



ANNUAL REPORT 2016 - 2017



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

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 provides compassionate, client-centred service to people who are at risk of homelessness or are unable to afford market priced private rental in the Sydney region. We now manage over 1500 homes across Sydney, and 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.

Link Housing

For more information visit: www.linkhousing.org.au Twitter: @Linkhousing LinkedIn: www.linkedin.com/company/link-housing

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CONNECT WITH US

Facebook: www.facebook.com/LinkHousingCommunityHousing/

Twitter: [@Linkhousing](https://twitter.com/Linkhousing)

LinkedIn: linkedin.com/company/link-housing

LINK HOUSING - ANNUAL REPORT

About us

Link Housing Ltd (Link Housing) is a Tier 1 Registered Community Housing Provider (CHP) and Licensed Real Estate Agent 10010626 providing management services for affordable properties. We are one of the oldest not-for-profit community housing providers in NSW having been formed in 1984.

Link Housing's vision is to provide a better future for those in need, through safe and affordable housing. We provide compassionate, client-centred service for people who are at risk of homelessness or are unable to afford market priced private rental. People are at the heart of our business. We are passionate about connecting vulnerable people to support and housing services. Our programs and services contribute to positive change for tenants and their families. In particular, we have a comprehensive tenant engagement program, to create inclusive and positive communities.

Link Housing manages over 1500 homes, with over 2,500 tenants across Northern and metropolitan Sydney. We seek out opportunities to increase affordable and community housing for individuals and families, by providing a stable place to call home. We have a successful track record. We are recognised as a well governed organisation, effectively managed, with a dynamic Board and leadership team and a workforce committed to providing the best possible service to our clients and partners.

Link Housing is a growing organisation. Through our revised business structure, additional staff and increase in specialised skills and expertise, we have increased our capacity to help more people in need.

Acknowledgement of Country

Link Housing acknowledges the Traditional Owners of the land, the Guringai people, on whose land we now operate and we pay our respects to the Elders past and present.

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CHAIR'S REPORT 2016-17



**SONJA
WALTERS
CHAIR**

Housing affordability certainly caught the attention of our media and politicians throughout the year. A multitude of ideas were shared across all key stakeholders including the five point plan set out by the Property Council of Australia relating to reducing taxes and charges and better cooperation between all levels of government, the Greater Sydney Commission report on the affordable housing component for all new developments, and at the local level many councils including an affordable housing target within their geographic areas. Housing supply is seen to be the primary focus for addressing housing issues and Link Housing suggests that this is not only about new supply but about renewal of existing supply. This focus sets the scene for another busy year at Link Housing.

Link Housing's Strategic Plan is for growth with a target portfolio of 5000 homes by 2022 and remains a key focus for our Board and Executive Management Team. Together with the ongoing achievement of our annual business plan, Link Housing continues to strive for more affordable and social housing for all people in housing need. This has been supported this year with several government initiatives that will see NSW focus more on housing stress and subsequent increase in opportunities across the Community Housing Sector. Some of these initiatives that have resulted in legislative changes can be seen through the launch of the initial report from the Greater Sydney Commission with a significant push for all new major developments meeting a 10-15% affordable housing component. Link Housing continued throughout the year to support and advocate for these initiatives through both the Board and Senior Executive.

The year saw Link Housing's financial performance impacted by the cost of submitting several key tenders. However, our financial results remain healthy with equity of \$113.2m and an annual surplus of \$1.3m. The year saw a revenue of \$22.6 with cash assets sitting at \$13.3m – positioning us well for future investment in expansion.

Link Housing invested time, people and money and prepared a healthy submission for the Social and Affordable Housing Fund (SAHF) bid however strategically withdrew our application in order to focus on Management Transfers. The NSW Government announcement of Management Transfers included three of Link Housing's key geographical areas including Ryde/Hornsby, North Sydney and Northern Beaches. Whilst well positioned to manage all of these areas, Link Housing was pleased with our successful bid for the Ryde, Hornsby and Ku-ring-gai areas. The team are well prepared for gearing up to embrace these major changes ahead.

Link Housing was successful in a tender submitted in partnership with

the Cerebral Palsy Alliance to manage a number of group homes for people with a disability. We see this as a beginning for expansion into this very important area and look forward to strengthening our partnership with the Cerebral Palsy Alliance and other key disability support providers.

Link Housing again were the recipients of some key awards that demonstrate our ongoing commitment and efforts to our tenants and to our staff. Link Housing has been awarded the CSIA Customer Service Project of the Year 2016 (Mystery Shopper Program), 2017 Better Business Awards (Social Enterprises category), NSW Federation 2016 Best Development Award and the Community Sector Bank Award for Tenancy Management 2016 for our Tenancy Services.

This year Link Housing undertook a staffing restructure in preparation for imminent growth and through this restructure strengthened our Executive Management Team. We appointed Mark Woodward as our Chief Financial Officer and Margaret Maljkovic as our Chief Operations Officer. Several other key appointments were also made throughout the year. It is with sadness that I report that our Assets Manager Mr Phil Brady passed away following a serious illness. Link Housing miss a valued and much liked staff member.

Throughout the year a key focus has been to formalise our partnerships with support providers, Link Housing has cemented over 30 strong working relationships with partners in order to improve outcomes for our tenants. Our existing relationship with The Burdekin Association has become exceptional. In the latter part of 2017 Link Housing launched our very first fundraiser activity on behalf of Burdekin and raised over \$120,000 which is an exceptional outcome. Our thanks go to our major sponsors PwC; Community Sector Banking; Bendigo Bank and Aqualand Australia. Strong support is also recognised through our local politicians including James Griffin MP for Manly and Minister Brad Hazzard, MP for Wakehurst. Several Board members and staff of both organisations, along with other supporters for homeless youth, participated in the sleep out at Freshwater Surf Lifesaving club on 15 September in support of this important fund raising opportunity.

Our tenants remain a key focus for all of us at Link Housing recognising that our tenants sometimes

have complex needs and are often from vulnerable backgrounds. Link Housing has made it a priority to ensure that the provision of appropriate Tenant Support Coordination Services are at the heart of our service delivery. We also appreciate the significant contribution of our Tenant Advisory Group representatives specifically as we approach upcoming change through Management Transfers.

Governance

Our Board of Directors continue to show unrivalled commitment to Link Housing for which I thank them. Several Directors attending additional meetings to ensure appropriate due diligence with various tenders. We welcomed two new Directors throughout the year Ms Amy Brown and Dr Tim Williams. Both share a passion for affordable and social housing and through their respective organisations are ardent advocates for homeless people within Australia. We very much welcome their support and added expertise to our business.

At this AGM we will farewell Lois Towart who has been a Director with Link Housing since 2011. Lois joined us after being a Director at Ryde Hunters Hill Community Housing and brought with her a wealth of knowledge on property valuations and financial analysis and modelling specifically in aged care. Lois also met our need to have a Director with a NSW Real Estate Licence. Lois contributed to all three Board committees, more recently with the Human Resources and Nominations Committee. On behalf of all Directors and staff I thank Lois for her valued contribution and wish her well in her future endeavours.

I close by thanking Andrew McAnulty for his passion, commitment and support across all areas of housing needs for the benefit of both Link Housing and its tenants. Andrew seeks to strengthen not only our position as a Community Housing Provider but is a strong advocate across the whole of our industry. Supporting Andrew is an exceptional team of employees who work hard to maintain a high standard of service delivery to our current tenants whilst also embracing new opportunities as they arise. A big thank you to all our Link Housing staff.

It is with great anticipation that I look forward to the 2017/18 year and the ongoing growth and development of Link Housing in the sector.

CEO'S REPORT 2016-17



ANDREW MCANULTY CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

The past year has been characterised by tenders and preparing for the future.

In May this year Link Housing submitted tenders for the State Government Social Housing Management Transfer initiative, and in June we submitted for the Specialist Disability Services tenders in Northern Sydney with our partner, Cerebral Palsy Alliance.

These were two pivotal opportunities in Northern Sydney, which were important for us to pursue, in order to increase our capacity and scale.

I am pleased to confirm that our submissions with Cerebral Palsy Alliance to manage 58 Group and Respite Homes in Ryde, Hornsby, Willoughby and the Northern Beaches were successful and will 'Go-Live' in March 2018. These homes will provide safe accommodation for 277 individuals with a disability and mark a significant expansion into this space for Link Housing.

In addition, I am delighted to confirm that our Ryde, Hornsby and Ku-ring-gai submission for the Social Housing Management Transfer was successful and will see Link Housing taking on approximately 1,900 additional social housing homes in these areas in December 2018.

