

Annual Report 2011-2012

Link Housing Ltd



2011-2012



Vision

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

Vision

A better future for those in need, through safe, affordable housing

Purpose

To increase socially sustainable housing solutions

Values

- **Ethical** – transparent, fair, honest, responsive and consistent in everything we do
- **Excellence** – in housing, services, governance, employment and acting strategically based on evidence
- **Respectful** – of tenants, applicants, the broader community and each other
- **Accountable** – responsive and approachable to our tenants, applicants, the wider community, and the policy and market environment



Welcome to Link Housing Ltd's 2011-12 Annual Report

Drop in to see us at: Level 12
815 Pacific Highway
Chatswood NSW 2067

Write to us at: PO Box 5124
Chatswood West NSW 2067

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About Us

LINK HOUSING LTD | ANNUAL REPORT 2011-2012



About Us

Link Housing Ltd is a not-for-profit housing company that provides affordable rental accommodation to people on low to very low incomes. We aim to provide a compassionate, client-centred service for people at risk of homelessness or unable to afford private rental in the Northern Sydney Region.

On 1 July 2011 Ryde Hunters Hill Community Housing and Link merged to become the primary community housing provider in the area. From a handful of properties in 1984 the organisation now manages 1,067 properties across 14 Local Government Areas.

In our 2012 Annual Tenant Satisfaction Survey, 86% of our tenants said they were satisfied or very satisfied with Link's services over the year.

Their response demonstrates how well staff and tenants have adjusted to the changes of the past two years. It indicates the level of confidence tenants have in Link and our services.

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Chairperson's Report

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

Link Housing Ltd remains one of the larger community housing providers in NSW and the dominant force in Northern Sydney.



Chairperson's Report 2011-2012

2011-2012 is our second year as Link Housing Ltd and it has been a period of consolidation, building our strength internally while continuing to seek opportunities to grow our assets and relationships.

Link remains one of the larger community housing providers in NSW and the dominant force in Northern Sydney. We have 1,067 properties and 1,123 tenancies. Link's turnover was \$17M with a balance sheet of \$50M in assets.

Many important strategies were implemented in 2011-2012. Our focus was squarely on purchasing the affordable homes in the Landcom development at Potts Hill. This remains a focus until the properties are built and purchased.

We increased the number of strong relationships with local governments, stakeholders and support providers.

We have focused on building our culture and strengthening internal relationships, which was necessary after two mergers. We have expanded our staff to support the operation of our business and to continue to improve our service to our tenants. In particular, we have new staff in tenant communication and the financial team.

Our outreach policy is being implemented, so that tenants can reach Link staff more easily. In addition to the Chatswood office we are available on a part-time basis at Ryde.

Our strategic direction for 2012-2013 is set to achieve our vision and purpose. We changed the emphasis in

our purpose from just providing housing solutions to increasing housing solutions. Therefore growth remains important for the sustainability of Link, our tenants and future tenants.

This year we also spent time planning our 10-year horizon. We have set important outcomes for each area of housing, services, partnerships and reputation. In 10 years, we aim to provide housing for 5,000 tenancies. We also plan to link or provide tenants with quality support services which will, in turn, transform their quality of life. Engagement of tenants in this process will be crucial.

Our board has worked solidly, contributing at a strategic level on every aspect of the business. Susan Williams, who was instrumental in the creation of Link, resigned from the board in June 2012 as her family moved interstate. Our thanks go to Susan for her dedication, financial ability, positive and timely responses and governance knowledge. The board wishes Susan all the best in her new ventures. We welcome Lindsay Kelly to the board and are already feeling the benefits of his strategic financial nous. I also thank all the directors of Link for their outstanding contribution, commitment and passion.

On behalf of the board, I thank our CEO, Dr Phillip Morath, and all staff for their ongoing contribution to the success of Link. It has again been a very busy year with changes and challenges.

I thank all our members for their continuing support. In particular our many partner organisations have contributed to our tenants' quality of life.

The year ahead will no doubt bring many more

Chairperson's Report

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

challenges. However we are supported by a strong and multi-skilled board and a skilled workforce under the stewardship of Dr Phillip Morath and the senior management team.

I look forward to working together to achieve another successful year at Link.

Julie Savet Ward

We changed the emphasis in our purpose from just providing housing solutions to increasing housing solutions. Therefore growth remains important for the sustainability of Link...



CEO's Report

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

Each area of our work has been reviewed for achievements, efficiency and customer satisfaction. A third of our staff are in new roles that have been created to achieve outcomes that are better, faster and more cost effective.



CEO'S Report 2011-2012

Our job is to ensure the medium to long-term sustainability of Link Housing Ltd and at the same time push ourselves to maximise the quality of our tenant services, our asset management, and the provision of community housing. Link has achieved a great deal since our first merger with Garrigal Housing Association in 2010. We are pleased that our tenant satisfaction was 86% this year, equivalent to earlier years. Similar survey results in the targeted areas of responsive maintenance, Pathways and administration reinforces this. These satisfaction levels have been achieved while restructuring our organisation. Each area of our work has been reviewed for achievements, efficiency and customer satisfaction. A third of our staff are in new roles that have been created to achieve outcomes that are better, faster and more cost effective.

Four key areas have been the focus of attention over the last financial year.

Improving tenant participation and community development: Over the year tenants and staff met regularly in each of our regions and Link negotiated opportunities for tenants to learn about efficiency and sustainability activities that will reduce their cost of living. The board's scholarship program has been enhanced. The scholarships are awarded to tenants or household members. They are flexible but targeted to increasing tenants' likelihood of achieving an educational outcome that will improve employment opportunities or, for household members, the likelihood of achieving higher school qualifications.

Potts Hill is progressing: The board has approved an increase in the number of dwellings above our leveraging requirement. Our co-venture with Landcom is productive and a prudent way of managing the risk in housing development.

We thank our partners at Landcom for their enthusiasm and commitment to the project. The groundwork over the year means that we expect to have 12 dwellings tenanted by October 2013.

In addition to our development at Potts Hill we have been working with private developers to increase affordable rental in our region. It remains a slow and difficult process. Studies in housing affordability, such as those conducted by BankWest, show that in every area where Link operates housing is assessed as unaffordable by low to moderate income families. Also rental properties are in short supply, so rents are increasing and properties are difficult to obtain. This impacts negatively on our leasehold program.

Staff skills and organisation culture: Our new structure and ways of working mean that we needed to train staff in the new culture of Link and also in the skills and procedures that we use now. We have been fortunate to receive training from senior members of the Housing Appeals Committee and representatives from several key care/advocacy organisations that support people with disabling conditions. Our staff have completed intensive work for our accreditation review and, in so doing, developed a foundation for Link's future continuous improvement.

Developing strong ties with Support Providers: Support Partners are crucial to successful tenancies for many of our clients. We have formal arrangements with more than 25 organisations. Our survey of our support partners reveals strong satisfaction with our working relationships. This is an area that we want to grow in the coming year. At the end of our first year as the new Link, we created a strong foundation for our future. I would like to thank the board and staff for their commitment and diligence over the year.

Dr Phillip Morath

Finance Report

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There are important financial management challenges for the coming year as the board explores affordable housing capacity expansion options.



