



**Link
Wentworth**
Providing homes, building futures.

Summary Financial Statements

**For the year ended
30 June 2021**

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Cover photo:

Lyndal

Link Wentworth Tenant

Directors’ Report

The Directors present their report, together with the financial statements of the Company for the year ended 30 June 2021.

Directors	Information on Directors
<p>The Directors of the Company who held office during or since the end of the financial year are:</p> <p>Michael Allen, PSM <i>(appointed 31 March 2021)</i></p> <p>Aimee Lindfield <i>(appointed 31 March 2021)</i></p> <p>Andrew McAnulty <i>(ceased 31 March 2021)</i></p> <p>Andrew Sweeney <i>(appointed 31 March 2021)</i></p> <p>Belinda Bentley</p> <p>Brodie Druett <i>(appointed 31 March 2021)</i></p> <p>Dr. Dianne Jackson <i>(appointed 31 March 2021)</i></p> <p>Ken Gilbert <i>(appointed 31 March 2021)</i></p> <p>Kerry Robinson, OAM</p> <p>Mark McEnallay</p> <p>Melanie Leijer <i>(ceased 31 March 2021)</i></p> <p>Nirmal Hansra</p> <p>Simon Maughan Wright</p>	<p>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:</p> <p>Michael Allen PSM <i>(appointed 31 March 2021)</i></p> <p>Qualifications Graduate Diploma in Urban Estate Management, Member Australian Institute of Company Directors, Fellow Institute of Public Administration Australia, Life Member Australasian Housing Institute</p> <p>Occupation Board Chair and Non-Executive Director</p> <p>Special responsibilities Chair of Link Wentworth Housing Limited (appointed 31 March 2021)</p> <p>Aimee Lindfield <i>(appointed 31 March 2021)</i></p> <p>Qualifications Bachelor of Business; Graduate Member of the Australian Institute of Company Directors (GAICD); Graduate Diploma of Chartered Accounting (GradDipCA)</p> <p>Occupation IT Business Experience Partner - Enterprise & Global Markets</p> <p>Special responsibilities Chair, Neighbourhood Jobs Committee <i>(appointed 1 April 2021)</i> Member, Audit Risk, and Improvement Committee <i>(appointed 1 April 2021)</i></p> <p>Andrew Sweeney <i>(appointed 31 March 2021)</i></p> <p>Qualifications Built Environment and Architecture Degrees; Registered Architect; Licenced Real Estate Agent (QLD, NSW).</p> <p>Occupation Property Investment Executive</p> <p>Special responsibilities Member, Neighbourhood Jobs Committee <i>(appointed 1 April 2021)</i> Member, Assets and Development Committee <i>(appointed 1 April 2021)</i></p> <p>Belinda Bentley</p> <p>Qualifications BSc BA (UNSW), MProDev (UTS), GAICD, NSW Real Estate Licence (Class 1)</p> <p>Occupation Director, 9Springs</p> <p>Special responsibilities Member, Assets and Development Committee Member, People & Culture Committee</p> <p>Brodie Druett <i>(appointed 31 March 2021)</i></p> <p>Qualifications Graduate Certificate in Housing Management and Policy; Member of the Australasian Housing Institute (AHI) and Australian Institute of Company Directors (MAICD)</p> <p>Occupation Retired</p> <p>Special responsibilities Member, Assets and Development Committee <i>(appointed 1 April 2021)</i> Member, People and Culture Committee <i>(appointed 1 April 2021)</i></p>

Company Secretary

Djordje Bogdanovic
(appointed 30 June 2021)

Mark Woodward
(ceased 30 June 2021)

