Link Administration Holdings Limited
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ASX ANNOUNCEMENT

26 August 2021

Link Group Appendix 4E and Annual Financial Report, 30 June 2021

Link Administration Holdings Limited (ASX: LNK) (**Link Group**) provides the Appendix 4E and Annual Financial Report for the year ended 30 June 2021.

The release of this announcement was authorised by the Link Group Board.

For further information:

Investor Relations Contact – Craig Curry, Link Group +61 403 747 901
Media Contact – Ben Wilson, GRACosway +61 407 966 083

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ASX ANNOUNCEMENT

26 August 2021

APPENDIX 4E – PRELIMINARY FINAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

The Directors of Link Administration Holdings Limited (**Company**) (ASX: LNK) present the results of Link Group (Link Administration Holdings Limited and its controlled entities) for the financial year ended 30 June 2021 as follows:

Results for announcement to the market			**30 June 2021 $'000**	30 June 2020 [1] $'000
Revenue from ordinary activities	Down	(6%)	**1,161,035**	1,230,401
Loss from ordinary activities after tax	Down	(59%) [2]	**(162,704)**	(102,523)
Loss for the period attributable to owners of the Company	Down	(56%) [2]	**(163,352)**	(104,621)
Earnings per share				
Basic earnings (cents per share)			**(30.75)**	(19.67)
Diluted earnings (cents per share)			**(30.35)**	(19.55)
Net tangible assets [3]				
Net tangible assets per security (cents per share)			**(0.6)**	(4.5)

Link Group defines net tangible assets as net assets less intangible assets. A large proportion of Link Group's assets are classified as intangible assets including goodwill, client lists, software and deferred tax assets (net of deferred tax liabilities). Intangible assets have been excluded from the calculation of net tangible assets, resulting in a negative net tangible asset per security.

Dividends

Dividends paid by the Company during the financial year ended 30 June 2021 were:

	Cents per share	Total amount	Franked/ Unfranked	Record date	Payment date
Final 2020	3.5	$18,561,496	Franked at 50%	2 September 2020	25 September 2020
Interim 2021	4.5	$24,072,877	Franked at 60%	4 March 2021	9 April 2021

On 26 August 2021, the Directors approved a final dividend of $29,492,439, which equates to 5.5 cents per share, franked at 100%, in respect of the financial year ended 30 June 2021. A provision has not been recognised in the financial statements for the financial year ended 30 June 2021 as the dividend approval is considered a subsequent event. The record date for determining entitlements to the final dividend is 1 September 2021. Payment of the final dividend will occur on 20 October 2021.

[1] Prior period comparative information has been restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. Refer to Note 3 of the financial report.
[2] Increase in loss largely attributable to higher impairment expense in the current year of $182.8 million (30 June 2020: $107.8 million).
[3] The net tangible assets include right-of-use assets as defined by AASB 16 *Leases*.

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The Link Group Dividend Reinvestment Plan (DRP) will operate in respect of the 2021 final dividend. The DRP election deadline is 2 September 2021.

On-market share buy-back

On 26 August 2021, Link Group announced its intention to undertake an on-market buy-back of its shares up to a maximum cost of $150.0 million. Link Group reserves the right to vary, suspend or terminate the buy-back at any time.

Commentary on results for the period

Commentary in relation to operating performance, earnings per share, segment results, returns to shareholders and trends in performance can be found in the attached Annual Financial Report, which includes the Directors' Report (predominantly the Operating and Financial Review section) and audited financial statements.

Additional commentary on results for the period can be found in the Media Release also announced to ASX today (26 August 2021).

Other information

The information in this Appendix 4E should be read in conjunction with Link Group's attached Annual Financial Report for the financial year ended 30 June 2021, which includes the financial statements. Additional Appendix 4E disclosures can be found in the notes to the Financial Report. The financial statements have been audited by KPMG.

PEP/Carlyle and SS&C conditional, non-binding indicative proposals

On 12 October 2020, and as updated on 26 October 2020, Link Group announced it had received a conditional, non-binding indicative proposal from a consortium comprising Pacific Equity Partners (PEP), Carlyle Group (Carlyle) and their affiliates (the Consortium) to acquire 100% of the shares in Link Group.

