



Annual Report

Link Housing Ltd

2013-2014





Vision

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

Purpose

To increase socially sustainable housing by being a leading community housing provider

Values

- ✓ **ETHICAL** – Transparent, fair, honest, responsive and consistent.
- ✓ **EXCELLENCE** – In everything we do.
- ✓ **RESPECTFUL** – Of everyone we work with.
- ✓ **ACCOUNTABLE** – To tenants and other stakeholders.
- ✓ **LEADERSHIP** – Courage to shape the future.

Welcome to Link Housing Ltd's 2013-2014 Annual Report

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

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Jesse Wilcox



Michael Bolton



Julie Savet Ward, Andrew McNulty, The Hon. Gabrielle Upton MP, Greta Angel, Frank McGrath

ABOUT US

Link Housing Ltd (Link Housing) is a Tier 1 Registered Community Housing Provider (CHP) operating primarily in northern Sydney NSW. We are one of the oldest not-for-profit community housing providers in NSW. We have a history of providing affordable rental accommodation to people on very low to moderate incomes.

Link Housing is the successful amalgamation of 5 smaller housing providers. Beginning with a handful of properties in 1984, the organisation now manages more than 1,227 dwellings across 21 local government areas. We have an independent, skills-based Board, and the skills and financial capacity to deliver new ideas, concepts, and growth.

We aim to give a compassionate, client centred service for people who are at risk of homelessness or unable to afford market priced private rental.

The management services extend from placing tenants into their new home, the collection of rent, coordinating activities with support partners, through to managing the sustainable maintenance of the majority of the dwellings.

Link Housing has been continuously accredited under the national community housing standard since 2000. In the most recent assessment in November 2012, Link Housing was awarded full accreditation for 3 years.

In our 2014 annual tenancy satisfaction survey, 86% of our tenants said they were satisfied or very satisfied with Link Housing services. Their response demonstrates how well staff and tenants have worked together to build strong relations, often during difficult times in the lives of our clients.

In addition to being a Tier 1 CHP, Link Housing is also a licensed real estate agent providing management services for affordable properties.

Link Housing currently works in partnership with 28 support providers, providing homes and support to 208 tenants.

Since 2011, Link Housing has provided a total of \$59,040 in financial support through scholarships to 18 tenants, providing them with access to training and education.

Images from top to bottom on front cover are Sophie McLennan, Mark Austin, Michael August, Clr Khal Asfour, Minister Stuart Ayres, Julia Savet Ward, Andrew McNulty, Diane Harvey and Zhiging Su

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Andrew McNulty, Diane Harvey



Chairperson's Report

In June, we held our 30th anniversary celebration at NSW Parliament House, marking us as one of the oldest community housing providers in NSW.

It has been a prosperous, exciting and busy year for Link Housing.

In June, we held our 30th anniversary celebration at NSW Parliament House, making us one of the oldest community housing providers in NSW. Almost 200 people attended an inspirational evening in the presence of the Hon Gabrielle Upton MP, who represented both the Prime Minister of Australia, the Hon Tony Abbott MP, and the NSW Premier, the Hon Mike Baird MP. It was a tremendous occasion with speeches, awards and a video celebrating Link Housing's tenants. Thank you to all our honourable guests, government representatives, support partners, development partners, members and tenants.

Our second function is planned for later in 2014 to celebrate the 30th anniversary with all our tenants.

In May, we were joined by the Hon Stuart Ayres MP, Minister Assisting the Premier on Western Sydney, for a sod-turning at Potts Hill, near Bankstown, where Link Housing is constructing 32 affordable homes. By the time you read this, the majority of these homes will be complete and Link Housing tenants will be enjoying their new homes in this new suburb.

The business has benefited from the arrival of our new CEO Andrew McAnulty who commenced in September 2013. He is now well known to the tenants, support partners, Councils, members of parliament, and is well respected by the staff. Andrew has been joined by two new important members of the management team - Samantha Male as Chief Operating Officer and Kathleen Cain as General Manager Housing & Communities. This strengthened management has achieved a high level of success in the 2013-14 Business Plan.

The year had a financial surplus of \$2.9 million. Of this, the underlying operating surplus of \$2.1 million is a continuation of a steady trend of strong financial performance. As part of the rolling program of revaluing the vested Nation Building properties there was a non-cash uplift of \$835,000 in valuations. This resulted in the higher surplus of \$2.9 million, which will enable Link Housing to participate in more investment and development next year. With the completion of the Potts Hill affordable homes, the carrying value of Link Housing's investment properties will exceed \$70 million.

Another major accomplishment was our registration as a Tier 1 community housing provider under the new National Regulatory System. The new Registrar, Dr Pamela Hanrahan, and her team have successfully managed the transition from a state-based regulatory approach to the national system. I thank all Link Housing staff who were involved in this process, which recognises us as a premier provider of community housing in NSW.

We have also been advised that transfer of the title to the remaining 79 Nation Building homes from the 218 that were vested to Link Housing is forthcoming.

Across Australia, community housing is very topical. The Queensland Government has confirmed that 90% of their portfolio (approximately 52,000 homes) will be transferred to community housing for management and re-development by 2020. The South Australian government has tendered an additional 4,000 social homes for management by community housing. These trends continue the activities of Tasmania, which has transferred the management of 4,000 (30%) of their social housing properties to community housing providers. These trends hold even greater opportunities for Link Housing going forward.

Link Housing holds a strong presence in the dialogue on community housing. We have made submissions to inquiries by the Federal and State governments into social and affordable housing. We regularly lead discussion at conferences and forums at a local, state and national level.

Our management team is a contributor to sector-wide initiatives which lead to improvements in administrative procedures as well as sharing best practice approaches. For example, our Chief Financial Officer, Lindsay Kelly, has been represented on Doors to Ownership – an initiative for moderate income families to commence home ownership by sharing the capital contribution with a community housing provider. This initiative was announced in June 2014 and work is continuing to define how families and community housing providers, including Link Housing, can be involved.

Link Housing's Tenant Advisory Group has again contributed substantially. This admirable team of tenants reviewed amendments to policies and procedures, scrutinised the draft web site, provided constructive feedback on service improvement opportunities and spoke on behalf of Link Housing at numerous government and community events and activities.

The number of Link Housing's support partners has increased and relationships have deepened. The collaborative effort of all partners continues to generate significant goodwill and together we achieve greater outcomes for tenants.

Link Housing's scholarship program continues to provide generous support to individuals who may not otherwise be able to access education due to their family circumstances. We are thankful to some of these recipients who have generously shared, in public, the success of their scholarship experience.

Link Housing continues to refine our strategic direction. We confirm our intention to grow to provide 5,000 quality homes by 2022. The 2014-2022 Strategic Direction establishes strategic objectives focused on the four themes of people, partnerships, property and performance. More details of the 2014-2022 Strategic Direction are provided elsewhere in the annual report.

Link Housing would not be the success that it is without the ongoing support of the Community & Private Markets Housing Division of NSW Family & Community Services. We are grateful for this support and engagement. Link Housing is strategically and operationally well placed to assume wider responsibilities on behalf of the NSW government.

I thank all our members for their continuing support.

"It has been a prosperous, exciting and busy year for Link Housing". Julie Savet Ward

Our staff deliver a commendable day's work, every day, ensuring that Link Housing lives up to its reputation and achieves its goals. The Board is grateful for your ongoing contribution to our success. You continue to embrace our values, evolution and growth. Thank you.

My Board colleagues have worked with determination and enthusiasm throughout the year. The Board and three committees met on 27 occasions throughout the year. Thank you fellow directors.

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

Julie Savet Ward

We are progressing well towards our 10 year goal to provide 5,000 quality homes





CEO's Report

I write these notes on the anniversary of my first year as CEO of Link Housing – and I am pleased to report that the organisation has exceeded my high expectations.

Our independent skills based Board, led by our Chairperson Julie Savet Ward, has been diligent, strategic and supportive as we push to provide more homes and higher quality services to the people we serve.

Our staff have really stepped up, been accountable and demonstrated that we all want to be a part of a great community housing provider, that not only does the best by existing tenants, but also shares ideas with other organisations and pushes for increased housing opportunities for new tenants as we grow.

Our tenants, led by our Tenant Advisory Group (TAG) have been engaging, responsive, questioning – and incredibly supportive of me in my first year. Meeting, listening and interacting with lots of our tenants during the year has unquestionably been the highpoint of my year. I have really enjoyed sharing experiences and stories and would like to thank Helen Woodman, John Miller, Jesse Wilcox, Kelly Jelfs, Michael Bolton, Fe Sinclair, Diana King, Barbara Duggan, Diane Harvey, Linda & Sophia McLennan, for their heart-felt contributions to our 30th anniversary booklet and video.

When I arrived last September, I set out a strategic framework for the year with four bullet points – it was a snap-shot of what we needed to focus on. We have kicked lots of goals which I am pleased to summarise below.

Raise our Profile and Reputation

During the year we have strengthened relationships with partner Councils: North Sydney, Willoughby, Warringah, Hornsby, Lane Cove, Pittwater, Manly, Hunters Hill, Ku-ring-gai, Mosman and Ryde. We have also had positive discussions with Bankstown Council.

We have re-established regular dialogue with many of our local MPs in Northern Sydney including: Premier Mike Baird, Minister Hazzard, Minister Berejiklian, Minister Dominello,

Minister Stokes and Mr. Jonathan O’Dea MP, together with Community Services Minister Upton and Minister Assisting the Premiers on Western Sydney Minister Ayres.

Link Housing have made submissions to the NSW Select Committee Inquiry on Social, Public and Affordable Housing; the Federal Government Inquiry on Affordable Housing and the NSW Government Inquiry on Tenancy Management. We have also positively re-engaged with our 37 Support partners to ensure our joint efforts improve services to our tenants.

Build our capacity for growth

Our year of capacity building has culminated in us achieving Tier 1 status under the National Regulatory System for Community Housing. This is a very significant milestone for our organisation and I congratulate the staff and tenants of Link Housing on their contribution to this achievement.

In order to position the organisation for growth we focused upon and achieved the following:

- Re-aligned the housing and asset functions within the business
- Focused on staff development, training, performance appraisal and culture
- Strengthened the team with the addition of key personnel, Samantha Male, Chief Operating Officer and Peter Madden, Property Services Manager.
- Comprehensively updated our policies, processes and procedures

In addition we have recognised the long service, significant contribution and loyalty of eight key staff members:

Diana King	25 Years
Wendy Edwards	10 Years
Trish Fredericks	9 Years
Liz Breden	9 Years

Michelle Ho	7 Years
Vanessa Berry	7 Years
Jenny Bennett	6 Years
Christine Curran	5 Years

Establish and deliver our current commitments

During 2014, in partnership with UrbanGrowth NSW, we progressed to site with our first five development projects.

Upon completion of our fifth site under development in Bankstown in late 2014, Link Housing will have successfully delivered 100% of our Nation Building leverage commitment to Government – making us the first organisation in NSW to achieve this goal. Pleasingly this will be delivered more than two years ahead of schedule.

Preserve our financial capacity

In 2014 we received confirmation of the asset vesting of the final 79 Nation Building properties from NSW Government.

In addition we finalised terms and commenced the drawdown of our first debt facility with Community Sector Bank.

In summary, it has been a rewarding first 12 months. We have grown from 1,110 homes to 1,227 homes in management – and have begun strengthening the profile and capacity of the business in order to be a leader in the sector over the coming years.