Finance Report 2011-2012

Operations

I am pleased to report that Link Housing Ltd's surplus for the year ended 30 June 2012 was \$1,622,822. The total revenue from normal operations for the year was over \$17.27M, which included \$10.75M rent received from tenants, \$6.16M in grants and subsidies received from Community Housing Division and other housing partners and \$354,486 in interest.

Of the above surplus, \$770,742 came from the 218 Nation Building Economic Stimulus Plan properties. The board is mindful of the need to quarantine these funds and to apply them towards the expansion of additional affordable housing capacity. There are projects which are currently being considered where these funds are expected to be absorbed in the near future.

The Ryde Hunters Hill business fully integrated into Link both financially and operationally.

Financial Position

At 30 June 2012 Link's equity, represented by the value of assets less the value of liabilities, was \$50.5M. The company's total assets at 30 June were \$51.5M. Investment property of \$41M remains unchanged as part of the Nation Building Economic Stimulus Plan properties that were transferred to Link last year.

Financial and Risk Management

We continued to employ the services of Hill Rogers Spencer Steer as our external auditors and also engage external consultants to conduct our internal audit.

This structure provides a very strong oversight of our operations and has further added to our compliance and quality improvement systems. As part of the review of internal operations by the company's external auditors in 2010-11, the majority of these recommendations have been progressively implemented.

There are important financial management challenges for the coming year as the board explores affordable housing capacity expansion options. This is likely to involve taking on bank debt and other sources of finance.

I would like to acknowledge the wonderful contribution of Susan Williams, the former Chair of the Audit & Risk Management Committee. Susan's wisdom and support throughout a period of significant change in Link's maturity is very much appreciated.

Lindsay Kelly

Chair, Audit & Risk Management Committee



Property Details

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Property Program Details 2011-2012

Link Housing Ltd currently manages 1,067 properties including:

- Vested properties (139)
- Properties leased from the private market (400)
- Capital properties as well as properties managed on behalf of other organisations

Link operates in 14 Local Government Areas including Auburn, Baulkham Hills, Hornsby, Hunters Hill, Ku-ring-gai, Lane Cove, Manly, Mosman, North Sydney, Parramatta, Pittwater, Ryde, Warringah and Willoughby.

Working with Tenants

A Community Development Co-ordinator position was created in April 2011. The purpose of this position is to:

- Encourage and nurture confident tenant participation.
- Develop and promote activities that encourage community well-being and involvement.
- Develop educational opportunities to enhance skills of Link tenants and their prospects of employment.
- Communicate with tenants and stakeholders through regular newsletters.
- Lead the formal Tenant Advisory Group or TAG process and other opportunities for tenant participation in Link decision-making.

Tenant Satisfaction Survey

We asked: “How satisfied or dissatisfied are you with the overall condition of your home?” 85% of our tenants responded that they were satisfied or very satisfied.

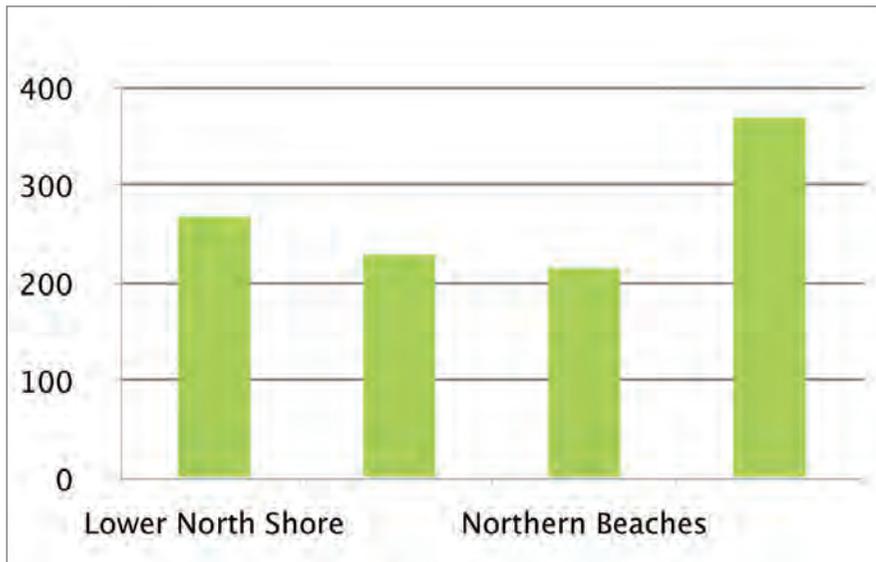


Program Name	Client Group	Properties	Tenancies
Short Term Lease	Supported	13	13
CHLP Capital	General and supported	393	425
CHLP Leasehold	General and supported	370	377
Crisis Accommodation Program	Supported	21	21
North Sydney Council Joint Venture	General and supported	29	43
NBESP properties	General and supported	218	220
HPA	General	7	7
Affordable Housing Thornleigh	Working households	6	6
Affordable Housing Willoughby	Working households	10	10

Property Details

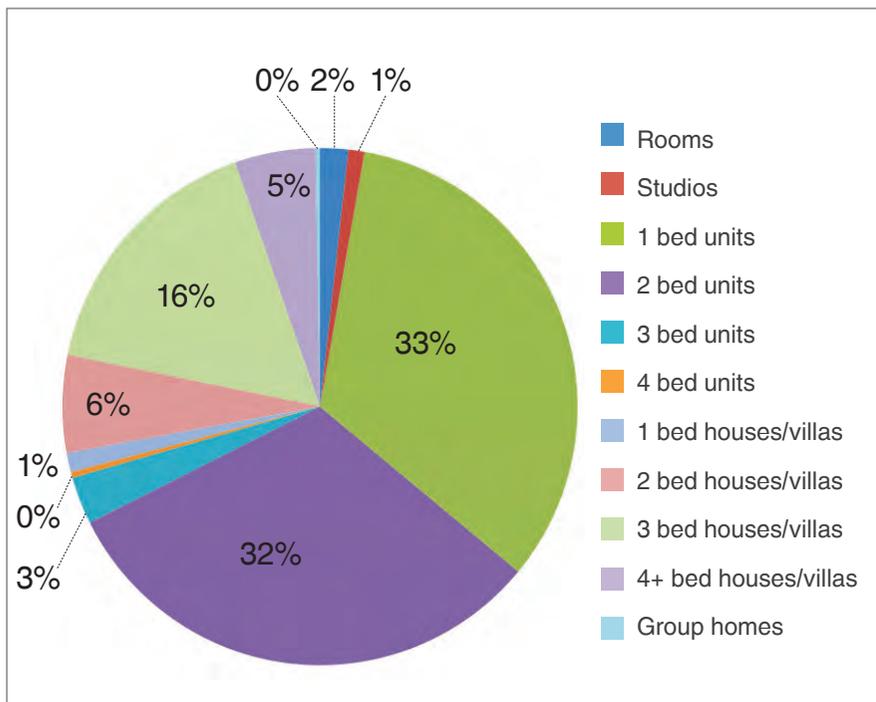
LINK HOUSING LTD | ANNUAL REPORT 2011-2012

