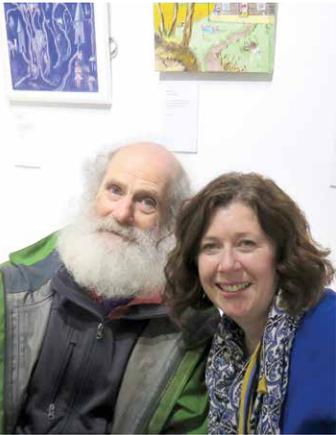




Annual Report 2015-2016





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



A BETTER FUTURE FOR THOSE IN NEED, THROUGH SAFE, AFFORDABLE HOUSING.

Link Housing aims to give a compassionate, client-centred service for people who are at risk of homelessness or are unable to afford market priced private rental in the Sydney region. Link now manages nearly 1400 homes across Northern Sydney, and is fully committed to increasing housing opportunities in the region. We celebrate in the opportunity to support families by providing a stable place to call home.



- ETHICAL**
Through transparency, fairness and honesty
- EXCELLENCE**
In everything we do
- RESPECTFUL**
Of everyone we work with
- ACCOUNTABLE**
To tenants and other stakeholders
- LEADERSHIP**
The courage to shape the future

LINK HOUSING LTD ANNUAL REPORT 2015-2016

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ABOUT US

Link Housing Ltd (Link Housing) is a Tier 1 Registered Community Housing Provider (CHP). We are one of the oldest not-for-profit community housing providers in NSW having been formed in 1984.

We provide compassionate, client-centred service for people who are at risk of homelessness or are unable to afford market priced private rental. Link Housing works with clients along every step of the journey, from placing tenants into their new homes all the way through to managing sustainable tenancy outcomes.

Link Housing now manages almost 1400 homes, with over 2,500 customers across Northern and metropolitan Sydney. We are fully committed to increasing housing opportunities in the region. We celebrate in the opportunity to support families by providing a stable place to call home.

We have an independent skills-based Board, and the skills and financial capacity to deliver new ideas, concepts, and growth.

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CHAIR'S REPORT

CHAIR'S REPORT

2015/16 was a rewarding year for all at Link Housing. Link Housing continues to perform well financially with equity increasing to \$107.3 million due to continued operating surpluses and the revaluation of our owned assets. Our two major purchases during the year were our new IT operating system 'Kypera' and the Questus rent roll, utilising the majority of surplus cash generated during the year. Our operating surplus remained positive at \$2.5 million with revenues of \$21.7 million. Link Housing continues to retain surplus cash for ongoing maintenance of our properties and the remaining \$12.5 million positions us well for future growth.

Link Housing participated in a number of key Government Tenders for various projects across Sydney. Led by our CEO Andrew McAnulty and our Senior Management Team, the organisation developed strong links with key stakeholders including financiers who are willing to support our growth. The time and financial investment that has been put into preparing these tenders is not to be underestimated. The new strategic direction for the Government 'Future Direction' was released early in 2016 outlining three key areas of growth in the sector namely: Communities Plus, Social and Affordable Housing Fund (SAFH) and Management Transfers. Link Housing is well placed to respond strategically to these opportunities and continues with its planned growth phase in 2016/17.

From a staffing perspective, Link Housing experienced the greatest change since its inception in 2010. I pay tribute to April Baggett who passed away in March. April was well respected by all who knew her. A difficult period followed for staff and April will always be remembered fondly, as a team the staff rallied and continued to provide an excellent service to our tenants.

Lindsay Kelly, our first Chief Financial Officer (CFO), tendered his resignation early July. When Lindsay Kelly took on the CFO role more than three and a half years ago it was only meant to be for a short period of time, luckily he stayed for much longer and we are grateful for his expertise as the financial and governance affairs of Link Housing are in good shape. The Board thanks Lindsay for

his significant contribution, as both CFO and Company Secretary, and wishes him well for the future.

Our Chief Operating Officer Samantha Male resigned earlier in the year to pursue avocado farming in Northern NSW. Samantha oversaw the development of internal systems to support the business, including the implementation of Kypera and I thank her for her significant contribution to Link Housing. Samantha is succeeded by Kath Cain, internally promoted from the role of General Manager, Housing and Communities.

We have now appointed Paul Hunt as our new Development and New Business Director. Paul has extensive experience both within the Government and in the private sector in housing and property development.

My thanks also to the Senior Management Team, for their commitment and contributions to Link Housing, and at the same time I welcome the new appointees, some of whom are yet to arrive.

There have been several, well attended, tenant activities throughout the year. The Board continues to value the Tenant Advisory Group and seek their continued support and input into the development of our strategic plans. The Board reviews with much interest our tenant surveys and is pleased that Link Housing is achieving required benchmarks whilst continuing to ensure ongoing improvements in our service delivery to tenants. This has been supported by the implementation of our new IT system Kypera which aims to integrate all areas of the business ensuring a seamless communication between tenant management, finance, and asset management.

The Board appointed three new independent committee members; Belinda Bentley to our Development Committee, Aldo Manitta (previously a Link Director) to our Human Resources and Nominations Committee and Victoria Clent to our Audit and Risk Management Committee. Victoria and Belinda both bring a fresh new approach to our thinking and their contributions have been invaluable. Aldo is providing continuity on our Human Resources and Nominations Committee.

It was pleasing to see Link Housing win an award for excellence for 'BEST DEVELOPMENT' for the Potts Hill project in 2016. This award is a reflection of Link Housing's growing reputation as a partner of choice as we continue to build our capability in the development arena.

Looking forward into 2016/17 Link Housing is well prepared for the challenges ahead, supported by excellent staff and partnerships, and the ongoing support of all our current tenants.

Finally, I take this opportunity to thank my fellow Directors for their focus on the governance of Link Housing and for the additional time invested by each and every one of them to support the Senior Management Team aiming to achieve Link Housing goals for future growth and sustained service delivery to our tenants. These achievements were in no small way the result of the ongoing commitment and hard work from our CEO Andrew McAnulty and I thank Andrew for his dedication to Link Housing and to the provision of social and affordable housing for people in need.

SONJA WALTERS

Chair

“2015/16 was a rewarding year for all at Link Housing. Link Housing continues to perform well financially with equity increasing to \$107.3 million due to continued operating surpluses and the revaluation of our owned assets.”



CEO'S REPORT

CEO'S REPORT 2015-16

The past year has been characterised as a period of change and preparing for the future.

In January, Link Housing welcomed "Future Directions for Social Housing in NSW" which set out the NSW Government's Vision for social housing over the next 10 years. Brad Hazzard, Minister for Family and Community Services and Social Housing unveiled the strategy stating that: "Social housing is a vital service underpinning the social good of NSW. This ten year strategy encompassing the NSW Government's reforms is about more than properties. It is about people."

The long term thinking and strategic approach adopted in "Future Directions" establishes a direct challenge for the community housing sector to accelerate the journey of capacity building, partnership and growth – in order to deliver improved and increased opportunities for families and individuals in NSW who require social and affordable housing.

For the past three years, Link Housing has been preparing for this challenge by improving its internal systems, structure, policies and practices – and building our external profile and partnership capacity.

We have moved into a growth ready phase in anticipation of further tenders, management transfers and future opportunities to deliver new homes and services, by partnering with the State Government, the private sector, our support partners and our tenants, in 2016-17 and beyond.

We are well placed to build on our strengths in delivering

Minister Brad Hazzard and panel from the December 15 event 2015



ANDREW MCANULTY
Chief Executive Officer
and Executive Director

"We have moved into a growth ready phase in anticipation of further tenders, management transfers and future opportunities to deliver new homes and services, by partnering with the State Government, the private sector, our support partners and our tenants, in 2016-17 and beyond."

improved tenant outcomes, and will continue partnerships that aid and deliver much needed sustainably funded mixed tenure homes for people in need.

MORE THAN BRICKS AND MORTAR

Link Housing has grown to 1,395 homes under management this year, which in turn provides homes to over 2,500 people. This is only the beginning.

In addition we have:

- Strengthened our relationships with our Tenant Advisory Group (TAG) and our support partners, as we seek to expand and improve our services to our tenants;
- Stepped up in order to raise awareness and prevent Violence against Women. We are committed to becoming a 'White Ribbon Workplace' during 2016;
- Held significant public events to raise awareness of the need and importance of social and affordable housing through:
 - 'Meeting the Housing needs of the Northern Beaches' – with Minister Hazzard in December 2015
 - 'Housing Diversity of Sydney's North Shore' – with Minister Berejiklian in April 2016
 - 'What a Home Means to You', art exhibition with Warringah Council in June 2016;
- Been nominated as a finalist in two categories at the Customer Service Institute of Australia (CSIA) 2016 Australian Service Excellence Awards: "Customer Service Organisation of the Year - Not for Profit" and "Customer Service Project of the Year". The awards will be announced in October 2016.