We have re-focussed the Strategic Direction through to 2022 and three year Business Plan – establishing clear expectations around the four key strategic objectives of:

- PEOPLE** - Empowering and engaging to deliver quality outcomes;
- PARTNERSHIPS** - Becoming a partner of choice;
- PROPERTY** - Providing 5,000 quality homes for those in need;
- PERFORMANCE** - Delivering a legacy of strong governance and financial performance

I would like to explicitly thank the tenants, staff and Board of Link Housing for making my first year at Link Housing so enjoyable and rewarding. Next year I plan to further strengthen our relationship with our tenants, our key Local Government partners, and to continue to celebrate success.

Andrew McAnulty, Chief Executive Officer

Our staff have really stepped up, been accountable and demonstrated that we all want to be a part of a great community housing provider



Jesse Wilcox, The Hon. Mike Baird MP NSW Premier, Andrew McAnulty



Finance Report

Investment properties now represent over \$67 million. This includes \$4.6 million invested so far on the 32 home construction at Potts Hill.

Operations

The financial surplus for the twelve months ending 30 June 2014 was \$2.9 million. Within this amount is a non-cash amount of \$0.8 million in property valuations resulting from the three year rolling re-valuation process for all Investment properties. The valuations are carried out by a qualified property valuer Civic Valuations.

At an operational level the surplus was \$2.1 million which is \$0.3 million more than the previous year. This surplus continues the strong progress being made to improve the financial performance of the business to exceed 10% EBITDA which is common practice for larger Tier 1 community housing providers. As measured by the National Regulatory System Link Housing's EBITDA for 2013-14 was 9.6%, up from 8.1% the year earlier.

Revenue for the year was \$19.4 million. Of this \$11.7 million is rent from tenants, \$6.8 million is government subsidies, \$0.4 million is fee for service income, interest income is \$0.3 million, and miscellaneous tenant reimbursements is \$0.2 million.

The annual cash operating surplus from the 218 vested Nation Building Economic Stimulus properties was \$0.8 million bringing to a total over three years of \$2.25 million. The Board is mindful of the need to quarantine these funds and to apply them towards the expansion of additional affordable housing. The \$3.0 million paid for land at Potts Hill from past cash reserves is well on the way to being recovered from the surpluses generated by the Nation Building properties vested to Link Housing.

Financial Position

Cash and cash equivalent term deposits held for current and future programs is \$9.4 million at year end. This is an increase of \$2.5 million from a year earlier. Effectively the full year operating surplus has been put aside as cash.

Construction at Potts Hill has commenced and \$1.6 million has been drawn from the \$7.0 million debt facility with Bendigo & Adelaide Bank Ltd which trades as (Community Sector Bank). We are delighted with the strong relationship that has been forged with the management of Community Sector Bank and we look forward to expanding activities across many spectrums of the banking relationship.

Investment properties now represent over \$67 million. This includes \$4.6 million invested so far on the 32 home construction at Potts Hill. The additional expenditure to be incurred in the 2014-15 year will bring that project to \$10 million invested.

Financial & Risk Management

Risk management processes have been strengthened and embedded deeper into the organisation. We are encouraged by staff assessing risks more broadly in their daily activities. The Audit & Risk Management Committee establishes an annual agenda for reviewing many internal processes to minimise the risk of financial leakage.

In this same report last year I mentioned the commencement of a new project to upgrade the operational tenancy & asset management systems. Effective project governance and risk management

established a position where, after several months, the project was paused. A re-scoping process has been completed and tender responses are being sought for the continuation of this essential project.

Future Activities

To ready itself for the expected rapid growth towards 5,000 homes, the Board has agreed to incur additional personnel costs for new skills in the coming year. This investment is likely to reduce the operating surplus on a near-term basis with an expectation that this will be recovered as the growth transpires. The coming financial year will also see bank debt and interest expense representing a larger portion of the financial expenditure.

Link Housing is also active in creating additional housing projects in conjunction with various partners. As a result the

utilisation of newly acquired property and deals development skills within the management team is paying dividends.

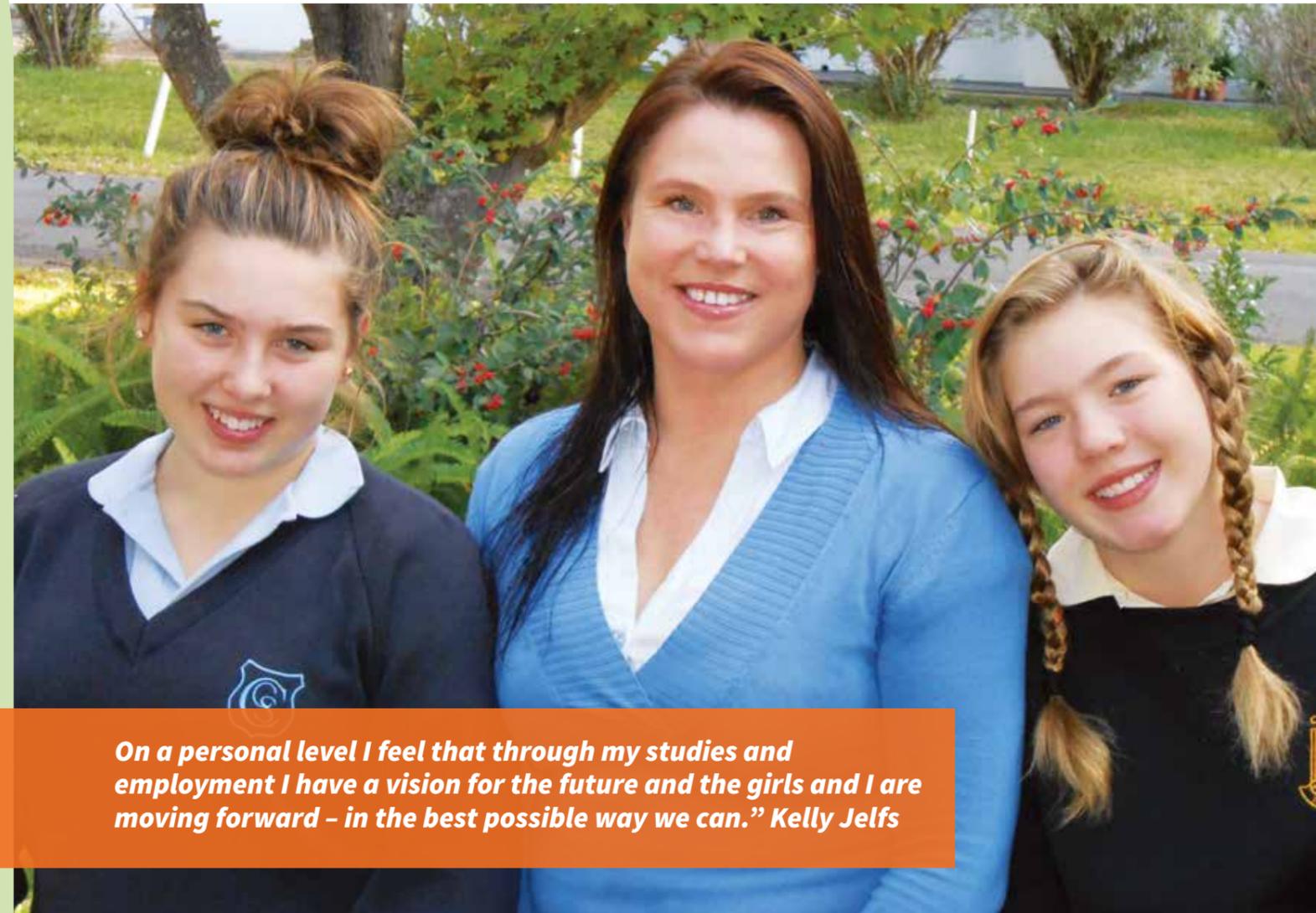
Acknowledgements:

I would like to thank Lindsay Kelly for his work. During the year, he straddled his CFO role with an Acting CEO role for several months, and he continues to lead an effective and transparent financial management process.

I am also grateful for the substantial collaboration with the Development Committee and other Directors as we finalised contacts and financial arrangements for the \$10 million Potts Hill project.

Mark McEnallay

Chair Audit & Risk Management Committee



On a personal level I feel that through my studies and employment I have a vision for the future and the girls and I are moving forward – in the best possible way we can.” Kelly Jelfs

Strategic Direction

During 2013 – 14 Link Housing has consulted with Board, Management, Staff and Tenants to review the Strategic Plan. The Link Housing Strategic Direction 2014 – 2022 confirms our intention to grow to provide 5,000 quality homes for families and individuals in housing need by 2022 by being a leading community housing provider.

The Strategic Direction establishes our strategic objectives focussed on People, Partnerships, Property and Performance. These objectives will be used to steer Link Housing to ensure the primary purpose is achieved.



Link Housing is targeting to double the number of homes in management from 1,227 to 2,500 by 2016 and to achieve 5,000 homes in management by 2022.

Strategic Direction



Our Strategic Direction

During the past 12 months we have focused our Strategic Direction on how we are going to progressively achieve it via our three year Business Plan 2014/15 – 2016/17.

The Business Plan establishes progressive annual objectives and KPI's to enable us to monitor the progress of our journey.

Growth Strategy

Key elements of our growth strategy include:

- Working closely with Councils to listen, identify and deliver local priorities;
- Targeting mixed tenure renewal of existing public housing;
- Delivering a “Place Management” approach to the management of existing public housing within the Northern Sydney region (and wider area as endorsed by the Board); and
- Working with partners to achieve outcomes.

Link Housing regards working closely with Councils, engaging with communities, and listening to tenants, as fundamentally important if we are to build support to manage, renew and also expand social and affordable housing supply in the region.

Our current focus remains our core operating area of Northern / Metropolitan Sydney. We are however aware of significant activity by State Governments in Queensland,

South Australia, Victoria, Tasmania and the Australian Capital Territory aimed at increasing the involvement of CHP's in the management and redevelopment of existing public housing stock.

Strategic growth opportunities are classified as large scale management transfers, which have the opportunity for an element of incremental redevelopment, or alternatively smaller mixed tenure redevelopment opportunities within an area of existing Government housing.

These larger scale opportunities enable:

- area based solutions;
- adoption of a place management approach;
- expansion of relationships with residents, Councils and support partners; and,
- increased development activity and retention of debt at a sustainable level through cross subsidy and delivery of mixed tenure developments.

Investing in growth

Link Housing is targeting to double the number of homes in management to 2,500 by 2016 and to achieve 5,000 homes in management by 2022.

Initial preparation and investment for growth will produce a lower EBITDA in the short term, however as the company grows and the administration and people costs are distributed across a larger number of properties, the EBITDA will increase.



People - Strategic Objective

STAFF STORY VANESSA BERRY

Vanessa Berry - I have been happily employed first with Garrigal housing and now Link for 7 years.

I think I was destined to work at Garrigal (my first real job after starting a family). I was interviewed on the Thursday with my youngest in tow, started work on the Monday. I was thrilled that it happened so quickly but it was mainly that the company really was family friendly.

At Garrigal I worked as the receptionist and accounts payable. We were a small busy office but very friendly stopping work for 10 minutes to have morning tea and a catch up.

A few years later we merged with other small housing providers to become Link Housing at Chatswood. We underwent a lot of changes, especially with 3 different groups coming together with everyone having their own way of doing things. Being the nice bunch of people we are we all adapted and to this day we all work nicely together and I am still enjoying my work and the Link Housing environment.