Properties by Area



Properties by area

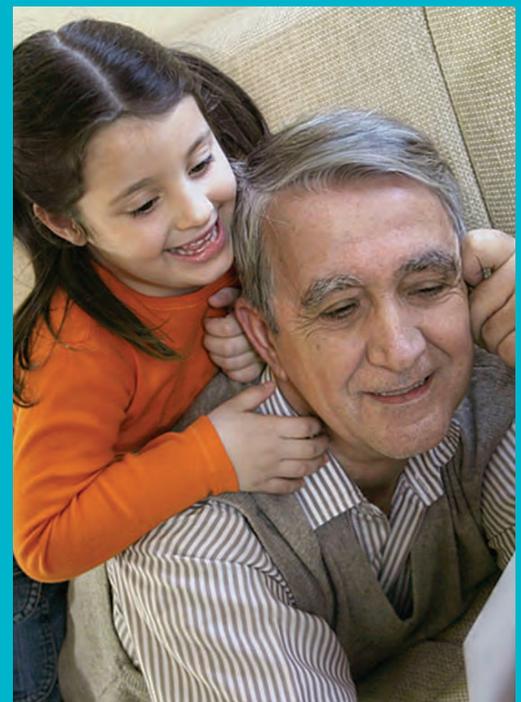
Property by Size



75% of our properties are one or two bedroom dwellings, mostly units.

In 2012, tenants have had input into:

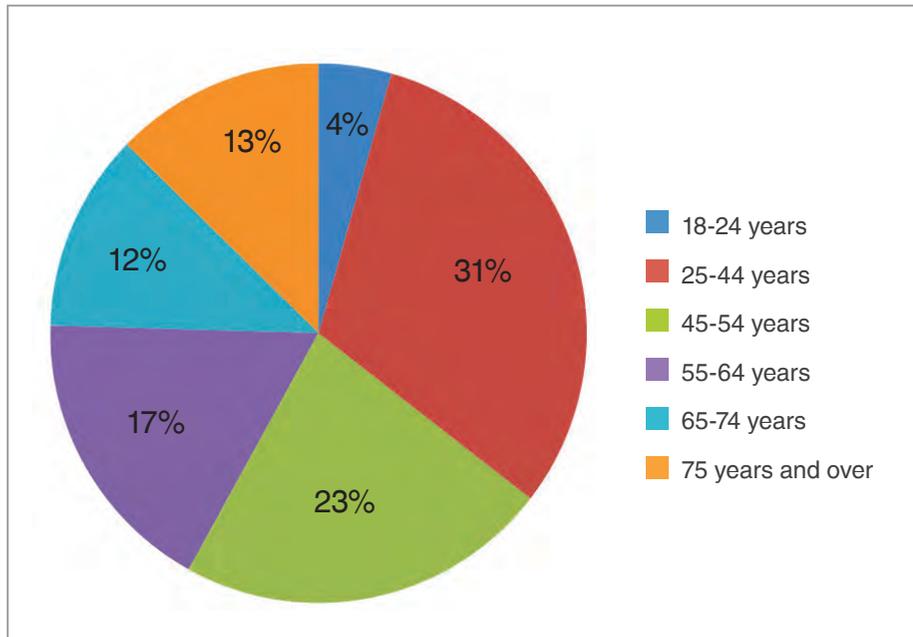
- Bi-monthly Tenant Advisory Group meetings.
- Topic-based meetings where their views are listened to and acted on.
- Quarterly regional tenant meetings.
- Block meetings where concerns and ideas are shared.
- Link newsletters.
- A meeting specifically for Chinese tenants.
- The Annual Tenant Satisfaction Survey.
- Surveys asking for experience of specific programs such as the Education Scholarship and Mental Health First Aid course.
- Two accredited Community Development training and development days in partnership with the NSWFA designed to build confidence and skills.
- How they celebrate at the end of the year.



Our Profile

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

Age of Head Tenant



A quarter of our tenants are aged 65 or older and one in eight tenants are aged 75 or older.

Ageing in Place

Demand for social housing for older Australians is projected to significantly increase. This is due to housing affordability issues in the private rental market in conjunction with an ageing population. Indeed, researchers have forecast that the number of people aged over 65 years in low-income private rentals will more than double by 2026 and two-thirds of these households will be sole women (AHURI).

Well-integrated housing and support services facilitate the best outcomes for older people or those with additional needs. Evidence indicates that this approach can sustain tenancies and promote tenant wellbeing. For older people in particular, home modifications and maintenance make a significant contribution towards a tenant's ability to age in place.

In the last 12 months Link has modified an additional 21 properties allowing more tenants to remain in their homes for longer.

Gardening Course and Competition

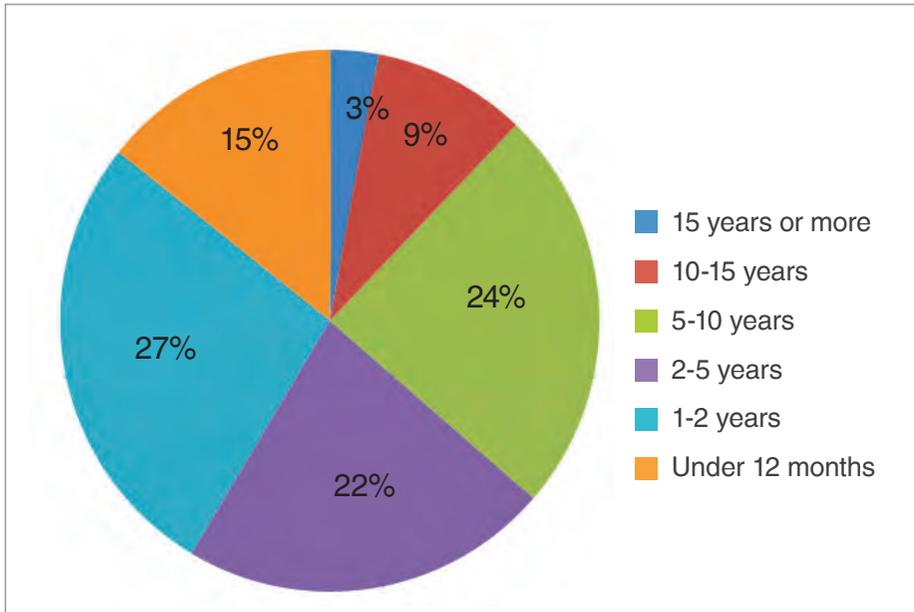
We ran a gardening course in partnership with TAFE. Our Gardening Competition was very popular. A big thank you to the Botanic Gardens Trust who donated the prizes.