More than bricks and mortar

Link Housing has grown to 1,462 homes under management during the year, which further increased to 1,522 during July 2017.

These tender wins will change the scale of Link Housing and bring in significant additional capacity as we move to managing over 3,700 tenancies by the end of 2018 – they will not however change our vision of "*A better future for those in housing need through safe, affordable housing.*"

Our focus will remain on people, our tenants, our staff, our support partners and the communities in which we serve. In addition to securing significant growth we have:

- Further 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.
- Become a 'White Ribbon Workplace' during 2016 – confirming our commitment to raising awareness and preventing Violence against Women.
- Held significant public events to raise awareness of the importance of social and affordable housing through:
 - 'Milk Crate Theatre' fantastic community engagement events;
 - Our third thought leadership event. 'Housing Futures – How does Sydney Grow?';
 - Our second year of 'What a Home Means to You' art exhibition, this year delivered in partnership with Northern Beaches Council and Ryde Council; and
 - Partnered with The Burdekin Association to help raise over \$120,000 for youth homelessness.

Thank you

It is testimony to the skill and commitment of our staff, our Board, and our tenants that we are growing and emerging as a leading Community Housing Provider in NSW.

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 extend my thanks and appreciation to the Link Housing staff team, notably Margaret Maljkovic, Paul Hunt, Denise McGrath and Mark Woodward, together with all our committed staff, tenants and partners of Link Housing for another significant year of combined success. I also acknowledge our fabulous Finance Manager, Beth Archer, who recently retired.

Thank you again to the magnificent Link Housing TAG. They have been outstanding during the year – attending many meetings, seminars and conferences – and providing direct feedback to me on many occasions which has added value, guidance and encouragement.

Our ongoing thanks goes to the Department of Family and 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.

We are moving forward in a positive direction. As we prepare to deliver future opportunities, I would like to end by paying my respect to much loved Link Housing colleague Philip Brady, and good friend Nazha Saad, who both sadly passed away in August 2017.

As we strive for a better future for those in need, we need to continue to respect and look after each other.



Sonja Walters, Minister Pru Goward and Andrew McAnulty at Parliament House - announcement of Link Housing's SHMT win.



Fe Sinclair and Helen Woodman are presented with life time membership of Link Housing.

FINANCE REPORT



MARK MCENALLY CHAIR AUDIT AND RISK MANAGEMENT COMMITTEE

Operations

The financial surplus for the twelve months ending 30 June 2017 was \$5.9 million. Within this amount are non-cash amounts of \$4.6 million in property revaluation income resulting from the rolling re-valuation process for all investment properties (including \$0.3 million recognised as a contribution received on a property transfer of Nicholson Street). The valuations are carried out by a qualified property valuer, Civic Valuations Pty Ltd.

At an operational level, the surplus was \$1.3 million. Link Housing's EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) margin for 2016-17 was 6.2%, down from 11.7% for the previous year (as measured by National Regulatory System for Community Housing performance requirements). The surplus and EBITDA margin results represent substantial achievements in a year which was characterised by substantial investments in future growth.

Revenue for the year was \$22.6 million. Of this \$13.1 million was rent from tenants, \$8.1 million was government subsidies, \$0.8 million was fee for service income, interest income was \$0.4 million, and miscellaneous tenant reimbursements was \$0.2 million.

Comments on key financial points:

- Revenue increased by \$0.9 million from \$21.7 million in 2015/16 to \$22.6 million in 2016/17, in line with budget projections, with growth in both rental income and subsidies.
- Property expenses grew by \$0.3 million from 2015/16 to 2016/17, predominantly from rent paid on privately-owned leasehold properties.
- Employee expenses increased by \$0.6 million from \$3.6 million in 2015/16 to \$4.2 million in 2016/17, reflecting a significant investment by Link Housing in staff numbers with a view to enhancing tenant services as well as positioning for future growth opportunities.
- Significant expenditure was incurred on tender and project

assessment costs during the year - including tenders for Social and Affordable Housing Fund, Social Housing Management Transfers and Specialist Disability Services.

Financial Position

Cash and cash equivalent term deposits held for current and future programs total \$13.3 million at year end. This is an increase of \$0.2 million from a year earlier. A significant proportion of cash and cash equivalents is, at this time, not committed to any specific purpose and remains available for investment in programs which will increase the stock of social and affordable housing in NSW or enhance services for our clients.

Following valuations conducted by Civic Valuations during the year, investment properties now amount to \$103.2 million.

Repayment of Link Housing's debt facility with Bendigo and Adelaide Bank Limited has continued with a further \$0.6 million being repaid over the year. The balance as at 30 June 2017 stood at \$4.85 million.

Financial and Risk Management

Link Housing has continued efforts to improve the functionality and reporting capability of the IT system which was implemented last year. Upgrades were made to each of the finance and housing modules during the year.

Following an external review of our Risk Management Framework in 2016, we have continued to strengthen our internal systems and other risk management activities. This year, an area of focus has been Work Health and Safety (both for staff and maintenance contractors), including providing awareness training for staff to recognise and appropriately address instances

where asbestos containing materials are identified at any of our properties.

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 (the highest tier of registration under the National Regulatory System for Community Housing).

Future Activities

Link Housing and the Cerebral Palsy Alliance (CPA) were successful with the recent NSW Government tender to provide Specialist Disability Services to clients in 58 group and respite homes in Northern Sydney. These new services will commence in March 2018 and we are excited at the opportunity to work with our new tenants, their friends and families and deepen our relationship with CPA.

As noted elsewhere in the Annual Report, I am pleased to report that Link Housing has been successful in the NSW Government's Social Housing Management Transfer tender and will manage an additional 1900 properties under long term leases in the Ryde, Hornsby and Ku-Ring-Gai areas, commencing in late 2018.

Acknowledgements:

I would like to thank Mark Woodward, Beth Archer and the Finance team, as well as Deon Wyngaard for their efforts over the year. They have continued to enhance Link Housing's robust financial and risk management process.