OUR STAFF

Our ability to provide a better future for those in need and increase socially sustainable housing is dependent on the skills, passion and capability of Link Housing staff.

In the 2013-14 year Link Housing had 33 staff in the areas of:

- Assets and maintenance
- Housing Management
- Community Development
- Finance and Administration
- Quality, Compliance & Risk

Link Housing enjoys a diverse workforce, consisting of 25 women and 8 men. 43% of the Senior Management Team are women and the Link Housing Board consists of 50% male and 50% female with the Chair of the Board and the Chair of the HR and Nominations Committee both being female.

In 2013-14 Link Housing commenced an HR transformation program that placed considerable focus on developing people and cultural policies to ensure we had the systems and processes in place to recruit, retain and develop our staff.

The program was designed to:

- Create a 'one team culture'
- Prepare Link Housing for growth
- Position Link Housing as a preferred employer to support the attraction and retention of talented people.

Key to the success of the Program was the consultation and involvement with all staff. A Policy Advisory Group (PAG) was assembled to ensure employees had a voice, and staff were surveyed and informed through the development and implementation of each initiative.

Key elements of the Program included:



We implemented clearer and more consistent HR policies, new organisational values to shape culture and behaviour, competency-based position descriptions, and a new salary, remuneration and benefits system.

The HR transformation continues in 2014-15 with the introduction of a Total Rewards Program, as well as an online induction process. Link Housing is also participating in the Community Housing Sector Employee Opinion Survey for the first time so we can benchmark and measure the success of the HR transformation and compare our staff satisfaction and engagement levels against the sector.

People - Strategic Objective

For full details of the directors' committees and qualifications go to the Information on Directors in the Directors' Report on page 31.

BOARD OF DIRECTORS

Julie Savet Ward / Chairperson

Julie is a respected professional non-executive director with 20 years' experience on company and project Boards in the property, infrastructure and professional services sectors. She is also the Chairperson of SGS Economics and Planning, a private consulting company, and on the Board of the NSW Environment Protection Authority. Julie is a Fellow of the Australian Institute of Company Directors.



Eija Roti / Director

Eija has qualifications in social sciences and the law. Her 25 years experience covers legislative reform, social policy development and review, social program development, implementation and review, research and evaluation, stakeholder management, governance and inter-governmental relations.



She has held policy development positions in a number of human services and justice agencies and is currently a Director in the Department of Family and Community Services. Eija is a Graduate Member of the Australian Institute of Company Directors.

Her experience includes valuation, financial analysis and modelling, funds management and more recently academia. She has specialised in the seniors' accommodation sector which includes retirement villages and residential aged care.

Mark McEnallay / Director

Mark McEnallay is the Business Operations Manager and Company Secretary at the Community Services and Health Industry Skills Council Limited (CS&HISC). He has previously worked with Coca-Cola, including eight years in their overseas operations, Reckitt and Colman, Victa lawnmowers and Medical Australia Limited.



Mark currently sits on the NSW Care Advisory Committee of Wesley Mission and has previously sat on the NSW Corporate Committee of CPA

Mark is a Fellow of the Australian Institute of Company Directors.

George Marton / Director

George's career spans over 30 years in the property industry. He has been involved in the acquisition, sale, leasing and management of a great number of projects in CBD commercial, residential and industrial property markets on behalf of Institutional, government and private clients. In recent years, George has been involved in community housing having been Chairperson of North Shore Community Housing. George is a Graduate Member of the Australian Institute of Company Directors.



Aldo Manitta / Director

Aldo worked with the Department of Housing from 1976 until 1998 in a variety of management roles. From 1998 until 2007, Aldo worked with the NSW Aboriginal Housing Office (AHO) in several capacities including asset management and policy development.



Aldo was involved in efforts to improve the governance and efficiency of Aboriginal community managed housing providers.

Aldo is now retired and is looking forward to continuing to work with not-for-profit organisations such as Link Housing and to go on contributing in various capacities to his local community.

Mark currently sits on the NSW Care Advisory Committee of Wesley Mission and has previously sat on the NSW Corporate Committee of CPA

Simon Maughan Wright / Director

Simon is a qualified lawyer with post graduate legal and business qualifications from Sydney University and UNSW and a graduate of the Australian Institute of Company Directors.



Simon is the owner and director of ABSA Corporate Advisory. He was until recently a director of Uniting Care NSW. ACT and chair of its Finance, Audit & Risk Committee. Previously he was a director of ANZ Business Sales & Acquisitions (ANZ Investment Bank) and Westpac Business Succession Services.

Sonja Walters / Director

Sonja has 30 years experience working in Commonwealth and State government organisations, non-government organisations and the private sector. Sonja has particular experience in social work, counseling, rehabilitation, professional management, human resources and business development. Sonja currently holds two Board positions in the NFP sector and was previously a Chair for four years. Sonja is a Graduate Member of the Australian Institute of Company Directors.



Lois Towart / Director

Lois has over 30 years' professional experience in the property and financial services industries.



People - Strategic Objective

SENIOR MANAGEMENT TEAM

Andrew McNulty / Chief Executive Officer



Andrew is a respected community housing figure, both nationally and internationally, having delivered social, affordable and large scale urban renewal outcomes for over twenty years across Australia and the United Kingdom.

Prior to joining Link Housing in September 2013, Andrew was CEO of MA Housing where he grew their housing portfolio from 97 homes in 2009 to over 2,000 by 2013. In the UK, Andrew worked with three diverse housing associations and the Stonebridge Housing Action Trust one of London's most successful regeneration companies. He is Chairman of the NSW Government Affordable Housing Taskforce, and remains a Director of Urban Gateway Pty Ltd providing advice on affordable housing, urban renewal and partnerships.

Samantha Male / Chief Operating Officer



Samantha has a deep understanding of the community housing sector, covering strategic and operational experience at senior management and Board level, across the UK & Australia. She is passionate about our tenants, ensuring that they receive quality customer services and have a say in how they are delivered.

One of Samantha's career highlights was leading the change in management required for the amalgamation of five housing associations, covering 48,000 residents, delivering both operational and cultural change for the organisation.

Lindsay Kelly / Chief Financial Officer



Lindsay has played a leadership role in NSW Community Housing since 1998. Whilst his 'day job' was heavily focused in the corporate world as a CFO and a professional change agent, Lindsay volunteered on the Boards of what are now two of Australia's largest CHPs. He was also a director of NSW Federation of Housing Associations, a member of the NSW Community Housing Advisory Committee, and was active in many steering groups as the sector developed its professionalism.

As an executive director of public companies and global organisations Lindsay has held positions in Hunter Douglas Ltd, Pirelli Cables Australia Limited, Sydney Opera House, GEO Property Group Ltd, and has consulted to the disability and mental health sectors. In 2012 Link Housing secured Lindsay's services as a non-executive director. He stepped down from this role later that year to take on the position of Chief Financial Officer.

Deon Wyngaard | Quality Assurance and Risk Manager



With extensive experience in public administration, Deon has spent most of his working life in public/social housing, mainly in administration, policy development and social inclusion initiatives. Committed to the upward social mobility of our clients, Deon believes that a stable home environment can serve as a catalyst for greater achievements in other areas of their lives. Deon is committed to maintaining an environment of continuous improvement within the

organisation to ensure that 'excellence' remains the yardstick by which Link Housing's service to our communities is measured.

Kathleen Cain | General Manager Housing and Communities



Kath has many years' experience in delivering operational services to the community through consultation and communication. She is committed to providing quality services to tenants and other stakeholders.

Kath is highly experienced in developing networks and relationships that promote a sense of community within a local government area. Prior to working with Link Housing, Kath worked for an emergency service for nearly 10 years in a senior management role.

Peter Madden | Property Services Manager

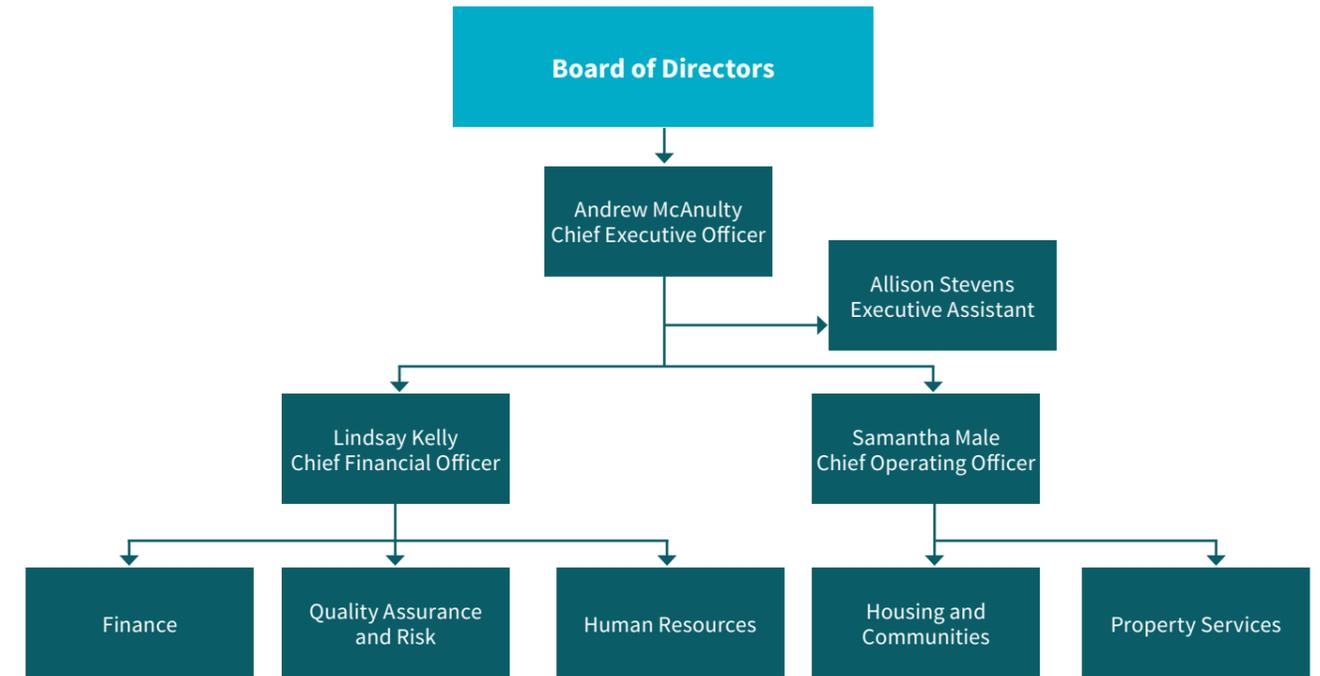


Peter has worked for some of Australia's largest service providers within the commercial, retail, aged care and Government sectors. This varied career experience enables Peter to quickly resolve any issues with a hands on approach. His passion for utilising the latest technologies and resources helps his team to deliver timely and economical services to all clients.

In his spare time Peter is an active life member of South Narrabeen SLSC. He is also a founding member of the Bush to Beach program which started in 2004 to help indigenous communities in north western NSW.