Our Profile

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

Length of Tenancy



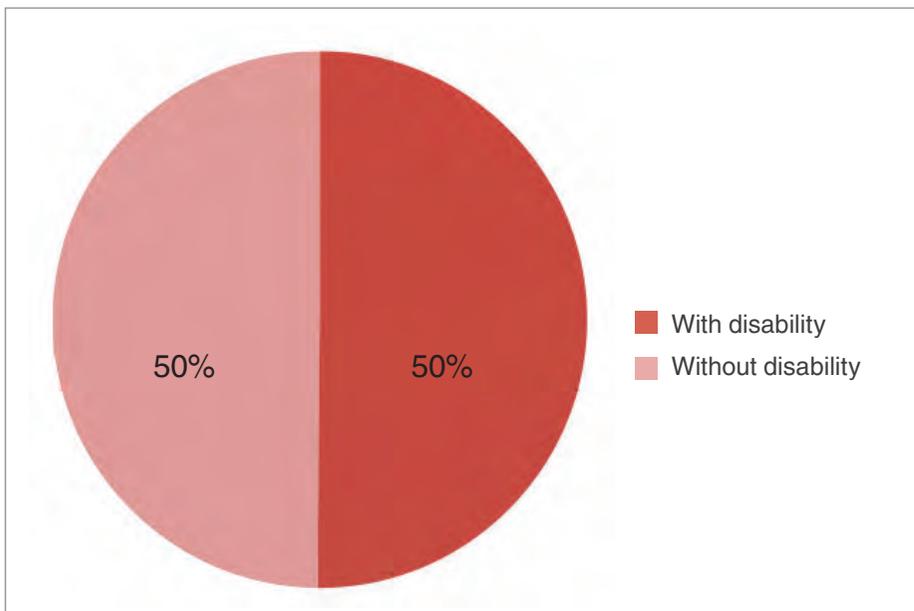
One in eight of our tenants has been with us for 10 or more years.

Tenant Satisfaction Survey – Customer Care

We asked: “Overall how satisfied are you with the way you are treated by Link Housing staff?”

90% of tenants said they were satisfied or very satisfied, demonstrating staff’s efforts to ensure a seamless transition for tenants during the period of change.

Household with a Disability



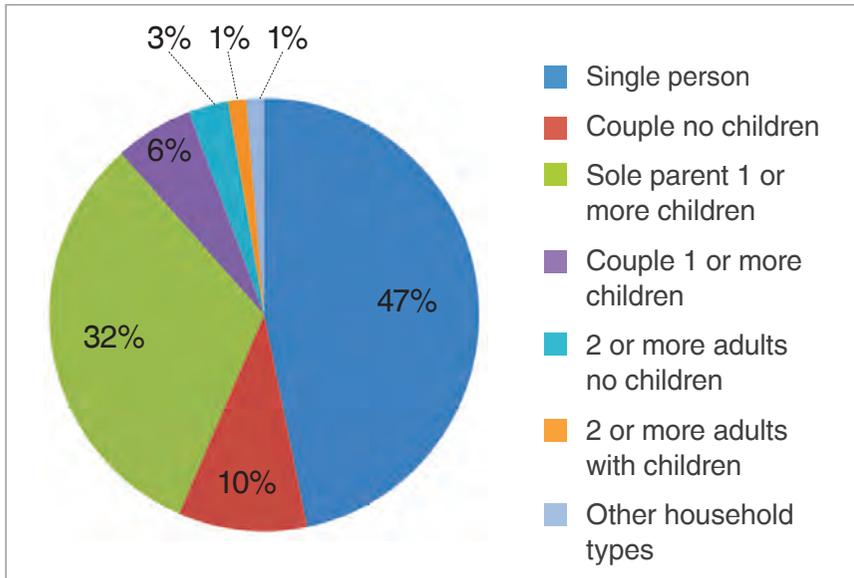
Half of our tenants have a disability – intellectual, psychiatric, physical or multiple.



Our Profile

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

Household Type



Almost half of our tenants are single and live alone. One-third of our tenants are sole parents.



Link Housing Education Scholarship

At Link we believe lifelong learning is an important part of overcoming disadvantage. Each year, we commit to an Education Scholarship Program. This provides financial support to Link tenants to help them take up education opportunities that build a better future for themselves and their families.

Now in its second year, the Scholarship Program has helped over 20 people, with awards ranging from small one-off payments for resources through to ongoing assistance towards degree courses.

“Being awarded the scholarship has meant that I have been able to turn my dream into reality,” says one tenant, who in a year’s time looks forward to be able to “give something back to the community ... having been given so much myself. It has made a phenomenal difference to my life ... It has opened up my world and given me specific direction for my future employment.”

Scholarship Recipient



“The scholarship has given me the opportunity to continue to develop my talent It has also increased my confidence, self-esteem and self-discipline. I am looking forward to working in an orchestra.” Sophia M

Our Profile

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

Supported Housing Programs

Research consistently finds that addressing homelessness requires more than the provision of a house. Adequate and appropriate housing along with support services that address non-housing needs is critical to prevent future episodes of homelessness. Location is also important to sustain tenancies and prevent homelessness, as access to familiar services and social networks can reduce people's social isolation (AHURI). Link is proud to work with a number of excellent support partners who share our desire to assist those most in need in our community.

Link is committed to setting aside up to 20% of stock for housing and support partnerships recognising that some clients need a combination of both to maintain a tenancy in the community.

As at 30 June 2012 Link had 180 tenancies under housing and support arrangements.

Support Agency	Support Type
Achieve Australia	Housing and support for adults with an intellectual disability
ADHC Sunshine Homes	Housing and support for adults with an intellectual disability
Australian Red Cross	Transitional housing for young people who are homeless or at risk of homelessness
Community Care Northern Beaches	Housing and support for adults with an intellectual disability
Baptist Community Services	Transitional housing for young people who are homeless or at risk of homelessness
BGF	Housing and support for people living with HIV/AIDS
The Burdekin Association	Transitional housing for young people or young parents who are homeless or at risk of homelessness
Lorna Hodgkinson Sunshine Homes	Housing and support for adults with an intellectual disability
Catholic Community Services	Housing and support for adults with a disability
CRC	Transitional housing for homeless adults leaving corrective services
Ryde Hunters Hill Older Carers Group	Accommodation for older adults with an intellectual disability
Centacare	Transitional housing for young people or young parents who are homeless or at risk of homelessness
Delvena Women's Refuge	Transitional housing DV
House with No Steps	Housing and support for adults with an intellectual disability
Phoenix House	Transitional housing for young people who are homeless or at risk of homelessness
The Housing Connection	Housing and support for adults with an intellectual disability
Manly Warringah Women's Resource Centre	Transitional housing DV
Sunnyfield	Housing and support for adults with an intellectual disability
JRS	Transitional housing for refugees and asylum seekers
Royal Rehabilitation Centre	Housing and support for people with physical or multiple disabilities
New Horizons Enterprises Ltd	Housing and support for adults with a psychiatric disability
Taldumande	Transitional housing for young people who are homeless or at risk of homelessness

Affordable Housing Programs

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

Affordable Housing Program 2011-2012

Vacancies (days lost as a % of all days)	0.87%
Rent collected as a % of rent charged 2011-2012	99.77%

Link Housing Ltd is dedicated to providing a range of housing options to meet the diverse needs in our community and this includes affordable rental housing for local workers.

Housing affordability is an issue for existing and future households in Sydney.

The decline in housing affordability is more pronounced here than other Australian cities – one consequence of Sydney being a successful global city. Housing affordability has diminished in all major cities of the world as they became primary economic centres.

Sydney's strong demand for housing has led to sharp rises in house and unit prices in recent years, driven by high levels of population and sustained economic growth that has attracted skilled workers and inward investment.