<p>Dr. Dianne Jackson <i>(appointed 31 March 2021)</i></p> <p>Qualifications Doctor of Philosophy – Education/ Social Science; Bachelor of Social Science (Hons First Class); Bachelor of Teaching; Member of the Australian Institute of Company Directors (MAICD)</p> <p>Occupation Chief Executive Officer</p> <p>Special responsibilities Member, Neighbourhood Jobs Committee <i>(appointed 1 April 2021)</i> Member, People & Culture Committee <i>(appointed 1 April 2021)</i></p> <p>Ken Gilbert <i>(appointed 31 March 2021)</i></p> <p>Qualifications Bachelor of Social Work; Bachelor of Business; Graduate Member of the Australian Institute of Company Directors (GAICD)</p> <p>Occupation Independent Consultant</p> <p>Special responsibilities Chair, People and Culture Committee (appointed 1 April 2021)</p> <p>Kerry Robinson, OAM</p> <p>Qualifications Justice of the Peace; Bachelor of Town Planning (Hons), UNSW; Ass. Dip. Valuation, Sydney CAE; FAICD.</p> <p>Occupation Chief Executive Officer</p> <p>Special responsibilities Member, Audit, Risk & Improvement Committee Member, People & Culture Committee (ceased 1 April 2021)</p>	<p>Mark McEnallay</p> <p>Qualifications B.Com, FCPA, FAICD, FGIA.</p> <p>Occupation Consultant and Company Director</p> <p>Special responsibilities Chair, Audit & Risk Management Committee (ceased 1 April 2021) Member, Audit, Risk and Improvement Committee Member, Assets and Development Committee (ceased 1 April 2021)</p> <p>Nirmal Hansra</p> <p>Qualifications MComm, FAICD, FGIA, FCANZ, FCPA</p> <p>Occupation Non-Executive Director</p> <p>Special responsibilities Chair, Audit, Risk and Improvement Committee (appointed 1 April 2021) Chair of Link Housing Limited (ceased 1 April 2021)</p> <p>Simon Maughan Wright</p> <p>Qualifications Law & Grad Dip, Labour Law (Syd Uni), MBA (AGSM/UNSW), Post Grad Certificate in Digital Leadership (AGSM/UNSW), FAICD, NSW Real Estate Licence.</p> <p>Occupation Principal, ABSA Corporate Advisory, Sydney and a housing property development business.</p> <p>Special responsibilities Chair, Asset and Development Committee, Board Real Estate Licence holder</p>	<p>Andrew McAnulty <i>(ceased 31 March 2021)</i></p> <p>Qualifications BA (Hons) Housing & Development; Royal Institution of Chartered Surveyors (MRICS); Chartered Institute of Housing (CIOH); GAICD: NSW Real Estate Licence</p> <p>Occupation Chief Executive Officer</p> <p>Special responsibilities Chief Executive Officer / Executive Director Member, Assets and Development Committee (ceased 1 April 2021)</p> <p>Melanie Leijer <i>(ceased 31 March 2021)</i></p> <p>Qualifications Bachelor of Economics, Macquarie University, MBA, AGSM/UNSW, GAICD</p> <p>Occupation Chief Operating Officer, VetPartners</p> <p>Special responsibilities Chair, People & Culture Committee (ceased 31 March 2021)</p>
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Directors’ Report Continued

Meetings of Directors

During the financial year, 11 meetings of Directors and 20 meetings of Board Committees were held. A Neighbourhood Jobs Committee was formed on 1 April 2021 with no meetings for this Committee held during the year ended 30 June 2021.

Attendances by each Director during the year were as follows:

	Board Meetings		Board Committee Meetings					
			People and Culture		Assets and Development [#]		Audit Risk and Improvement [*]	
	E	A	E	A	E	A	E	A
Michael Allen, PSM	3	3	-	-	-	-	-	-
Aimee Lindfield	3	3	-	-	-	-	2	2
Andrew Sweeney	3	3	-	-	1	1	-	-
Belinda Bentley	11	10	4	4	10	10	-	-
Brodie Druett	3	3	1	1	1	1	-	-
Dianne Jackson	3	3	1	1	-	-	-	-
Ken Gilbert	3	3	1	1	-	-	-	-
Kerry Robinson, OAM	11	10	3	3	1	1	6	6
Mark McEnallay	11	11	-	-	9	9	6	6
Nirmal Hansra	11	11	-	-	-	-	2	2
Simon Maughan Wright	11	11	-	-	10	10	-	-
Melanie Leijer <i>(ceased 31 March 2021)</i>	8	7	3	3	-	-	-	-
Andrew McAnulty <i>(ceased 31 March 2021)</i>	8	8	-	-	9	9	-	-

