Pacific Link Housing Limited

ABN 82 074 394 648

Financial Statements

For the Year Ended 30 June 2025

Pacific Link Housing Limited

ABN 82 074 394 648

Contents

For the Year Ended 30 June 2025

Directors' Report
30 June 2025

The directors present their report, together with the financial statements of the Group, being Pacific Link Housing Limited and its controlled entities, for the financial year ended 30 June 2025.

Information on directors

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

Wal Edgell	Chairman
Qualifications	Banking and Property Executive
Years service	11 years
Special responsibilities	Attends all committee meeting in ex-officio capacity
Leoni Baldwin	Director, Deputy Chair
Qualifications	BA Ed PE; AMA Mediation, Member of the Australian Institute of Company Directors (MAICD)
Years service	13 years
Special responsibilities	Member of Governance Committee
Matthew Cochrane-Smith	Director
Qualifications	Advisor and strategist, Fellow of CPA Australia, GAICD
Years service	4 years
Special responsibilities	Director of Key2 Realty Pty Ltd, Chair of Renew Projects Pty Ltd, Member of Finance, Risk and Audit Committee
Stephen Brahams	Director
Qualifications	Property Development Director, Licensed Real Estate Agent, FAICD
Years service	16 years
Special responsibilities	Director of Key2 Realty Pty Ltd, Chair of Growth Committee
Peter Alward	Director
Qualifications	Property Development Director, Licensed Real Estate Agent, MAICD
Years service	7 years
Special responsibilities	Chair of Key2 Realty Pty Ltd, Member of Finance, Risk and Audit and Growth Committees
Kristen Watts	Director
Qualifications	Non-executive Director, Chartered Accountant, Masters in Commerce, GAICD
Years service	5 years
Special responsibilities	Director of Renew Projects Pty Ltd, Chair of Finance, Risk and Audit Committee
Sarah Winter	Director
Qualifications	BA LLB LLM MAICD
Years service	5 years
Special responsibilities	Chair of Governance Committee

Information on directors (Cont'd)

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

Vision and Mission

Pacific Link Housing Limited aims to continue to achieve our Vision of *Thriving and inclusive communities that benefit everyone*, by delivering on our Mission *to provide safe, secure and affordable homes for those in need*.

The principal activities of the Group during the financial year were the development, provision and management of low-cost subsidised housing to clients on low incomes and property management services.

The Company has two 100% owned subsidiaries:

- Key2 Realty Pty Ltd - provides property management services to private landlords as a licensed real estate agency; and

- Renew Projects Pty Ltd - provides property renovation and maintenance services.

All surpluses remitted from the subsidiaries are applied towards the Group's objectives.

No significant change in the nature of these activities occurred during the year.

Strategy

The Group Strategic Plan outlines the following strategies:

- Provide more homes
    - Generate development and management opportunities.
    - Develop capital and financing strategies for long-term sustainability.
    - Grow access to finance through high-quality tenders and grants.
    - Pursue purpose-led collaborations with partners.
    - Build readiness and capacity.
    - Optimise our charitable status and facilitate social enterprises.
- Value our people
    - Foster values-based, positive culture and work environment.
    - Empower our team to optimise performance, flexibility and mobility.
    - Nurture wellbeing and embed safety focus.
    - Support career progression, leadership and professional development.

Strategy (Cont'd)

- Improve tenant wellbeing

  - Listen to the views, concerns and encouragement from tenants, neighbours and support partners.
  - Deliver quality services, support and offer choice.
  - Maintain quality property condition with consideration to energy efficiency and comfort.
  - Offer programs to support social and economic participation.
  - Create inclusive engagement opportunities.
  - Use a systematic approach to measure and report on our impact.

- Achieve excellence and sustainability

  - Maintain financial discipline and manage risks effectively.
  - Drive operational quality, resilience and scalability.
  - Invest in technology and systems to support decision-making.
  - Ensure governance, risk, compliance and procurement best practice.
  - Maintain continuous improvement ethos.
  - Seek revenue diversification opportunities.
  - Seek to optimise positive environmental impacts.

- Focus on community impact

  - Focus on opportunities in our local footprint to consolidate our leadership position.
  - Lead influence and evidence-based advocacy.
  - Build our profile within our community broadly.
  - Collaborate with our diverse network of government, social and private sector stakeholders.

Members' guarantee

Pacific Link Housing Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to $2, subject to the provisions of the company's constitution.

At 30 June 2025 the collective liability of members was $84 (2024: $88).