People - Strategic Objective

LINK HOUSING - ORGANISATION CHART



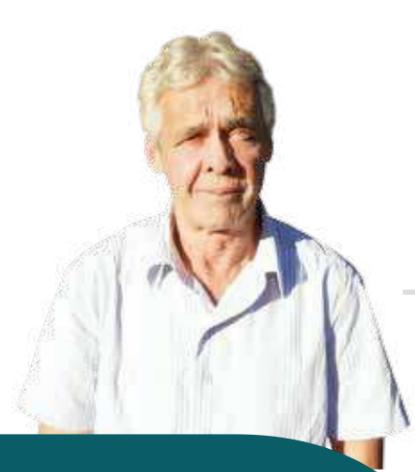
STAFF STORY DIANA KING

'I have the dubious honour of being known as the longest serving employee at Link Housing. Over the years there has been enormous change and growth, with 3 organisations coming together as one. Since then Link has continued to meet its purpose of providing additional housing for those in need.

It has been enormously rewarding seeing families who found themselves in housing stress, flourish and blossom, with children achieving academic goals, adults being able to return to full time work, scholarships being offered to facilitate this successful transition to employment, and most importantly households being secure and safe within their own homes.

I continue to look forward to working with Link as it forges ahead with new and exciting housing opportunities.'





People - Strategic Objective

TENANT STORY MICHAEL BOLTON

Michael was a regular family man, working for his family in a high profile position at the NSW Labour Council. Life dramatically changed and he found himself a single parent with three children under the age of five. Michael moved his young family to Marrickville but needed to take 5 buses to get the children to day-care, school and then himself to work. This move also took him away from his family support in Ryde and eventually he came to the conclusion that the move was going to prove unsuccessful.

Although Michael doesn't believe in fate, he does believe that fate intervened at this point in his life as he saw an advertisement in the paper for available social housing in Ryde. He was successful in gaining a home with Ryde Hunters Hill Community Housing. It was not long before Michael became a member of the Board and then two years later the Chair of the Board a position which he held for six years. Michael strongly believes in the community housing sector and its ability to independently operate in providing people homes.

TAG REPORT

Link Housing's Tenants Advisory Group (TAG) is a forum for tenants to raise issues, discuss options, plan actions and obtain support to improve the quality of life for themselves, their neighbours and the broader community. Members of TAG have enjoyed being involved in a wide range of services and activities this year including:

- Participation in meetings and events
- Discussing issues on repairs, tenancy or welfare and generating solutions
- Providing feedback on Link Housing's policy and procedures directly affecting tenants
- Advise on how Link communicates with tenants
- Consulting on how we should be delivering our services.
- Assist in planning community programs including competitions, special events, forums and the education scholarship
- Providing advice on how tenants can participate e.g. surveys or workshops



Consultation of the Strategic Business Plan for 2014/15

"I believe that TAG and Link Housing work in partnership and feel that the work TAG does is going to improve the lives of all Link residents"

- Michael Bolton, Tenant Advisory Group member.



People - Strategic Objective

TENANT STORY JESSE WILCOX

Getting involved is about tenants taking part in the decision making processes and influencing decisions about how Link runs its business. Link Housing needs the **help and advice of our tenants** in order to help us run our business, achieve our goals and make the right choices for our tenants.



Residents at Ratcliffe Street with Andrew McNulty



Harmony Day



Block meetings



End of year tenant party 2013



College Crescent Forum



End of Year party



Tarragona Zoo Outing

Jesse is a talented young resident of Link Housing who recently won the Y Foundations Writing Competition for his prose piece on the meaning of home. Jesse is a youth homelessness advocate who knows the fear of facing homelessness. Jesse is 22 years old. After the breakdown of his family he was left to fend for himself without a home.

Jesse considers himself lucky that he was referred to the Mona Vale Community Health Centre where he was able to find not only support, but empathy and respect from his case worker. Jesse was referred to the Burdekin Association who has a long term partnership with Link Housing, where he found housing, and subsequently a home.

Jesse acknowledged that "it's difficult to keep to your routine when you are uncertain about what is going to happen to you next" and that the security of home gives a person "scaffolding to rebuild himself and grow".

Jesse is articulate as well as gifted and he has commenced building a career by studying "Audio/Visual Production" at TAFE NSW.



People - Strategic Objective

TENANT STORY - JOHN MILLER

John is one of Link Housing's well known tenants, an Order of Australia (OAM) recipient and also an Australian war veteran with an amazing life story. John Miller ran away to war at the age of 14 on a Norwegian naval vessel and luckily 'volunteered' to assist an Aussie gun crew. John was part of the crew of the first ship to sail up the Yangtze River and these experiences stay with him today. In recognition of all those who went to war under the age of 16 John founded the World War II Under 16s.

Luckily for John his home with Link Housing allowed the DVA to provide the equipment he needed and the visiting physiotherapist to his home.

John's return from war at age 19, a man but still so young, was haunted by his experiences but with the assistance of his family and the Department of Veteran Affairs (DVA) John recovered to live a full life as an international chef, entrepreneur and salesman. John married and had two children, Michael and Natasha, and now has two young grandsons who he enjoys immensely. Michael followed his father's footsteps and joined the military but was unfortunately killed in Afghanistan in early 2013.

John has been a resident of Link Housing since 2001 when he was diagnosed with bone cancer and faced living in a hospital because the travel for treatment was becoming unsustainable. Luckily for John his home with Link Housing allowed the DVA to provide the equipment he needed and the visiting physiotherapist to his home. John credits his home for "saving him" and giving him independence.

SCHOLARSHIP PROGRAM



Sophie McLennan

Link Housing continues to provide opportunities for tenants to access monetary assistance toward a recognized course of study through our scholarship program. Over \$12,000 was committed to support six of our residents embark on life changing academic courses.

One of the recipients for 2013-14 was 11yr old Sophie McLennan, a gifted clarinet player, who was awarded the scholarship to enable her to continue her study of the instrument. Sophia has recently won a full scholarship to one of the most prestigious schools in Sydney as a result of her all round abilities. Sophia's mother explains "The cost of learning music is prohibitively expensive in my circumstances. The scholarship will allowed Sophia to fulfill her dream of "playing the clarinet for the rest of her life". Sophia is also working towards becoming a member of NSW State band and the Sydney Youth Orchestra.

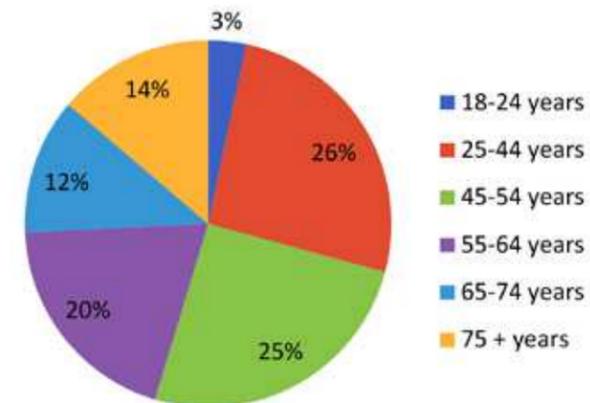
Sophia has recently won a full scholarship to one of the most prestigious schools in Sydney as a result of her all round abilities.

People - Strategic Objective

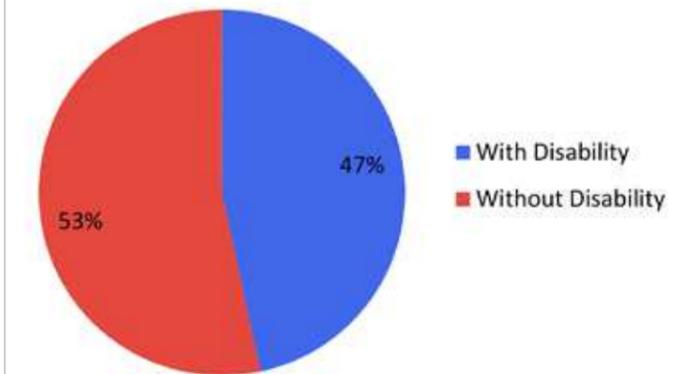
TENANT PROFILE

A large portion of Link Housing tenants are aged over 55 years old, live alone and may have a disability. However, in the past year Link Housing has had a five percent increase in the number of families with children that have moved into one of our Link Housing properties.

AGE OF HEAD TENANT

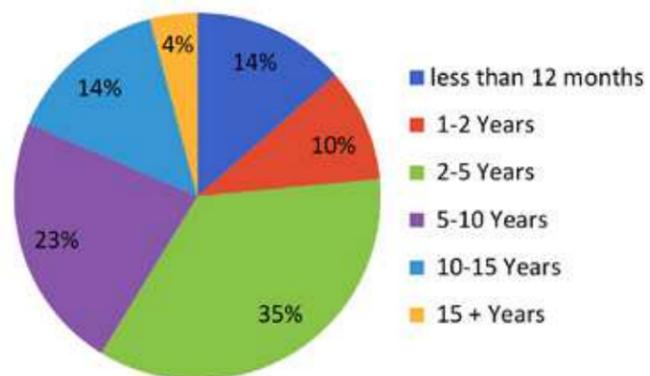


TENANT WITH DISABILITY



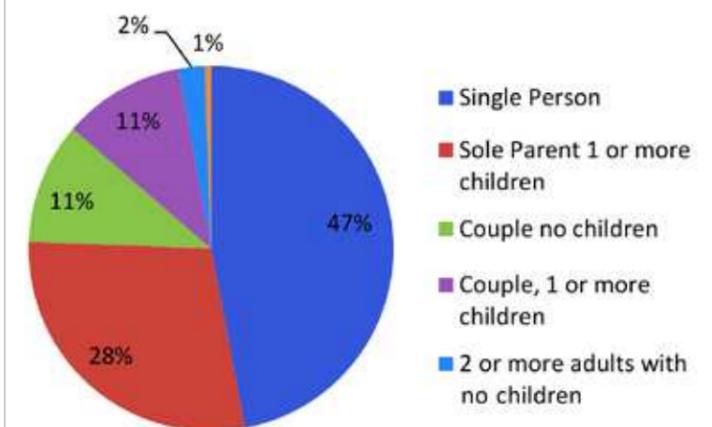
Link Housing supports many tenants with intellectual, physical, psychiatric or multiple disabilities.

LENGTH OF TENANCY BY YEARS



Over 40% of Link Housing tenants have been with us for at least 5 years.

HOUSEHOLD TYPES

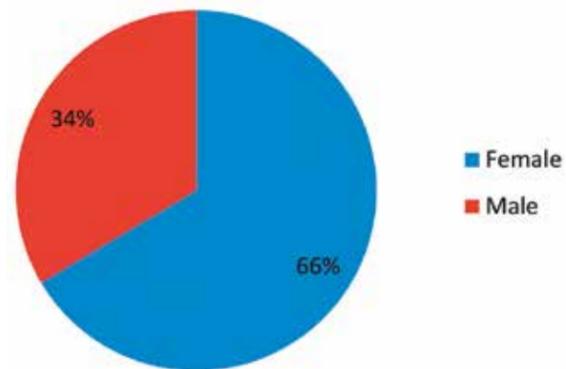


Almost half of Link Housing's tenants are people living alone, with an additional 28% being single parents. These figures align with the current Link Housing property portfolio.