On 7 December 2020, and as updated on 10 December 2020, Link Group announced it had received a conditional, non-binding indicative proposal from SS&C Technology Holdings (SS&C) to acquire 100% of the shares in Link Group.

The Directors considered that the proposals did not represent compelling value for Link Group shareholders at that time. Link Group provided due diligence information on a non-exclusive basis to assist the parties to develop a proposal capable of being recommended to Link Group shareholders. Link Group announced on 4 January 2021 that it had received a letter from SS&C stating it had withdrawn its proposal. Link Group announced on 28 April 2021 that it had received a letter from the Consortium stating it had withdrawn its proposal.

Termination of Proposed Acquisition of Pepper European Servicing

On 31 January 2020, Link Group announced it had entered into a binding agreement to acquire Pepper European Servicing (PES) from Pepper Group for an upfront consideration of $277 million, subject to mandatory regulatory approvals and commercial conditions. On 1 February 2021, Link Group announced that it had exercised its contractual right to terminate the agreement and not proceed with the acquisition of PES, as the mandatory regulatory approvals and commercial conditions had not been satisfied by the long stop date.

PEXA Initial Public Offering

On 30 June 2021, Link Group's ownership in PEXA Group Limited (PEXA, formerly Torrens Group Holdings) decreased from 44.2% to 42.8% as a result of a series of equity transactions that led to PEXA Group Limited's shares commencing trading on the Australian Securities Exchange (ASX) on 1 July 2021. Link Group received net proceeds of $179.4 million as a result of the transaction and will continue to account for PEXA as an equity-accounted investee in the basis Link Group has significant influence over PEXA.

Further information about the results is included in the Full Year Results Presentation and can be obtained via the ASX website or by visiting the Link Group website at www.linkgroup.com.

The release of this announcement was authorised by the Board.

ENDS

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LINK Group



2021 FINANCIAL REPORT

LINKGroup

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Annual Financial Report

ACN 120 964 098

Link Administration Holdings Limited and its controlled entities

30 June 2021

Financial Report Contents

SECTION

01 Directors' Report

Directors and Company Secretaries 3
Executive Key Management Personnel (KMP) 8
Principal Activities 11
Dividends 11
Review of Operations 11
Operating and Financial Review 12
Remuneration Report 33
Other Information 57
Lead Auditor's Independence Declaration 60

SECTION

02 Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income 61
Consolidated Statement of Financial Position 63
Consolidated Statement of Changes in Equity 64
Consolidated Statement of Cash Flows 66

SECTION

03 Notes to the Financial Statements

Preparation of this Report
1. General information 67
2. Basis of preparation 67
3. Restatement of prior period 70

Operating Results
4. Operating segments 71
5. Equity-accounted investments 74
6. Revenue 75
7. Administrative and general expenses 77
8. Earnings per share 78
9. Taxation 79

Operating Assets and Liabilities
10. Trade and other receivables 83
11. Trade and other payables 83
12. Fund assets and liabilities 84
13. Provisions 84
14. Employee benefits 85
15. Plant and equipment 86
16. Intangible assets 87
17. Notes to the statement of cash flows 91

Capital Structure, Financing and Risk Management
18. Interest-bearing loans and borrowings 92
19. Finance costs 93
20. Contingent liabilities 93
21. Investments and Financial risk management 94
22. Contributed equity 99
23. Reserves 100
24. Retained earnings 102
25. Share-based payment arrangements 102

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Group Structure
26. Business combinations 105
27. Controlled entities 107
28. Parent entity disclosures 110

Other disclosures
29. Related parties 111
30. Auditor's remuneration 111
31. Subsequent events 112
32. New standards and interpretations not yet adopted 112

SECTION
04 Directors' Declaration 113

SECTION
05 Independent Auditor's Report 114

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SECTION

01 Directors' Report

DIRECTORS AND COMPANY SECRETARIES

The Directors present their report together with the consolidated financial statements of Link Group, being Link Administration Holdings Limited ("the Company") and its Controlled Entities, for the financial year ended 30 June 2021 and the auditor's report thereon.