Mark McEnallay

Chair Audit and Risk Management Committee

STRATEGIC DIRECTION 2014-22

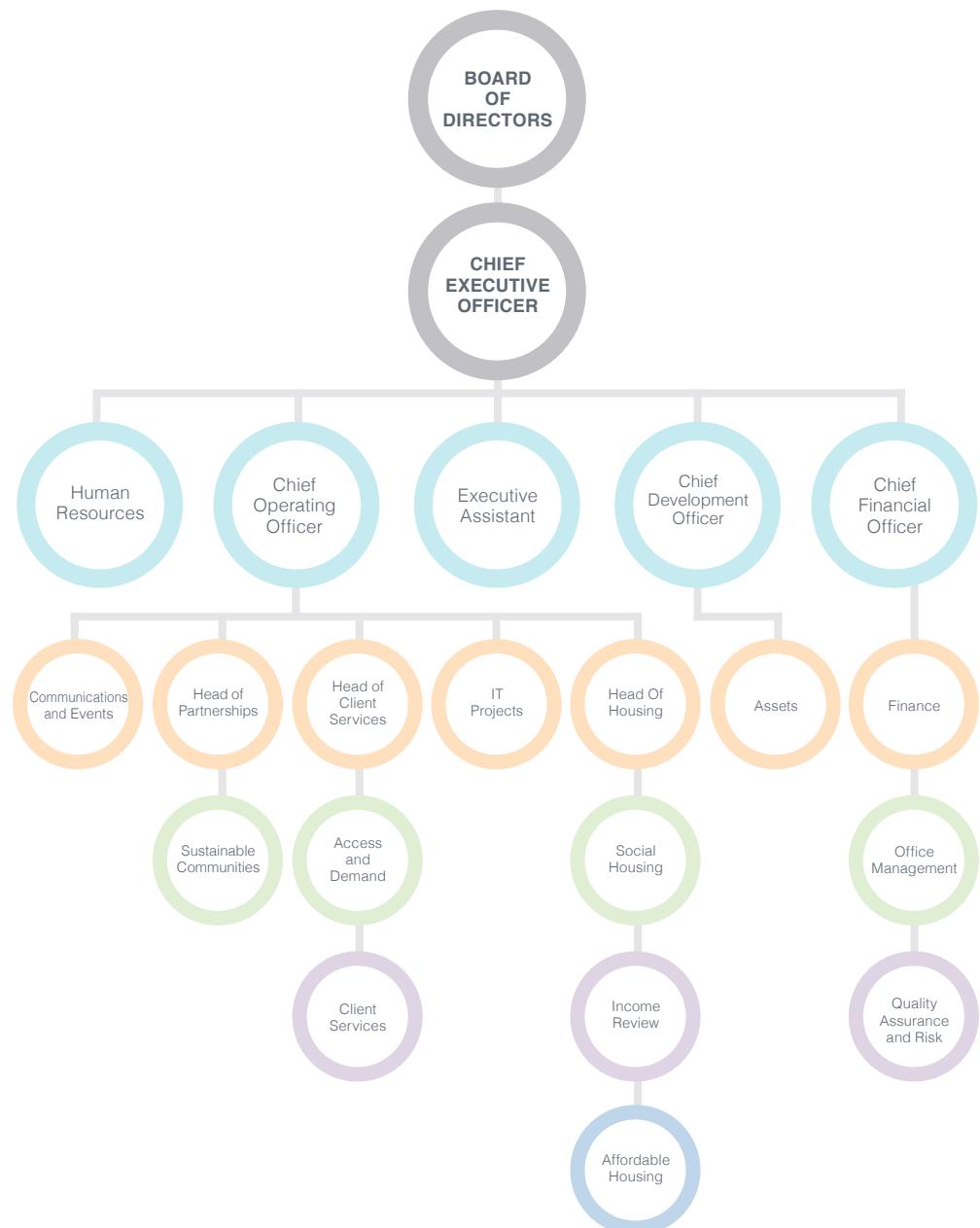


BOARD OF DIRECTORS

Link Housing's Board continues to drive the organisation's vision for growth. This year, the Board met an additional five times to collaborate on various tender submissions. Link Housing's Development Committee, also held additional meetings throughout the year to meet key objectives including the submission of the Disability Services tender.

Excitingly, Link Housing has welcomed two new key Directors to the Board, Dr Tim Williams and Amy Brown.

ORGANISATIONAL CHART



BOARD OF DIRECTORS



Sonja Walters
Chairperson

Sonja has over 20 years' experience in the housing industry holding an Executive Director position in a mobile home village in Queensland. 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**

"I am passionate about people – and believe that everyone has a right to a decent home. I believe that by working in partnership with government and the private sector we can make a difference."

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



Julie Savet
Ward Director,
Chair of
HR and
Nominations

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



**Mark
McEnallay**
**Director, Chair
of ARMC**

Mark is the Company Secretary at the Community Services and Health Industry Skills Council Limited [In liquidation] and the Company Secretary at RSL LifeCare. 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. He is a Fellow of CPA Australia, a Fellow of the Australian Institute of Company and a Fellow of the Governance Institute of Australia.

Mark joined Link Housing in June 2013 and is Chair of the Audit and Risk Management Committee and Company Secretary



Lois Towart
Director

Lois Towart 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. 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.



**Dr Tim
Williams**
Director

Dr Tim Williams is the CEO of the Committee for Sydney. In addition, he also advises cities and governments here and internationally on their housing and economic development strategies. He was raised in public housing in Beddau, South Wales, before studying at universities in Cambridge, Oxford and Wales. Since arriving in Sydney in late 2010 Tim has written some ground breaking and influential reports on housing, urban policy and the potential impact of high speed broadband on cities and public policy. He has written a number of columns on public policy and urban issues for the main Sydney media outlets, the Sydney Morning Herald and the Daily Telegraph.



Amy Brown
Director

Amy Brown is a partner in the Sydney office of PwC's Infrastructure and Urban Renewal Business. Amy specialises in advising government and the private sector on outcomes-based procurement of public infrastructure and services, providing commercial, contractual and strategic advice

to ensure optimal outcomes are achieved. Prior to joining PwC, Amy was Director of the Infrastructure and Structured Finance Unit of NSW Treasury. Amy has been involved in more than 20 projects in recent years, including driving the successful financial close of the most recent wave of projects in NSW - the Northern Beaches Hospital Project, North West Rail Link Project, Sydney Light Rail Project, NSW Health Helicopter Retrieval Network and the Sydney International Convention, Exhibition and Entertainment Precinct.



**Simon
Maughan
Wright**
Director,
Chair DC

As 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 and Risk Committee. Previously he was a director of ANZ Business Sales and Acquisitions (ANZ Investment Bank), Westpac Business Succession Services, group general manager and director of a real estate development and 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 Robinson is General Manager of Blacktown City Council, the largest Council in NSW; and Deputy Chair of Blacktown Venue Management Limited and Board. Member of WestPool and United Independent Pools, self-insurance mutuals. Kerry has over thirty years' experience in the property industry with senior roles in corporations and government, including eight 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 thirty 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.

SENIOR MANAGEMENT TEAM



Andrew McAnulty
Chief Executive Officer

As a CEO, Andrew has built the capability and capacity of three housing organisations, building substantial growth in each company which has culminated in the delivery of thousands of quality mixed tenure homes. Andrew is a respected community housing figure, both nationally and internationally, having delivered social, affordable and large scale urban renewal outcomes for over twenty years across Australia and the United Kingdom. His 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 high quality affordable housing and place based urban renewal.



Margaret Maljkovic
Chief Operating Officer

Margaret has substantial social housing operational and strategic senior leadership experience in Family and Community Services (FACS). Margaret is passionate about collaborating with partners, clients and communities to deliver quality housing services and improve outcomes for vulnerable people and communities.

Margaret has also worked in non-government homelessness services, domestic violence support services and drug and alcohol services. Margaret's passion for social housing stemmed from this experience, witnessing the difference securing stable, secure and affordable housing made to people with complex needs.

Mark Woodward
Chief Financial Officer

Mark joined Link Housing in October 2016 as Chief Financial Officer, with responsibility for finance, risk and administration. He has over thirty years of experience in banking and accounting, mostly with Westpac and KPMG. Mark has a breadth of commercial, strategic and project management exposure, with strong experience in enabling business growth through development of new operating models, systems, processes and risk frameworks.

Paul Hunt
Chief Development Officer

Paul is a certified practising Project Director with the Australian Institute of Project Management and has over twenty-seven years of extensive

experience in managing large complex projects. Paul has specialised experience in the development of large master-planned communities and high-density urban renewal projects. Paul brings advanced leadership skills and project expertise in managing development teams through strategic planning, concept development, rezoning and approvals, detailed design and construction delivery.



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.



Denise McGrath
Human Resources Advisor

Denise is a human resources professional with more than 13 years' experience in the sector. Prior to joining Link Housing as Human Resources Advisor, she was the Human Resources Associate at Hartmann ANZ. Denise's expertise includes staff

recruitment, selection, induction, administration of HR programs, implementation of tools and systems and the management of performance appraisals and the salary review process. She is dedicated to the professional and personal development of employees and maintaining a positive culture in the workplace. Denise has implemented employee initiatives including staff rewards and health and wellbeing programs.



Melissa Guy
Head of Client Services

Melissa is the Head of Client Services and is responsible for Access and Demand and Customer Service. Melissa joined Link Housing in 2015 and has played an active role in driving customer service excellence. Melissa strives to deliver the highest level of service to all clients and continually deliver positive solutions to alleviate housing stress. Melissa's strong leadership skills enable her to successfully drive a team to deliver the best outcomes for the organisation.



Robin Fletcher
Head of Partnerships

Robin has over 5 years direct housing management experience in both the UK and Australia

which has included working closely with support providers to ensure tenancy sustainability and addressing issues proactively. In addition, Robin has extensive experience with policy, performance and leadership management. Robin's hands-on experience and diverse skill-set, ultimately increases tangible, positive outcomes for tenants.



Gino Espinosa
Assets Manager

Gino brings over eight years of experience in Facilities Management and seven of those years working in various roles in the social Housing sector. Gino has come to Link Housing after 13 years of experience in Broadspectrum (formerly Transfield Services) and his latest roles in senior management in the newly awarded LAHC AMS contract.

Gino has experience in both the planning and delivery aspects of delivering a maintenance program and asset management. Gino is committed to delivering high quality services and uses his strong background in systems to improve service delivery.



Alison O'Neill
Head of Housing

Alison is a highly committed and outcomes-oriented Operations and Change Manager with over

13 years' experience leading client service teams within the human services sector. Alison has an undeniable passion for making a difference in the community, and elevating an organisation's capacity to end the suffering of people experiencing disadvantage. Throughout her career, she has strived to empower others, always with the goal of providing the tools and skills for long-lasting and positive change.



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.

THE LINK HOUSING TEAM

Link Housing empowers and engages all staff to deliver the best outcomes for our tenants. We provide opportunities for all employees to build on their skills and pursue their passions in the community housing sector. Our workforce continues to strengthen through our ongoing professional and personal development opportunities.