Directors' Report
30 June 2025

Other items

There is a $785,000 (2024: $785,000) investment in subsidiaries on the statement of financial position for Pacific Link Housing Limited which is eliminated on consolidation. This is comprised of $585,000 investment in Key2 Realty Pty Ltd and $200,000 investment in Renew Projects Pty Ltd.

The Directors have determined there is an unrecognised asset that has been generated as a result of the creation of a rent roll within the subsidiary, Key2 Realty Pty Ltd. The market value of the rent roll is deemed to be $715,000 (2024: $700,000), which reflects significantly the business success and the Company's value. The method used to determine this estimated market value is the annualised income as at 30 June 2025 multiplied by a factor of 3x, discounted to reflect the social and affordable client base. According to Australian Accounting Standards, this intangible asset is not reflected in the financial statements.

Events after the reporting date

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

Operating results

The statement of Profit or Loss and Other Comprehensive Income shows a comprehensive surplus of $4,682,604 (2024: $15,132,185). The Australian Accounting Standards require this to include one-off capital grants and gain from investment property revaluations. The Directors also monitor the underlying operational surplus that reflects the regular activities of the Group and trends in challenges to revenue and expenses. The table below shows the reconciliation of the total comprehensive surplus to the underlying operational surplus:

	2025 $	2024 $
Total comprehensive surplus for the year as per Statement of Profit or Loss	**4,682,604**	15,132,185
Less:		
Capital grant income for property development or acquisition	**-**	(13,546,000)
(Gain)/Loss on investment property revaluation	**(2,826,748)**	919,000
Total underlying surplus	**1,855,856**	**2,505,185**

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Directors' Report
30 June 2025

Meetings of directors

During the financial year, 11 meetings of directors (not including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Peter Alward	11	10
Leoni Baldwin	11	11
Stephen Brahams	11	10
Matthew Cochrane-Smith	11	11
Wal Edgell	11	11
Kristen Watts	11	11
Sarah Winter	11	11

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2025 has been received and can be found on page 6 of the financial report.

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

Director: W Edgell .... Director: ....

WALTER HAWORTH CECIL EDGELL

Dated: 23/10/2025

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF

PKF

K Helmers

KEVIN HELMERS
PARTNER

23 OCTOBER 2025
NEWCASTLE, NSW

Pacific Link Housing Limited

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2025

	Note	2025 $	2024 $
Revenue	4	**17,058,359**	15,264,998
Other income	4	**8,428,606**	18,491,468
Finance income	5	**277,327**	334,329
		25,764,292	34,090,795
Employee benefits expense		**(5,910,324)**	(4,965,256)
Depreciation and amortisation expense		**(1,123,630)**	(1,149,587)
Training expenses		**(51,126)**	(55,821)
Audit, legal and consultancy expenses		**(285,062)**	(173,141)
Insurance expense		**(532,665)**	(462,291)
Property repairs and maintenance		**(1,943,491)**	(1,709,063)
Council and water rates		**(1,511,120)**	(1,384,180)
Rental expense		**(6,764,838)**	(6,408,306)
Adhoc repairs, maintenance and vehicle running expense		**(114,870)**	(97,139)
Other operating expenses		**(2,452,126)**	(2,173,113)
Finance expenses	5	**(344,611)**	(368,964)
Surplus before income tax		**4,730,429**	15,143,934
Income tax expense	2(b)	**(47,825)**	(11,749)
Surplus for the year		**4,682,604**	15,132,185
Total comprehensive surplus for the year		**4,682,604**	15,132,185

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As at 30 June 2025

	Note	2025 $	2024 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	**9,246,510**	4,970,487
Trade and other receivables	9	**911,349**	993,197
Other assets		**262,635**	231,032
Financial assets		**122,958**	-
TOTAL CURRENT ASSETS		**10,543,452**	6,194,716
NON-CURRENT ASSETS			
Property, plant and equipment	11	**917,863**	873,069
Investment property	12	**62,059,649**	58,689,692
Right of use assets	10	**2,058,430**	2,768,858
TOTAL NON-CURRENT ASSETS		**65,035,942**	62,331,619
TOTAL ASSETS		**75,579,394**	68,526,335
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	**9,030,042**	6,112,743
Employee benefits	14	**593,416**	509,040
Current tax liabilities		**46,096**	11,749
Lease liabilities	10	**645,566**	810,022
TOTAL CURRENT LIABILITIES		**10,315,120**	7,443,554
NON-CURRENT LIABILITIES			
Lease liabilities	10	**1,636,399**	2,183,773
Financial liabilities	15	**11,000,000**	11,000,000
Employee benefits		**176,318**	130,055
Other liabilities		**30,000**	30,000
TOTAL NON-CURRENT LIABILITIES		**12,842,717**	13,343,828
TOTAL LIABILITIES		**23,157,837**	20,787,382
NET ASSETS		**52,421,557**	47,738,953
MEMBERS' FUNDS			
Retained earnings		**52,421,557**	47,738,953
TOTAL EQUITY		**52,421,557**	47,738,953