Price pressures are greatest in established areas and nearer the city where available land is scarce but demand is high. The Productivity Commission noted that in Sydney between 1994 and 2002, the real median house price five kilometres from the city increased by more than 100%, while at 40 kilometres it increased by less than 50%. It is crucial for our continued economic strength and international competitiveness that workers and families have the opportunity to be housed affordably.

Housing affordability affects our ability to maintain social diversity in our communities and the ability of essential service workers to live close to work.

Improving this crisis will involve a range of policy responses and practical initiatives.

Link currently manages two affordable housing programs, one in Thornleigh and the other in Willoughby. Both are popular and there was only one vacancy in the two programs during 2011-2012.

Our goal is to boost the amount of affordable housing in the region given the high cost of home ownership and private rental. We are constantly seeking new opportunities to expand affordable housing either alone or in partnership with all levels of government, the private sector and other not-for-profit organisations.

Tenant Satisfaction Survey – Customer Care

We asked: "Overall how good are staff at being able to answer your questions when you speak to them?" 91.1% said that they were satisfied or very satisfied, demonstrating a staff commitment to providing tenants with high quality service.



Financial Statements 2011-2012

Link Housing Ltd



Link Housing Ltd

ABN 62 003 084 928

Financial Statements

For the Year Ended 30 June 2012

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Directors' Report

For the Year Ended 30 June 2012

Your directors present their report on Link Housing Ltd for the financial year ended 30 June 2012.

1. General information

(a) Directors

The names of the directors in office at any time during or since the end of the year are:

Aldo Manitta	
Eija Roti	
George Marton	
Josephine Muscolino	
Julie Ann Savet Ward	
Lindsay Malcolm Kelly	Appointed 19/04/2012
Lois Towart	
Sonja Paulette Walters	
Susan Joan Williams	Resigned 30/06/2012

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Directors' Report

For the Year Ended 30 June 2012

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

(b) Information on directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

Aldo Manitta

Qualifications	BA MacqUni, Grad Cert in Public Sector Management
Special responsibilities	Member, HR & Nominations Committee and Development Committee

Eija Roti

Qualifications	B.Arts, LLB. Admitted as a Solicitor of the Supreme Court NSW
Occupation	Director, Policy, Programs and Strategy, Department Family and Community Services
Special responsibilities	Company Secretary

George Marton

Qualifications	MBA International Business, B. Commerce, Real Estate License NSW
Occupation	Strategic Property Advisor
Special responsibilities	Vice Chair from 29/06/2011, Member, Audit & Risk Management Committee until 15/07/2011, Member, Development Committee

Josephine Muscolino

Qualifications	B.Sc, LLB MacqUni admitted as solicitor of the Supreme Court of NSW and of the High Court of Australia
Occupation	Director
Special responsibilities	Member, HR & Nominations Committee

Julie Ann Savet Ward

Qualifications	M Landscape Planning, B.Sc.(Applied PhysGeog) (Hons), FAICD.
Occupation	Company Director
Special responsibilities	Chairperson

Lois Towart

Qualifications	AssocDipVal(WAIT) BBus(WAIT) FAPI SFin
Occupation	Licensed Valuer, Academic
Special responsibilities	Member, Audit & Risk Management Committee

Directors' Report

For the Year Ended 30 June 2012

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Sonja Paulette Walters

Qualifications	MBA, BSW, Post Grad Certificate in Management
Occupation	Company Director and Trainer
Special responsibilities	Chair, HR Subcommittee

Lindsay Malcolm Kelly

Qualifications	BBus, FCPA, FCSA, FACIS, Carbon Manager
Occupation	Director
Appointment date	19/04/2012
Special responsibilities	Member, Audit & Risk Management Committee from 19/04/12, appointed Chair, Audit & Risk Management Committee on 21/06/12

Susan Joan Williams

Qualifications	CPA, ACIS, BA(Acc), MBA(Int Bus) Grad Dip Appl Corp Gov.
Occupation	Business Advisor
Special responsibilities	Chair, Audit & Risk Management Committee
Resignation date	30/06/2012



Directors' Report

For the Year Ended 30 June 2012

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

(c) Review of operations

The profit of the company for the year ended 30 June 2012 amounted to \$1,622,822 (2011: \$42,657,608). Of the 2011 profit, \$41,248,221 was as a result of grants associated with NBESP. Normal operating profit in 2011 before the grants associated with NBESP was \$1,409,387.

During the previous financial year as part of the Nation Building Economic Stimulus Plan the management responsibility of 218 dwellings was transferred to the company. Of those transferred, Link Housing Ltd has received vested title to 139 dwellings. These properties are used to provide social housing to the community.

Of the 2012 surplus, \$770,742 was generated from the 218 Nation Building Economic Stimulus Plan properties. The board is mindful of the need to quarantine these funds and to apply them towards the expansion of additional affordable housing capacity. There are projects which are currently being considered where these funds are expected to be absorbed in the near future. Link Housing is fully committed to increasing housing opportunities in the region.

(d) Significant changes in state of affairs

Pursuant to an agreement dated 20 December 2010 between Ryde Hunters Hill Community Housing Coop Ltd (RHHCH) and Link Housing Limited (Link), RHHCH agreed to merge with Link and transfer its assets, liabilities, and obligations in accordance with the terms and conditions mentioned in the agreement to combine businesses. The effective date of this merger was 1 July 2011.

2. Dividends paid or recommended

The company's constitution prohibits the distribution of dividends.

3. Other items

(a) Events after the end of the reporting period

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

(b) Future developments and results

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

(c) Environmental matters

The company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

(d) Corporations Act 2001 Section 300B compliance

The short-term objectives of the Company during the year were to complete the details of the merger with RHHCH and conduct the consequent expanded tenancy and asset management services at the levels required by

Directors' Report

For the Year Ended 30 June 2012

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

regulatory authorities. Long-term objectives are to increase the number of properties under management through development activities and property transfers from NSW government.

To achieve the short-term objectives the Company restructured its operations to be in line with the objectives and commenced planning for additional resources necessary to achieve long-term objectives.

The principal activity of Link Housing Ltd during the financial year was the provision of community housing to low to moderate income earners in Sydney, New South Wales. No significant changes in the nature of the entity's activity occurred during the financial year.

The Company's activities resulted in the continuation of the Company's registration by the Registrar of Community Housing and an operating surplus that will be used to further the Company's long-term objectives.

The company measures its own performance through the use of both quantitative and qualitative indicators. The indicators are used by directors to assess the financial sustainability of the company and whether the company's objectives are being achieved. A number of indicators are analysed in order to measure the performance of the company. These include EDITDA, current ratio and other ratios. These results are incorporated into a financial report that is reviewed by management and the board of directors regularly.

The Company is limited by a guarantee of the members. The limits of the guarantee are provided in Note 15 of the Financial Statements.