We maintain a positive work environment by employing skilled staff who are committed to service excellence and the community housing sector. Our staff truly care about the wellbeing of our clients, and one another.

STAFF FIGURES

33

Number of full-time employees



9

Number of part-time employees



1

Number of casual employees



70%

Gender Female



30%

Gender Male



27%

Length of service:
6 to 10 years
5 years and under 41%
10 plus years 32%



STAFF RECOGNITION

Link Housing is committed to supporting the personal and professional development of its staff. Each year, we recognise employees who have demonstrated an outstanding contribution to Link Housing and the community housing sector. This year we acknowledge:

- Jana Vukomanovic and Kerry Dibbs for **Leadership and Teamwork**
- Michelle Ho and Cherry Zhang for **Service Excellence**

"The Link Housing staff genuinely care about their tenants – I'm proud to work here and to be part of such a terrific and hardworking team." - **Jana Vukomanovic**

STAFF STORY: CHERRY ZHANG

I joined Link Housing in January 2016 as an Accountant. As a qualified CPA and holder of a double Master degree in both Finance and Accounting, I continually look for opportunities to learn and enhance my professional knowledge. Link Housing is my first role in the community housing sector and I am thoroughly enjoying being part of an organisation that is making a difference to the lives of others on a daily basis.

When not at work, I like to spend time with family and friends, as well as travelling.



IN MEMORY OF PHILIP BRADY



We were deeply saddened to lose one of our much loved team members, Philip Brady. Philip passed away on Monday, 7 August 2017. Phil joined the Link Housing team in January 2016 as Property Services Manager. He quickly became a respected member of our senior management team, bringing his extensive experience in both the private and public sectors in building, maintenance and facility management. Phil also had qualifications in Politics and Public Policy. Phil was a humble, caring, funny and committed family man. Our thoughts are with Phil's family and friends.

LINK REWARDS

Link Housing supports staff by offering Link Rewards. The yearly program focuses on staff well-being offering:

- Fruit boxes, replenished weekly
- Corporate activities including Global Challenge and the City to Surf
- Well-being workshops
- Meditation, reflexology, massages and pilates
- Special events such as 'Bring Your Pet and Kids to Work Day.'



Bring your pet to work day

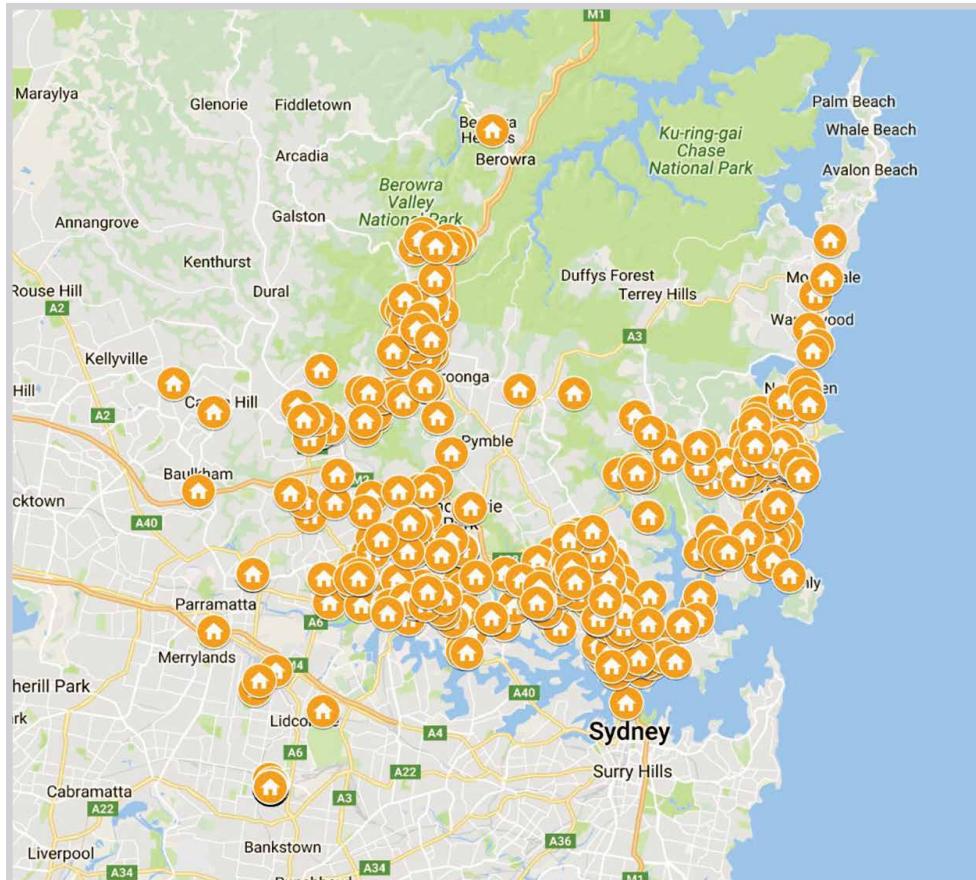


LINK HOUSING'S PROPERTIES

Link Housing currently manages over 1,500 homes across 25 Local Government Areas. Of these, 80% are in the Northern Sydney District. Link Housing is the only community housing provider operating at scale in the District.

1462  1522 

Total Link properties to 30th June, 2017 Total Link properties to 31 July, 2017



AFFORDABLE HOUSING

Link Housing is a highly experienced registered real estate agent. We have our own real estate arm that is led by a dedicated team of staff who connect our tenants to services, opportunities and communities. We deliver high quality, affordable housing, as well as work with a range of organisations and service providers including financiers, developers and government agencies. We also take an active part in engaging with local councils to help shape their affordable housing policies and strategies.

At present, we have 400 affordable homes under a fee for service management agreement with a number of private landlords and companies, with the vision for growth. We are continually working towards creating more affordable and safe housing options for those in need.

Link Housing provides the following real estate services:

- Marketing
- Leasing
- Tenancy Management
- Asset Management
- Compliance
- Reporting and Accounting