THANK YOU

I would like to put on record my thanks to the Link Housing Chair, Ms Sonja Walters and fellow Link Housing Directors for their guidance and support throughout the year. I also extend my thanks and appreciation to the Link Housing staff team, notably Samantha Male, Lindsay Kelly, and Greg South who departed Link Housing during the year, together with the current staff, tenants and partners of Link Housing for a significant year of combined success.

My confidence continues to grow in the Link Housing TAG team. They have provided outstanding feedback and service to Link over the past year. Thank you to our tenants, you motivate me and I appreciate your feedback on how we can become an even better organisation.

Our ongoing thanks goes to the Department of Family & Community Services for their continued support of Community Housing in NSW, as well as our many excellent support providers who are noted within this annual report.

During the coming year Link Housing will work closely with both existing and new partners to deliver positive change – and provide even more homes for people who need them.

Finally, I thank the Link Housing Senior Management team of Kath Cain, Beth Archer, Paul Hunt, Deon Wyngaard and Philip Brady – we are moving forward in a positive direction – as we prepare to embrace and deliver future directions and future opportunities.



MARK MCENALLAY

Chair Audit and Risk Management Committee

“Revenue for the year was \$21.7 million. Of this, \$12.7 million was rent from tenants, \$7.8 million was government subsidies, \$0.6 million was fee for service income, interest income was \$0.4 million, and miscellaneous tenant reimbursements was \$0.2 million.”

FINANCE REPORT

OPERATIONS

The financial surplus for the twelve months ending 30 June 2016 was \$17.6 million. Within this amount is a non-cash amount of \$15.0 million in property valuations resulting from the rolling re-valuation process for all Investment properties. The valuations are carried out by a qualified property valuer Civic Valuations, who were re-appointed as Link Housing’s valuers following a competitive tender process during the year.

At an operational level the surplus was \$2.5 million which is \$1.5 million less than the previous year. This surplus continues the strong progress achieved in improving 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 2015-16 was 11.7%, down from 14.7% the year earlier.

Revenue for the year was \$21.7 million. Of this \$12.7 million was rent from tenants, \$7.8 million was government subsidies, \$0.6 million was fee for service income, interest income was \$0.4 million, and miscellaneous tenant reimbursements was \$0.2 million.

General property expenses are higher and employee benefits expenses reflect the increased number of staff. Depreciation and amortisation reflect the completion of a new IT system and the amortisation of a Rent Roll purchased during the year.

The annual cash operating surplus from the 218 vested Nation Building Economic Stimulus properties was \$0.8 million bringing to a total over four years of \$3.75 million.

The 32 properties at Potts Hill, constructed in 2015, generated an annual cash surplus of \$0.8 million in their first full year of operation.



NSW GOVERNMENT TREASURER GLADYS BEREJIKLIAN AND ANDREW MCANULTY

FINANCIAL POSITION

Cash and cash equivalent term deposits held for current and future programs is \$13.1 million at year end. This is a decrease of \$0.1 million from a year earlier. Cash has been used in major capital expenditure programs covering the new IT system, purchase of a Rent Roll and a joint development with North Sydney Council.

Investment properties now represent over \$98.4 million. All properties have been revalued over the past 12 months.

During the year, Kypera, a new financial and operational tenancy and asset management system, was installed. This resulted in an increase in Software intangibles of \$0.3 million. A Rent Roll to the value of \$1.0 million was purchased from Questus and this is being written off over the estimated useful life of the rent roll.

Repayment of the \$6.1 million debt facility with Bendigo & Adelaide Bank Ltd, which trades as Community Sector Bank, has started with over \$0.6 million being repaid.

FINANCIAL & RISK MANAGEMENT

The implementation of a new IT system was identified as a risk by the external auditors and they conducted additional testing

to ensure that data had been transferred accurately and completely.

During the year, Link Housing undertook an external review of their Risk Management Framework. The review noted that Link Housing has a sound risk management framework / methodology in place that appears to meet current business needs and requirements. During the coming year, Link Housing will be working on areas of potential improvement noted during the review.

Internal audits continue to show strong internal controls and a culture of good corporate governance. Link Housing continues to meet its Tier 1 compliance requirements

FUTURE ACTIVITIES

Using the skills acquired in the Potts Hill project, Link Housing has investigated and, in some cases submitted, several innovative proposals in response to expressions of interest from a number of government and private suppliers.

ACKNOWLEDGEMENTS:

I would like to thank Lindsay Kelly, Beth Archer and the Finance team for running an effective and transparent financial management process.

STRATEGIC DIRECTION

Link Housing outlined its Strategic Direction for 2014 – 2022. The Strategic Direction 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.

These Strategic Objectives shaped the Business Plan for 2014-17. The Business Plan shaped the Key Performance Indicators (KPIs) for the Executive Team and staff linked to these four strategic objectives.

Outcomes for 2015-16 taken from the Business Plan are outlined to the right and below:

1. PEOPLE: Empowering and engaging to deliver quality outcomes	
AS AT 30 JUNE 2016	
Headline KPI >>>>	76% overall tenant satisfaction
We will achieve and sustain the highest levels of tenant and applicant satisfaction, delivering best practice customer service with our housing management and maintenance services.	Achieved; <ul style="list-style-type: none"> • International Customer Service Standard Accreditation. • 93% against LinkRight Service Standards strategies.
We will link tenants and communities with a range of services that meet their needs	Offered the following training opportunities to tenants; <ul style="list-style-type: none"> • Social media training. • Education and training scholarships. • Conducted an inaugural Health & Wellness survey for tenants. • Mystery shopping training. • Working with contractors.
We will listen to and engage with our customers to ensure our services meet current and future needs.	Tenant engagement numbers increased by 10% as a result of increased tenant communication and tenant information days.
We will maintain a highly professional and engaged staff team.	<ul style="list-style-type: none"> • Staff satisfaction level at 88%. • Zero lost time injuries. • 90% of staff objectives achieved. • Achieved 14th best place to work for companies under 100 employees. • Full calendar year of staff wellness activities.
2. PARTNERSHIPS: Becoming a partner of choice	
AS AT 30 JUNE 2016	
Headline KPI >>>> Strategic discussions and networking with key partners.	Agreements with North Sydney, Leichhardt/ Marrickville (Inner West Council), Lane Cove, and discussions well advanced with Warringah, Pittwater and Willoughby Councils.
We will have strong relationships and profile with Local, State and Federal Governments, support providers, and financial institutions.	In addition to councils, positive relationships with state Government, Ministers, financial institutions and support providers.

We will be the “community housing partner of choice” in Northern Sydney and a credible delivery partner for large scale opportunities.	Maintained and strengthened key partnerships with Burdekin, New Horizons, ACL, Sunnyfield, Phoenix House and CCA and The Housing Connection.
We will be a thought leader in our industry.	Successfully hosted two community housing forums; <ul style="list-style-type: none"> • Meeting the Housing Needs of the Northern Beaches • Creating Housing Options on the North Shore.
We will have strong business partnerships that help support Link Housing as a leading Community Housing Provider, including affordable housing and market rents.	Action plan in place for raising SEPP awareness.
3. PROPERTY: Providing 5,000 quality homes for those in need	
AS AT 30 JUNE 2016	
Headline KPI >>>> 1,410 homes	1395
We will double the number of homes in management from 1,200 to 2,500 by 2016/17 and achieve 5,000 homes in management by 2022	Property portfolio has grown by 84.
We will provide a range of housing solutions to meet the needs of our customers.	Maintained and strengthened key relationships with support partners on transitional housing models for adults with disability living at home to move into independent living.
We will actively manage our resources to optimise the quality of our existing portfolio.	Achieved 82.8% tenant satisfaction.
4. PERFORMANCE: Delivering a legacy of strong governance & financial performance	
AS AT 30 JUNE 2016	
Headline KPI >>>> EBITDA financial performance Minimum 6.5%	Exceeded: 11.7%.
We will maintain the highest levels of compliance, probity, financial and risk management, demonstrating transparent best practice.	New IT / operations systems implemented below budget expectation.
We will maintain the highest levels of governance.	97% staff satisfaction with the Board and Governance arrangements.
We will invest in maintaining and growing our homes in management through strategic optimisation of our balance sheet and target EBITDA.	Exceeded improvement targets against NRS EBITDA.
We will achieve and retain the highest level of Registration and accreditation.	Tier 1 Registration compliance submitted and achieved, with no recommendations for improvement recorded.
Our housing treads lightly on the earth.	Early stage planning commenced.



PEOPLE - Strategic Objective

Link Housing places great value on the wellbeing and personal and professional development of all staff members. The 'LinkWay' people strategy continues to guide and develop Link Housing's strong and positive culture, encourage leadership capabilities and measure and rewards performance.