E: Number of meetings Director eligible to attend

A: Number of meetings Director attended

- : Not a member of the relevant Committee

[#] Changed name from Development Committee on 1 April 2021

^{*} Changed name from Audit, Risk and Management Committee on 1 April 2021

Principal activities

The principal activity of Link Wentworth Housing Limited during the financial year was the provision of community housing to low and moderate income earners and specialist disability accommodation in New South Wales.

The Company has maintained its registration as a Tier 1 Community Housing Provider under the National Regulatory System for Community Housing.

On 29 September 2020, the Boards of Directors of Link Housing Limited and Wentworth Community Housing Limited signed an agreement for the Merger of the two entities effective 31 March 2021. The merger provided for the renaming of Link Housing Limited to Link Wentworth Housing Limited, appointment of an independent chair and equal directors being appointed from both companies and the net assets of Wentworth Community Housing Limited being transferred into Link Wentworth Housing Limited. After completing relevant ASIC obligations, Link Wentworth Housing Limited was formed on 31 March 2021.

The merger results in the Company becoming a leading provider of community housing in Australia increasing its property portfolio to 6,399 homes under management as follows:

Link Wentworth Housing Limited	30 Jun 2020	30 Jun 2021
Chatswood Hub	3,917	3,981
Penrith Hub	-	2,418
Total Number of Homes	3,917	6,399

Except for the merger noted above, no other significant changes in the nature of the Company’s activity occurred during the financial year.

Operating results

The Company generated a net surplus of \$21.6 million for the year which will be used to further the Company’s objective of providing social and affordable housing to those in need. Included within the net surplus was a fair value gain on owned investment properties of \$15.1 million.

During the year the Company invested \$1.8 million on strategic initiatives to meet its long term objectives. These investments included undertaking and completing the merger of the Company with Wentworth Community Housing Limited and activities focused on identifying opportunities to develop or redevelop properties for increased community housing in NSW. This expenditure was spent on the following:

- Merger related costs - \$1.3 million
- Lachlans Line, Macquarie Park - \$0.1 million
- Civic Way, Rouse Hill - \$0.3 million
- Safe Places Emergency Accommodation - \$0.1 million

To maintain the quality of our property portfolio and enhance tenant experience, the Company invested \$8.8 million in maintenance expenditure.

The Company’s owned property portfolio was revalued and recorded a net fair value gain for the year of \$15.1 million. The leased property portfolio Right of Use asset under AASB16 reflected a net fair value loss of \$12.3 million.

Net assets increased to \$251.5 million from \$143.8 million last financial year. \$86.2 million of the increase is attributable to the Net Assets acquired through the merger with Wentworth Community Housing Limited. At balance date, the Company had a strong balance sheet with \$31.2 million in cash and no borrowings, positioning it well for future growth opportunities.

Whilst COVID-19 impacted the delivery of face-to-face services in locations affected by lockdowns, the Company was able to deliver most of its services and its impact on the financial results to June 2021 was not significant.

Short and long-term objectives and strategy

The merger with Wentworth Community Housing Limited enabled the Company to scale up its operations through increased property portfolio, human resources and systems capability supported by a stronger balance sheet. The merger provides increased capability and capacity for the provision of more social and affordable housing and delivery of enhanced support services for those most vulnerable in the community.

The longer-term objectives are to improve organisational performance and ensure we have a sustainable and robust business model, whilst continuing to focus on a broader range of affordable housing needs which extend beyond the traditional social and affordable housing tenant.