The Directors of the Company at any time during or since the end of the financial year are:

CONTINUING DIRECTORS	EXPERIENCE AND BACKGROUND



Michael Carapiet

Independent Chair and Non-Executive Director

Appointed 26.06.2015

Michael Carapiet was appointed as a Director and Chair of the Company in 2015. He is an ex-officio member of all Board Committees.

Michael is Chair of Smartgroup Corporation Limited and Adexum Capital Limited. He was previously Chair of Insurance & Care NSW (icare), Chair of SAS Trustee Corporation and a Director of Southern Cross Media Group Limited.

Michael has also served on Commonwealth Government boards including Infrastructure Australia, Clean Energy Finance Corporation and Export Finance Insurance Corporation.

Michael has over 30 years of experience in banking and financial services and holds a Master of Business Administration from Macquarie University, Sydney.



Vivek Bhatia

Chief Executive Officer & Managing Director

Appointed 02.11.2020

Vivek Bhatia joined Link Group in 2020 as CEO and Managing Director.

Vivek has over two decades of experience in financial services, government and management consulting.

Vivek is an experienced chief executive, having led a number of complex businesses throughout his career. Vivek joined Link Group from QBE Insurance Group where from 2018 he was Chief Executive Officer of the ASX-listed general insurance and reinsurance company's Australia Pacific division. Vivek joined QBE from icare where he held the position of inaugural Chief Executive Officer and Managing Director. Prior to this, he co-led the Asia-Pacific Restructuring and Transformation practice at McKinsey & Company and also previously held senior executive roles at Wesfarmers Insurance, including responsibility for leading the Australian underwriting businesses of Lumley, WFI and Coles Insurance.

Vivek holds an undergraduate degree in engineering, a post graduate in business administration and is a Chartered Financial Analyst (ICFAI).

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CONTINUING DIRECTORS	EXPERIENCE AND BACKGROUND



Glen Boreham, AM

Independent
Non-Executive Director

Appointed 23.09.2015

Glen Boreham was appointed a Non-Executive Director of the Company in 2015. He is Chair of the Technology & Transformation Committee and a member of the Human Resources and Remuneration Committee.

Glen is a Director of Cochlear Limited and Southern Cross Media Group Limited and Strategic Advisor to IXUP Limited.

Previously, Glen was the Managing Director of IBM Australia and New Zealand. He has also previously served as Chair of Screen Australia, Advance and the Industry Advisory Board for the University of Technology, Sydney, as well as Deputy Chair of the Australian Information Industry Association and as a Director of the Australian Chamber Orchestra.

Glen holds a Bachelor of Economics from the University of Sydney and an Honorary Doctorate from the University of Technology Sydney. In January 2012, Glen was awarded a Member of the Order of Australia for services to business and the arts.



Andrew (Andy) Green, CBE

Independent
Non-Executive Director

Appointed 09.03.2018

Andy Green was appointed a Non-Executive Director of the Company in 2018. He is Chair of the Risk Committee and a member of the Technology & Transformation Committee.

Andy is Chair of Simon Midco Ltd the holding company of Lowell Group, Chair of Gentrack Group Ltd and Senior Independent Director of Airtel Africa plc.

Andy is a Commissioner at the UK's National Infrastructure Commission, Chair of WaterAid UK, Vice Chair of The Disasters Emergency Committee and a trustee of WWF UK.

Andy's earlier career at BT Group (formerly British Telecom) spanned more than 20 years, including as CEO of Global Services. He also previously served as Group Chief Executive of IT and management consultancy company Logica plc, and as Senior Independent Director at ARM Holdings plc.

Andy holds a Bachelor of Science in Chemical Engineering with first class honours from Leeds University.



Peeyush Gupta, AM

Independent
Non-Executive Director

Appointed 18.11.2016

Peeyush Gupta was appointed Non-Executive Director of the Company in 2016. He is a member of each of the Risk and Audit Committees.

With over 30 years of experience in the wealth management industry, Peeyush was previously co-founder and the inaugural CEO of IPAC Securities Limited, a wealth management firm spanning financial advice and institutional portfolio management. He has extensive corporate governance experience, having served as a Director on listed corporate, not-for-profit, trustee and responsible entity boards since the 1990s.

