,364,798

Statement of Changes in Equity for the Year Ended 31 December 2023

	Capital campaign reserve	Retained earnings	Total equity
	\$	\$	\$
Balance at 1 January 2022	27,084,593	16,854,526	43,939,119
Deficit 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
Deficit for the year	-	(390,635)	(390,635)
Transfer from reserve	(4,686,225)	-	(4,686,225)
Total comprehensive income for the year	(4,686,225)	(390,635)	(5,076,860)
Balance at 31 December 2023	14,892,594	14,395,344	29,287,938

Statement of Cash Flows for the Year Ending 31 December 2023

	Note	2023	2022
		\$	\$
Cash flows from operating services			
Received:			
Donations and appeals		7,779,986	7,770,950
Operational grants		2,559,194	1,136,398
Accommodation		1,690,172	1,907,206
Other income		355,007	240,031
Payments to suppliers and employees		(17,179,285)	(12,010,885)
Net cash provided by operating services		(4,794,926)	(956,300)
Cash flows from investing activities			
Distributions received		43,620	242,133
Dividends received		44,709	121,811
Interest received		127,345	23,657
Proceeds on disposal of investments		5,859,847	687,346
Purchase of property, plant and equipment		(750,146)	(150,257)
Purchase of financial assets		-	(675,702)
Net cash provided by investing activities		5,325,375	248,988
Cash flows to financing activities			
Repayment of borrowings		(54,939)	(43,270)
Net cash provided to financing activities		(54,939)	(43,270)
Net increase/(decrease) on cash and cash equivalents		475,510	(750,582)
Cash and cash equivalents at the beginning of the financial year		3,392,350	4,142,932
Cash and cash equivalents at the end of the financial year		3,867,860	3,392,350

Notes to and Forming Part of the Concise Financial Report for the Year Ended 31 December 2023

1. Going concern

The financial statements have been prepared on a going concern basis which assumes the Entity will be able to realise 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:

	2023	2022
	\$	\$
<i>Operating services:</i>		
Donations	2,129,111	2,684,200
Sales	2,122,369	2,517,485
Operational grants	2,988,410	1,064,714
In Kind Donations	3,131,197	2,577,032
Home for Dinner	90,884	93,045
Accommodation fees	1,571,433	1,895,347
<i>Other income:</i>		
Rental income	37,360	29,249
Other	258,179	125,670
Total revenue from operations	12,328,943	10,986,742
<i>Investment income:</i>		
Distributions received	43,620	242,133
Dividends received	44,709	121,811
Interest	127,345	22,369
Gain / (loss) on disposal of financial assets	653,246	(149,084)
Decrease in fair value of financial assets	(22,706)	(1,170,311)
Total investment income	846,214	(933,082)
Gain / (loss) on sale of assets	(3,996)	8,660
Total revenue	13,171,161	10,062,320

3. Building remediation expenses

The Entity became 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 commenced work in 2022 to rectify them.

A provision for the projected total costs of the works was made at 31 December 2022 and revised at 31 December 2023, based on the best estimates provided by the independent project manager as at the date of the financial reports.

The costs for the 2022 and 2023 financial years 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 (2023: nil) and no person or entity has any entitlement to dividends.

5. Events after the reporting period

In March 2024 the entity secured a license to occupy an additional building located at the nearby St Catherine's College, which will be operated as a Ronald McDonald House. In April 2024 the property welcomed its first families. This development aligns with our strategic objective of expanding our core services to meet growing demand and to better serve more families.

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 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 2023.

In our opinion the accompanying 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 for the audit of the Financial Report* 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 (including Independence Standards)* (the Code) that are relevant to our audit of the concise financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Concise Financial Report

The concise financial report does not contain all the disclosures required by the Australian Accounting Standards in the preparation of the 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 19 June 2024.

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 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



Glyn O'Brien

Director

Perth, 19 June 2024