The merger and accounting impact

AASB3 - Business Combinations

As noted above, the Company merged with Wentworth Community Housing Limited with the Company being the acquirer and the acquisition date was 31 March 2021.

The purchase consideration is a contribution by the members of Wentworth Community Housing Limited, that has been accounted for as equity contribution on business combination. The equity contribution is equal to the net asset value and therefore no goodwill or gain is recognised.

The net assets of Wentworth Community Housing Limited transferred have been recognised at fair value at merger date.

Directors’ Report Continued

Investment properties

Investment property comprises owned property and leased property that is held to earn rental income or for capital appreciation, or both. Investment property is carried at fair value. Changes to fair value are recorded in the statement of profit or loss and other comprehensive income as other income.

During the financial year, the Company carried out valuations on owned properties. Following the valuations, investment properties increased in value by \$15.1 million across the portfolios, compared to loss of \$0.7 million in the prior year.

Performance measures

The Company measures its own performance using both quantitative and qualitative indicators. The indicators are used by Directors to assess the financial sustainability, the performance of the Company and whether the Company’s objectives are being achieved. These include portfolio growth, tenant satisfaction and staff engagement surveys as well as operating surplus and cash flow, tenant arrears, vacancies and voids and asset maintenance standards. These results are 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 26 of the Financial Report.

Events after the end of the reporting period

In August 2021, the Company received a Letter of Variation Agreement from the Department of Communities and Justice for Tranche 2 of the Together Home Program. This program commenced from 1 July 2021 and it provides for two years of funding to 30 June 2023. This variation agreement provides an additional \$0.64 million for a total of \$5.8 million in funding to deliver this program.

On 24 August 2021, the Company entered into a non-binding memorandum of understanding with home care services provider, Active Care Network, in which the Company agrees to transfer the Company’s business from the Neighbourhood Jobs program. The transfer includes clients and contracts, certain staff and assets to Active Care Network. The financial impact of this transfer is not material to the results of the Company. At the date of this Report, no binding contract has been signed in relation to this transfer.

At the date of this report, the Company is continuing to monitor and respond to the effects of COVID-19 and any resulting financial effect of the virus on the operations in the future is not readily determinable.

Apart from the above, no other 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.

Proceedings on behalf of the Company

The Company does not have any threatened or actual proceedings brought against it which are considered to have a material financial impact. The Company has not launched legal proceedings against any parties during the financial year and to the date of this report.

Indemnifying Directors, Officers or Auditors

Deeds of Indemnity have been entered into between the Company and Directors and Officers that indemnify them from financial losses that may occur arising from the performance of their duties. No indemnities have been given during or since the end of the financial year for any person who is or has been an auditor of the Company. Directors’ and Officers’ insurance premiums are paid by the Company. The policy prohibits the disclosure of amounts paid.

Rounding of amounts

Amounts in this report have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar.

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

On behalf of the Directors.



Mike Allen
Director and Chair of the Board



Nirmal Hansra
Director and Chair of the Audit, Risk and Improvement Committee

Date: 22 September 2021

Discussion and Analysis of the Summary Financial Statements

Basis of Preparation of the Summary Financial Statements

The Summary Financial Statements are an extract from the full financial statements for the year ended 30 June 2021. The financial statements and disclosures in the Summary Financial Statements have been derived from the 2021 financial report of Link Wentworth Housing Limited. A copy of the full financial statements and auditors’ report will be sent to any member, free of charge, upon request. The discussion and analysis are provided to assist members in understanding the Summary Financial Statements. The financial statements are presented in Australian Dollars which is the Company’s functional and presentational currency.

Adoption of New Accounting Standards

The Company has adopted all 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.

Business Combinations

During the year the Company merged with Wentworth Community Housing Limited. The Company is the acquirer and the acquisition date was 31 March 2021.

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Company assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Company’s operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer’s previously held equity interest in the acquirer.