Peeyush is currently the Chair of Charter Hall Direct Property Management Limited and Long Wale REIT and a Non-Executive Director of National Australia Bank, Insurance & Care NSW (icare), SBS and Quintessence Labs Pty Ltd. He is also a member of the Western Sydney University Board of Trustees.

Peeyush holds a Masters of Business Administration (Finance) from the Australian Graduate School of Management and has completed the Advanced Management Program at Harvard Business School. He is a Fellow of the Australian Institute of Company Directors. In January 2019, Peeyush was awarded a Member of the Order of Australia for significant service to business, and to the community, through his governance and philanthropic roles.

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CONTINUING DIRECTORS	EXPERIENCE AND BACKGROUND



Anne McDonald

Independent
Non-Executive Director

Appointed 15.07.2016

Anne McDonald was appointed a Non-Executive Director of the Company in 2016. She is a member of each of the Audit Committee and Human Resources and Remuneration Committee.

Previously a partner at Ernst & Young for 15 years, Anne has over 35 years of business experience in finance, accounting, auditing, risk management and governance. She is an experienced director and has pursued a fulltime career as a Non-Executive Director since 2006.

Anne is the Chair of Water New South Wales and a Non-Executive Director of St Vincent's Health Australia Limited and Transport Asset Holding Entity of New South Wales. She was previously Chair of Specialty Fashion Group, and a Non-Executive Director of Spark Infrastructure Group, GPT Group and a number of other businesses.

Anne is a Chartered Accountant, a graduate of the Australian Institute of Company Directors and holds a Bachelor of Economics from the University of Sydney.



Sally Pitkin, AO

Independent
Non-Executive Director

Appointed 23.09.2015

Dr Sally Pitkin was appointed a Non-Executive Director of the Company in 2015. She is Chair of the Human Resources and Remuneration Committee and a member of the Risk Committee.

Sally has 25 years of experience as a Non-Executive Director and board member across a wide range of industries in both private and public sectors, including listed companies, highly regulated industries, professional services and commercialisation of new technology.

Sally is Chair of Super Retail Group Limited and a Non-Executive Director of The Star Entertainment Group Limited. She is a Fellow of the Australian Institute of Company Directors, and Chair of the Institute's Corporate Governance Committee.

Formerly a senior corporate partner at a national legal firm, Sally has extensive corporate and banking law experience. She holds a PhD in Governance from The University of Queensland and a Master and Bachelor of Laws from the Queensland University of Technology.



Fiona Trafford-Walker

Independent
Non-Executive Director

Appointed 23.09.2015

Fiona Trafford-Walker was appointed a Non-Executive Director of the Company in 2015. She is Chair of the Audit Committee and a member of the Technology & Transformation Committee.

Fiona was previously an Investment Director at Frontier Advisors (Frontier). She was the inaugural Managing Director at Frontier and held that role for 11 years until 2011 when she became the Director of Consulting until 2017. Fiona played a critical role in growing Frontier and has over 28 years of experience in advising institutional investors on investment and governance-related issues.

Fiona is a Director of Perpetual Limited, Eclipx Group Limited, Prospa Group Ltd, and Chair of Prospa's Audit and Risk committee. Fiona is also a Director of Victorian Funds Management Corporation.

Fiona holds a Master of Finance from RMIT University and a Bachelor of Economics (with Honours) from James Cook University. Fiona is also a Graduate of the Australian Institute of Company Directors.

SECTION

01 Directors' Report

RETIRED DIRECTORS

EXPERIENCE AND BACKGROUND



John McMurtrie, AM

Managing Director
Appointed 16.02.2007
Retired 01.11.2020

John McMurtrie joined Link Group as Managing Director in 2002 and retired on 1 November 2020.

John has over 40 years of business experience, more than 35 of which have been in the financial services industry, covering both the public and private sectors.

John's previous senior appointments include Executive General Manager of ASX's Investors and Companies division and Chief Executive Officer of UBS Australia. He was previously Chair of Sydney Water Corporation and was the inaugural Chair of the National Electricity Code Administrator (NECA).