DEMOGRAPHICS OF AFFORDABLE HOUSING - LINK TENANTS I AGES

2%

16 - 24 years



5%

55 - 64 years



78%

25 - 44 years



2%

65 - 74 years



12%

45 - 54 years

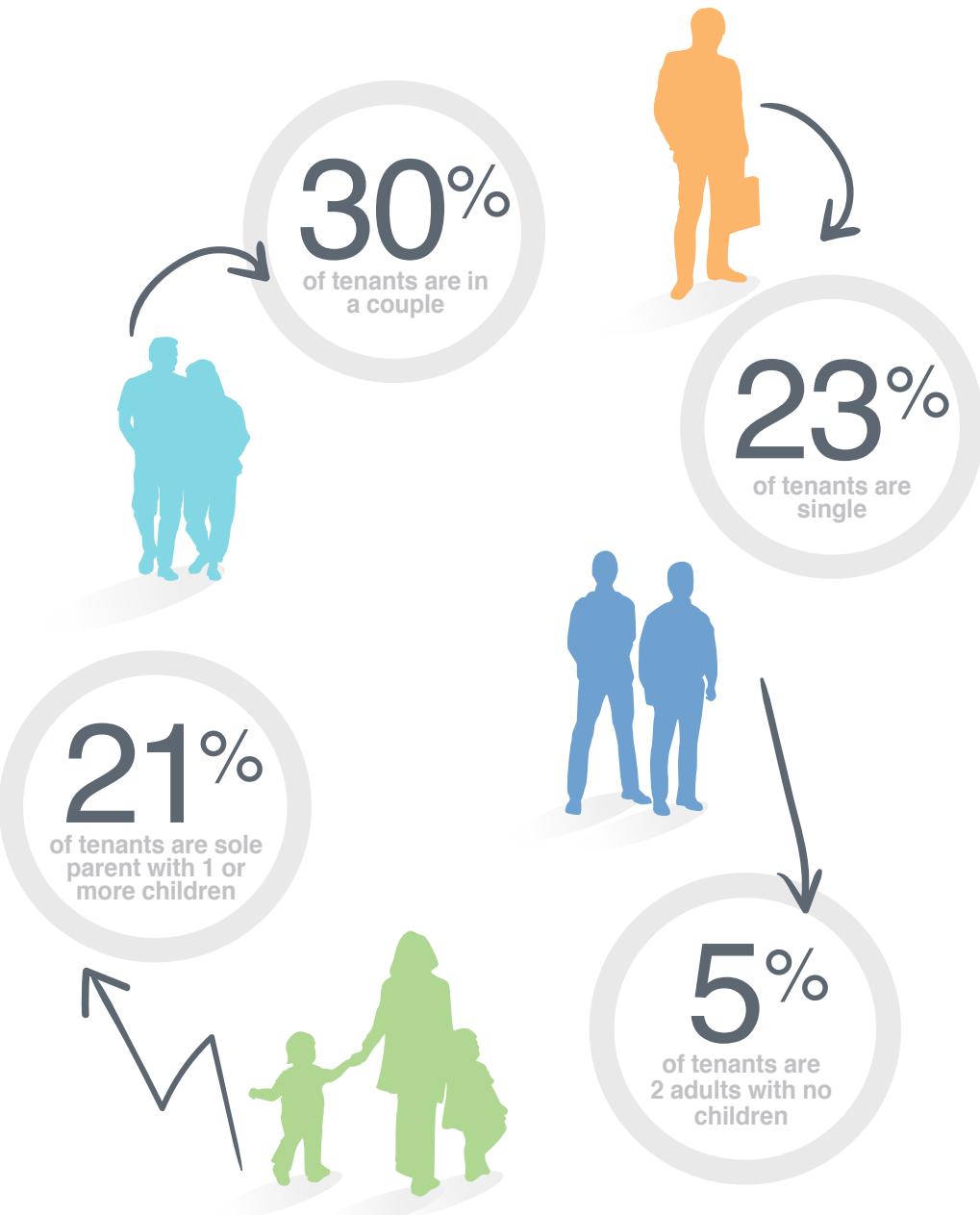


1%

75+ years



DEMOGRAPHICS OF AFFORDABLE HOUSING - LINK TENANTS I FAMILY



LINK HOUSING MANAGES AN ADDITIONAL 42 HOMES IN WILLOUGHBY

Link Housing collaborated with property developer, Hyecorp, to increase affordable housing in Willoughby. NSW Premier Gladys Berejiklian officially opened the 42 award winning, affordable homes in May 2017. Mayor Gail Giles-Gidney, representatives from Hyecorp and members of Willoughby Council also attended the opening of the new 'Sienna' building.

The beautifully designed homes are located in a safe and family-friendly neighbourhood with fantastic facilities such as a rejuvenation pool and rooftop BBQ area. The units will enable local, key workers such as police officers and nurses on low to moderate incomes, to remain close to their place of work. The new homes are close transport, amenities and other key community resources.

The 'Sienna' building was delivered in collaboration with local and state government and property developer, Hyecorp. This is a fantastic example of what can be achieved through a partnership approach, and highlights the possibility to further increase high-quality housing options, in high-value areas.



LINK HOUSING HOSTS THIRD AFFORDABLE HOUSING FORUM

The third forum in Link Housing's event series was held in February. The successful community housing forum, 'Housing Futures – How does Sydney Grow?' took place in the Northern Suburbs. The first forum was held on the Northern Beaches and the second on the lower North Shore. The three events provided a rare opportunity to bring community members and key decision makers together, to have an interactive and informative discussion about the growing need for affordable housing.

Minister Victor Dominello opened the event,

with over 100 people in attendance, including tenants, Ministers and support service providers. Participant feedback was overwhelmingly positive, many appreciating the opportunity to network with key representatives in the housing sector, as well as the chance to be part of solutions-focused discussions.





**WE AIM TO
STRENGTHEN
THE LIVES
AND
COMMUNITIES
OF THOSE WE
WORK WITH.**

COMMUNITY HOUSING

Link Housing provides social housing services that caters for the needs of people on very low incomes. We manage properties on behalf of FACS, housing rented through the private market and housing that we own. We have social housing across the Northern Suburbs and Northern Beaches. The Link Housing team have extensive experience and knowledge in all areas of tenancy management, enabling us to successfully address the diverse needs of our clients. In addition, Link Housing participates in Housing Pathways to make it easier, simpler and fairer for people to apply for housing.

Our focus is to provide tenants with secure homes, so they can experience long-term stability. We also provide a comprehensive tenant engagement program that delivers initiatives to positively impact the lives of tenants and their families.

Link Housing takes on new tenants as part of the Social Housing Management Transfer (SHMT) Tranche 1

Link Housing has taken on the management of 27 properties as part of the SHMT. We are delighted to have worked with FACS to take over the management of the properties to provide homes to those who need them most. Most importantly, residents are able to access support, tailored to their individual needs. We aim to strengthen the lives and communities of those we work with.

Our housing managers consulted with all tenants prior to them coming under Link Housing's management. The tenancies have now successfully transitioned to Link Housing management and feedback has been extremely positive. We will continue to provide our new tenants with a responsive and tailored service which meets their needs.

DEMOGRAPHICS OF COMMUNITY HOUSING - LINK TENANTS | AGES

7 %
16- 24 years



20 %
55 – 64 years



22 %
25 – 44 years



12 %
65 – 74 years



25 %
45 – 54 years



13 %
75+ years



63 %
of tenants are in receipt of a disability support, Newstart Allowance (NNS), pension or an aged pension.



English is the most widely used language in the home, followed by Mandarin, Cantonese and Arabic.



TENANT AND COMMUNITY PARTICIPATION

Tenant Participation is about tenants taking part in the decision making processes and influencing decisions about how Link Housing runs its business.

This is achieved in a variety of ways including:

Forminglinks

This is a co-designed program with the Tenant Advisory Group. The yearly program offers a range of events and services that encourage all tenants to reach their goals, connect with their community and promote happiness and wellbeing.

Tenants have told us that they want;

- To be connected to their local community
- To have access to support and services
- Opportunities to improve their social and economic wellbeing
- To live in safe homes and neighbourhoods

We have listened to the needs of our tenants. In response, we have delivered a range of community initiatives. We place great value and importance on providing connecting our tenants with each other and our staff. Throughout the year, Link Housing hosts regular social events for tenants including morning teas

and information sessions such as 'Senior's Day', the 'Granny Smith Parade' and the popular end of year celebrations.

**Scholarship winner
Ann Goulab and Link Housing
CEO Andrew McAnulty**



Link Housing opens new apartments in Wollstonecraft

Seven new studio apartments have opened in Wollstonecraft. They are located in the heart of Sydney's North Shore, with fantastic access to amenities, ensuring high quality of life for tenants.

'April Place' was delivered in partnership with North Sydney Council and was officially opened by Adrian Panuccio, Chief Operating Officer at North Sydney Council. 'April Place' tenants, Link Housing staff and many supporters attended the opening of the beautiful new building. 'April Place' was named after Link Housing's much loved staff member, April Baggett, who passed away in 2015. April's two children, Shayla and Austin Bowler (above), proudly cut the ribbon to open the new homes.

LINK HOUSING'S INAUGURAL FUNDRAISING EVENT HOME SWEET IS A SUCCESS



Minister Brad Hazzard, Warren Welsh and Christian Wilkins

We are pleased to share that we have worked with long term partner The Burdekin Association to raise over \$120,000 for youth homelessness on the Northern Beaches. The inaugural *Home Sweet 2017* event was a significant success and we are excited to embark on this new endeavour to help other organisations in need of support.

All funds have been donated to our long-term partner, The Burdekin Association who work with young people across Sydney's Northern Beaches. Each night there are over 200 young people without a permanent home on the Northern Beaches. This is a growing problem, and we want to help find a solution.

Over fifty people fundraised, and gave up their beds for the night to sleep at the Freshwater Surf Life Saving Club. Participants heard from a range of speakers, including young people who shared their personal stories about being homeless. In addition, attendees took part in an interactive workshop to discuss solutions to end youth homelessness. Christian Wilkinson, who was in the successful SBS programme,



Granny Smith Parade: Jana Vukomanovic, Sonia Spence and Liz Breden

'Filthy Rich and Homeless' was the master of ceremonies. Other key speakers included Minister and State Member for Wakehurst, Brad Hazzard, as well as Member for Manly James Griffin.

As a community-focused organisation, we give to other grass-roots organisations with the aim of strengthening communities. We have the capacity to help and make a difference, and were delighted that we have been able to positively impact the lives of young people by raising awareness and funds.

Link Housing and The Burdekin Association have been working together for more than 25 years, providing housing and support for more than 500 vulnerable youth on Sydney's Northern Beaches. Over the last five years, 84% of young people supported by Burdekin have moved into independent accommodation or have planned to move back with family. The event received support from numerous sponsors including PwC, Community Sector Banking, Bendigo Bank and Aqualand Australia.



ENGAGING WITH OUR COMMUNITIES

We are committed to engaging with our communities. Through our existing housing and community services, tenant engagement programs and resources, we strive to deliver service improvements and initiatives that contribute to a positive change for our communities, our tenants and their families.