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2025

	Retained Earnings $	Total $
Balance at 1 July 2024	**47,738,953**	**47,738,953**
Surplus for the year	**4,682,604**	**4,682,604**
Balance at 30 June 2025	**52,421,557**	**52,421,557**

	Retained Earnings $	Total $
Balance at 1 July 2023	32,606,768	32,606,768
Surplus for the year	15,132,185	15,132,185
Balance at 30 June 2024	47,738,953	47,738,953

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 30 June 2025

	Note	2025 $	2024 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from tenants and other persons		**18,614,231**	15,475,028
Payments to suppliers and employees		**(21,359,279)**	(19,576,156)
Interest received		**277,327**	334,329
Receipts from government sources		**8,790,320**	18,566,268
Interest and other charges		**(344,611)**	(368,964)
Net cash provided by operating activities		**5,977,988**	14,430,505
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net payments for property, plant and equipment		**(190,719)**	(308,337)
Transfer to financial assets		**(122,958)**	-
Payment for investment properties		**(532,403)**	(17,953,352)
Net cash used in investing activities		**(846,080)**	(18,261,689)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of lease liabilities		**(855,885)**	(828,822)
Net cash used in financing activities		**(855,885)**	(828,822)
Net (decrease)/increase in cash and cash equivalents held		**4,276,023**	(4,660,006)
Cash and cash equivalents at the beginning of the year		**4,970,487**	9,630,493
Cash and cash equivalents at the end of the financial year	8	**9,246,510**	4,970,487

Notes to the Financial Statements

For the Year Ended 30 June 2025

The financial report covers Pacific Link Housing Limited and its controlled entities ('the Group'). Pacific Link Housing Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001.*

The financial statements have been prepared on an accruals basis and are based on historical costs modified, except for the measurement at fair value of investment property.

Material accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Material Accounting Policy Information

(a) Revenue and other income

The revenue recognition policies for the principal revenue streams of the Group are:

Service Concession Arrangements

The Group has entered into arrangements to provide community housing services on behalf of Government. The arrangements are for operating services only whereby the Group receives use of the housing infrastructure and also the right to charge users of the housing service in accordance with the terms of the arrangements. The revenue and costs in relation to the operating services are recognised as they are incurred.

Income from grants

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

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

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

2 Material Accounting Policy Information (Cont'd)

(a) Revenue and other income (Cont'd)

Donations

Donations and bequests are recognised as revenue when received.

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

(b) Income Tax

Pacific Link Housing (the 'Company') is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*. The controlled entities, as disclosed in note 7, are for-profit entities and are required to pay income tax.

(c) Leases

At inception of a contract, the Group assesses whether a lease exists.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

For leases that have significantly below-market terms and conditions principally to enable the Group to further its objectives (commonly known as peppercorn/concessionary leases), the Group has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

2 Material Accounting Policy Information (Cont'd)

(c) Leases (Cont'd)

For leases that have a useful life of less than 12 months at inception, the Group has adopted the short-term exemption under AASB16 and records the payments as expenses.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Financial instruments

The Group's financial assets measured at amortised cost comprise cash and cash equivalents, deposits held in financial institutions and trade and other receivables in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and lease liabilities.

(f) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment

Plant and equipment are measured on a cost basis less depreciation and impairment losses.

2 Material Accounting Policy Information (Cont'd)

(f) Property, plant and equipment (Cont'd)

Plant and equipment (Cont'd)

The cost of fixed assets constructed by the Group includes the cost of materials, direct labour and borrowing costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance is charged to the statement of profit or loss and other comprehensive income during the financial period in which it is incurred.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Leasehold improvements	9% - 20%
Furniture and office equipment	10% - 33%
Motor Vehicles	23%
Office Equipment	18.75% - 40%
Computer equipment	18.75% - 40%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Investment property

Investment property is carried at fair value, determined annually by independent valuers or Directors valuations pursuant to *AASB 140 Investment Property*. Changes to fair value are recorded in the statement of profit or loss and other comprehensive income as other income/expenses.