4. Meetings of directors

During the financial year, 13 meetings of directors and 15 meetings of committees of directors were held. Attendances by each director during the year were as follows:

Directors' Meetings

	Number eligible to attend	Number attended
Aldo Manitta	13	11
Eija Roti	13	13
George Marton	13	11
Josephine Muscolino	13	12
Julie Ann Savet Ward	13	13
Lindsay Malcolm Kelly	3	3
Lois Towart	13	13
Sonja Paulette Walters	13	12
Susan Joan Williams	13	13

Directors' Report

For the Year Ended 30 June 2012

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

Development Committee

George Marton	3	3
Aldo Manitta	3	3

Audit & Risk Management Committee

Susan Joan Williams	5	5
Lois Towart	5	5
Lindsay Malcolm Kelly	2	2
George Marton	1	1

HR & Nominations Committee

Sonja Paulette Walters	7	6
Aldo Manitta	7	7
Josephine Muscolino	6	5

5. Indemnification and insurance of officers and auditors

No indemnities have been given during or since the end of the financial year, for any person who is or has been an officer or auditor of Link Housing Ltd. Insurance premiums have been paid during the financial year, for all directors and officers to the extent permitted by the Corporations Act.

6. Proceedings on behalf of company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

7. Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2012 has been received and can be found on page 22.

Signed in accordance with a resolution of the Board of Directors:

Director:



Director:



Dated

20.9.12

Auditor's Independence Declaration

For the Year Ended 30 June 2012

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

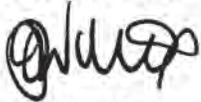
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Link Housing Ltd.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

HILL ROGERS SPENCER STEER

ASSURANCE PARTNERS



JOHN R WILCOX

Partner

Dated this 20th day of September 2012 Sydney



Statement of Comprehensive Income

For the Year Ended 30 June 2012

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

	Note	2012 \$	2011 \$
Revenue	2	17,266,872	53,851,653
Property expenses		(10,633,564)	(8,385,026)
Employee benefit expenses		(2,330,997)	(1,278,915)
Maintenance		(1,853,630)	(805,643)
Office expenses		(319,566)	(187,415)
Rent expense		(183,620)	(154,252)
Return of surplus funds		(116,828)	(106,931)
Relocation expenses		-	(84,310)
Professional services		(124,904)	(79,381)
Tenancy support expenses		(31,633)	(29,755)
Bank fees and interest paid		(11,938)	(23,685)
Other expenses		(9,678)	(18,381)
Depreciation and amortisation expense		(23,886)	(18,310)
Loss on disposal of assets		-	(17,897)
Motor vehicle expenses		(3,806)	(4,144)
Profit for the year before transfers to reserves		1,622,822	42,657,608
Grants - NBESP reserves		-	(41,248,221)
SEPP 10 reserves		-	(355,674)
Affordable housing reserves		(161,367)	(198,611)
Profit for the year after transfers to reserves		1,461,455	855,102
Other comprehensive income:			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		1,461,455	855,102

The accompanying notes form part of these financial statements.

Statement of Financial Position

For the Year Ended 30 June 2012

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

	Note	2012 \$	2011 \$
Assets			
Current Assets			
Cash and cash equivalents	3	7,767,348	4,524,681
Trade and other receivables	4	1,739,795	1,388,554
Other assets	7	590,030	481,949
Total Current Assets		10,097,173	6,395,184
Non-current Assets			
Property, plant and equipment	5	113,833	41,384,698
Investment property	6	41,288,212	-
Total Non-current Assets		41,402,045	41,384,698
Total Assets		51,499,218	47,779,882
Liabilities			
Current Liabilities			
Trade and other payables	8	371,693	487,011
Short-term provisions	9	189,757	105,967
Other liabilities	10	391,797	246,512
Total Current Liabilities		953,247	839,490
Non-current Liabilities			
Long-term provisions	9	34,843	31,501
Total Non-current Liabilities		34,843	31,501
Total Liabilities		988,090	870,991
Net Assets		50,511,128	46,908,891
Equity			
Reserves		47,307,398	45,166,616
Retained earnings		3,203,730	1,742,275
TOTAL EQUITY		50,511,128	46,908,891

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2012

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

	Retained earnings \$	Property maintenance reserve - capital \$	Property reserve - affordable housing \$	Capital profits reserve - NSCH \$	Capital profits reserve - Garrigal \$	SEPP 10 reserve \$	Property reserve - NBESP \$	Capital profits reserve RHHCH \$	Total \$
Balance at 1 July 2011	1,742,275	1,624,443	404,712	88,443	1,445,123	355,674	41,248,221	-	46,908,891
Profit before reserves	1,622,822	-	-	-	-	-	-	-	1,622,822
Transfers to reserves									
Affordable housing NS JV	-	(247,870)	247,870	-	-	-	-	-	-
Property reserve affordable housing	(161,367)	-	161,367	-	-	-	-	-	-
Capital profit reserve on acquisition of entity	-	-	-	-	-	-	-	1,367,066	1,367,066
SEPP 10 reserves on acquisition of entity	-	-	-	-	-	474,842	-	-	474,842
Surplus on liquidation of Garrigal	-	-	-	-	98,155	-	-	-	98,155
Payments made during the year	-	39,352	-	-	-	-	-	-	39,352
Balance at 30 June 2012	3,203,730	1,415,925	813,949	88,443	1,543,278	830,516	41,248,221	1,367,066	50,511,128
Balance at 1 July 2010	887,173	1,460,000	375,000	88,443	-	-	-	-	2,810,616
Profit before reserves	42,657,608	-	-	-	-	-	-	-	42,657,608
Transfers to reserves									
Property reserve NBESP	(41,248,221)	-	-	-	-	-	41,248,221	-	-
SEPP 10 reserve	(355,674)	-	-	-	-	355,674	-	-	-
Property reserve affordable housing	(198,611)	-	198,611	-	-	-	-	-	-
Capital profit reserve on acquisition of entity	-	-	-	-	1,445,123	-	-	-	1,445,123
Payments made during the year	-	(4,456)	-	-	-	-	-	-	(4,456)
Balance at 30 June 2011	1,742,275	1,455,544	573,611	88,443	1,445,123	355,674	41,248,221	-	46,908,891

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2012

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Government subsidies and grants		6,009,730	4,664,291
Payments to suppliers and employees		(15,791,126)	(11,116,375)
Sundry receipts		1,012	1,646
Interest received		287,309	157,246
Rent and other receipts		10,834,026	6,738,629
SEPP 10 receipts		-	355,674
Net cash provided by (used in) operating activities	14	1,340,951	801,111
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		20,000	483
Capital profit reserves through acquisition of entity		1,367,066	1,445,123
SEPP 10 reserves through acquisition of entity		474,842	-
Purchase of property, plant and equipment		(18,356)	(49,717)
Surplus on liquidation of Garrigal		98,155	-
Payments from reserves		-	(4,456)
Improvements and additions to investment properties		(39,991)	-
Net cash used by investing activities		1,901,716	1,391,433
Net increase (decrease) in cash and cash equivalents held		3,242,667	2,192,544
Cash and cash equivalents at beginning of year		4,524,681	2,332,137
Cash and cash equivalents at end of financial year	3	7,767,348	4,524,681



The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2012

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

The financial statements are for Link Housing Ltd as an individual entity, incorporated and domiciled in Australia. Link Housing Ltd is a company limited by guarantee.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements 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.

(b) Comparative figures

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

(c) Property, plant and equipment

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

(i) Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against this reserve directly in equity; all other decreases are charged to the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings 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.

Notes to the Financial Statements

For the Year Ended 30 June 2012

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

(ii) Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

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.