Link Housing consults the community through theatre

Engaging our tenants and the wider community is important to us. Using a creative and consultative approach, we provided tenants with the opportunity to take part in a series of interactive performances. With the guidance of the Milk Crate Theatre, tenants designed and performed plays to live audiences. The performances started an important discussion with the wider community about community housing. The aim was to connect with tenants around their housing needs, concerns and hopes. Participants also increased their skills, gained confidence and had the opportunity to connect with other Link Housing tenants.

Presbyterian Aged Care (PAC) project

In collaboration with PAC, we delivered improved access to aged care services for tenants. The program is promising positive tenant outcomes, including improved access to support services for elderly tenants, greater quality care where needed and on-going support. As a result of this project, a number of participants have been linked to further support services. In addition, a broader section of the community are now aware of how to access the services, should they ever need them in the future.



Presbyterian
Aged Care



Link Housing Education Scholarship Program

Education and learning enables individuals to reach personal and professional goals, and break the cycle of disadvantage. Link Housing's scholarship program was created to give tenants the opportunity to develop skills and knowledge in their chosen field. As a result of this program, tenants have studied and found employment in areas such as sports, creative writing, music and tertiary education courses. During 2016-17, \$25,000 was awarded to nine Link Housing tenants.



Link Housing showcases Community Art

With so many talented artists in the Link Housing community, we were delighted to share their work at our exhibition, 'What a Home Means to You'. This is the second year the exhibition has been held at the Warringah Creative Space. It was a privilege to showcase the wide variety of fantastic artworks from tenants across Sydney. This year, paintings were also submitted by accomplished Sydney artist, Jane Bennett.

Working in partnership with Ryde Council, the exhibition then went on display at the See Street Gallery in Meadowbank. This wonderful community initiative highlights the importance of safe, secure housing, while encouraging social inclusion through art.



Link Housing wins Sustainability Award

Link Housing is committed to reducing our overall environmental impact. We have made strong progress over the past year, and are thrilled to be named the winner of the 'Better Business Partnership' Award.

The award demonstrates that Link Housing's green projects including the development of 39 sustainably designed residences, the installation of over 200 rainwater tanks in Link Housing properties, and Link Housing's new LinkGreen team, are contributing to becoming a more eco-conscious organisation.

The award is a joint Council service, funded by Ku-ring-gai, North Sydney and Willoughby Councils, to recognise businesses achieving success through sustainability. Link Housing was honoured to be presented with the award by Mayor of Willoughby, Gail Giles-Gidney, at a special presentation night.



TAG WAS PLEASED TO BE ABLE TO ASSIST IN BROADENING LINK HOUSING'S FOOTPRINT IN THE COMMUNITY.

TENANT ADVISORY GROUP (TAG)

Written by Michael Bolton

The TAG as a working committee have been productive in both input on Policy Review and acknowledgement of Services available to tenants.

TAG supports Link Housing's vision for growth and acknowledges and endorses the organisation's readiness for expansion.

This year there were many successful projects that support Link Housing's ability to successfully engage and listen to the needs of tenants. One of these projects was the Milk Crate Theatre production. A number of TAG members performed and offered advice in both the intensive training sessions and the interactive theatre. It was a unique opportunity to embrace others perspectives on Social and Community Housing. TAG was pleased to be able to assist in broadening Link Housing's footprint in the community.

The 'What a Home Means to You' art exhibition was viewed with warmth and admiration for the work of the numerous artists. Many tenants offered their work for exhibition. TAG was appreciative of the fact the display was taken 'on the road' to both the Northern Beaches 'Creative Space gallery' and the 'See Street Gallery' in Meadowbank. This is an area where Link Housing is forging partnerships within Local Government, and advancing the work of gifted people whilst maintaining focus on the vital issues of housing needs.

The Committee continues to grow and attract new members as it broadens its knowledge and commitment to both tenants and Link Housing.

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



TENANT STORY

Sanjay Chodon

Dee Why resident Sanjay Chodon has big dreams, and being awarded a Link Housing scholarship brings those dreams one step closer.

The impressive 20 year old has already had some amazing experiences – she was born shortly after her parents fled Tibet before establishing a new life in Australia. Sanjay now helps international students find accommodation. Like many eldest children in non-English speaking families, she is also the household interpreter and administrator. Sanjay will use the Link Housing grant to further her International Business studies at La Trobe University's Sydney Campus



John Michael Murray

After 15 years, John's family organic food business went under. He lost his house in the 1993 recession and in 2005, sank into bankruptcy. John and his wife could no longer afford commercial rent. Friends allowed them to live in their house on below market rent while they were overseas. They applied successfully for public housing but John's wife died before their friends returned. The first offer John received was in Lane Cove. Being a North Shore boy, he could not believe his luck. He is very happy with the service he received from Link Housing. John has been a priest, social planner, shopkeeper and is now an architect.



**THE AIM OF
THIS REVIEW
WAS TO
LOOK MORE
CLOSELY
AT HOW WE
DELIVER OUR
SERVICES,
AND REFLECT
ON EVERY
PART OF OUR
BUSINESS.**

LINKRIGHT

This year, we undertook a deep-dive into our operations. The aim of this review was to look more closely at how we deliver our services, and reflect on every part of our business. As an organisation that strives to deliver service excellence, it's important that we continually identify our strengths and weaknesses, to improve our services for tenants.

As a result of the review, we worked with our tenants to co-design an innovative plan that brings improvements to our technology, systems and overall operations. Link Housing's new client service team has been established and implemented. The complete plan will be implemented in 2017/2018.

In addition, we are delighted that as the first community housing provider to be certified against the International Customer Service Standard (ICSS: -2020) in 2016 we achieved re-certification.

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

HOUSING FOR PEOPLE WITH DISABILITIES

Link Housing has a proud history of providing housing to people with disabilities through our housing stock and innovative partnerships. We are pleased to report that we are growing this part of our business. We believe everyone has the right to safe and affordable housing, tailored to their needs. People with disabilities are important members of the community. We are committed to increasing housing opportunities for people with disabilities, as well as creating supportive and inclusive communities.

Link Housing wins tender to manage homes for people with disabilities

We are excited to announce that Link Housing and the Cerebral Palsy Alliance (CPA) have won the tender issued by the NSW Department of Family and Community Services, to provide accommodation and respite services in Ryde, Hornsby, Willoughby and the Northern Beaches, as part of the National Disability Insurance Scheme (NDIS). This is a significant initiative for Link Housing as we continue to expand our operations to cater to more people with disabilities.

Working in partnership with the Cerebral Palsy Alliance, Link Housing will manage 277 new tenancies in 58 group and respite homes which have been transferred from government to community management.

We are delighted with the opportunity to be part of this initiative and look forward to working closely with CPA and welcoming our new tenants and their families to the Link family.



**Cerebral Palsy
ALLIANCE**

Link Housing manages innovative homes for people with disabilities

Link Housing would like to highlight a long standing innovative partnership with The Housing Connection (THC). THC provides individualised support for people who have an intellectual disability, to live meaningful and inclusive lives in their communities. We are extremely proud to contribute to the lives of the tenants by providing safe and secure housing in a cluster of homes in Willoughby. The homes were designed with the residents' quality of life in mind. The innovative design centres on the importance of tenants having support and shared spaces as well as their private and independent tenancy. One of the key outcomes of the partnership is that the tenants have a home for life tailored to their needs. This creates enormous peace of mind for friends and families.



Cerebral Palsy Association and Link Housing visit the Minister's office to sign Ageing, Disability and Home Care tender documents.

PARTNERSHIPS

We are committed to delivering the best outcome for our tenants. We strongly believe that this is best achieved by working with our many valued partners. It is through harnessing their strengths and skills, along with our own, that we can change the lives of many.

Our partners are essential in ensuring our tenants and all clients have access to the best services that meet their needs. These partnerships contribute to reducing homelessness, providing more housing and support for those in need and providing more support to help people improve their circumstances. Link Housing has over 30 partnerships in the Northern Sydney area. It is through these valued connections that we are able to deliver a holistic service to our tenants.

Youth Services



Women's Services



Juvenile Justice Services



Domestic Violence Services



Community Hub



Aged Care Services



Disability Services



Employment Services



Family Services



FINANCIAL STATEMENTS 2016 - 2017

LINK HOUSING LTD
ACN 003 084 928

(A company limited by guarantee)

FINANCIAL REPORT
For the year ended 30 June 2016



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Link housing Ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

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DIRECTORS' REPORT

Link housing Ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

The Directors present their report, together with the financial statements of the Company for the year ended 30 June 2017.