(i) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

2 Material Accounting Policy Information (Cont'd)

(i) Employee benefits (Cont'd)

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - Fair value of investment properties

Investment property land and buildings are included in the financial statements at fair value. Fair value has been estimated by the directors and management with reference where possible to external valuations, market appraisals, recent comparable sales, date of purchase and capitalisation rate valuations.

Key estimates - Leases

Some of the leases held by the Group include options to extend the lease for up to twice the non-cancellable lease term. The directors and management have considered the likelihood of exercising the options based on the current stage of lease life-cycle and other available leasable spaces. Where it has been deemed to be likely to exercise the extension option, the right-of-use assets and lease liabilities have been recorded at their new useful lives.

4 Revenue and Other Income

	2025 $	2024 $
Service concession revenue - at a point in time	**17,058,359**	15,264,998
- Fair value investment gain/(loss)	**2,826,748**	(919,000)
- Grants income	**58,323**	13,573,296
- Other income	**215,460**	132,856
- Government grants	**5,328,075**	5,704,316
	8,428,606	18,491,468

5 Finance Income and Expenses

Finance income		
Interest income	**277,327**	334,329
Finance expenses		
Interest on lease liabilities	**88,242**	112,080
Finance expenses	**256,369**	256,884
Total finance expenses	**344,611**	368,964

6 Auditors' Remuneration

Remuneration of the auditor PKF, for:		
- Auditing the financial report	**34,650**	33,000

7 Interests in Subsidiaries

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2025	Percentage Owned (%)* 2024
Subsidiaries:			
Key2 Realty Pty Ltd	Australia	**100**	100
Renew Projects Pty Ltd	Australia	**100**	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

8 Cash and Cash Equivalents

Cash on hand	**640**	640
Cash at bank	**9,245,870**	4,969,847
	9,246,510	4,970,487

9 Trade and Other Receivables

	2025	2024
	$	$
Trade receivables	**1,546,764**	2,026,133
Expected credit loss	**(635,415)**	(1,032,936)
	911,349	993,197

Expected credit loss

The Group applies the simplified approach to expected credit losses, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2025 is determined as follow and the expected credit losses incorporate forward looking information.

Balance at beginning of the year	**1,032,936**	870,442
Charged for the year	**(397,521)**	162,494
Balance at end of the year	**635,415**	1,032,936

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

10 Leases

The Group as a lessee

The Group has leases over a range of assets including buildings and office equipment.

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

Buildings

The Group leases buildings for their corporate offices and long-term residential tenancy, the leases are generally between 1 - 11 years and some of the leases include a renewal option to allow the Group to renew for up to twice the non-cancellable lease term.

Some of the leases contain an annual pricing mechanism based on CPI movements at each anniversary of the lease inception.

Office equipment

The Group leases phone equipment and a photocopier. The lease are for 5 years and the lease payments are fixed during the lease term.

Notes to the Financial Statements

For the Year Ended 30 June 2025

10 Leases (Cont'd)

Right-of-use assets

	Properties	Office Equipment	Total
	$	$	$
Year ended 30 June 2025			
Opening balance	2,760,169	8,689	2,768,858
Additions	132,308	-	132,308
Depreciation	(848,573)	(3,300)	(851,873)
Disposals	-	-	-
Adjustments for CPI increase	9,137	-	9,137
Balance at end of year	2,053,041	5,389	2,058,430

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	$	$	$	$	$
2025					
Lease liabilities	731,622	1,505,185	195,673	2,432,480	2,281,965

Notes to the Financial Statements

For the Year Ended 30 June 2025

11 Property, plant and equipment

	2025	2024
	$	$
Leasehold improvements - at cost	**356,374**	353,074
Accumulated depreciation	**(116,651)**	(84,253)
	239,723	268,821
Furniture and fittings - at cost	**370,363**	367,617
Accumulated depreciation	**(260,962)**	(217,457)
	109,401	150,160
Motor vehicles - at cost	**646,165**	511,621
Accumulated depreciation	**(235,975)**	(245,201)
	410,190	266,420
Office and computer equipment - at cost	**598,590**	569,529
Accumulated depreciation	**(440,041)**	(381,861)
	158,549	187,668
Total property, plant and equipment	**917,863**	873,069