The fair value of net assets transferred to the Company has been accounted for as a contribution by the members of Wentworth Community Housing Limited, that has been accounted for directly by the Company in equity as contributed equity. The equity contribution is equal to the fair value of net assets and therefore no goodwill or gain is recognised.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Statement of Profit or Loss and Other Comprehensive Income

Total revenue and other income increased by \$28.8 million to \$81.3 million, driven by increases in property related revenue of \$13.0 million (24%) to \$65.3 million, and a fair value gain on owned investment properties of \$15.1 million (2020: \$0.7 million loss). The total property related revenue increase was mainly from increased subsidies, grants and rent received. Total expenditure increased by \$11.7 million (24%) to \$59.8 million (2020: \$48.1 million). It includes a fair value loss of \$12.3 million on leased properties. The Company generated a net surplus of \$21.6 million which will be used to further the Company’s long-term objective of providing housing to those in need.

Statement of Financial Position

Total assets increased by \$152.8 million to \$388.4 million (2020: \$235.6 million) representing an increase of 65%. Total liabilities increased by \$45 million to \$136.9 million (2020: \$91.2 million). The Company’s cash and the value of its owned property portfolio total \$252.5 million while no borrowings as of 30 June 2021. Net assets increased to \$251.5 million. The Company is well positioned for its future growth in providing increased social and affordable housing.

Financials

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
Revenue and other income			
Revenue from contracts with customers and other revenue	2	65,302	52,300
Interest revenue calculated using the effective interest rate method		156	249
Other income	3	15,879	10
		81,337	52,559
Expenses			
Property expenses		(10,426)	(8,987)
Employee benefits expense		(15,328)	(11,130)
Maintenance expenses		(8,786)	(6,505)
Office expenses		(2,657)	(2,183)
Depreciation and amortisation expenses		(1,482)	(1,287)
Depreciation and amortisation of concession assets		(4,088)	(3,050)
Finance costs		(3,056)	(3,151)
Fair value loss on right of use asset classified as investment property	4	(12,261)	(10,842)
Fair value loss on investment property – owned		–	(713)
Other expenses		(1,692)	(243)
		(59,776)	(48,091)
Surplus before income tax expense		21,561	4,468
Income tax expense		–	–
Surplus after income tax expense		21,561	4,468
Other comprehensive income		–	–
Total comprehensive income for the year		21,561	4,468

Statement of financial position

As at 30 June 2021

	Notes	2021 \$'000	2020 \$'000
Assets			
Current Assets			
Cash and cash equivalents		10,680	4,358
Other financial assets		22,540	15,072
Trade and other receivables		5,643	2,509
Other assets		1,751	480
Total current assets		40,614	22,419
Non-Current Assets			
Property, plant and equipment		7,828	6,743
Investment properties	4	310,853	188,621
Concession assets		22,451	15,993
Intangibles		565	781
Other financial assets		5,136	–
Other assets		997	1,058
Total Non-Current Assets		347,830	213,196
Total Assets		388,444	235,615
Liabilities			
Current Liabilities			
Trade and other payables		5,189	2,333
Borrowings		–	398
Provisions		1,975	914
Financial liabilities		3,655	2,852
Lease liabilities	5	19,116	11,703
Other liabilities		12,461	2,946
Total Current Liabilities		42,396	21,146
Non-Current Liabilities			
Borrowings		–	2,837
Provisions		671	127
Financial liabilities		11,540	10,987
Lease liabilities	5	82,316	56,757
Total Non-Current Liabilities		94,527	70,708
Total Liabilities		136,923	91,854
Net Assets		251,521	143,761
Equity			
Reserves		1,115	1,865
Contributed equity	6	86,199	–
Retained surpluses		164,207	141,896
Total Equity		251,521	143,761