Directors

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

Directors	Date Appointed
Simon Maughan Wright	24 June 2013
Andrew McAnulty	23 April 2015
Mark McEnallay	25 June 2013
Kerry Robinson	27 November 2014
Julie Savet Ward	15 June 2010
Lois Towart	23 May 2011
Sonja Walters	15 June 2010
Amy Brown	1 June 2017
Tim Williams	3 April 2017

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:

Simon Maughan Wright	
Qualifications	Law and 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

Link housing Ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

Information on Directors (continued)

Andrew McAnulty

Qualifications	BA (Hons) Housing and 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	Company Secretary, Community Services and Health Industry Skills Council Limited (in Liquidation) Company Secretary, RSL Lifecare 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

Julie Savet Ward

Qualifications	M Landscape Planning, B.Sc.(Applied PhysGeog) (Hons), FAICD.
Occupation	Company Director
Special responsibilities	Chair HR and Nomination Committee

DIRECTORS' REPORT

Link housing Ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

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 Nomination Committee

Sonja Walters

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

Amy Brown

Qualifications	BA (Geog), LLB, GAICD
Occupation	Partner, PwC
Special responsibilities	Nil

Tim Williams

Qualifications	Phd. (University of Wales) BA (History) Cambridge, Teaching
Occupation	CEO
Special responsibilities	Nil

DIRECTORS' REPORT

Link housing Ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

Meetings of Directors

During the financial year, 14 meetings of Directors and 19 meetings of Committees of Directors were held. Attendances by each Director during the year were as follows:

Directors' Meetings

	Number eligible to attend	Number attended
Sonja Walters	14	14
Julie Savet Ward	14	14
Mark McEnallay	14	14
Simon Maughan Wright	14	14
Lois Towart	14	12
Kerry Robinson	14	14
Andrew McAnulty	14	13
Tim Williams	3	1
Amy Brown	1	-

Development Committee Meetings

	Number eligible to attend	Number attended
Simon Maughan Wright	8	8
Kerry Robinson	8	8
Belinda Bentley	8	5
George Marton	6	2
Andrew McAnulty	8	8

Audit and Risk Management Committee Meetings

	Number eligible to attend	Number attended
Lois Towart	6	6
Mark McEnallay	6	6

DIRECTORS' REPORT

Link housing Ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

HR and Nominations Committee Meetings

	Number eligible to attend	Number attended
Julie Savet Ward	5	5
Aldo Manitta	5	5
Lois Towart	5	5

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 our financial capacity and staffing resources so as to allow us to expand housing opportunities. In this respect, we continued to accumulate cash surpluses for future housing investment, made \$600,000 of voluntary repayments to our debt facility with Bendigo Bank and made a number of senior staff appointments during the year. Another 48 affordable rental homes were taken under management.

We also focused on improving services to clients and ensuring our staff had the appropriate skills to work effectively with our tenants. Key achievements during the year included commencement of our Customer Service Improvement Project and upgrades to our Kypera housing management and finance systems. These efforts will continue to enhance 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 and on a sustainable basis. Under our Strategic Direction for 2014-2022, we intend to expand the number of social and affordable housing tenancies to 5,000 by 2022.

DIRECTORS' REPORT

Link housing Ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

Investment properties

During the financial year we carried out formal valuations on 4 of the vested Nation Building Economic Stimulus Properties (comprising 111 dwellings) 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 \$4.3 million across the portfolio.

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 2017 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,

B. Waeters

Director

Date: 21 September 2017

DIRECTORS' REPORT

Link housing Ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017



PITCHER PARTNERS
ACCOUNTANTS • AUDITORS • ADVISORS

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 2017 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.

A handwritten signature in black ink, appearing to read 'Melia Alexander'.

M A ALEXANDER
Partner

PITCHER PARTNERS
Sydney

21 September 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Link housing ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

	Note	2017 \$	2016 \$
Revenue	4	22,624,637	21,743,762
Other income	5	4,621,257	15,098,404
		27,245,894	36,842,166
Expenses:			
Property expenses		(13,230,066)	(12,881,997)
Employee benefit expenses		(4,190,107)	(3,611,782)
Maintenance expenses		(1,322,158)	(1,124,238)
Office expenses		(916,971)	(863,350)
Depreciation and amortisation expense		(248,546)	(138,328)
Finance costs		(255,703)	(293,835)
Other expenses		(1,165,304)	(371,414)
		(21,328,855)	(19,284,944)
Surplus before income tax expense		5,917,039	17,557,222
Income tax expense		-	-
Surplus for the year after income tax expense		5,917,039	17,557,222
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		5,917,039	17,557,222

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

Link housing ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

	Note	2017 \$	2016 \$
Assets			
Current Assets			
Cash and cash equivalents	7	638,605	550,556
Other financial assets	8	12,695,070	12,583,614
Trade and other receivables	9	1,476,442	1,516,126
Other assets	10	1,430,356	1,050,102
Total Current Assets		16,240,473	15,700,398
Non-Current Assets			
Plant and equipment	11	47,269	21,604
Investment properties	12	103,178,052	98,374,964
Intangibles	13	1,173,775	1,310,794
Total Non-Current Assets		104,399,096	99,707,362
Total Assets		120,639,569	115,407,760
Liabilities			
Current Liabilities			
Trade and other payables	14	1,489,244	1,600,474
Borrowings	15	-	84,114
Provisions	16	394,901	410,673
Other liabilities	17	602,740	560,834
Total Current Liabilities		2,486,885	2,656,095
Non-Current Liabilities			
Borrowings	15	4,851,700	5,367,586
Provisions	16	87,707	87,841
Total Non-Current Liabilities		4,939,407	5,455,427
Total Liabilities		7,426,292	8,111,522
NET ASSETS		113,213,277	107,296,238
Equity			
Reserves	18	1,895,492	1,798,596
Retained surpluses	19	111,317,785	105,497,642
TOTAL EQUITY		113,213,277	107,296,238

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Link housing ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

	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
Surplus for the year	5,917,039	-	-	5,917,039
Transfers to and from reserves	(96,896)	96,896	-	-
Balance at 30 June 2017	111,317,785	1,064,976	830,516	113,213,277

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

Link housing ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Rent and other receipts		14,064,092	13,594,517
Government subsidies and grants received		8,614,819	8,044,703
Sundry receipts		9,918	73,098
Interest received		445,914	437,551
Payments to suppliers and employees		(21,750,594)	(19,211,258)
Interest and other finance costs paid		(255,703)	(293,835)
Net cash provided by operating activities		1,128,446	2,644,776
CASH FLOWS FROM INVESTING ACTIVITIES			
Transfer to term deposits		(111,456)	(566,045)
Purchase of property, plant and equipment		(42,250)	(15,235)
Purchase of software		(3,389)	(274,188)
Purchase of Rent Roll		(91,553)	(997,902)
Investment properties construction work in progress		-	(660,000)
Improvements and additions to investment properties		(191,749)	(66,906)
Net cash used in investing activities		(440,397)	(2,580,276)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(600,000)	(661,115)
Proceeds from borrowings		-	-
Net cash provided by financing activities		(600,000)	(661,115)
Net increase/(decrease) in cash and cash equivalents held		88,049	(596,615)
Cash and cash equivalents at the beginning of the financial year		550,556	1,147,171
Cash and cash equivalents at the end of the financial year		638,605	550,556

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Link housing ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

NOTE 1: Corporate Information

Link Housing Ltd ("the Company") 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 21 September 2017. The Directors have the power to amend and reissue the financial report.

NOTE 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

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.

NOTES TO THE FINANCIAL STATEMENTS

Link housing ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

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

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 and Grant revenues are 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 and Grant revenues are recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the subsidy and grant are recognised as income on receipt.

The Company 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 or 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 STATEMENTS

Link housing Ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

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).

(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.

NOTES TO THE FINANCIAL STATEMENTS

Link housing Ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

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 or 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 or 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.

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

NOTES TO THE FINANCIAL STATEMENTS

Link housing ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

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

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.

NOTES TO THE FINANCIAL STATEMENTS

Link housing ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

i) 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.

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 the statement of profit or loss and other comprehensive income.

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 67L of the *Housing Act 2001*.

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

Transfers 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

NOTES TO THE FINANCIAL STATEMENTS

Link housing ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

subsequent accounting cost of investment properties on date of change of use.

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

o) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, that portion of the loans or borrowings are classified as non-current.

p) Finance costs

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

- Interest on 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.