STAFF STORY: *Davina Taylor*

I joined Link Housing in 2011, and what an extraordinary journey it has been. Coming from a Real Estate background, specialising in property management for over 21 years, I took on the Leasehold Property Co-ordinator role at Link Housing.

This position supports and enhances services within the Leasehold program. Working in such a unique role has been very rewarding. I love what I do. I meet so many different and interesting people, it's incredible!

I am forever grateful to be working with fabulous people from all walks of life. I would have never completed a Diploma in Social Housing if it weren't for the support of my colleagues at Link Housing.

When not at work, I spend time with family and catching up with friends. I enjoy spending quality time with my best friend and partner Richard. We lead pretty busy lives, but we definitely have fun along the way.

STAFF AWARDS

Link Housing announced its annual awards of excellence winners in December 2015. Awards were given to employees for their outstanding contribution to Link Housing in two different areas of the business:

TEAMWORK AND LEADERSHIP

Michael Bacon and April Baggett

SERVICE EXCELLENCE

Keith Stephens

'I would personally like to thank all of the people who thought that I was deserving of this award'

Keith Stephens

Link Housing Staff Conference May 2016



 BELOW: Award winners April Baggett, Keith Stephens and Michael Bacon



PEOPLE - Strategic Objective

BOARD OF DIRECTORS



**SONJA WALTERS
CHAIR**

Sonja has over 20 years' experience in the housing industry holding an Executive Director position in a mobile home village in Queensland with over 420 homes. This village is now under expansion with a further 120 homes to be developed in 2016/17. As well, Sonja has been involved in the NSW Community Housing Sector as a Director since 2004. Sonja combines this extensive knowledge of the housing sector with her community experience as a social worker in many arenas with a key focus on disability and the aged. She currently is an educator at the Australian College of Applied Psychology and the current Chair of Link Housing.



**ANDREW MCANULTY
EXECUTIVE
DIRECTOR**

Andrew is a respected community housing figure, both nationally and internationally, having delivered social, affordable and large scale urban renewal outcomes for over twenty five years across Australia and the United Kingdom, delivering thousands of quality mixed tenure homes for people in need. Andrew's experience highlights the innovation and vision required to create cutting edge outcomes for projects which link Government, the

private sector and the community housing sector – in order to actually deliver mixed tenure housing and place based urban renewal outcomes which create places for people to thrive. As the CEO of Link Housing, Andrew has continued to build the relationships to initiate sustainable growth with partners such as local government and private developers.



**JULIE SAVET WARD
DIRECTOR**

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 was the Chair of Link Housing for the past six years and is currently the Chair of the Human Resources and Nominations Committee. She is the Chair 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. She has 25 years' management experience and brings a deep understanding of the planning, approval, design, construction and delivery of property, infrastructure and natural resource projects. Her strengths lie in corporate governance, strategic planning, stakeholder relationships, mergers and acquisitions, environmental regulation and

project management. Julie is also a state member of the Sydney East Joint Regional Planning Panel.



**MARK MCENALLAY
DIRECTOR**

Mark is the transitional CEO and Company Secretary at the Community Services and Health Industry Skills Council Limited (CS&HISC). CS&HISC is a Government funded, Not-For-Profit that leads workforce development in the Community Services and Health industries. 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 Australia and a Fellow of the Australian Institute of Company Directors. Mark joined Link Housing in June 2013 and is Chair of the Audit and Risk Management Committee.



**LOIS TOWART
DIRECTOR**

Lois has been a member and director of Link Housing Limited since June 2011. Lois has enjoyed a long career in the property industry with positions in valuation, research, funds management, government and banking positions. She has

specialised in the seniors living, aged care and health care sectors.

Lois has been published across a range of property subjects in both professional general publications and has been involved with the Australian Property Institute and the Financial Services Institute of Australia.



**SIMON MAUGHAN
WRIGHT
DIRECTOR**

Chair of the Development Committee, Simon is the owner and director of ABSA Corporate Advisory, a mergers and acquisitions advisory business, and a private real estate development business. 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), Westpac Business Succession Services, group general manager and director of a real estate development & investment group of companies and has been a director of several other private and public companies.

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.

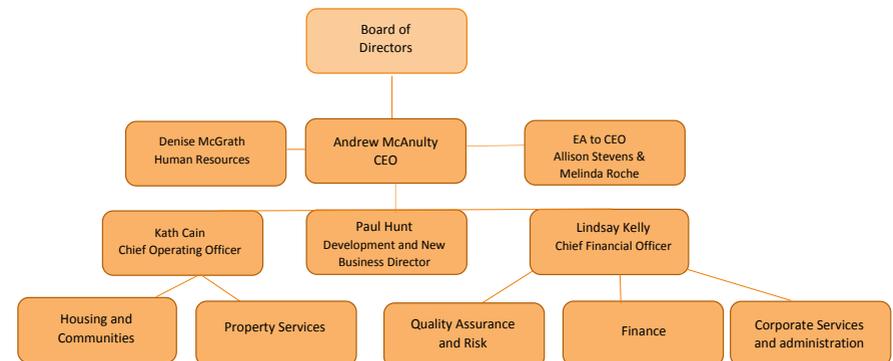


**KERRY ROBINSON
DIRECTOR**

Kerry is General Manager of Blacktown City Council, Deputy Chair of Blacktown Venue Management Limited; Deputy Chair of Blacktown and Mount Druitt Hospital Foundation; Board Member of

WestPool and United Independent Pools, self-insurance mutuals and a member of the advisory panel for UNSW City Futures Research Centre. Kerry has over 30 years' experience in the property industry with senior roles in corporations and Government, including 8 years' as an Executive General Manager delivering large, complex industrial, town centre and residential projects, many with values of over \$1B, leading a team of 30 professional staff expending over \$150M p.a. and producing over 1,000 residential lots p.a. He has extensive experience negotiating and managing large 'joint ventures' and complex, structured real estate transactions. Kerry was previously a Board Member of the NSW Architects Registration Board and is an experienced manager of stakeholders with an interest in corporate governance.

LINK HOUSING ORGANISATION CHART



PEOPLE - Strategic Objective

SENIOR MANAGEMENT TEAM



ANDREW MCANULTY
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 five years across Australia and the United Kingdom, delivering thousands of quality mixed tenure homes for people in need.

Andrew's experience highlights the innovation and vision required to create cutting edge outcomes for projects which link Government, the private sector and the community housing sector - in order to actually deliver mixed tenure housing and place based urban renewal outcomes which create places for people to thrive. As the CEO of Link Housing, Andrew has continued to build the relationships to initiate sustainable growth with partners such as local government and private developers.



LINDSAY KELLY
CHIEF FINANCIAL OFFICER
UP UNTIL: 06/07/16

Lindsay has played a leadership role in NSW Community Housing since 1998. 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.

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.



KATHLEEN CAIN
CHIEF OPERATING OFFICER

Kath has many years of 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.



BETH ARCHER
FINANCE MANAGER

Beth has worked across a broad range of industries and brings with her extensive experience across Finance operations. She strives for best practice and seeks continuous improvement and increased efficiencies. Her passion is building a highly effective and engaged team which delivers excellent customer service.



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.



PHILIP BRADY
PROPERTY SERVICES MANAGER

Philip has worked in both the private and public sectors in building, maintenance and facility management. He has also had experience in procurement for several government agencies such as NSW Premier's Department and the Board of Studies.

He has managed construction and renovation projects at facilities such as Westmead Hospital and the NSW Ambulance State Headquarters. Philip holds qualifications in Politics and Public Policy. These varied career experiences and qualifications enable Philip to respond quickly to the needs of Link Housing Tenants and develop innovative solutions for maintenance and future developments.



PAUL HUNT
DEVELOPMENT AND NEW BUSINESS DIRECTOR

Paul is a certified practising Project Director with the Australian Institute of Project Management and has twenty six years of extensive experience in managing large complex projects. He has specialised experience in the development of large master-planned communities and high-density urban renewal projects. Paul has advanced leadership skills and project expertise in managing development teams through strategic planning, concept development, rezoning and approvals, detailed design and construction delivery. Paul has an excellent knowledge of Government and Community Housing and has significant contacts with builders and architects.



CLIVE BRADSHAW
GENERAL MANAGER HOUSING AND COMMUNITY

Clive has a wide range of experience delivering housing services and overseeing operational activity. He has worked in both the government and the non-government sector in Australia and England. He has led the service delivery in a wide range of situations from large organisations with portfolios of many thousands of properties to small community organisations with less than 100 properties. His most recent experience was with Family and Community Services leading the housing activity in Western Sydney where he also gained experience in the areas of child protection and disability service provision. In addition to leading operational services he has extensive experience in business planning and service improvement.