John holds a Master of Economics and Bachelor of Economics (Hons) from the University of Adelaide. In January 2019, John was awarded a Member of the Order of Australia for significant service to the community through philanthropic initiatives, and to the finance industry.

Company Secretaries

Sarah Turner joined Link Group in February 2021 as General Counsel and Company Secretary and was appointed as Joint Company Secretary on 23 February 2021. Sarah has over 20 years' experience in global leadership, company secretarial and legal services in Australia and the UK in industries including healthcare and technology as well as in private legal practice. Prior to Link Group, Sarah was most recently General Counsel & Company Secretary at REA Group Ltd, a global digital media company operating leading property websites in Australia, Asia and the US. Sarah was a member of the REA Executive Leadership Team and managed the global legal team. Sarah holds a Bachelor of Laws (Hons), a Bachelor of Arts, a Graduate Diploma in Applied Corporate Governance and is a graduate of the AICD Company Directors Course (GAICD) and a Fellow of the Governance Institute of Australia (FGIA, FCG).

Emma Lawler was appointed Joint Company Secretary on 13 May 2019. Emma has more than 20 years' corporate governance and company secretarial experience in public and private, listed and unlisted entities. Emma's previous role was Senior Governance Consultant with Company Matters Pty Limited. Emma's roles prior to joining Company Matters in 2008, included Head of Strategy & Consolidation Risk Solutions, BT Financial Group, Company Secretary at Westpac Banking Corporation and Company Secretary for the former NSW State Rail Authority. Emma holds a Bachelor of Business from the University of Technology and a Graduate Diploma of Applied Corporate Governance. Emma is also a Fellow of the Governance Institute of Australia.

Janine Rolfe resigned as Company Secretary on 5 August 2020. In 2006, Janine established Company Matters Pty Limited, a wholly owned subsidiary of Link Group, a leading governance and company secretarial service consultancy. Prior to this, Janine was a company secretary and legal counsel at Qantas Airways Limited and before that a solicitor at Mallesons Stephen Jaques (now King & Wood Mallesons). Janine holds a Bachelor of Economics and a Bachelor of Laws (Hons) from the University of Sydney.

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Directors' Meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

	BOARD - SCHEDULED		BOARD - UNSCHEDULED		COMMITTEES												
					RISK		AUDIT		HUMAN RESOURCES AND REMUNERATION		TECHNOLOGY & TRANSFORMATION		NOMINATION		SPECIAL PURPOSE		
	H	A	H	A	H	A	H	A	H	A	H	A	H	A	H	A (member)	A (observer)
M Carapiet [1]	10	10	12	12	4	4	4	4	7	6	3	3	1	1	27	27	-
V Bhatia [2]	6	6	8	8	-	3*	-	3*	-	5*	-	1*	1	1	1	1	23*
G Boreham	10	10	12	11	-	4*	-	3*	7	7	3	3	1	1	24	22	-
A Green	10	10	12	11	4	4	-	4*	-	5*	3	3	1	1	22	19	-
P Gupta	10	10	12	11	4	4	4	4	-	4*	-	3*	1	1	-	-	19*
A McDonald	10	10	12	11	-	4*	4	4	7	7	-	3*	1	1	2	2	22*
S Pitkin	10	10	12	11	4	3	-	3*	7	7	-	3*	1	1	22	17	-
F Trafford-Walker	10	10	12	12	-	4*	4	4	-	7*	3	3	1	1	-	-	22*
J McMurtrie [2]	4	4	4	4	-	1*	-	1*	-	2*	-	2*	-	-	1	1	1*

H Number of meetings held during the period in which the Director or Committee Member was appointed to the Board or Committee.

A Number of meetings attended by the Director. All Directors are entitled to attend Committee meetings in an ex-officio capacity and attendance in an ex-officio capacity has been noted with an asterisk (*).

The Managing Director, Vivek Bhatia is a Member of the Nomination Committee but is not a Member of any other Committee given he is an Executive Director.

The Board also convenes Special Purpose Committee meetings from time to time as may be required.