People - Strategic Objective

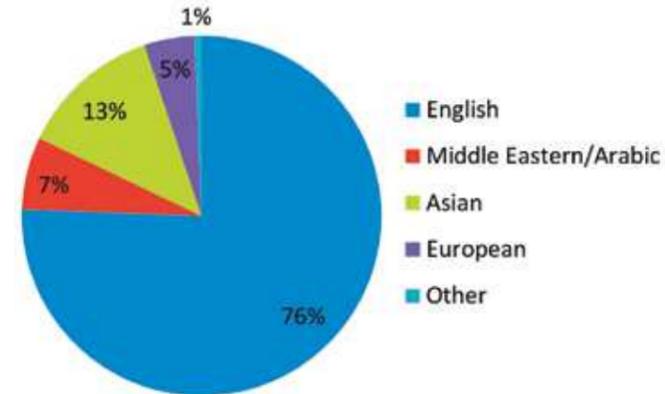
ADDITIONAL TENANT PROFILE

GENDER OF HEAD HOUSEHOLD MEMBER



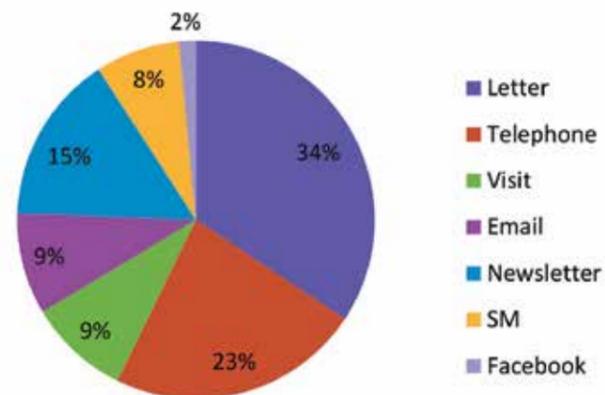
Females make up 66% of our head of households.

MAIN LANGUAGE SPOKEN IN THE HOME



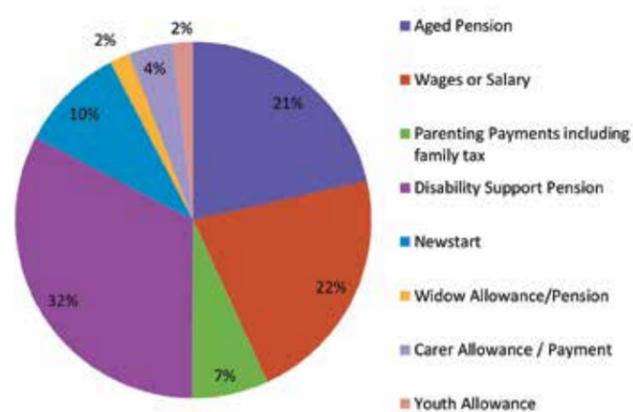
Just over 40% of our tenants speak another language other than English at home.

PREFERRED METHOD OF COMMUNICATION



The majority of our tenants still prefer letter or telephone as their preferred method of communication.

TENANTS MAIN SOURCE OF INCOME



53% of our tenants are in receipt of an aged pension or disability support pension.

Partnerships - Strategic Objective

SUPPORTED HOUSING PROGRAMS

Link Housing has a proud history of working alongside a wide range of support partners. Link Housing currently has 202 tenants in formal support arrangements with a shared goal of assisting those who are most in need.

Link Housing has continued to review, renew and build new partnerships throughout the year to assist our tenants to remain independent and sustain their tenancies.

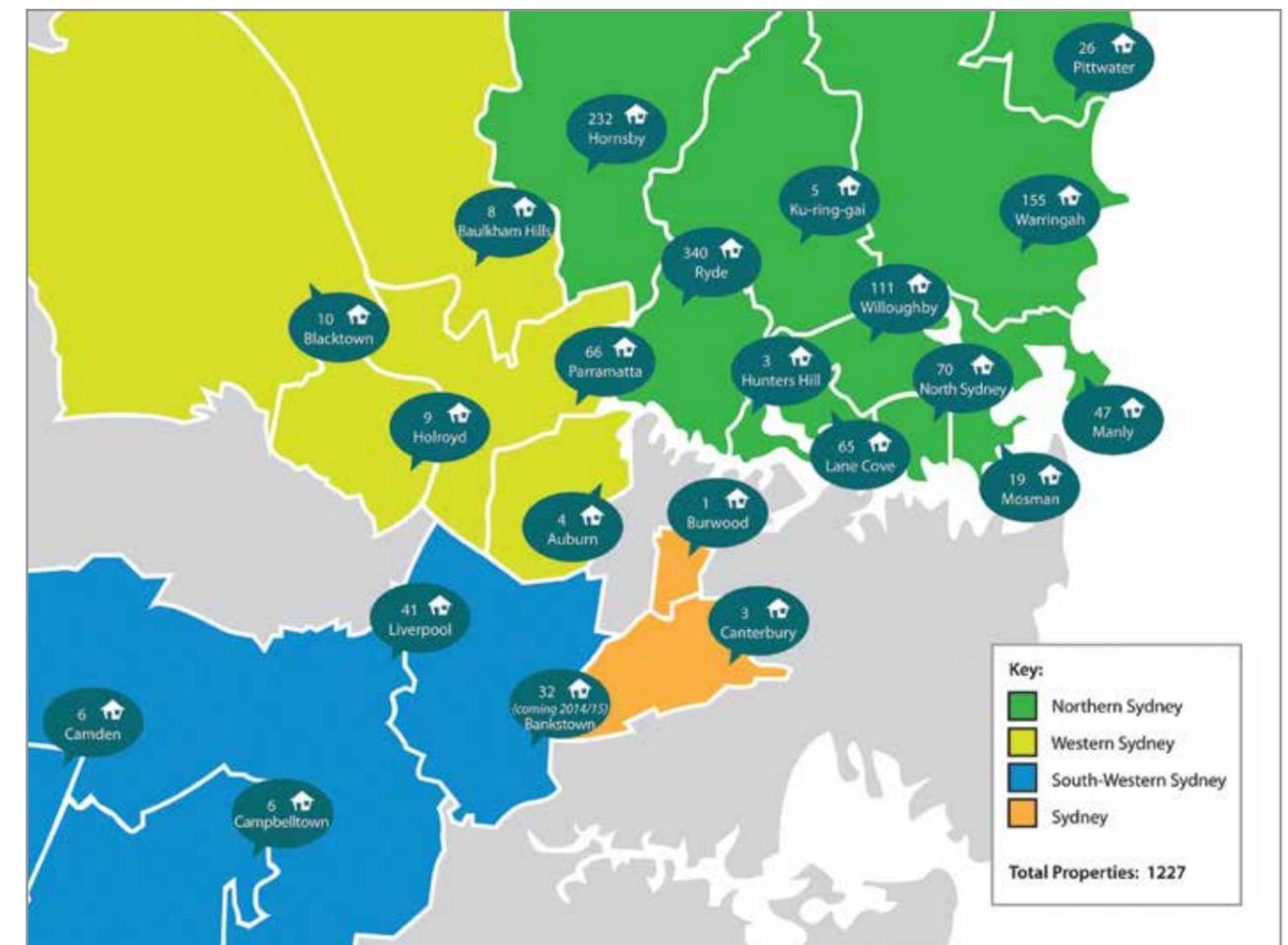
SUPPORT AGENCY	SUPPORT TYPE
Achieve Australia	Intellectual Disability
Ageing Disability and Home Care Sunshine Homes	Disability
Australian Red Cross	Young Mothers
Bobby Goldsmith Foundation	People with HIV/AIDS
Burdekin Association	Youth
Catholic Care Diocese of Broken Bay	Families
Catholic Community Services NSW/ACT	Boarding, Disability and Family Support
Community Care Northern Beaches	Aged, mental health and disability
Community Connections Australia	Disability
Community Restorative Centre	Ex-offenders
Delvena Women's Refuge	Domestic Violence
House With No Steps	Intellectual Disability
Housing Connection	Intellectual Disability
Lorna Hodgkin Sunshine Home	Intellectual Disability
Manly Warringah Women's Resource Centre	Domestic Violence, family support and young mothers
Manly Women's Shelter	Family Support
Mission Australia	Disability, HASI, intellectual disability
New Horizons	HASI and mental health
Northern Sydney Local Health District Assertive Outreach Teams • Hornsby Kuringai • Royal North Shore • Ryde • Northern Beaches	Mental Health
Phoenix House	Youth
Platform 70	Homelessness
Royal Rehabilitation Centre	Disability
Sunnyfield	Intellectual Disability
Taldumande	Youth
Wesley Mission	Family Support

LINK HOUSING PARTNERSHIP LANDSCAPE



PROPERTY PROFILE

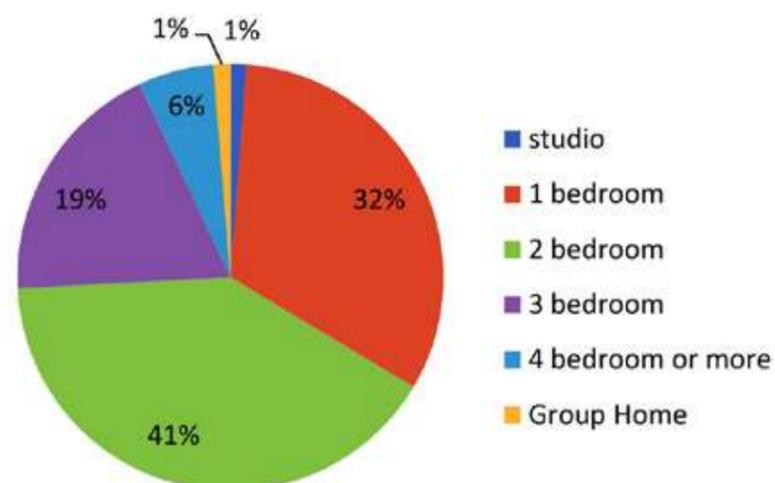
Link Housing currently manages 1227 properties across 21 local government areas with 88 per cent of the properties situated within the northern suburbs of Sydney.



Properties constructed at Potts Hill

Property - Strategic Objective

PROPERTY BY SIZE



Over two thirds of Link Housing's properties are 1 or 2 bedroom units or houses.

Property Program	Client Group	Properties	Tenancies
Capital	General And Supported	396	429
Crisis Accommodation Program	Supported	21	23
HPA (Home Purchase Assistance) Fee for service	General	7	7
Leasehold	General And Supported	373	381
North Sydney Council Joint Venture	General And Supported	29	43
Nation Building Economic Stimulus Program (owned)	General And Supported	218	219
Short Term Lease	Supported	8	8
Affordable Housing - Fee for Service	General	16	16
The Housing Connection - Fee for service	Supported	4	6
NRAS Affordable	General	155	155
		1227	1287

Property - Strategic Objective

By the time this report is read another fourteen families will have received their keys to the doors as well.



POTTS HILL

Construction of the 32 new homes is progressing very well. Early September 2014 has seen the arrival of four families receiving the keys to live in their brand new residences. These people were very excited to be living in this new suburb which is close to schools and public transport.

By the time this report is read another fourteen families will have received their keys to the doors as well. And by Christmas this year the remaining fourteen homes are expected to be completed and tenanted.

Two builders have been contracted to do the construction. Boronia Estates Pty Ltd and Trelle Homes Pty Ltd have been energetic in achieving the construction timetable. With approximately 400 homes being built in the new suburb of Potts Hill getting access to tradespeople has, at times, been a challenge. Yet, all properties will be completed within months of the planned completion dates which were scheduled several years ago.