STAFF STORY: *Kate Macoun*

I started working in Real Estate in 2006. I spent 7 years working as a Property Manager before deciding I wanted a new challenge. I commenced working with Link Housing in 2013 as the Affordable Housing Property Manager.

I wanted to work with Link Housing to make a difference to the lives of others. Link Housing's vision and values align with my personal values, so it was a team I wanted to be a part of.

When not at work, I enjoy spending time with my family and friends including my two very mischievous dogs.

PEOPLE - Strategic Objective

TENANT ADVISORY GROUP REPORT



“To inspire the active voice and enrich community relations”

It's been a very busy year for TAG. The group has steadily grown in numbers, attracting new members with varied skills and experience. With such a diverse group, TAG has been extremely successful in fulfilling its goals for the year, while continuing to maintain the interests of tenants.

One of TAG's goals was to attend board and senior management strategic development days, in an effort to become more actively involved in the strategic planning of the organisation. TAG was successful in achieving this and now regularly reviews all business plans, objectives, and policies and procedures that directly affect tenants.

At the heart of TAG's core business lies the best interest of Link Housing tenants.

As a result of TAG's increased involvement in the business, we can ensure Link Housing remains a tenant led organisation. Link Housing has been planning for growth, and TAG have been instrumental in steering the organisation in the right direction from a tenant perspective.

This year, TAG developed its own Mission Statement: 'To inspire the active voice and enrich community relations'. This works to define the overall efforts of TAG, and ensure they are running cohesively with Link Housing's mission and values.

TAG continues to work in partnership with Link Housing to ensure quality service is provided to all tenants and stakeholders. TAG is excited and inspired about the year ahead.

Forminglinks

Link Housing published a three year community engagement strategy 'FormingLinks' eighteen months ago. Link Housing has achieved its target of delivering 90% of the action plan in the first year. Hundreds of tenants have benefited from 'FormingLinks' including:

- ✓ Free training courses
- ✓ Access to work experience
- ✓ Scholarship funds
- ✓ Family social excursions

Link Housing carried out its first Health and Wellbeing report in January 2016. As part of Link Housing's 'FormingLinks' strategy, Link Housing wanted to establish a base-line picture of our residents overall health, wellbeing, future aspirations and plans. Understanding the wellbeing of tenants helps to prioritise future projects. In the long-term, this survey will help in measuring the success of projects.



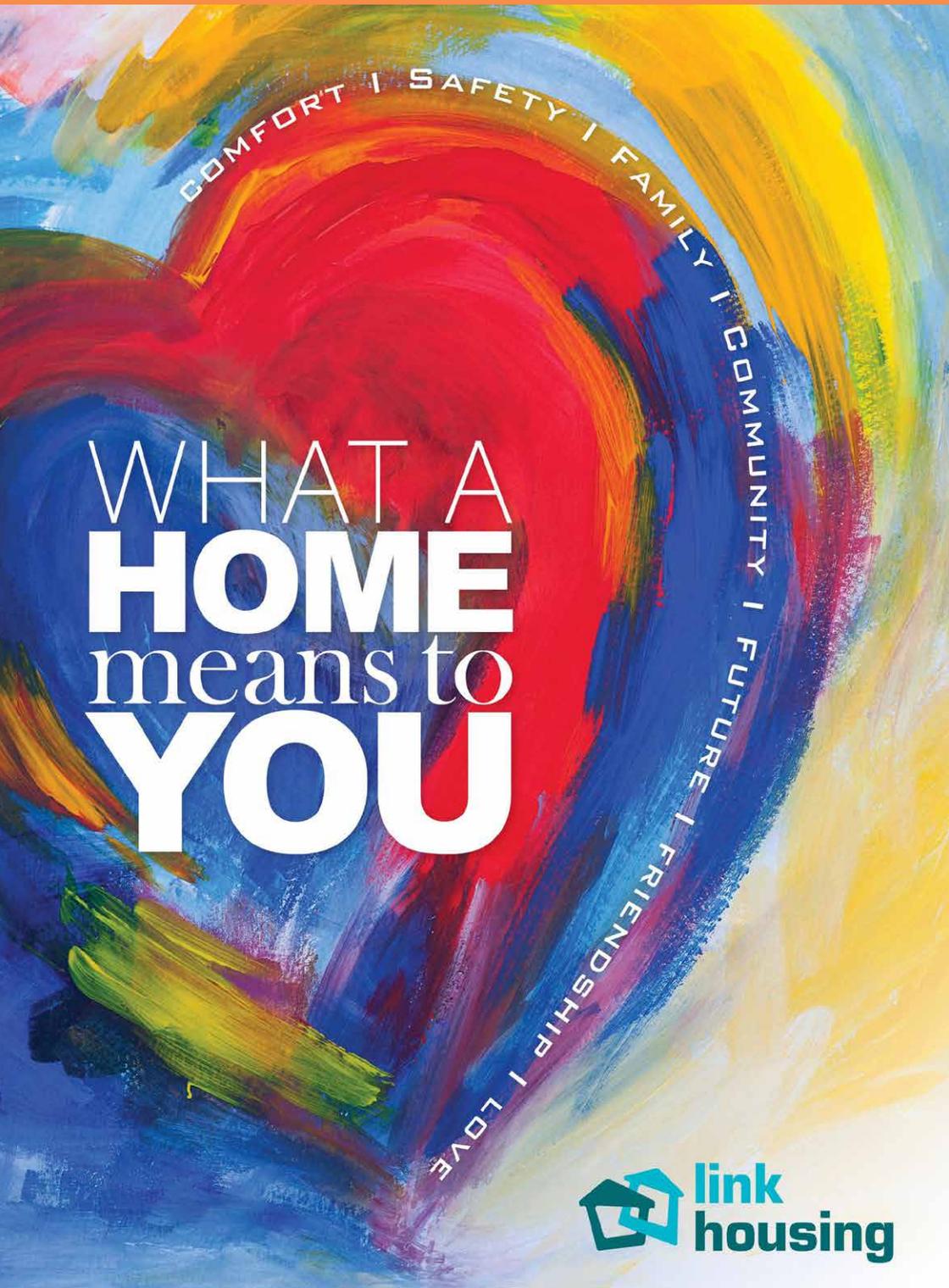
TENANT STORY: *Hiba*

I'm a nurse. I worked in a cardiac care unit. I then went on to complete my master's degree. Six months after successfully finishing my master's degree, I started my PhD studies in the same field.

For both my master's training and PhD studies, I was kindly offered scholarships from Link Housing. The first was offered in the presence of MP Victor Dominello, who provided encouragement and inspiration. The second scholarship supported me financially but also encouraged me to continue through this very difficult but rewarding journey.

My studies have contributed to saving lives and research in the healthcare field. The inspiration for all this work has been possible because of the support of the Link Housing team, whom I have to greatly thank.

 To view the Link Housing's 'Tenant Engagement and Community Development Strategy', please visit: www.linkhousing.org.au



PEOPLE - Strategic Objective

WHAT A HOME MEANS TO YOU ART EXHIBITION

In early June, Link Housing held its inaugural 'What a Home Means to You' Art exhibition. Budding and established artists across Sydney, took part in a community art exhibition using the theme: What a Home Means to You.

Held at the Warringah Creative Space, over forty artists contributed to the exhibition using a range of mediums, including paint, ceramics and sculpture.

Andrew McNulty, CEO at Link Housing said;

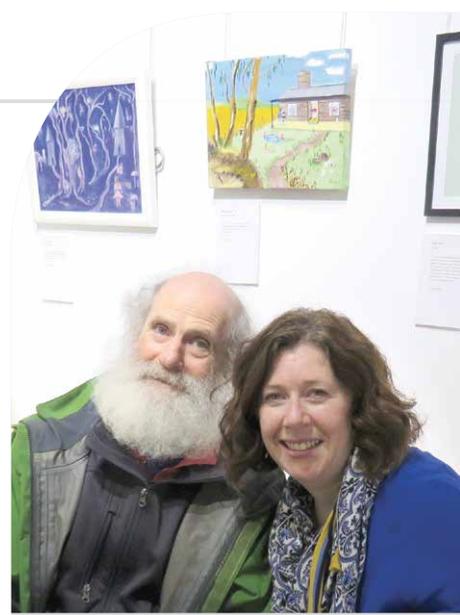
'When you have a home, it can often be taken for granted.'

The eclectic mix of art and interpretations of the theme, encouraged thought and reflection on the importance of a 'home', and the role it plays in each of our lives.

Link Housing would like to thank all artists for sharing their fantastic pieces. We would also like to thank our many friends and supporters, including Warringah Council and the fabulous staff at the Warringah Creative Space.