Financials Continued

Statement of changes in equity

For the year ended 30 June 2021

	Retained Surpluses \$'000	Property Reserve \$'000	SEPP 10 Reserve \$'000	Contributed Equity \$'000	Total \$'000
Balance at 1 July 2019	137,524	1,261	508	–	139,293
Surplus for the year	4,468	–	–	–	4,468
Transfers to and (from) reserves	(96)	96	–	–	–
Balance at 30 June 2020	141,896	1,357	508	–	143,761
Surplus for the year	21,561	–	–	–	21,561
Contributed equity (Note 6)	–	–	–	86,199	86,199
Transfers to and (from) reserves	750	(242)	(508)	–	–
Balance at 30 June 2021	164,207	1,115	–	86,199	251,521

Statement of cash flows

For the year ended 30 June 2021

	2021 \$'000	2020 \$'000
Cash flows from operating activities		
Rent and other receipts	44,747	39,917
Government subsidies and grants received	26,139	14,904
Sundry receipts	731	10
Interest received	190	303
Payments to suppliers and employees	(37,754)	(30,963)
Interest and other finance costs paid	(3,056)	(3,151)
Net cash provided by operating activities	30,997	21,019
Cash flows from investing activities		
Transfers (to)/from term deposits	(5,389)	(3,945)
Payment for property, plant and equipment	(82)	(144)
Payment for software development costs	(1)	(46)
Transfers (to)/from financial assets	(237)	–
Cash and cash equivalents from business combination (Note 6)	10,694	–
Payment for concession assets	(5,766)	(2,290)
Payments for investment property	(244)	–
Improvements and additions to investment properties	(3,327)	(82)
Net cash used in investing activities	(4,352)	(6,507)
Cash flows from financing activities		
Repayment of borrowings	(3,235)	(444)
Repayment of financial liabilities	(3,424)	(2,738)
Repayment of lease liabilities	(13,664)	(11,425)
Net cash used in financing activities	(20,323)	(14,607)
Net increase in cash and cash equivalents held	6,322	(95)
Cash and cash equivalents at the beginning of the financial year	4,358	4,453
Cash and cash equivalents at the end of the financial year	10,680	4,358

Notes to the Summary Financial Statements

Note 1: Basis of preparation of the Summary Financial Statements

The Summary Financial Statements have been prepared from the audited financial statements for the year ended 30 June 2021. The audited financial statements for the year ended 30 June 2021 are available on request from Link Wentworth Housing Limited. The financial statements are presented in Australian Dollars which is the Company's functional and presentational currency.

The financial statements, specific disclosures and other information included in the Summary Financial Statements are derived from and are consistent with the full financial statements of Link Wentworth Housing Limited. The Summary Financial Statements cannot be expected to provide a detailed understanding of the financial performance, financial position and financing and investing activities of Link Wentworth Housing Limited as the full financial report.

The accounting policies have been consistently applied to Link Wentworth Housing Limited and are consistent with those of the preceding financial year in their entirety.

Note 2: Revenue from contracts with customers and other revenue

	2021 \$'000	2020 \$'000
Revenue from contracts with customers		
Fee for service income	2,796	2,736
Subsidies and grants	19,858	12,629
	22,654	15,365
Other revenue		
Rent received	41,451	35,522
Tenant reimbursements	717	772
Other reimbursements	480	641
	42,648	36,935
Total revenue from contracts with customers and other revenue	65,302	52,300

Note 3: Other Income

Gain on revaluation of investment properties	15,148	-
Realised and unrealised gain on financial assets measured at fair value through profit or loss	238	-
Sundry income	493	10
	15,879	10

Note 4: Investment Properties

	2021 \$'000	2020 \$'000
Investment property – owned property	214,135	125,288
Investment property – leased property	96,718	63,333
	310,853	188,621

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

Opening balance	188,621	125,919
Adoption of AASB 16 - Leased Property	-	63,630
Additions through business combinations - Owned (Note 6)	70,372	-
Additions through business combinations - Leased (Note 6)	31,666	-
Revaluation movements - leased property	(12,261)	(10,842)
Revaluation movements - owned property	15,148	(713)
Changes in leased property holdings	13,979	10,545
Capitalised development expenditure	195	82
New property purchase	3,133	-
Closing balance	310,853	188,621

The majority of investment properties are leased to tenants on low to moderate incomes. The lease terms vary depending on the property provider and range from 2 weeks to 10 years rolling contracts.