Link Housing's first debt facility with Bendigo & Adelaide Bank Ltd (trading as Community Sector Bank) has been progressively drawn down to \$1.6 million as at 30 June 2014. By early 2015 the \$7.0 million facility is likely to be utilised in full. We are very grateful for the strong support we enjoy from the management of Community Sector Bank who are also positive about Link Housing fulfilling 100% of its nation building leveraging requirements ahead of the agreed delivery dates promised to the Australian & NSW Governments.

Andrew Boyd of Urban Growth NSW has been closely involved in managing Link Housing's interest in the design & construction. We thank Andrew for his diligence, calm manner, and outstanding collaboration skills.

Performance - Strategic Objective

LINK HOUSING YEAR IN NUMBERS...

Leasehold Properties Replaced

14%

Average Vacant days

15

Overall Tenants Satisfaction

86%

Number of new tenancies for the year

124

Overall Satisfaction with Repairs and Maintenance

77.5%

Average Void days

13

Education Scholarships awarded

\$12,600

Tenants Satisfied with the Overall condition of their home

88%

Number of people living in our properties:

2382

Performance - Strategic Objective

Being recognised as a Tier 1 Provider reflects the high quality organisation that Link Housing has become. It is a significant milestone received in your 30th year of operations in northern Sydney.

Dr Pamela Hanrahan, the NSW Registrar for Community Housing

REGISTRATION - TIER 1

Link Housing is delighted to announce its achievement on 24 July 2014 as a Tier 1 Registered community housing provider under the new National Regulatory System for Community Housing (NRSCH). This proud achievement engenders confidence with our clients and partners that Link Housing functions at the vanguard of good governance, probity and operational distinction.

The NSW Parliament on 22 August 2012 passed legislation¹ paving the way to implement a newly developed national regulatory system of compliance for participating community housing providers across Australia.

Commencing on 1 January 2014, the National Regulatory System for Community Housing (NRSCH) is designed to identify, monitor and respond to risks that could have serious consequences for tenants, funders and investors, community housing assets and the reputation of the

community housing sector as a whole.

Under the able leadership of the Board of Directors, Link Housing's CEO, Andrew McAnulty and staff embraced the opportunities presented by the NRSCH to reshape Link Housing policies and procedures to appropriately position the company towards its purpose 'to increase socially sustainable housing by being a leading community housing provider'.

Since becoming aware of the new registration system, Link Housing reviewed its business activities and began to align its business procedures against the stringent performance requirements necessary to achieve this feat.

We proudly acknowledge the many hours spent by the Tenancy Advisory Group (TAG) to review and provide valuable comments to make sure that our policies are suitable for our tenants and other stakeholders.



Dr Pamela Hanrahan, Michael Bolton, Sonja Walters, Andrew McAnulty



PRIME MINISTER

MESSAGE FROM THE PRIME MINISTER

LINK HOUSING 30 YEARS OF COMMUNITY HOUSING IN SYDNEY

I am pleased to send this message on the occasion of Link Housing's 30th anniversary.

Since 1984, Link Housing has extended a helping hand to people during times of need. The organisation's commitment to provide safe and stable accommodation has helped hundreds of families and individuals.

I pay tribute to the staff of Link Housing. Your compassion and hard work helps support tenants as they get back on their feet, further their education and increase their job prospects.

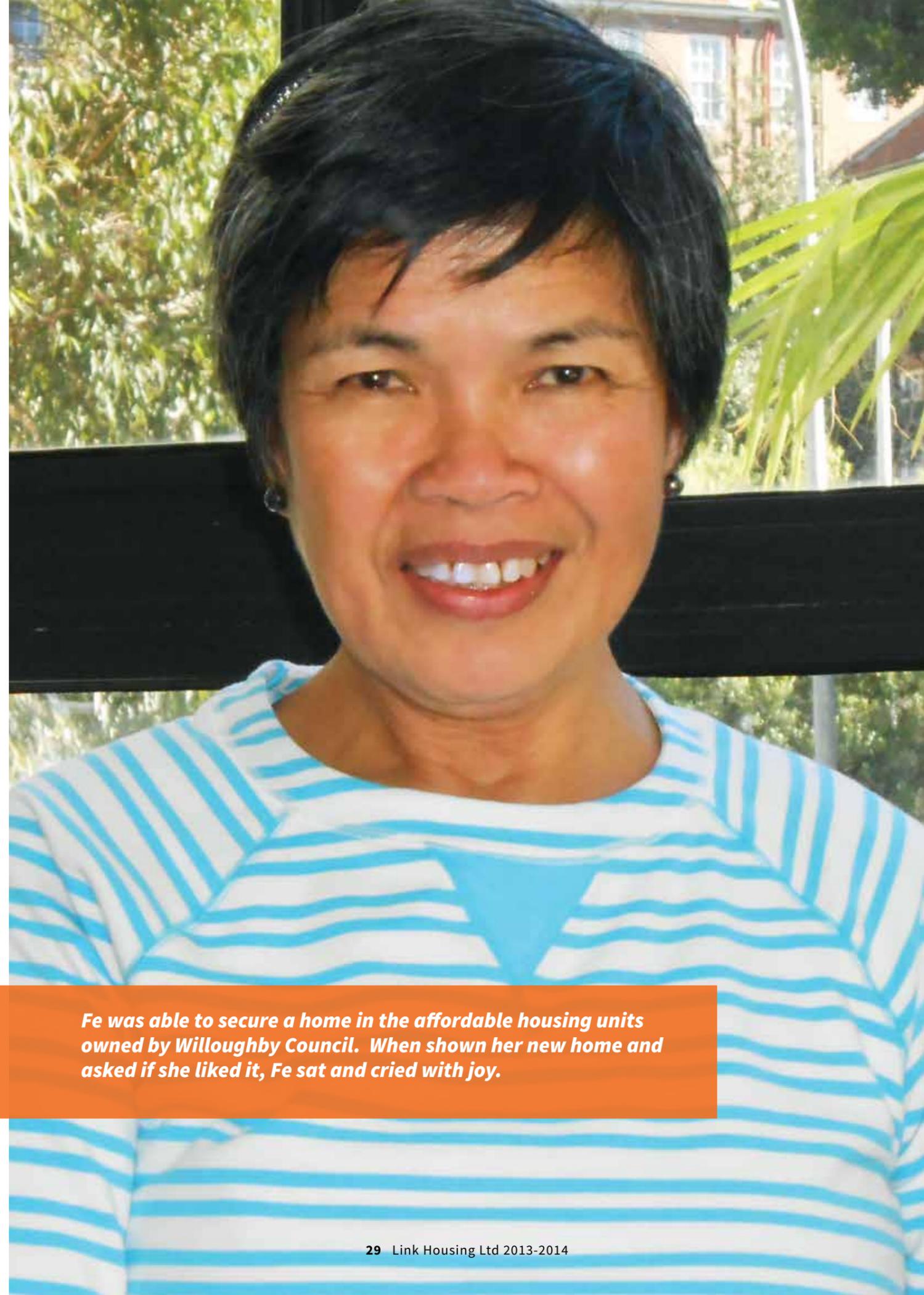
The Government believes in the capacity of affordable housing to make a real difference to those who are vulnerable to homelessness. We are providing over \$1 billion in 2014-15 to support the National Affordable Housing Agreement and have recently announced the extension of funding to help those who are homeless or at risk of homelessness.

Thank you for your hard work, commitment and dedication over thirty years.

I send my best wishes to everyone attending tonight's event.

The Hon Tony Abbott MP
Prime Minister of Australia

10 June 2014



Fe was able to secure a home in the affordable housing units owned by Willoughby Council. When shown her new home and asked if she liked it, Fe sat and cried with joy.

Financial Statements 2013-2014

Link Housing Ltd



LINK HOUSING LTD

ACN 003 084 928

(A company limited by guarantee)

ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2014

Directors' Report

FOR THE YEAR ENDED 30 JUNE 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

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The directors present their report, together with the financial statements of the company for the year ended 30 June 2014.

Directors

The names of each person who has been a director during or since the end of year are:

	DATE APPOINTED	DATE OF CESSATION
Aldo Manitta	25 November 2010	
Eija Roti	22 May 2008	Stepped down 28 Nov 2013 Re-joined 1 July 2014
George Marton	15 June 2010	Resigned 28 August 2014
Sonja Walters	15 June 2010	
Julie Savet Ward	15 June 2010	
Lois Towart	23 May 2011	
Mark McEnallay	25 June 2013	
Simon Maughan Wright	24 June 2013	

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 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

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
Occupation	Director
Special responsibilities	Member, HR & Nominations Committee and Development Committee

EIJA ROTI	
Qualifications	B.Arts, LLB. Admitted as a Solicitor of the Supreme Court NSW, GAICD.
Occupation	Director, Policy, Programs and Strategy, Department Family and Community Services
Special responsibilities	Member, HR & Nominations Committee

GEORGE MARTON	
Qualifications	MBA International Business, B. Commerce, Real Estate License NSW, GAICD.
Occupation	Strategic Property Advisor
Special responsibilities	Vice Chairperson and Chair, Development Committee

SONJA WALTERS	
Qualifications	MBA, BSW, Post Grad Certificate in Management, GAICD.
Occupation	Company Director and Trainer
Special responsibilities	Chair, HR & Nominations Committee

Directors' Report

FOR THE YEAR ENDED 30 JUNE 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

JULIE 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

MARK MCENALLAY	
Qualifications	B.Com, FCPA, FAICD
Occupation	Business Operations Manager, Community Services & Health Industry Skills Council
Special responsibilities	Chair, Audit and Risk Management Committee

SIMON MAUGHAN WRIGHT	
Qualifications	Law & Grad Dip, Labour Law, Syd Uni., Admitted to the Bar of the Supreme Court NSW 1976
Occupation	Principal, ABSA Corporate Advisory, Trade sales, mergers acquisitions & property consulting, Sydney, and company director.
Special responsibilities	Member, Development Committee

Directors' Report

FOR THE YEAR ENDED 30 JUNE 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

Directors Meetings

During the financial year, 10 meetings of directors and 16 meetings of Board committees were held. Attendances by each director during the year were as follows:

	NUMBER ELIGIBLE / INVITED TO ATTEND	NUMBER ATTENDED
Aldo Manitta	10	10
Eija Roti	3	3
George Marton	10	10
Julie Savet Ward	10	9
Lois Towart	10	10
Sonja Walters	10	9
Mark McEnallay	10	9
Simon Maughan Wright	10	10

Development Committee Meetings

	NUMBER ELIGIBLE / INVITED TO ATTEND	NUMBER ATTENDED
George Marton	7	7
Aldo Manitta	7	6
Simon Maughan Wright	7	6
Julie Savet Ward	1	1
Lois Towart	2	2

Audit & Risk Management Committee Meetings

	NUMBER ELIGIBLE / INVITED TO ATTEND	NUMBER ATTENDED
Lois Towart	5	5
Mark McEnallay	5	5
Simon Maughan Wright	1	1

Directors' Report

FOR THE YEAR ENDED 30 JUNE 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

HR & Nominations Committee Meetings

	NUMBER ELIGIBLE / INVITED TO ATTEND	NUMBER ATTENDED
Aldo Manitta	4	4
Sonja Walters	4	4
Eija Roti	1	1
Simon Maughan Wright	1	1

Principal activities

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

Short and long-term objectives and strategy

The short term objectives of the company during the year were to strengthen financial sustainability to allow us to expand housing opportunities particularly in relation to the Potts Hill project. We also focused on improving services to clients and ensuring our staff had the appropriate skills to work effectively with our tenants.