Ten pieces from 'What a Home Means to You', were showcased at the 2016 Affordable Housing Conference.

'FormingLinks' continues to focus on making a lasting difference to the lives of those who live in our homes, and surrounding communities.



ABOVE: Artist Russel Gluck and Suzanne Sheerin (Link Housing)



ABOVE: Patrons enjoy the 'What a Home Means to You' Art Exhibition
BELOW: Catherine Pelosi and Suzanne Sheerin (Link Housing)





PEOPLE - Strategic Objective

THE LINK HOUSING SCHOLARSHIP PROGRAM

Link Housing is committed to supporting its tenants. The Link Housing Scholarship Program provides tenants undertaking academic endeavours, the opportunity to receive monetary assistance. This year, over \$20,000 was awarded to eight scholarship recipients. Recipients studied diplomas and degrees across a broad range of fields including, nursing, business, teaching and music. In addition, Link Housing has committed long-term funding to those embarking on an extended course of study.

✓✓✓ linkRight

Link Housing continues to implement its 'LinkRight' Customer Service Strategy. 'LinkRight' was developed by tenants, staff and support partners to set high standards for service delivery. Significant progress has been made this year. Highlights include the completion of the innovative 'Mystery shopping Program' and achieving certification of International Customer Service Standard (ICSS: 2015-2020).

MYSTERY SHOPPING PROGRAM

The aim of the 'Mystery Shopping Program' was to review and assess the effectiveness of Link Housing's processes and customer satisfaction. The comprehensive assessment identified areas for improvement as well as opportunities for constructive training. Using Link Housing's own tenants, real examples, questions and service requests were used, rather than the generic scenarios that are often used in mystery shopping initiatives.

In addition, three of the twelve participants have undertaken additional mystery shopping work with The Customer Service Specialists. One tenant has used their experience with Link Housing and the 'Mystery Shopping Program' to gain employment in hospitality, as well as enrolling to further study. A goal of the 'Mystery Shopping Program' was to create employment opportunities for Link's customers, which was successfully achieved.



CSIA CUSTOMER SERVICE INSTITUTE OF AUSTRALIA

Link Housing has become the first community housing provider in Australia to be certified to the International Customer Service Standard (ICSS: 2015-2020). Focusing on a 'whole of business' approach to customer service for tenants and stakeholders, its aim is to influence and raise the industry standard.

Link's commitment to customer service was recognised by shortlisting in two categories at the 2016 Australian Service Excellence Awards:

CUSTOMER SERVICE ORGANISATION OF THE YEAR - Not For Profit

CUSTOMER SERVICE PROJECT OF THE YEAR



TENANT STORY: Sandra

I was very fortunate to be the recipient of a Link Housing study grant in 2013. I enrolled in the Community Services Work Certificate IV course at Meadowbank TAFE, and the grant assisted me with my study expenses.

I worked in the mental health area and wanted a related qualification to help with my career. I gained lots of practical skills in how to support people in need, as well as gaining a valuable qualification.

After I graduated, I got a job in early childhood intervention. I stayed there for a year, then got a part-time position working in a community mental health organisation.

Last year, I enrolled in psychology at Macquarie University. I encourage anyone interested in doing study to give it a go and take on the challenge. It has been such a good experience for me.

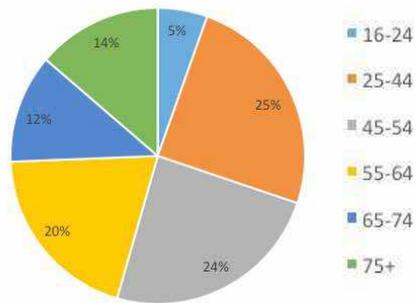
Link Housing were fantastic to give me that extra support to help make my dreams come true.

* To view the Link Housing's 'LinkRight Customer Service Strategy', please visit: www.linkhousing.org.au

PEOPLE - Strategic Objective

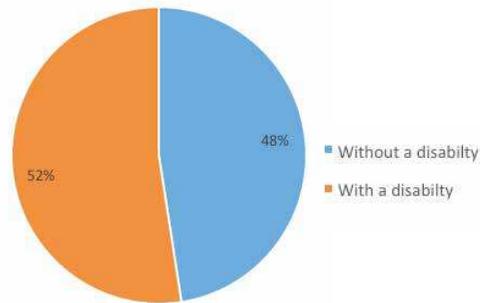
TENANT PROFILE - SOCIAL HOUSING

AGE OF HEAD TENANT



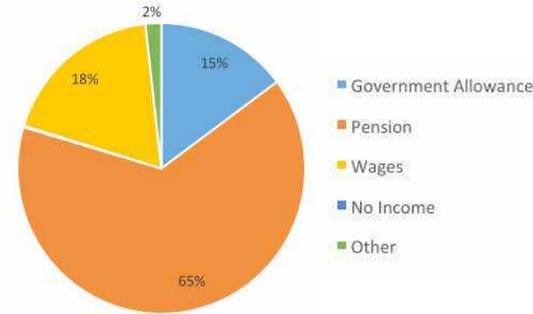
This year we have seen an increase of elderly tenants moving from 12% to 15%.

TENANT WITH DISABILITY



Link Housing supports many tenants with intellectual, physical, psychiatric and multiple disabilities. The number of tenants with a disability has increased by 1% this year.

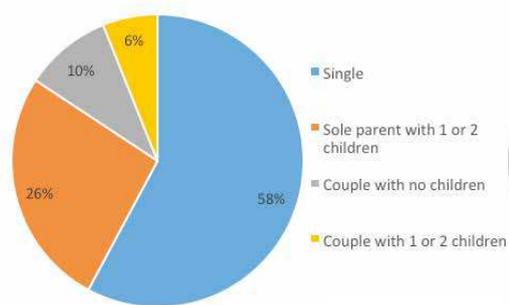
TENANT'S MAIN SOURCE OF INCOME



More than half of our tenants are in receipt of a disability support, Newstart Allowance (NSS), pension or an aged pension.

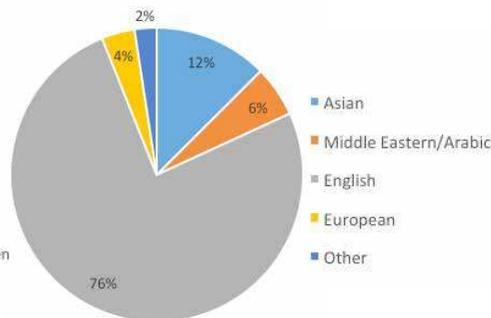
TENANT PROFILE - AFFORDABLE HOUSING

HOUSEHOLD TYPES



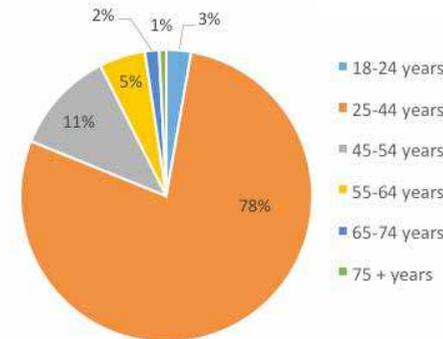
More than half of our tenants live alone. This number remains much the same as the previous year.

MAIN LANGUAGE SPOKEN IN THE HOME



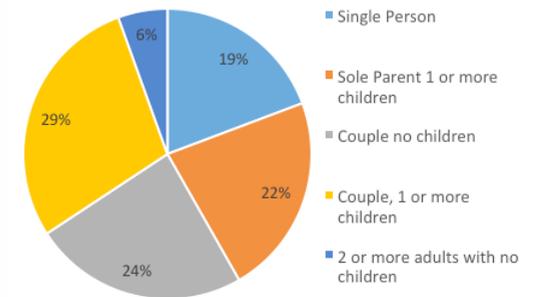
The majority of Link Housing tenants speak English as their main language at home. However, there are forty different languages spoken as the main language in 24% of households

AGE OF HEAD TENANT



The majority of our tenants who live in our affordable housing are 25-44 years. This has increased slightly from the previous year.

TENANT PROFILE



The household mix for affordable housing is much more evenly spread.

PARTNERSHIPS - Strategic Objective

SUPPORT PARTNERS

DISABILITY



FAMILY SUPPORT, DOMESTIC VIOLENCE, YOUNG MOTHERS



YOUTH, HOMELESSNESS, EX-OFFENDERS



PARTNERSHIPS - Strategic Objective

PARTNERSHIP LANDSCAPE



PROPERTY - Strategic Objective

PROPERTY PROFILE:

23 NICHOLSON STREET,
WOLLSTONECRAFT

Over several decades, North Sydney Council and Link Housing have worked in partnership to manage many of Council's affordable housing properties. As these properties start to reach the end of their useful life, Link Housing is involved in the asset renewal process, so that more homes can be provided to those in need.