1 Michael Carapiet is an ex-officio member of each of the Board Committees and a member of the Nominations Committee.

2 John McMurtrie retired on 1 November 2020 and Vivek Bhatia was appointed as a Director on 2 November 2020.

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EXECUTIVE KEY MANAGEMENT PERSONNEL (KMP)

The Executive KMP of the Company at any time during or since the end of the financial year are:

CONTINUING EXECUTIVE KMP	EXPERIENCE AND BACKGROUND
Vivek Bhatia Chief Executive Officer & Managing Director	See Directors section for more detail.
 **Chris Addenbrooke** Chief Executive Officer, Fund Solutions	Chris Addenbrooke was appointed as Chief Executive Officer of Fund Solutions in July 2019. Prior to this Chris was CEO of the fund solutions business having joined Link Group in November 2017 when Capita Asset Services was acquired by Link Group from Capita plc. Previous positions include Technical Director of BWD Rensburg (now part of Franklin Templeton) from 1987 to 2001. In 1988 Chris formed both Northern Registrars and Northern Administration and was Managing Director until 2003. Following the acquisition of Northern Administration and Northern Registrars by Capita, Chris was appointed CEO of Capita Registrars. Chris has over 30 years in financial services, operations, IT, transfer agency, registration and fund governance, having joined the Water Authorities Superannuation Fund in 1979. Chris represents Link Group on a number of industry committees including the UK Markets Advisory Group and the TA Forum.
 **Antoinette Dunne** Chief Executive Officer, Banking & Credit Management	Antoinette Dunne was appointed Chief Executive Officer of Banking & Credit Management on 1 June 2021. Antoinette joined Link Group in November 2017 when Capita Asset Services was acquired by Link Group. She was CEO and Executive Director of the BCMGlobal Irish and Italian businesses and has over 30 years' experience in financial services working in Ireland, UK and Australia. Prior to joining Capita, Antoinette ran her own financial services consultancy business, was Head of Halifax Retail Bank in Ireland and Head of Bank of Scotland Mortgage, Asset Finance and Consumer Lending Businesses in Ireland. Antoinette is a Chartered Director (CDir) and a Fellow Member of Association of Chartered Certified Accountants (FCCA).

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CONTINUING EXECUTIVE KMP	EXPERIENCE AND BACKGROUND
 **Paul Gardiner** Chief Executive Officer, Corporate Markets	Paul Gardiner was appointed Chief Executive Officer of Corporate Markets in May 2021. Prior to that appointment, Paul was Chief Technology & Operations Officer since 2019. Paul joined Link Group in 2006 when Orient Capital was acquired by Link Group from ASX Limited. His previous roles include Chief Technology & Operations Officer, and CEO of both Corporate Markets and Technology & Innovation. Paul has over 20 years' experience in financial services, technology, operations, and data analytics, having joined Orient Capital in 2001. Paul holds a Bachelor of Commerce and a Higher Diploma in Marketing Practice from the National University of Ireland, Galway and a Masters of Business Studies (Management Information Systems) from University College, Dublin.
 **Andrew MacLachlan** Chief Financial Officer	Andrew MacLachlan was appointed Chief Financial Officer on 1 January 2019. Andrew joined Link Group in 2009 and was Deputy Chief Financial Officer from 2013 to 2018. Andrew has over 25 years' of experience in Finance and Accounting. His previous roles include Chief Financial Officer at Fero Group Pty Limited, Chief Financial Officer at Evans and Tate Limited and various roles at Singtel Optus and KPMG. Andrew is a member of Chartered Accountants Australia and New Zealand and holds a Bachelor of Economics (Accounting and Finance) from Macquarie University.
 **Dee McGrath** Chief Executive Officer, Retirement & Superannuation Solutions	Dee McGrath joined Link Group as Chief Executive Officer of Retirement & Superannuation Solutions in May 2019. Dee has over 20 years' of experience in the financial services and technology industry. Dee's previous senior appointments include National Australia Bank, Visa and HP, and prior to joining Link Group was Managing Partner, Global Business Services at IBM. Dee was a Member of the Board of IBM Australia, Bluewolf Australia and Oniqua Holdings. Dee's qualifications include business studies, economics and strategic planning and is currently a member of Chief Executive Women.

EXECUTIVES THAT CEASED TO BE KMP	EXPERIENCE AND BACKGROUND
John McMurtrie, AM Managing Director	See Directors section for more detail.