NOTE 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

NOTES TO THE FINANCIAL STATEMENTS

Link housing ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

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

Estimation of useful lives of assets

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

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 STATEMENTS

Link housing ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

	2017 \$	2016 \$
4. Revenue		
Rent received	13,093,653	12,753,267
Subsidies	8,124,390	7,785,676
Fee for service income	761,437	564,664
Interest received	382,042	416,663
Tenant reimbursements	243,115	216,981
Grants	20,000	6,511
	22,624,637	21,743,762
5. Other Income		
Gain on revaluation of investment properties	4,271,946	15,025,306
Contribution received on property transfer	339,393	-
Sundry income	9,918	73,098
	4,621,257	15,098,404
6. Expenses		
Surplus before income tax includes the following specific expenses:		
Superannuation expense	322,742	281,016
7. Cash and Cash Equivalents		
Cash on hand	500	500
Cash at bank	638,105	550,056
	638,605	550,556
8. Other Financial Assets		
Bank deposits	12,695,070	12,583,614

NOTES TO THE FINANCIAL STATEMENTS

Link housing ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

	2017 \$	2016 \$
9. Trade and Other Receivables		
CURRENT		
Rent and non-rent amounts due from tenants	490,032	423,174
Provision for impairment	(280,598)	(214,971)
Total Trade Debts	209,434	208,203
Bonds paid on leased properties	761,698	743,558
Government subsidies receivable	412,976	408,430
Accrued interest receivable	91,262	155,135
Other receivables	1,072	800
Total Other Receivables	1,267,008	1,307,923
Total Trade and Other Receivables	1,476,442	1,516,126
10. Other Assets		
CURRENT		
Prepayments	1,071,126	1,009,842
Pre Project costs	359,230	40,260
	1,430,356	1,050,102
11. Plant and Equipment		
Furniture, fixtures and fittings		
At cost	107,109	75,025
Accumulated depreciation	(74,157)	(71,018)
Total furniture, fixtures and fittings	32,952	4,007
Office equipment		
At cost	148,850	138,684
Accumulated depreciation	(134,533)	(121,087)
Total office equipment	14,317	17,597
Total plant and equipment	47,269	21,604

NOTES TO THE FINANCIAL STATEMENTS

Link housing ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

11. Plant and Equipment (continued)

Reconciliations

Reconciliation 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 2016	4,007	17,597	21,604
Additions	32,084	10,166	42,250
Disposal	-	-	-
Depreciation expense	(3,139)	(13,446)	(16,585)
Balance at 30 June 2017	32,952	14,317	47,269

	2017 \$	2016 \$
12. Investment Properties		
Investment properties – at fair value	103,178,052	97,710,758
Investment properties – at cost – construction work in progress	-	664,206
	103,178,052	98,374,964

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening balance	98,374,964	82,622,752
Fair value adjustments	4,611,339	15,025,306
Additions resulting from capitalised development expenditure	191,749	726,906
Closing balance	103,178,052	98,374,964

NOTES TO THE FINANCIAL STATEMENTS

Link housing ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

13. Intangibles	2017 \$	2016 \$
Software		
Software – at cost	436,708	433,319
Less: Accumulated amortisation	(167,483)	(77,963)
	269,225	355,356
Rent Roll		
Rent Roll – at cost	1,089,455	997,902
Less: Accumulated amortisation	(184,905)	(42,464)
	904,550	955,438
Total Intangibles	1,173,775	1,310,794
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 2016	355,356	955,438	1,310,794
Additions	3,389	91,553	94,942
Disposal	-	-	-
Amortisation expense	(89,520)	(142,441)	(231,961)
Balance at 30 June 2017	269,225	904,550	1,173,775

NOTES TO THE FINANCIAL STATEMENTS

Link housing ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

	2017 \$	2016 \$
14. Trade and Other Payables		
CURRENT		
Trade payables	290,642	326,403
Sundry payables and accrued expenses	1,198,602	1,274,071
	1,489,244	1,600,474
15. Borrowings		
CURRENT		
Bank Loan	-	84,114
NON-CURRENT		
Bank Loan	4,851,700	5,367,586
16. Provisions		
CURRENT		
Employee benefits	394,901	340,605
Other	-	70,068
	394,901	410,673
NON-CURRENT		
Employee benefits	37,707	37,841
Provision for leasehold rectification	50,000	50,000
	87,707	87,841

NOTES TO THE FINANCIAL STATEMENTS

Link housing ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

16. Provisions	Employee Benefits \$	Leasehold Rectification \$	Other \$	Total \$
Balance at 1 July 2016	378,446	50,000	70,068	498,514
Additional provisions raised	321,353	-	-	321,353
Unused provisions reversed	-	-	(33,574)	(33,574)
Amount Used	(267,191)	-	(36,494)	(303,685)
Balance at 30 June 2017	432,608	50,000	-	482,608
17. Other Liabilities			2017 \$	2016 \$
CURRENT				
Deferred Income			602,740	560,834
18. Equity – Reserves				
SEPP 10 reserves			830,516	830,516
Affordable Housing reserve			1,064,976	968,080
			1,895,492	1,798,596
19. Equity – Retained Surpluses				
Retained surplus at the beginning of the financial year			105,497,642	88,067,486
Surplus profit after income tax expense for the year			5,917,039	17,557,222
Transfer to Affordable Housing reserve			(96,896)	(127,066)
			111,317,785	105,497,642

NOTES TO THE FINANCIAL STATEMENTS

Link housing ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

	2017 \$	2016 \$
20. Capital and Leasing Commitments		
Operating Lease Commitments		
Payable – minimum lease payments		
- No later than 1 year	221,725	171,142
- Between 1 year and 5 years	79,819	240,950
	301,543	412,092
The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with various terms. Increase in lease commitments may occur in line with the consumer price index (CPI).		
Capital Expenditure Commitments		
Payable		
- No later than 1 year	-	164,034
	-	164,034
21. Contingent Liabilities		
Contingent liabilities	45,164	35,136
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.		
Financing arrangements		
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	1,261,115	661,115
The bank loan facilities may be drawn at any time and have an average maturity of 13 years (2016: 14 years).		

NOTES TO THE FINANCIAL STATEMENTS

Link housing ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

	2017 \$	2016 \$
22. Members' Guarantee		
The Company is incorporated under the <i>Corporations Act 2001</i> 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 2017, the total amount that members of the Company are liable to contribute if the Company is wound up is \$4,700.		
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	115,134	90,091
Aggregate compensation – Executive	874,418	702,242
25. Related Party Transactions		
<i>Key management personnel</i> Disclosures relating to key management personnel are set out in note 24.		
<i>Transactions with related parties</i> There were no transactions with related parties during the current and previous financial year.		
<i>Receivable from and payable to related parties</i> There were no trade receivables from or trade payables to related parties at the current and previous reporting date.		
<i>Loans to/from related parties</i> There were no loans to or from related parties at the current and previous reporting date.		

NOTES TO THE FINANCIAL STATEMENTS

Link housing ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

	Note	2017 \$	2016 \$
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	638,605	550,556
Other financial assets	8	12,695,070	12,583,614
Trade and other receivables	9	1,476,442	1,516,126
		14,810,117	14,650,296
Financial liabilities			
Trade and other payables	14	290,642	326,403
Sundry payables and accrued expenses	14	1,198,602	1,274,071
Borrowings	15	4,851,700	5,451,700
		6,340,944	7,052,174

NOTES TO THE FINANCIAL STATEMENTS

Link housing ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

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 44 to 64, comply with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position as at 30 June 2017 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
Director

Dated in Sydney, this 21st day of September 2017.

INDEPENDENT AUDITOR'S REPORT

Link housing Ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

Opinion

We have audited the financial report of Link Housing Limited ("the Company"), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities declaration.

In our opinion the financial report of Link Housing Limited has been prepared in accordance with Division 60 of 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 2017 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and Division 60 of the Australian Charities and *Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* ("ACNC Act") and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditors report is information included in the Directors Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Responsible Entities 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 ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Responsible Entities are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

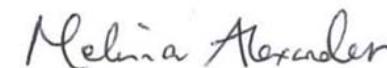
Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

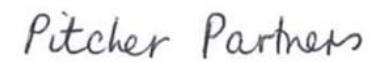
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Melina Alexander
M ALEXANDER
Partner

21 September 2017


Pitcher Partners
PITCHER PARTNERS
Sydney

GOVERNANCE PRINCIPLES

Link housing ltd | ACN 003 084 928 | A company limited by guarantee | For the year ended 30 June 2017

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 and 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 and 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.

GOVERNANCE PRINCIPLES

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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 and 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.

NOTES TO THE FINANCIAL STATEMENTS

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2016-2017



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