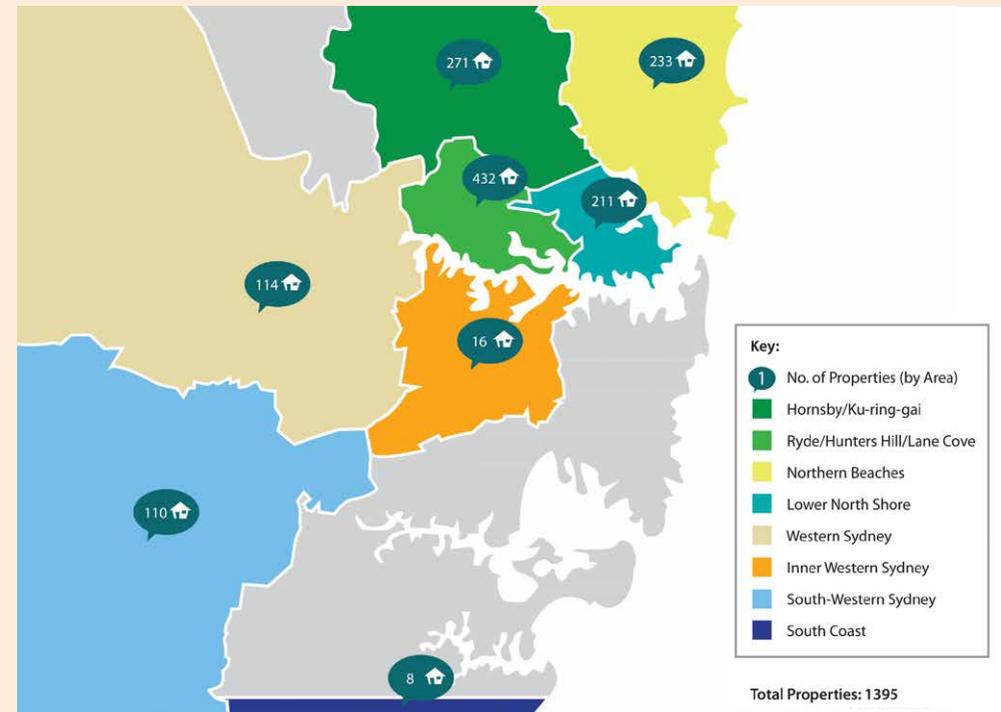
The most current example involves the demolition of an old home located in Nicholson Street Wollstonecraft, to build a seven studio, new-age boarding house. Set on 500sqm of land, each home has self-contained kitchens and bathrooms, and one of the seven is a fully accessible home.

In July 2016 each studio was occupied by social housing tenants. Link Housing will continue to manage the property and the tenancies for the long-term.



LINK HOUSING DISTRIBUTION

Link Housing provides affordable rental accommodation to people on very low to moderate incomes. We manage almost 1,400 homes for over 2,500 residents across Northern and Metropolitan Sydney. The below graphic demonstrates the distribution of our homes.



Total number of Link Housing properties = 1395

PERFORMANCE - Strategic Objective



AWARDS AND ACHIEVEMENTS

- Link Housing has been acknowledged by the 2016 Affordable Housing Conference Awards for **BEST DEVELOPMENT** – Potts Hill development.
- Link Housing has become the first community housing provider in Australia to be certified to the **INTERNATIONAL CUSTOMER SERVICE STANDARD (ICSS: 2015-2020)**
- Link Housing hosted two community housing forums, bringing together tenants, service providers, CHPs, Ministers, local government representatives, financiers and developers.
- Inaugural Link Housing community art exhibition – ‘What a Home Means to You’ was held.
- Link Housing has commenced **WHITE RIBBON WORKPLACE ACCREDITATION**.
- Link Housing sponsored international speaker Craig Sanderson – Link Group at the 2016 Affordable Housing Conference



Financial Statements 2015-2016

Link Housing Ltd



LINK HOUSING LTD

ACN 003 084 928

(A company limited by guarantee)

ANNUAL FINANCIAL REPORT

For the year ended 30 June 2016

Contents of Financial Report

FOR THE YEAR ENDED 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

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Directors' Report

FOR THE YEAR ENDED 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

The Directors present their report, together with the financial statements of the company for the year ended 30 June 2016.

Directors

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

Directors	Date Appointed	Date of Cessation
Aldo Manitta	25 November 2010	19 November 2015
Simon Maughan Wright	24 June 2013	
Andrew McAnulty	23 April 2015	
Mark McEnally	25 June 2013	
Kerry Robinson	27 November 2014	
Julie Ann Savet Ward	15 June 2010	
Lois Towart	23 May 2011	
Sonja Walters	15 June 2010	

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 (Resigned 19 November 2015)
Special responsibilities	Member, HR and Nominations Committee

Simon Maughan Wright	
Qualifications	Law & Grad Dip, Labour Law, Syd. Uni., Admitted to the Bar of the Supreme Court NSW 1976, MBA, AGSM/UNSW, 2015, FAICD
Occupation	Principal of ABSA Corporate Advisory, Sydney and a housing property development business and a company director.
Special responsibilities	Chair, Development Committee

Directors' Report

FOR THE YEAR ENDED 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

Information on Directors (continued)

Andrew McAnulty	
Qualifications	BA (Hons) Housing & Development; Royal Institution of Chartered Surveyors (MRICS); Chartered Institute of Housing (CIOH); GAICD.
Occupation	Chief Executive Officer
Special responsibilities	Executive Director

Mark McEnally	
Qualifications	B.Com, FCPA, FAICD, FGIA.
Occupation	Transitional CEO and Company Secretary, Community Services & Health Industry Skills Council Limited
Special responsibilities	Chair, Audit and Risk Management Committee Company Secretary, appointed 14 June 2016

Kerry Robinson	
Qualifications	Justice of the Peace, Bachelor of Town Planning (Hons), UNSW; Ass. Dip. Valuation, Sydney CAE; GAICD.
Occupation	General Manager
Special responsibilities	Member, Development Committee

Directors' Report

FOR THE YEAR ENDED 30 JUNE 2016 | 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	Chair, HR and Nominations Committee

Lois Towart	
Qualifications	AssocDipVal(WAIT) BBus(WAIT) FAPI SFin, GAICD.
Occupation	Licensed Valuer, Academic
Special responsibilities	Member, Audit and Risk Management Committee Member, HR and Nominations Committee

Sonja Walters	
Qualifications	MBA, BSW, Post Grad Certificate in Management, GAICD.
Occupation	Company Director and Trainer
Special responsibilities	Chair

The Company Secretary was Lindsay Kelly who was the Chief Financial Officer (CFO) of Link Housing Ltd. Lindsay resigned both as Company Secretary and CFO on 6 July 2016. He is a Fellow Member of the Governance Institute, the Australian Institute of Company Secretaries, and CPA Australia. For more than 30 years he has been a Company Secretary of various entities including ASX listed companies.

Directors' Report

FOR THE YEAR ENDED 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

Meetings of Directors

During the financial year, 9 meetings of Directors and 15 meetings of Committees of Directors were held. Attendances by each Director during the year were as follows:

Directors' Meetings

	Number eligible / invited to attend	Number attended
Julie Savet Ward	9	9
Sonja Walters	9	8
Aldo Manitta	1	1
Mark McEnallay	9	9
Simon Maughan Wright	9	9
Lois Towart	9	8
Kerry Robinson	9	8
Andrew McAnulty	9	9

Development Committee Meetings

	Number eligible / invited to attend	Number attended
Simon Maughan Wright	7	7
Kerry Robinson	7	6
Lois Towart	1	1
Julie Savet Ward	1	1
Sonja Walters	1	1
Mark McEnallay	1	1
Belinda Bentley	5	4
George Marton	5	1
Andrew McAnulty	7	7

Audit and Risk Management Committee Meetings

	Number eligible / invited to attend	Number attended
Lois Towart	5	5
Mark McEnallay	5	5
Victoria Clent	2	2
Andrew McAnulty	5	3

Directors' Report

FOR THE YEAR ENDED 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

HR and Nominations Committee Meetings

	Number eligible / invited to attend	Number attended
Julie Savet Ward	2	2
Aldo Manitta	3	3
Sonja Walters	3	3
Mark McEnallay	1	1
Lois Towart	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 maintaining the Company's registration as a Tier 1 Community Housing Provider under the National Regulatory System for Community Housing. The operating surplus 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. In this aspect another seven homes were constructed in Wollstonecraft in partnership with North Sydney Council. Another 39 affordable rental homes were taken under management. The four year relationship with Questus Ltd to manage up to 200 NRAS homes on behalf of their investors has transitioned into the purchase of these management rights.