Movements in Carrying Amounts

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

	Leasehold improvements	Furniture and fittings	Motor Vehicles	Office and computer equipment	Total
	$	$	$	$	$
Year ended 30 June 2025					
Balance at the beginning of year	**268,821**	**150,160**	**266,420**	**187,668**	**873,069**
Additions	**3,300**	**2,746**	**318,509**	**36,240**	**360,795**
Disposals	**-**	**-**	**(44,244)**	**-**	**(44,244)**
Depreciation expense	**(32,398)**	**(43,505)**	**(130,495)**	**(65,359)**	**(271,757)**
Balance at the end of the year	**239,723**	**109,401**	**410,190**	**158,549**	**917,863**

12 Investment Properties

	2025	2024
	$	$
Balance at beginning of year	**58,689,692**	41,655,339
Acquisitions	**543,209**	17,953,353
Fair value gain/(loss)	**2,826,748**	(919,000)
Balance at end of year	**62,059,649**	58,689,692

The Group measures investment properties at fair value. The investment properties are revalued annually on a rotation basis by an independent valuer. Valuations are based on the prevalent prices in an active market for similar properties at the same location and condition, subject to similar leases and take into consideration occupancy rates and returns on investment. In 2025, a sample of 4 sites, comprising of 35 dwellings, were selected for independent valuation. This resulted in an overall increase of $2,826,748 (2024: decrease of $919,000) in fair value of investments.

13 Trade and Other Payables

Trade payables	**1,184,520**	1,098,704
Rent in advance	**781,828**	787,906
Grants in advance	**7,063,694**	4,226,133
	9,030,042	6,112,743

14 Employee Benefits

CURRENT		
Annual leave	**390,680**	324,172
Long service leave	**202,736**	184,868
	593,416	509,040

15 Financial liabilities

Borrowings from Housing Australia	**11,000,000**	11,000,000

Summary of borrowings

Housing Australia (previously 'National Housing Finance and Investment Corporation') is a lender established and guaranteed by the Commonwealth Government.

Defaults and breaches

During the current and prior year, there were no defaults or breaches on any of the loans.

Notes to the Financial Statements

For the Year Ended 30 June 2025

16 Financial Risk Management

	2025 $	2024 $
Financial assets		
Held at amortised cost		
Cash and cash equivalents	**9,246,510**	4,970,487
Trade and other receivables	**911,349**	993,197
Financial assets	**122,958**	-
Total financial assets	**10,280,817**	5,963,684
Financial liabilities		
Held at amortised cost		
Lease liabilities	**2,281,965**	2,993,795
Trade and other payables	**9,030,042**	6,112,743
Financial liabilities	**11,000,000**	11,000,000
Total financial liabilities	**22,312,007**	20,106,538

17 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Company is $1,994,364 (2024: $1,747,742).

18 Related Parties

The Group's main related parties are as follows:

Key management personnel - refer to Note 17.

Subsidiaries - refer to Note 7.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

No other transactions occurred with related parties.

19 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2025 (30 June 2024: None).

20 Events after the end of the Reporting Period

Subsequent to 30 June 2025, the Group entered into one new lease and amended two existing leases. The impact of these contracts is an increase in right of use assets and lease liabilities by $2million at the date of lease inception/ amendment.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

21 Parent entity

The following information has been extracted from the books and records of the parent, Pacific Link Housing Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Pacific Link Housing Limited has been prepared on the same basis as the financial statements except as disclosed below.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of the parent entity.

	2025	2024
	$	$
Statement of Financial Position		
Assets		
CURRENT ASSETS		
Cash and cash equivalents	**9,105,946**	4,779,485
Trade and other receivables	**897,250**	1,003,122
Financial assets	**122,958**	-
Other assets	**238,036**	213,960
Total current assets	**10,364,190**	5,996,567
NON-CURRENT ASSETS		
Investments in subsidiaries	**785,000**	785,000
Property, plant and equipment	**711,162**	732,957
Investment property	**62,059,649**	58,689,692
Right-of-use assets	**2,058,430**	2,768,858
Total non-current assets	**65,614,241**	62,976,507
Total assets	**75,978,431**	68,973,074
Liabilities		
CURRENT LIABILITIES		
Trade and other payables	**8,991,955**	6,039,852
Employee benefits	**554,681**	494,147
Lease liabilities	**645,566**	810,022
Total current liabilities	**10,192,202**	7,344,021
NON-CURRENT LIABILITIES		
Lease liabilities	**1,636,399**	2,183,773
Financial liabilities	**11,000,000**	11,000,000
Employee benefits	**176,318**	130,055
Other liabilities	**30,000**	30,000
Total non-current liabilities	**12,842,717**	13,343,828
Total liabilities	**23,034,919**	20,687,849
NET ASSETS	**52,943,512**	48,285,225
Equity		
Retained earnings	**52,943,512**	48,285,225