The longer term objectives are to improve organisational performance, to ensure we have a robust business model, whilst continuing to focus on a broader range of affordable housing needs which extend beyond the traditional social housing tenant. We expect to expand the number of affordable homes to 5,000 by 2022.

Investment properties

Link Housing has previously reported on the dwellings received in the Nation Building Economic Stimulus Plan. Of the 218 properties under management, vested title to 139 dwellings has been received. Since Link Housing has responsibility for all risks on the remaining 79 dwellings and enjoys all of the rewards of ownership, the accounting standards provide for the recognition of these assets, even though full title is yet to be transferred. This accounting recognition has been reflected in the periods when the

risks and rewards were vested to Link Housing. Subsequent to 30 June 2014 the full transfer of title to Link Housing Ltd has been gazetted by the NSW Government.

During the prior financial year, Link Housing secured the right to purchase land at Potts Hill via a put and call option agreement with Urban Growth (formerly Landcom). During the 2014 year title to four of the five lots were settled and transferred to Link Housing Ltd.'s name. As at balance date, approximately 30% of the \$3 million paid remains as an option fee. Settlement on this portion of the agreement took place in July 2014 and title to the final lot was transferred to Link Housing at that time. There are currently 32 new dwellings being constructed on this land with resident occupation in all homes expected before the end of 2014.

The \$7 million debt facility available from Bendigo and Adelaide Bank Ltd is drawn down by \$1.6 million as at balance date. This facility is to fund the construction of the 32 dwellings at Potts Hill.

Performance measures

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 EBITDA, tenant arrears, vacancies and voids and asset maintenance standards. These results are incorporated into a financial report that is reviewed by management and the Board of Directors regularly.

Member's guarantee

The Company is limited by a guarantee of the members. The limits of the guarantee are provided in Note 22 of the Financial Report.

Directors' Report

FOR THE YEAR ENDED 30 JUNE 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

Events after the end of the reporting period

Part of Link Housing Ltd's portfolios of properties under management involve three year leases with NSW Land & Housing Corporation (LAHC). On 30 September 2014 a lease on 277 such properties came to an end. The lease has a provision for holding over on a monthly basis until the tenancy is terminated by either party. These properties have been included on leases which have been renewed numerous times previously.

Based on discussions with LAHC concerning the renewal of the lease, it is expected that it will be renewed in due course. However, in the unlikely event that the lease is not renewed by LAHC, it would result in an adverse impact on the business. Under such a scenario, the directors are of the view that a restructure would be appropriate to right-size the business to ensure its continued profitability. If this were necessary, there is a considerable balance of un-committed surplus funds held on term deposit which could be accessed to fund the business during the restructuring process.

Auditor's Independence

The lead auditor's independence declaration in accordance with section 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012*, for the year ended 30 June 2014 has been received and can be found on page 37.

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

On behalf of the directors.

Director:

Date: 9th October 2014



Auditors Independence Declaration

FOR THE YEAR ENDED 30 JUNE 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

MOORE STEPHENS

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Sydney NSW 2000

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AUDITOR'S INDEPENDENCE DECLARATION

TO THE RESPONSIBLE ENTITIES' OF LINK HOUSING LIMITED

I declare that to the best of my knowledge and belief, during the year ended 30 June 2014, there have been no contraventions of:

- i. the auditor's independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

Moore Stephens Sydney

Melissa Alexander
Partner

Dated in Sydney this 9th day of October 2014

Moore Stephens Sydney ABN 90 773 984 843. An independent member of Moore Stephens International Limited – members in principal cities throughout the world. The Sydney Moore Stephens firm is not a partner or agent of any other Moore Stephens firm.

Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

	NOTE	2014 \$	2013 \$
Revenue	4	18,981,854	17,559,748
Other income	5	871,656	1,356,249
Expenses:			
Property expenses		(11,916,630)	(10,956,439)
Employee benefit expenses		(2,908,525)	(2,538,216)
Maintenance expenses		(1,296,052)	(1,592,717)
Office expenses		(648,608)	(568,225)
Depreciation and amortisation expense		(122,758)	(18,732)
Other expenses		(63,706)	(129,217)
Surplus before income tax expense	6	2,897,231	3,112,451
Income tax expense		-	-
Surplus for the year after income tax expense		2,897,231	3,112,451
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		2,897,231	3,112,451

The accompanying notes form part of this financial report.

Statement of Financial Position

AS AT 30 JUNE 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

	NOTE	2014 \$	2013 \$
Assets			
Current Assets			
Cash and cash equivalents	7	514,134	1,072,372
Other financial assets	8	8,851,265	5,828,715
Trade and other receivables	9	997,320	1,365,853
Other assets	10	828,453	748,020
Total Current Assets		11,191,172	9,014,960
Non-Current Assets			
Plant and equipment	11	51,195	34,006
Investment properties	12	67,310,917	64,026,240
Intangible assets	13	12,431	105,850
Total Non-Current Assets		67,374,543	64,166,096
Total Assets		78,565,715	73,181,056
Liabilities			
Current Liabilities			
Trade and other payables	14	1,839,383	1,067,053
Provisions	16	235,678	214,793
Other liabilities	17	390,499	384,610
Total Current Liabilities		2,465,560	1,666,456
Non-Current Liabilities			
Borrowings	15	1,604,091	-
Provisions	16	113,941	29,708
Total Non-Current Liabilities		1,718,032	29,708
Total Liabilities		4,183,592	1,696,164
NET ASSETS		74,382,123	71,484,892
Equity			
Reserves	18	1,558,205	1,433,754
Retained surpluses	19	72,823,918	70,051,138
TOTAL EQUITY		74,382,123	71,484,892

The accompanying notes form part of this financial report.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

	Retained surpluses \$	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 2013	70,051,138	-	603,238	-	-	830,516	-	-	71,484,892
Surplus for the year	2,897,231	-	-	-	-	-	-	-	2,897,231
Transfers to and from reserves	(124,451)	-	124,451	-	-	-	-	-	-
Balance at 30 June 2014	72,823,918	-	727,689	-	-	830,516	-	-	74,382,123

Balance at 1 July 2012	3,203,730	1,415,925	518,234	88,443	1,543,278	830,516	59,405,249	1,367,066	68,372,441
Surplus for the year	3,112,451	-	-	-	-	-	-	-	3,112,451
Affordable housing	(85,004)	-	85,004	-	-	-	-	-	-
Transfers to and from reserves	63,819,961	(1,415,925)	-	(88,443)	(1,543,278)	-	(59,405,249)	(1,367,066)	-
Balance at 30 June 2013	70,051,138	-	603,238	-	-	830,516	-	-	71,484,892

The accompanying notes form part of this financial report.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

	NOTE	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Rent and other receipts		11,883,488	11,301,211
Government subsidies and grants received		8,029,743	6,069,261
Sundry receipts		275,981	22,048
Interest received		309,070	273,755
Payments to suppliers and employees		(18,582,061)	(15,241,743)
Net cash provided by operating activities		1,916,221	2,424,532
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of property, plant and equipment		-	16,875
Transfer to term deposits		(2,222,550)	(5,828,715)
Purchase of property, plant and equipment		(21,671)	(35,780)
Purchase of software		(80,708)	(105,850)
Investment properties construction work in progress		(1,661,248)	(3,111,721)
Improvements and additions to investment properties		(71,518)	(54,389)
Net cash used in investing activities		(4,057,695)	(9,119,580)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		1,604,091	-
Interest paid		(20,855)	-
Net cash provided by financing activities		1,583,236	-
Net decrease in cash and cash equivalents held		(558,238)	(6,695,048)
Cash and cash equivalents at the beginning of the financial year		1,072,372	7,767,420
Cash and cash equivalents at the end of the financial year	7	514,134	1,072,372

The accompanying notes form part of this financial report.

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

1. CORPORATE INFORMATION

Link Housing Ltd is a company limited by guarantee.

The financial report is presented in Australian dollars, which is Link Housing Ltd.'s functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the responsible entities' declaration.

The financial report was authorised for issue, in accordance with a resolution of responsible entities, on 9th October 2014. The directors have the power to amend and reissue the financial report.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to the years presented unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), as appropriate for not-for-profit entities.

The financial statements, except for cash flow information, have been prepared on an accrual 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

Critical Accounting Estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of

applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

(b) New, revised or amending standards and interpretations adopted

Employee benefits

During the year, the company adopted AASB 119: Employee Benefits (September 2011) and the relevant consequential amendments arising from the related Amending Standards, which are mandatorily applicable from 1 January 2013. (As a result, the company early adopted AASB 2011-11: Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements because the company's financial statements are prepared under Australian Accounting Standards – Reduced Disclosure Requirements).

The company has applied AASB 119 (September 2011) with retrospective effect. Among other things, the main changes introduced by AASB 119 (September 2011) relate to defined benefit plans and termination benefits, which have no impact on the company's financial statements as the company has no defined benefit obligations or termination benefits at present. Additionally, AASB 119 (September 2011) has introduced revised definitions for "short-term employee benefits" and "other long-term employee benefits". These revisions cause a change in accounting policy for the annual leave provision amounts recognised in the financial statements as explained below.

Provision for employee benefits: annual leave

For the purpose of measurement, AASB 119 (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. Previously, annual leave satisfied the definition of short-term employee benefits and therefore the leave liability was measured on an undiscounted basis at the amounts expected to be paid when the liability was settled. However, under AASB 119 (September 2011), as the company expects that most employees will use all of their annual leave entitlements in the same year in

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

which they are earned or during the 12-month period that follows, obligations for some annual leave entitlements now meet the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees. The effects of the adjustments were immaterial. Note, however, that these changes would not impact the classification of leave entitlements between current and non-current liabilities in the statement of financial position.

(c) 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 company and specific criteria have been met for each of Link Housing Ltd's activities as discussed below.

Grant revenue

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

When grant revenue is received whereby the company 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 rent or fees paid on residential accommodation. Rental income is recognised for the period up to the reporting date. Any rent paid in advance is recognised as deferred income.

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

(d) 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.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturity dates of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(f) Other financial assets

Other financial assets include term deposits which have an original maturity date greater than three months.

(g) Trade and other receivables

Trade and other receivables are recognised at amortised cost, less any provision for impairment.

(h) Property, plant and equipment

Each class of property, plant and equipment is carried at

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

(i) Land

Freehold land is shown at cost.

(ii) Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 2(i) for details of impairment).

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, excluding freehold land and investments, is depreciated on both a 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% - 33%
Office Equipment	10% - 67%
Computer Software	33%

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

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 re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(i) Impairment of non-financial assets

At the end of each reporting period, 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.

(j) 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.

(k) Employee benefits

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (currently 9.25% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

(l) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the lease term. The lease is not recognised in the statement of financial position.

(m) 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 Report

FOR THE YEAR ENDED 30 JUNE 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

(n) Investment properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation and are not occupied by the entity. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured on a three year cycle at fair value, based on similar assets, location and market conditions. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfer to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on date of change of use.

Investment properties also include properties under construction for future use as investment properties. These are carried at fair value or at cost if fair value cannot be reliably determined and the construction is incomplete.

(o) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, that portion of the loans or borrowings are classified as non-current.

(p) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred,

including:

- Interest on the bank overdraft
- Interest on short-term and long-term borrowings.

(q) Intangible assets

Software

Software is initially recognised at cost. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Software has an estimated useful life of three years. It is assessed annually for impairment.