EXECUTIVES THAT CEASED TO BE KMP	EXPERIENCE AND BACKGROUND



Robbie Hughes

Chief Executive Officer, Banking & Credit Management

Robbie Hughes was the Chief Executive Officer of Banking & Credit Management until 3 March 2021. Robbie joined Link Group in November 2017 when Capita Asset Services was acquired by Link Group from Capita plc.

Robbie has over 30 years' experience in the financial services industry, which began in the pensions industry before moving to banking. His previous roles include Managing Director at Capmark Services, which was acquired by Capita PLC in 2009, where his focus was on growth through international expansion and acquisitions. He also held senior positions at GMAC Commercial Mortgage Europe, and Bank of Ireland.

Robbie holds a Master of Business Administration from Dublin City University.



Lysa McKenna

Co-Chief Executive Officer, Corporate Markets

Lysa McKenna was appointed Co-Chief Executive Officer of Corporate Markets in January 2020 and held the position until 30 April 2021. Lysa remains an employee of Link Group and was subsequently appointed CEO, Corporate Markets APAC.

Lysa joined Link Group in 2006 and was Chief Executive Officer of Link Market Services from 2017 to 2019, before taking overall responsibility of Corporate Markets, Asia Pacific in 2019.

Lysa has over 20 years' experience in the financial services industry, including positions at Computershare, Doyle Pension Management and Mercer.

Lysa is a Qualified Financial Advisor (QFA) and Fellow of the Life Insurance Association of Ireland, and a graduate of the Australian Institute of Company Directors (AICD). Lysa holds a Bachelor of Social Sciences, Politics and Social Policy and a Higher Diploma in Business Studies, from University College Dublin.



Susan Ring

Co-Chief Executive Officer, Corporate Markets

Susan Ring was appointed Co-Chief Executive Officer of Corporate Markets in January 2020 and held the position until 30 April 2021.

Susan joined Link Group in November 2018. Her entire career has been in the financial services industry, with over 25 years' experience across insurance, pensions, and employee benefits. Her previous roles include Chief Executive Officer at Capita Employee Solutions and Unum Limited.

Susan holds a BA (Hons) Degree and is professionally qualified as a Chartered Director, a Fellow of the Institute of Directors and also Pensions Management Institute.

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SECTION

01 Directors' Report

PRINCIPAL ACTIVITIES

Link Group's principal activities during the course of the financial year were connecting people with their assets – safely, securely and responsibly. Link Group administers financial ownership data and drives user engagement, analysis and insight through technology. We deliver complete solutions for companies, large asset owners and trustees across the globe. Our commitment to market-leading client solutions is underpinned by our investment in people, processes and technology.

There were no significant changes in the nature of the activities of Link Group during the year.

DIVIDENDS

Dividends paid by the Company during the financial year were:

	CENTS PER SHARE	TOTAL AMOUNT	FRANKED/UNFRANKED	DATE OF PAYMENT
Final 2020	3.5	$18,561,496	50% franked	25.09.2020
Interim 2021	4.5	$24,072,877	60% franked	09.04.2021

In addition, dividends approved or paid by the Company since the end of the financial year were $29,492,439, which equates to 5.5 cents per share, 100% franked. The record date for determining entitlements to the final dividend is 1 September 2021. Payment of the final dividend will occur on 20 October 2021.

The Link Group Dividend Reinvestment Plan (DRP) will operate in respect of the 2021 final dividend. The DRP election deadline is 2 September 2021.

REVIEW OF OPERATIONS

The net loss after tax of Link Group for the financial year was $162.7 million (2020: net loss after tax of $102.5 million[1]).

Operating EBIT, which excludes certain significant items and acquired amortisation, for the financial year ended 30 June 2021 was $141.4 million (2020: $179.7 million). A reconciliation of Operating EBIT to the net profit of Link Group is included in Note 4 to the financial statements and further explanation of the results is included in the Operating and Financial Review section within this report.

Operating NPATA, which excludes certain significant items and acquired amortisation, for the financial year ended 30 June 2021 was $113.2 million (2020: $137.6 million[3]).