Notes to the Financial Statements

For the Year Ended 30 June 2025

21 Parent entity (Cont'd)

	2025	2024
	$	$
Total equity	**52,943,512**	48,285,225
Statement of Profit or Loss and Other Comprehensive Income		
Revenue	**16,697,083**	15,047,672
Other income	**8,405,002**	18,491,968
Interest income	**276,272**	333,901
	25,378,357	33,873,541
Employee benefits expense	**(5,195,131)**	(4,643,064)
Depreciation and amortisation expense	**(1,077,802)**	(1,133,369)
Training expenses	**(48,087)**	(52,509)
Audit, legal and consultancy expenses	**(275,552)**	(168,138)
Insurance expense	**(525,426)**	(462,291)
Property, repairs and maintenance	**(3,004,506)**	(2,055,614)
Council and water rates	**(1,511,120)**	(1,384,180)
Rental expense	**(6,764,838)**	(6,408,306)
Adhoc repairs, maintenance and vehicle running exp	**(69,638)**	(77,265)
Other operating expenses	**(1,903,914)**	(2,011,798)
Finance costs	**(344,055)**	(368,263)
Total surplus for the year	**4,658,288**	15,108,744
Income tax expense	**-**	-
Total comprehensive income	**4,658,288**	15,108,744

Notes to the Financial Statements

For the Year Ended 30 June 2025

21 Parent entity (Cont'd)

Statement of Cash Flows

	2025 $	2024 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from tenants and other persons	**15,067,206**	15,163,387
Payments to suppliers and employees	**(17,798,504)**	(19,333,425)
Interest received	**276,272**	333,901
Receipts from government sources	**8,790,320**	18,566,268
Interest and other charges	**(344,055)**	(368,263)
Net cash provided by operating activities	**5,991,239**	14,361,868
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	**(153,532)**	(180,506)
Proceeds from disposal of property, plant and equipment	**-**	-
Investment in subsidiary	**-**	(200,000)
Payment for investment properties	**(532,403)**	(17,953,352)
Transfer from term deposits	**(122,958)**	-
Net cash used in investing activities	**(808,893)**	(18,333,858)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities	**(855,886)**	(828,822)
Net cash used in financing activities	**(855,886)**	(828,822)
Net (decrease)/increase in cash and cash equivalents held	**4,326,460**	(4,800,812)
Cash and cash equivalents at the beginning of the year	**4,779,485**	9,580,297
Cash and cash equivalents at the end of the financial year	**9,105,945**	4,779,485

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2025 (30 June 2024: None).

22 Statutory Information

The registered office and principal place of business of the company is:

Pacific Link Housing Limited
Suite G02 280-290 Mann Street
Gosford NSW 2250

Pacific Link Housing Limited

ABN 82 074 394 648

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 24, are in accordance with the *Corporations Act 2001* and:

    a. comply with Australian Accounting Standards - Simplified Disclosure Standard;

    b. give a true and fair view of the financial position as at 30 June 2025 and of the performance for the year ended on that date of the Company and consolidated group; and

    c. the consolidated entity disclosure statement on page 25 is true and correct.

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director ....

WALTER [illegible] CECIL EDGELL

Director ....

Dated 23/10/2025

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PACIFIC LINK HOUSING LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Pacific Link Housing Limited and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration of the Company and the consolidated entity comprising the Company and the entities it controlled at the year end or from time to time during the financial year.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the year then ended; and

(b) complying with Australian Accounting Standards – Simplified Disclosure Requirements and the Corporations Regulations 2001.

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

Independence

We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2025 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 the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a. the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosure Requirements and the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001,* and for such internal control as the directors determine is necessary to enable the preparation of the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error

In preparing the financial report, the directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

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 the 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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.

Auditor’s Responsibilities for the Audit of the Financial Report (cont’d)

- 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 expressing an opinion on the effectiveness of the consolidated entity’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

PKF

PKF

K Helmers

KEVIN HELMERS
PARTNER

23 OCTOBER 2025
NEWCASTLE, NSW