We also focused on improving services to clients and ensuring our staff had the appropriate skills to work effectively with our tenants. A key achievement during the year was the on-time and on-budget implementation of a new enterprise system. This will continue to be refined to ensure operational efficiencies and tenancy engagement.

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 housing tenancies to 5,000 by 2022.

Investment properties

During the financial year we carried out formal valuations on 6 of the vested Nation Building Economic Stimulus Properties and 1 property owned in conjunction with North Sydney Council. Desktop reviews were undertaken on the balance of the portfolio. The Board approved a revaluation uplift of \$15 million across the portfolio.

Directors' Report

FOR THE YEAR ENDED 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE



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.

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 2016 has been received and can be found on page 6.

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

On behalf of the directors.

Director

15 September 2016

AUDITOR'S INDEPENDENCE DECLARATION TO THE RESPONSIBLE ENTITIES' OF LINK HOUSING LIMITED ABN 62 003 084 928

I declare that to the best of my knowledge and belief, during the year ended 30 June 2016 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.

This declaration is in respect of Link Housing Limited during the year.

M A ALEXANDER
Partner

PITCHER PARTNERS
Sydney

15 September 2016

Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

	Note	2016 \$	2015 \$
Revenue	4	21,743,762	21,267,846
Other income	5	15,098,404	11,398,931
Expenses:			
Property expenses		(13,248,021)	(12,216,976)
Employee benefit expenses		(3,611,782)	(3,186,808)
Maintenance expenses		(1,124,238)	(929,266)
Office expenses		(863,350)	(694,308)
Depreciation and amortisation expense		(138,328)	(41,963)
Finance costs		(293,835)	(209,467)
Other expenses		(5,390)	(31,096)
Surplus before income tax expense	19	17,557,222	15,356,893
Income tax expense	2(d)	-	-
Surplus for the year after income tax expense		17,557,222	15,356,893
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		17,557,222	15,356,893

The accompanying notes form part of this financial report.

Statement of Financial Position

AS AT 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

	Note	2016 \$	2015 \$
Assets			
Current Assets			
Cash and cash equivalents	7	550,556	1,147,171
Other financial assets	8	12,583,614	12,017,569
Trade and other receivables	9	1,516,126	1,326,748
Other assets	10	1,050,102	759,853
Total Current Assets		15,700,398	15,251,341
Non-Current Assets			
Plant and equipment	11	21,604	32,713
Investment properties	12	98,374,964	82,622,752
Intangibles	13	1,310,794	150,688
Total Non-Current Assets		99,707,362	82,806,153
Total Assets		115,407,760	98,057,494
Liabilities			
Current Liabilities			
Trade and other payables	14	1,600,474	1,460,211
Borrowings	15	84,114	-
Provisions	16	410,673	341,709
Other liabilities	17	560,834	367,440
Total Current Liabilities		2,656,095	2,169,360
Non-Current Liabilities			
Borrowings	15	5,367,586	6,112,815
Provisions	16	87,841	36,303
Total Non-Current Liabilities		5,355,427	6,149,118
Total Liabilities		8,111,522	8,318,478
NET ASSETS		107,296,238	89,739,016
Equity			
Reserves	18	1,798,596	1,671,530
Retained surpluses	19	105,497,642	88,067,486
TOTAL EQUITY		107,296,238	89,739,016

The accompanying notes form part of this financial report.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

	Retained surpluses \$	Property reserve – affordable housing \$	SEPP 10 reserve \$	Total \$
Balance at 1 July 2015	88,067,486	841,014	830,516	89,739,016
Surplus for the year	17,557,222	-	-	17,557,222
Transfers to and from reserves	(127,066)	127,066	-	-
Balance at 30 June 2016	105,497,642	968,080	830,516	107,296,238

Balance at 1 July 2014	72,823,918	727,689	830,516	74,382,123
Surplus for the year	15,356,893	-	-	15,356,893
Transfers to and from reserves	(113,325)	113,325	-	-
Balance at 30 June 2015	88,067,486	841,014	830,516	89,739,016

The accompanying notes form part of this financial report.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Rent and other receipts		13,594,517	12,782,443
Government subsidies and grants received		8,044,703	8,599,597
Sundry receipts		73,098	18,146
Interest received		437,551	359,251
Payments to suppliers and employees		(19,211,258)	(18,165,785)
Interest and other finance costs paid		(293,835)	(209,467)
Net cash provided by operating activities		2,644,776	3,384,185
CASH FLOWS FROM INVESTING ACTIVITIES			
Transfer to term deposits		(566,045)	(3,166,304)
Purchase of property, plant and equipment		(15,235)	(17,486)
Purchase of software		(274,188)	(144,252)
Purchase of Rent Roll		(997,902)	-
Investment properties construction work in progress		(660,000)	(3,916,178)
Improvements and additions to investment properties		(66,906)	(15,652)
Net cash used in investing activities		(2,580,276)	(7,259,872)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(661,115)	-
Proceeds from borrowings		-	4,508,724
Net cash provided by financing activities		(661,115)	4,508,724
Net increase/(decrease) in cash and cash equivalents held		(596,615)	633,037
Cash and cash equivalents at the beginning of the financial year		1,147,171	514,134
Cash and cash equivalents at the end of the financial year	7	550,556	1,147,171

The accompanying notes form part of this financial report.

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2016 | 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 the Company'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 15 September 2016. 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 accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. 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

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards and Interpretations that are not yet mandatory have not been early adopted.

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

2. Significant Accounting Policies (continued)

(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 the Company's activities as discussed below.

Subsidy and Grant revenue

Subsidy and grant revenues are recognised in the statement of profit or loss and other 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 subsidy/grant can be measured reliably.

When subsidy/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 subsidy/grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the subsidy/grant is recognised as income on receipt.

Link Housing Ltd receives non-reciprocal 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 profit and loss and other comprehensive income.

Interest revenue

Interest revenue is recognised as interest accrues 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.

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

2. Significant Accounting Policies (continued)

(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.

(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 historical 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 historical 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 the statement of profit or loss and other comprehensive income 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.

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

2. Significant Accounting Policies (continued)

(iii) Depreciation

The depreciable amount of all fixed assets, excluding freehold land and investments, is depreciated on a straight line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful 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	20% - 50%

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 profit and loss and other 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 of disposal 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 profit and loss and other 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.

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

2. Significant Accounting Policies (continued)

(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

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, annual leave and long service 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 these short-term employee benefits are recognised as a part of current provisions in the statement of financial position.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of the expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Assessment of expected future payments incorporates anticipated future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted at rates determined by reference to market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

2. Significant Accounting Policies (continued)

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 9.5% 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 Taxation Office. In these circumstances the GST is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the Australian Taxation Office is included in trade and other payables in the statement of financial position.

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 presented as operating cash flows.

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

2. Significant Accounting Policies (continued)

(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 revalued by an independent valuer on a three year cycle at fair value, based on similar assets, location and market conditions. All out of cycle properties are subject to desktop reviews. Movements in fair value are recognised directly to profit or loss.

The basis of the valuation of investment properties is fair value, being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. The independent valuer is a member of the Australian Property Institute.

The Valuer has taken into consideration the encumbrance on title for some of the properties which subjects the lands to the provisions of Section 64L of the Housing Act 2001.

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.

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

2. Significant Accounting Policies (continued)

(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 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 capitalised at less than \$10,000 has an estimated useful life of three years. Larger value Enterprise software has an estimated useful life of five years. All software is assessed annually for impairment.

Rent Roll

Rent Roll is initially recognised at cost. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Rent Roll has an estimated useful life which is linked to NRAS expiry dates on individual properties.

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.

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

3. Critical accounting judgements, estimates and assumptions (continued)

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.

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 of disposal 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 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

	2016 \$	2015 \$
4. Revenue		
Rent received	12,753,267	12,168,016
Subsidies	7,785,676	7,279,176
Fee for service income	564,664	516,091
Interest received	416,663	400,550
Tenant reimbursements	216,981	212,683
Grants	6,511	691,330
	21,743,762	21,267,846
5. Other Income		
Gain on revaluation of investment properties	15,025,306	11,380,785
Sundry income	73,098	18,146
	15,098,404	11,398,931
6. Expenses		
Surplus before income tax includes the following specific expenses:		
Superannuation expense	281,016	257,067
7. Cash and Cash Equivalents		
Cash on hand	500	500
Cash at bank	550,056	1,146,671
	550,556	1,147,171
8. Other Financial Assets		
Bank deposits	12,583,614	12,017,569
	12,583,614	12,017,569

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

	2016 \$	2015 \$
9. Trade and Other Receivables		
CURRENT		
Rent and non-rent amounts due from tenants	423,174	263,215
Provision for impairment	(214,971)	(119,643)
Total Trade Debts	208,203	143,572
Bonds paid on leased properties	743,558	718,872
Government subsidies receivable	408,430	213,103
Accrued interest receivable	155,135	176,023
Other receivables	800	75,178
Total Other Receivables	1,307,923	1,183,176
Total Trade and Other Receivables	1,516,126	1,326,748
10. Other Assets		
CURRENT		
Prepayments	1,009,842	733,150
Pre Project costs	40,260	26,703
	1,050,102	759,853
11. Plant and Equipment		
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	75,025	70,935
Accumulated depreciation	(71,018)	(62,480)
Total furniture, fixtures and fittings	4,007	8,455
Office equipment		
At cost	138,684	127,539
Accumulated depreciation	(121,087)	(103,281)
Total office equipment	17,597	24,258
Total plant and equipment	21,604	32,713

The accompanying notes form part of this financial report.