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number key estimates and assumptions.

Long service leave provision

As discussed in Note 2, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

	2014 \$	2013 \$
4. Revenue		
Rent received	11,226,480	10,768,334
Subsidies	6,809,103	6,069,261
Fee for service income	359,925	157,646
Interest received	330,364	387,185
Tenant reimbursements	255,982	177,322
	18,981,854	17,559,748
5. Other Income		
Gain on revaluation of investment properties	835,450	1,333,951
Sundry income	36,206	22,298
	871,656	1,356,249
6. Expenses		
Surplus before income tax includes the following specific expenses:		
Superannuation expense	228,249	190,736
Loss on sale of plant and equipment	-	1,693
7. Cash and Cash Equivalents		
Cash on hand	500	500
Cash at bank	513,634	271,872
Bank deposits	-	800,000
	514,134	1,072,372
8. Other Financial Assets		
Bank deposits	8,851,265	5,828,715
	8,851,265	5,828,715

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

	2014 \$	2013 \$
9. Trade and Other Receivables		
CURRENT		
Rent and non-rent amounts due from tenants	217,069	163,220
Provision for impairment	(94,043)	(124,745)
Total Trade Debts	123,026	38,475
Bonds paid on leased properties	687,804	664,042
Government subsidies receivable	27,333	517,996
Accrued interest receivable	134,724	113,503
Other receivables	24,433	31,837
Total Other Receivables	874,294	1,327,378
Total Trade and Other Receivables	997,320	1,365,853
10. Other Assets		
CURRENT		
Prepayments	828,453	748,020
	828,453	748,020
11. Plant and Equipment		
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	70,935	19,514
Accumulated depreciation	(47,235)	(5,172)
Total furniture, fixtures and fittings	23,700	14,342
Office equipment		
At cost	110,053	89,803
Accumulated depreciation	(82,558)	(70,139)
Total office equipment	27,495	19,664
Total plant and equipment	51,195	34,006

The accompanying notes form part of this financial report.

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

11. Plant and Equipment (continued)

Reconciliations

Reconciliations of the written down values for each class of plant and equipment between the beginning and the end of the current financial year:

	Furniture, Fixtures and Fittings \$	Office Equipment \$	Total \$
Balance at 30 June 2013	14,342	19,664	34,006
Additions	51,421	20,250	71,671
Disposal	-	-	-
Depreciation expense	(42,063)	(12,419)	(54,482)
Balance at 30 June 2014	23,700	27,495	51,195

	2014 \$	2013 \$
12. Investment Properties		
Investment properties – at fair value	61,821,489	60,914,520
Investment properties – at cost – construction work in progress	5,489,428	3,111,720
	67,310,917	64,026,240
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening balance 30 June 2013	64,026,240	59,528,240
Transfer from property, plant and equipment	-	80,000
Fair value adjustments	835,450	1,333,951
Additions resulting from capitalised development expenditure	2,449,227	3,084,049
Closing fair value and capitalised expenditure 30 June 2014	67,310,917	64,026,240

	2014 \$	2013 \$
13. Intangibles		
Software – at cost	14,879	105,850
Less: Accumulated amortisation	(2,448)	-
	12,431	105,850
Reconciliation of the written down value at the beginning and end of the current financial year are set out below:		
Opening balance 30 June 2013	105,850	-
Additions	80,708	105,850
Amortisation expense	(68,277)	-
Impairment	(105,850)	-
Closing balance 30 June 2014	12,431	105,850

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

	2014 \$	2013 \$
14. Trade and Other Payables		
CURRENT		
Trade payables	157,930	222,939
Sundry payables and accrued expenses	1,681,453	844,114
	1,839,383	1,067,053
15. Borrowings		
NON-CURRENT		
Bank loan	1,604,091	-
	1,604,091	-
16. Provisions		
CURRENT		
Employee benefits	235,678	214,793
	235,678	214,793
NON-CURRENT		
Employee benefits	63,941	29,708
Provision for leasehold rectification	50,000	-
	113,941	29,708

Reconciliation

	Employee Benefits	Leasehold Rectification	Total
Opening Balance 1 July 2013	244,501	-	244,501
Additional provisions raised during the year	309,456	50,000	359,456
Amount Used	(254,338)	-	(254,338)
Closing Balance 30 June 2014	299,619	50,000	349,619

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the

company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 2(k).

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

	2014 \$	2013 \$
17. Other Liabilities		
CURRENT		
Deferred Income	390,499	384,610
	390,499	384,610
18. Equity – Reserves		
SEPP 10 reserves	830,516	830,516
Affordable Housing reserve	727,689	603,238
	1,558,205	1,433,754
19. Equity – Retained Surpluses		
Retained surplus at the beginning of the financial year	70,051,138	3,203,730
Surplus profit after income tax expense for the year	2,897,231	3,112,451
Transfer to Affordable Housing reserve	(124,451)	(85,004)
Transfer from other reserves	-	63,819,961
	72,823,918	70,051,138
20. Capital and Leasing Commitments		
<i>Operating Lease Commitments</i>		
Payable – minimum lease payments	163,126	151,452
- No later than 1 year	57,741	205,302
- Between 1 year and 5 years	220,867	356,754
The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a five-year term. Increase in lease commitments may occur in line with the consumer price index (CPI).		
<i>Capital Expenditure Commitments</i>		
Payable		
- No later than 1 year	4,171,331	-

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

	2014 \$	2013 \$
21. Contingent Liabilities		
Contingent liabilities	93,200	93,200
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.		
<i>Financing arrangements</i>		
The company has a \$7.0 million debt facility from Adelaide and Bendigo Bank Ltd. This facility is being used for the construction of 32 dwellings at Potts Hill, Bankstown.		
<i>Unused borrowing facilities at the reporting date</i>		
Bank loans	5,395,909	7,000,000
	5,395,909	7,000,000
The bank loan facilities may be drawn at any time and have an average maturity of 15 years (2013: 16 years).		
22. 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 outstanding obligations of the Company. At 30 June 2014, the total amount that members of the Company are liable to contribute if the Company is wound up is \$3,800.		
23. Events after the End of the Reporting Period		
Apart from the matter noted below, there has not arisen any matters or circumstances 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.		
Part of Link Housing Ltd's portfolios of properties under management involve three year leases with NSW Land & Housing Corporation (LAHC). On 30 September 2014 a lease on 277 such properties came to an end. The lease has a provision for holding over on a monthly basis until the tenancy is terminated by either party. These properties have been included on leases which have been renewed numerous times previously.		
Based on discussions with LAHC concerning the renewal of the lease, it is expected that the lease will be renewed in due course. However, in the unlikely event that the lease is not renewed by LAHC, it would result in an adverse impact on the business. Under such a scenario, the directors are of the view that a restructure would be appropriate to right-size the business to ensure its continued profitability. If this were necessary, there is a considerable balance of un-committed surplus funds held on term deposit which could be accessed to fund the business during the restructuring process.		
24. Key Management Personnel Disclosures		
Compensation		
The aggregate compensation made to directors and other members of key management personnel of the company is set out below:		
Aggregate compensation – Directors	84,137	90,452
Aggregate compensation – Executive	715,425	463,336

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

	2014 \$	2013 \$
25. Related Party Transactions		

Key management personnel

Disclosures relating to key management personnel are set out in note 24.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

26. Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, borrowings from bank, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	NOTE	2014 \$	2013 \$
Financial assets			
Cash and cash equivalents	7	514,134	1,072,372
Other financial assets	8	8,851,265	5,828,715
Trade and other receivables	9	997,320	1,365,853
		10,362,719	8,266,940
Financial liabilities			
Trade and other payables	14	157,930	222,939
Sundry payables and accrued expenses	14	1,681,453	844,114
Borrowings	15	1,604,091	-
		3,443,474	1,067,053

Responsible Entities' Declaration

FOR THE YEAR ENDED 30 JUNE 2014 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

In accordance with a resolution of the responsible entities, being the directors, of Link Housing Limited, the responsible entities of the company declare that:

- The financial statements and notes, as set out on pages 37 to 54, comply with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - Comply with Australian Accounting Standards Reduced Disclosure Regulations; and
 - Give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the company.
- In the responsible entities' 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 Responsible Entities.

Julie Savet Ward:

Date: 9th October 2014

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LINK HOUSING LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Link Housing Limited ('the company'), which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory information and the responsible entities' declaration.

Responsible Entities' Responsibility for the Financial Report

The responsible entities are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. The responsible entities' responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 company's preparation and fair presentation of the financial report 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 entities internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, 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 *Australian Charities and Not-for-profits Commission Act 2012*.

Opinion

In our opinion the financial report of Link Housing Limited is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the financial reporting requirements of the *Australian Charities and Not-for-profits Regulation 2013*.

Moore Stephens Sydney
Chartered Accountants

Melissa Alexander
Partner

Dated in Sydney this 9th day of October 2014

LINK HOUSING BOARD CORPORATE GOVERNANCE PRINCIPLES

Principle 1: Lay solid foundations for management and oversight

Link Housing's commitment: We will establish and disclose the respective roles and responsibilities of Board and management. The duties and responsibilities of the Link Housing Board are outlined in the Link Housing Constitution which is available on our website. On 28 June 2011, Link Housing adopted a Corporate Governance Framework which sets out in more detail the duties of the directors, the chair and Board committees. This was further reviewed in February 2013. During 2013-14, to support the work of the Board and the senior management team, Link Housing ran three Board committees on Audit & Risk Management, Development, and Human Resources and Nominations.

Principle 2: Structure the Board to add value

Link Housing's commitment: We will have a Board of an effective composition, size and commitment to adequately discharge our responsibilities and duties. Link Housing follows a rigorous recruitment process to attract directors with professional skills and experience in government, 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 Housing 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 Housing's commitment: We will actively promote ethical and responsible decision-making. Director duties in ethical and responsible decision-making are contained in Link Housing'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 Housing 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 Housing's commitment: We will have a structure to independently verify and safeguard the integrity of our financial reporting. Link Housing has an Audit & Risk Management Committee to scrutinise and oversee financial reporting and provide advice to the Link Housing senior management team and the Board. Link Housing's financial records are audited annually by Moore Stephens and an Annual Financial Statement is lodged with ASIC and ACNC in accordance with our duties as a company limited by guarantee under the Corporations Act 2001 and the Australian Charities and Not-for-profits Commission. Link Housing has updated its financial management skills to include a full time position of Chief Financial Officer.

Principle 5: Undertake timely and effective communication with stakeholders

Link Housing'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 Housing 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 Housing website.

Principle 6: Respect the rights of members and tenants

Link Housing's commitment: We will respect the rights of members and tenants and facilitate the effective exercise of those rights. Link Housing 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 from time to time. Link Housing also has a robust complaints handling system, information on which is contained on the Link Housing website.

Principle 7: Recognise and manage risk

Link Housing's commitment: We have established a sound system of risk oversight and management and internal control. Link Housing's Risk Management Framework and the accompanying Risk Register are regularly updated to reflect new Link Housing priorities. The Link Housing Risk Management Framework uses principles embedded in AS/NZS ISO 31000:2009. Risk owners are provided additional training to that provided to all staff at induction. The Link Housing 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 Housing'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 awarded based on or by contracts linked to industry equivalents. Staff have annual performance development reviews that are used to determine salary increases.

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



*Link Housing strengthening
lives and communities.*

2013-2014



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