(iii) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on both straight line basis and diminishing value 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 lives of the improvements. Land is not depreciated.

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

Furniture, Fixtures and Fittings	20%
Motor Vehicles	22.5%
Office Equipment	10% – 67%

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

An asset's 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 on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Investment property

The company changed its accounting policy relating to the measurement of properties for the financial year ending 30 June 2012. Properties acquired under the Nation Building Economic Stimulus Plan (NBESP) in the 2011 financial year were previously classified as Property, Plant and Equipment and have now been classified as Investment Property.

The company has elected to value these at fair value. They will be revalued on a three year cycle using independent valuers. Changes to fair value are recorded in the statement of comprehensive income as other income/expenses.

Any new properties vested to the company will be recognised at fair value at the time they are financially recognised on the company's balance sheet.

Notes to the Financial Statements

For the Year Ended 30 June 2012

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

(e) Impairment of non-financial assets

At the end of each reporting year, the company reviews the carrying values of its tangible and intangible 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. Value in use is either the discounted cash flows relating to the asset or depreciated replacement cost if the criteria in AASB 136 'Impairment of Assets' are met. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Assets, other than goodwill, that have an allocated impairment loss are reviewed for reversal indicators at the end of each reporting period. After recognition of an impairment loss, the amortisation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount on a systematic basis over its remaining useful life.

Impairment losses are recognised as an expense immediately, unless the relevant asset is property, plant and equipment held at fair value (other than investment property carried at a revalued amount) in which case the impairment loss is treated as a revaluation decrease as described in the accounting policy for property, plant and equipment.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(g) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(h) 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.

(i) Income tax

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

(j) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. The lease is not recognised in the statement of financial position.

Notes to the Financial Statements

For the Year Ended 30 June 2012

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

(k) Revenue and other income

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Link Housing Ltd's activities as discussed below.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements.

The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Grant revenue

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Link Housing Ltd receives nonreciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

Interest revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Provision of services

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

(l) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Notes to the Financial Statements

For the Year Ended 30 June 2012

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

	Note	2012 \$	2011 \$
2 Revenue and Other Income			
Revenue from continuing operations			
- Rent received		10,747,315	6,969,759
- Subsidies		6,089,495	4,969,273
- Interest received		354,486	165,655
- Tenant reimbursements		69,613	136,748
- Gain on sale of assets		2,886	-
- Grants HPA		2,065	4,677
- Miscellaneous income		612	1,521
- Membership fees		400	125
- Grants - NBESP land and buildings		-	41,248,221
- SEPP 10 income		-	355,674
		17,266,872	53,851,653

3 Cash and Cash Equivalents

Cash on hand	500	500
Cash at bank	5,890,131	3,358,488
Short-term bank deposits	1,876,717	1,165,693
	7,767,348	4,524,681

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	7,767,348	4,524,681
Balance as per statement of cash flows	7,767,348	4,524,681

4 Trade and Other Receivables

CURRENT

Rent and non-rent amounts due from tenants	205,659	186,667
Provision for impairment	(30,000)	(16,440)
	175,659	170,227
Bonds paid on leased properties	740,790	563,853
Government subsidies receivable	658,289	576,459
Accrued interest	78,991	11,814
Trade and other receivables	86,066	66,201
	1,739,795	1,388,554

Notes to the Financial Statements

For the Year Ended 30 June 2012

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

	Note	2012 \$	2011 \$
5 Property, Plant and Equipment			
LAND AND BUILDINGS			
Freehold land			
At cost		80,000	80,000
At independent valuation		-	18,076,000
Total land		80,000	18,156,000
Building			
At independent valuation		-	23,172,221
Total buildings		-	23,172,221
Total land and buildings		80,000	41,328,221
PLANT AND EQUIPMENT			
Furniture, fixtures and fittings			
At cost		4,813	4,813
Accumulated depreciation		(4,101)	(3,188)
Total furniture, fixtures and fittings		712	1,625
Motor Vehicles			
At cost		-	32,105
Accumulated depreciation		-	(12,822)
Total motor vehicles		-	19,283
Office Equipment			
At cost		87,345	68,989
Accumulated depreciation		(54,224)	(33,420)
Total office equipment		33,121	35,569
Total plant and equipment		33,833	56,477
Total property, plant and equipment		113,833	41,384,698

Notes to the Financial Statements

For the Year Ended 30 June 2012

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land \$	Buildings \$	Furniture, Fixtures and Fittings \$	Motor Vehicles \$	Office Equipment \$	Total \$
Balance at 30 June 2011						
Balance at the beginning of year	18,156,000	23,172,221	1,625	19,283	35,569	41,384,698
Additions	-	-	-	-	11,304	11,304
Additions through acquisition of entity	-	-	-	-	7,052	7,052
Disposals	-	-	-	(17,114)	-	(17,114)
Transfers to investment property	(18,076,000)	(23,172,221)	-	-	-	(41,248,221)
Depreciation expense	-	-	(913)	(2,169)	(20,804)	(23,886)
Balance at 30 June 2012	80,000	-	712	-	33,121	113,833

Balance at 30 June 2010						
Balance at the beginning of year	80,000	-	3,821	-	39,629	123,450
Additions	-	-	-	-	21,371	21,371
Additions through acquisition of entity	-	-	-	24,881	3,465	28,346
Grants recognised at fair value	18,076,000	23,172,221	-	-	-	41,248,221
Disposals	-	-	(1,233)	-	(17,147)	(18,380)
Depreciation expense	-	-	(963)	(5,598)	(11,749)	(18,310)
Balance at 30 June 2011	18,156,000	23,172,221	1,625	19,283	35,569	41,384,698

Notes to the Financial Statements

For the Year Ended 30 June 2012

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

	Note	2012 \$	2011 \$
6 Investment Property			
Balance at beginning of year		-	-
Transfers (to) from property, plant and equipment		41,248,221	-
Improvements during the year		36,166	-
Additions resulting from capitalised development expenditure		3,825	-
Balance at end of year		41,288,212	-
<p>During the previous year as part of the NBESP program the company received title to land and buildings from Housing NSW for zero consideration. These assets were recognised in the previous year at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income. These properties have been reclassified as investment property in the current year.</p>			
7 Other Assets			
CURRENT			
Prepayments		590,030	481,949
		590,030	481,949
8 Trade and Other Payables			
CURRENT			
Unsecured liabilities			
Trade payables		168,488	63,422
Sundry payables and accrued expenses		203,205	423,589
		371,693	487,011
9 Provisions			
CURRENT			
Employee entitlements		189,757	105,967
		189,757	105,967
NON-CURRENT			
Employee entitlements		34,843	31,501
		34,843	31,501
10 Other Liabilities			
CURRENT			
Deferred income		391,797	246,512
		391,797	246,512

Notes to the Financial Statements

For the Year Ended 30 June 2012

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

	Note	2012 \$	2011 \$
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11 Capital and Leasing Commitments

Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable minimum lease payments:

- no later than 1 year		119,043	115,017
- between 1 year and 5 years		296,500	415,543
		415,543	530,560

12 Contingent Liabilities and Contingent Assets

Contingent liabilities		93,200	93,200
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Contingent liabilities represents estimates of potential financial effect of liabilities that may become payable.