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2016 | 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 1 July 2015	8,455	24,258	32,713
Additions	4,090	11,145	15,235
Disposal	-	-	-
Depreciation expense	(8,538)	(17,806)	(26,344)
Balance at 30 June 2016	4,007	17,597	21,604

	2016 \$	2015 \$
12. Investment Properties		
Investment properties – at fair value	97,710,758	82,618,546
Investment properties – at cost – construction work in progress	664,206	4,206
	98,374,964	82,622,752
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	82,622,752	67,310,917
Fair value adjustments	15,025,306	11,380,785
Additions resulting from capitalised development expenditure	726,906	3,931,050
Closing balance	98,374,964	82,622,752

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

	2016 \$	2015 \$
13. Intangibles		
Software – at cost	433,319	159,131
Less: Accumulated amortisation	(77,963)	(8,443)
	355,356	150,688
Rent Roll – at cost	997,902	-
Less: Accumulated amortisation	(42,464)	-
	955,438	-
Total Intangibles	1,310,794	150,688

Reconciliations

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

	Software \$	Rent Roll \$	Total \$
Balance at 1 July 2015	150,688	-	150,688
Additions	274,188	997,902	1,272,090
Disposal	-	-	-
Amortisation expense	(69,520)	(42,464)	(111,984)
Balance at 30 June 2016	355,356	955,438	1,310,794

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

	2016 \$	2015 \$
14. Trade and Other Payables		
CURRENT	326,403	294,906
Trade payables	1,274,071	1,165,305
Sundry payables and accrued expenses	1,600,474	1,460,211
15. Borrowings		
CURRENT		
Bank Loan	84,114	-
	84,114	-
NON-CURRENT		
Bank Loan	5,367,586	6,112,815
	5,367,586	6,112,815
16. Provisions		
CURRENT		
Employee benefits	340,605	291,709
Other	70,068	-
Provision for leasehold rectification	-	50,000
	410,673	341,709
NON-CURRENT		
Employee benefits	37,841	36,303
Provision for leasehold rectification	50,000	-
	87,841	36,303

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

16. Provisions (continued)				
Reconciliations				
	Employee Benefits \$	Leasehold Rectification	Other \$	Total \$
Balance at 1 July 2015	328,012	50,000	-	378,012
Additional provisions raised during the year	298,589	-	70,068	368,657
Amount Used	(248,155)	-	-	(248,155)
Balance at 30 June 2016	378,446	50,000	70,068	498,514

	2016 \$	2015 \$
17. Other Liabilities		
CURRENT		
Deferred Income	560,834	367,440
	560,834	367,440
18. Equity – Reserves		
SEPP 10 reserves	830,516	830,516
Affordable Housing reserve	968,080	841,014
	1,798,596	1,671,530
19. Equity – Retained Surpluses		
Retained surplus at the beginning of the financial year	88,067,486	72,823,918
Surplus profit after income tax expense for the year	17,557,222	15,356,893
Transfer to Affordable Housing reserve	(127,066)	(113,325)
	105,497,642	88,067,486

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

	2016 \$	2015 \$
20. Capital and Leasing Commitments		
<i>Operating Lease Commitments</i>		
Payable – minimum lease payments		
- No later than 1 year	171,142	61,983
- Between 1 year and 5 years	240,950	-
	412,092	61,983
The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a three-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	164,034	875,255
- Between 1 year and 5 years	-	-
	164,034	875,255
21. Contingent Liabilities		
Contingent liabilities	35,136	93,200
Contingent liabilities represent 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 was used for the construction of 32 dwellings at Potts Hill, Bankstown.		
Unused borrowing facilities at the reporting date:		
Bank loans	661,115	887,185
	661,115	887,185
The bank loan facilities may be drawn at any time and have an average maturity of 14 years (2014: 15 years).		

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

	2016 \$	2015 \$
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 2016, the total amount that members of the Company are liable to contribute if the Company is wound up is \$2,500.

23. Events after the End of the Reporting Period

No matter or circumstance has arisen since reporting date that has 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.

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	90,091	81,836
Aggregate compensation – Executive	702,242	610,752

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.

Notes to the Financial Report

FOR THE YEAR ENDED 30 JUNE 2016 | LINK HOUSING LTD | A COMPANY LIMITED BY GUARANTEE

	Note	2016 \$	2015 \$
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:

Financial assets			
Cash and cash equivalents	7	550,556	1,147,171
Other financial assets	8	12,583,614	12,017,569
Trade and other receivables	9	1,516,126	1,326,748
		14,650,296	14,491,488
Financial liabilities			
Trade and other payables	14	326,403	294,906
Sundry payables and accrued expenses	14	1,274,071	1,165,305
Borrowings	15	5,451,700	6,112,815
		7,052,174	7,573,026

Responsible Entities' Declaration

FOR THE YEAR ENDED 30 JUNE 2016 | 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:

1. The financial statements and notes, as set out on pages 40 to 61, comply with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) Comply with Australian Accounting Standards Reduced Disclosure Regulations; and
 - (b) Give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the company.
2. 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.

Sonja Walters:

Date: 15 September 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINK HOUSING LIMITED ABN 62 003 084 928

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 2016, 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—Reduced Disclosure requirements (including Australian Accounting Interpretations) 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.

An independent New South Wales Partnership. ABN 17 795 780 962.
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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LINK HOUSING LIMITED
ABN 62 003 084 928**

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 2016 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the financial reporting requirements of the *Australian Charities and Not-for-profits Regulation 2013*.

Melina Alexander
M A ALEXANDER
Partner

15 September 2016

Pitcher Partners
PITCHER PARTNERS
Sydney



GOVERNANCE PRINCIPLES

LINK HOUSING LTD CORPORATE GOVERNANCE PRINCIPLES

PRINCIPLE 1: Lay solid foundations for management and oversight

We 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 Constitution which is available on our website. We have adopted a Corporate Governance Framework which sets out in more detail the duties of the directors, the Chair and Board committees. This is reviewed annually. To support the work of the Board and the senior management team, there are three Board committees - Audit & Risk Management, Development and Human Resources and Nominations.

PRINCIPLE 2: Structure the Board to add value

We have a Board of an effective composition, size and commitment to adequately discharge our responsibilities and duties. Link Housing follows a rigorous public recruitment process to attract members with professional skills and experience in financial and asset management, relevant law, risk and human resources management. The specific skills and experience of required directors is matched against our Strategic Direction. We also carry 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

We actively promote ethical and responsible decision-making. These are contained in the Link Housing Corporate Governance Framework and the 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

We have a structure to independently verify and safeguard the integrity of our financial reporting. The Board has established an Audit & Risk Management Committee to scrutinise and oversee financial reporting and provide advice to the senior management team and the Board. This committee meets at least four times a year. Link Housing's financial records are audited annually 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.

PRINCIPLE 5: Undertake timely and effective communication with stakeholders

We 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 (NSW) and the Department of Family and Community Services (Housing) NSW. Link Housing also engages regularly with its community partners that facilitate and maintain 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

We respect the rights of members and tenants

and facilitate the effective exercise of those rights. Link Housing has adopted a Tenant Engagement and Community Development Strategy. 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 including a Tenant Satisfaction Survey, Pathways and Homes applicant surveys and After Maintenance Survey. This information is used to improve our services. Tenants were also encouraged to undertake training courses offered from time to time. Link Housing has a robust complaints handling system, information on which is contained on the website.

PRINCIPLE 7: Recognise and manage risk

We have a sound system of risk oversight and management and internal control. Link Housing's Risk Management Framework and

the accompanying Risk Register are regularly reviewed and updated to reflect new priorities. The 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 Audit & Risk Management Committee reports to the Board on key risk issues and identifies matters for decisions.

PRINCIPLE 8: Remunerate fairly and responsibly

We ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear. Staff remuneration is award based or by contracts linked to industry equivalents. Staff have annual performance development reviews that are used to determine salary increases.



2015-2016



LINK HOUSING LTD

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