Minimum lease payments under non-cancellable operating leases of owned and leased investment properties that are receivable from tenants is as follows:

Within one year	9,638	5,778
Later than one year but not later than five years	39,372	24,293
Greater than five years	20,887	12,887
	69,897	42,958

Note 5: Lease liabilities

Current		
Lease liabilities	19,116	11,703
Non-Current		
Lease liabilities	82,316	56,757
Reconciliations		
Opening Balance	68,460	357
Adoption of AASB 16 – leased property	-	68,983
Remeasurement of lease liability	13,979	10,545
Additions through business combinations (Note 6)	32,657	-
Interest	2,658	2,640
Repayments	(16,322)	(14,065)
Closing balance	101,432	68,460

Notes to the Summary Financial Statements Continued

Note 6: Business Combinations

31 March 2021
Fair value
\$'000

On 31 March 2021, the Company and Wentworth Community Housing Limited combined to form Link Wentworth Housing Limited.

The fair value balance sheet at the acquisition date is set out below:

Balance Sheet at fair value at date of acquisition

Assets

Current Assets

Cash and cash equivalents	10,694
Other financial assets	2,079
Trade and other receivables	2,448
Other assets	1,315
Total Current Assets	16,536

Non-Current Assets

Property, plant and equipment	2,230
Investment properties - Owned properties	70,372
Investment properties - Leased properties	31,666
Intangible assets	38
Other financial assets	4,899
Total Non-Current Assets	109,205

Total Assets

125,741

Liabilities

Current Liabilities

Trade and other payables	1,089
Provisions	997
Financial liabilities	4,577
Lease liabilities	6,576
Total Current Liabilities	13,239

Non-Current Liabilities

Provisions	222
Lease liabilities	26,081
Total Non-Current Liabilities	26,303

Total Liabilities

39,542

NET ASSETS ACQUIRED

86,199

Contributed Equity

(86,199)

Acquisition-date fair value of consideration transferred

–

Acquisition costs expensed to profit or loss

1,290

Directors’ Declaration

For the year ended 30 June 2021

The Directors of the Company declare that the summary financial statements of Link Wentworth Housing Limited for the financial year ended 30 June 2021, as set out on pages 8 to 14 are an extract from the full financial statements for the year ended 30 June 2021 and have been derived from and are consistent with the full financial statements of Link Wentworth Housing Limited. This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by –



Mike Allen
Director and Chair of the Board



Nirmal Hansra
Director and Chair of the Audit,
Risk and Improvement Committee

Date: 22 September 2021

Independent Audit Report on the Summary Financial Statements



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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LINK WENTWORTH HOUSING LTD
(FORMERLY LINK HOUSING LTD)
ACN 003 084 928

Report on the Audit of the Summary Financial Statements

Opinion

The summary financial statements of Link Wentworth Housing Ltd (formerly Link Housing Ltd) ("the Company"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, are derived from the audited financial report of the Company for the year ended 30 June 2021.

In our opinion, the summary financial statements are consistent, in all material respects, with the audited financial report, on the basis described in Note 1.

Summary Financial Statements

The summary financial report does not contain all the disclosures required by Australian Accounting Standards applied in preparation of the audited financial report of the Company. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial report of the Company and the auditor's report thereon.

The Audited Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial report in our report dated 22 September 2021.

Responsibilities of Directors' for the Summary Financial Statements

The Directors are responsible for the preparation of the summary financial statements on the basis described in Note 1 to the audited financial report, to the extent applicable to the summary financial report.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial report based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

S S WALLACE
Partner

22 September 2021

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