The company has guaranteed its debt to Commonwealth Bank of Australia for guarantees given to third parties.

13 Financial Risk Management

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Net fair values

The fair values of financial assets and financial liabilities have been disclosed in the statement of financial position and in the notes to the financial statements. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.



Notes to the Financial Statements

For the Year Ended 30 June 2012

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

Interest Rate Risk

Financial instrument composition and maturity analysis

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-interest Bearing		Total	
	2012 %	2011 %	2012 \$	2011 \$	2012 \$	2011 \$	2012 \$	2011 \$
Financial Assets:								
Cash and cash equivalents	2.75	3.50	5,890,631	3,358,988	-	-	5,890,631	3,358,988
Short-term deposits	5.24	6.00	1,876,717	1,165,693	-	-	1,876,717	1,165,693
Receivables	-	-	-	-	1,739,795	1,388,554	1,739,795	1,388,554
Total Financial Assets			7,767,348	4,524,681	1,739,795	1,388,554	9,507,143	5,913,235
Financial Liabilities:								
Trade and sundry payables	-	-	-	-	371,693	487,011	371,693	487,011
Total Financial Liabilities			-	-	371,693	487,011	371,693	487,011

Notes to the Financial Statements

For the Year Ended 30 June 2012

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

	Note	2012 \$	2011 \$
14 Cash Flow Information			
Reconciliation of result for the year to cash flows from operating activities			
Profit for the year		1,622,822	42,657,608
Cash flows excluded from profit attributable to operating activities			
Non-cash flows in profit:			
- depreciation		23,886	18,310
- net (gain) / loss on disposal of property, plant and equipment		(2,886)	17,897
- grants - land and buildings		-	(41,248,221)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:			
- (increase)/decrease in trade and other receivables		(351,241)	(834,442)
- (increase)/decrease in prepayments		(108,081)	(208,283)
- increase/(decrease) in trade and other payables		(75,966)	156,762
- increase/(decrease) in deferred income		145,285	146,477
- increase/(decrease) in provisions		87,132	95,003
Cash flow from operations		1,340,951	801,111

15 Members' Guarantee

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 \$ 100 each towards meeting any outstandings and obligations of the company.

16 Events after the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which 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 future financial years.

17 Company Details

The registered office of the company is:
Link Housing Ltd
Level 12/815 Pacific Hwy
Chatswood NSW 2067

Directors' Declaration

For the Year Ended 30 June 2012

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 23 to 37, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity 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 Board of Directors.

Director *Julie Sawet Ward*

Director *Kelly*

Dated 20.9.12



Independent Auditor's Report

For the Year Ended 30 June 2012

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

Report on the Financial Report

We have audited the accompanying financial report of Link Housing Ltd, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Link Housing Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Independent Auditor's Report

For the Year Ended 30 June 2012

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

Independent Auditor's Report to the members of Link Housing Ltd.

Opinion

In our opinion the financial report of Link Housing Ltd is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

HILL ROGERS SPENCER STEER
ASSURANCE PARTNERS



JOHN R WILCOX

Partner

Dated this 20th day of September 2012 Sydney



Report Against Governance Principles

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

Link Housing Ltd Corporate Governance Principles

Principle 1: Lay solid foundations for management and oversight

Link's commitment: We will establish and disclose the respective roles and responsibilities of board and management.

The duties and responsibilities of the Link board are outlined in the Link Constitution which is available on our website. On 28 June 2011, Link adopted a Corporate Governance Framework which sets out in more detail the duties of the directors, the chair and board committees.

During 2011-12, to support the work of the board and the senior management team, Link ran three board committees on Audit & Risk Management, Development, and Human Resources and Nominations.

Principle 2: Structure the board to add value

Link's commitment: We will have a board of an effective composition, size and commitment to adequately discharge our responsibilities and duties.

Link follows a rigorous public recruitment process to attract members with professional skills and experience in financial and asset management, relevant law, risk and human resources management. The specific skills and experience of required directors is matched against our Strategic Plan.

Link also carries out an annual whole-of-board performance review as well as individual director performance reviews. The results and recommendations are presented to the board and followed up by the Company Secretary.

The Directors' Report sets out the background and skills of the current board members.

Principle 3: Promote ethical and responsible decision-making

Link's commitment: We will actively promote ethical and responsible decision-making.

Director duties in ethical and responsible decision-making are contained in Link's Corporate Governance Framework and our Code of Conduct. A conflict of

interest register is maintained and updated at each board meeting.

All staff are required to sign the Link Code of Conduct.

A delegations master document is maintained and available for all staff and board members.

Principle 4: Safeguard integrity in financial reporting

Link's commitment: We will have a structure to independently verify and safeguard the integrity of our financial reporting.

Link has an Audit & Risk Management Committee to scrutinise and oversee financial reporting and provide advice to the Link senior management team and the board.

Link's financial records are audited annually by Hill Rogers Spencer Steer Assurance Partners and an Annual Financial Statement is lodged with ASIC in accordance with our duties as a company limited by guarantee under the Corporations Act 2001.

Principle 5: Undertake timely and effective communication with stakeholders

Link's commitment: We will undertake timely and effective communication of all material matters concerning the company.

The company has obligations under registration arrangements and funding agreements to provide information to the Registrar of Community Housing and the Department of Family and Community Services (Housing) NSW.

Link also engages regularly with its community partners that support us in facilitating and maintaining support services to vulnerable housing applicants and tenants. The key support providers are acknowledged on the Link website.

Principle 6: Respect the rights of members and tenants

Link's commitment: We will respect the rights of members and tenants and facilitate the effective exercise of those rights.

Report Against Governance Principles

LINK HOUSING LTD | ANNUAL REPORT 2011-2012

Link has adopted a Tenant Engagement Plan. Tenant meetings are held biannually in November and March. Tenant Advisory Groups are held quarterly in four regional centres (Lower North Shore, Northern Beaches, Hornsby and Ryde). There are also a number of tenant surveys conducted throughout the year, including an Annual Tenant Satisfaction Survey, Pathways and HOMES applicant surveys and After Maintenance Survey – information which is used to improve our services.

Tenants were also encouraged to undertake training courses offered during 2011-12 including a Mental Health First Aid Course and a Community Activism Course.

Link also has a robust complaints handling system, information on which is contained on the Link website.

Principle 7: Recognise and manage risk

Link's commitment: We will establish a sound system of risk oversight and management and internal control.

Link's Risk Management Framework and the accompanying Risk Register are regularly updated to reflect new Link priorities. The Link Risk Management Framework uses principles embedded in AS/NZS ISO 31000:2009.

In 2012, Link introduced risk management software available from the Victorian Managed Insurance Authority. It is a comprehensive tool that enables us to link risks with Corporate Strategy, track the extent of control and ownership of each identified risk as well as provide summary reporting. Risk owners are provided additional training to that provided to all staff at induction.

The Link board also has an Audit & Risk Management Committee which meets at least four times per year and reports to the board on key risk issues and identifies matters for decisions.

Principle 8: Remunerate fairly and responsibly

Link's commitment: We will ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.

Staff remuneration is award-based or by contracts linked to industry equivalents. Staff have annual performance development reviews that are used to determine salary increases.



2011-2012



Link Housing Ltd

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