Notwithstanding the net loss after tax, Link Group showed resilience in response to the challenges brought on by the COVID-19 pandemic across all global markets. During this period, Link Group maintained a focus on safeguarding the well-being of employees, as well as ensuring continuity of service for clients as outlined in the Operating and Financial Review.

Further information about the results is included in the Full Year Results Presentation and can be obtained via the ASX website or by visiting the Link Group website at www.linkgroup.com.

[1] Prior period comparative information has been restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. Refer to Note 3.

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SECTION

01 Directors' Report

OPERATING AND FINANCIAL REVIEW

1. SUMMARY

Revenue $1,160 m Down 6% from FY2020	Operating EBIT $141 m Down 21% from FY2020	Operating NPATA $113 m Down 18% from FY2020
Statutory Loss After Tax -$163 m Down 59% from FY2020	Basic earnings per share -30.8 cps Down 56% from FY2020	Net Operating Cash Flow Conversion 114 % Up 6 % from FY2020

2. BASIS OF PREPARATION

This OFR[1,2,3] is designed to assist shareholders' understanding of Link Group's business performance and the factors underlying our financial results and financial position. It complements the financial disclosures in the Financial Statements. The OFR covers the period from 1 July 2020 to 30 June 2021 (FY2021), including a comparative prior year (FY2020). A full reconciliation of the adjustments made to the statutory results is disclosed in more detail in section 5 (b).

Consistent with previous disclosures, Link Group uses certain measures to manage and report on the business that are not recognised under Australian Accounting Standards or International Financial Reporting Standards (IFRS), collectively referred to as 'non-IFRS financial measures'. These non-IFRS financial measures are summarised in Appendix 1 of this OFR.

Given the extent of Significant items in the current and prior year statutory results, the Directors believe it will assist the readers' understanding of performance to compare year-on-year results on an Operating before Significant items basis. Therefore, unless otherwise stated, all of the analysis is presented on an Operating basis, with reconciliation back to statutory results provided in section 5 (b).

1 All financial amounts contained in this OFR are expressed in Australian Dollars and rounded to the nearest $0.1 million, unless otherwise stated. Some numerical figures included have been subject to rounding adjustments. Any discrepancies between totals and sums of components in figures or tables contained in this OFR are due to rounding.

2 All prior year comparatives have been restated to reflect Link Group's new segment reporting structure, specifically, reflecting 4 global business units together with its strategic interest in PEXA, after dissolving the Technology and Operations business unit.

3 Following a review by PEXA of the previous tax treatment of unrecognised losses, tax losses have now been recognised on the balance sheet of PEXA at the time of acquisition (January 2019) and in the subsequent FY2019, FY2020 and 1H FY2021 periods. This restatement was reflected in the PEXA Prospectus (released 14 June 2021) and revised PEXA statutory financial statements for FY2019 and FY2020 (re-issued on 21 May 2021). As a result, Link Group is also required to restate the previously disclosed equity accounted share of PEXA operating and statutory profit and loss for these periods.

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3. OVERVIEW OF RESULTS

FY2021 was a year of challenge and change for Link Group, during which we have shown resilience in the face of the COVID-19 pandemic and continued to make progress on our Global Transformation program, whilst also simplifying the business by reorganising segment reporting to reflect 4 global Business Units and our strategic interest in PEXA. Link Group believes that this reorganisation along global business lines with clearly defined strategic priorities and growth opportunities will provide greater transparency of performance. In addition, the successful IPO of PEXA in July 2021 now provides full valuation transparency for investors in respect of this important equity accounted investment[1].

Whilst the ongoing COVID-19 pandemic continues to impact Non-Recurring Revenues through lower interest rates and ongoing market uncertainty, lower operating financial measures compared to FY2020 also reflect:

- normalisation of project revenue following elevated levels of regulatory change in FY2020 (PYS, PMIF and ERS)[2] in Retirement and Superannuation Solutions (RSS);
- portfolio run-off and lack of new business opportunities in Banking and Credit Management (BCM);
- impact of fund consolidation and reduced new fund inflows and launches in Fund Solutions (FS); and
- sale of Link Market Services (South Africa) in October 2020 resulting in only a part-year contribution, thereby impacting Corporate Markets (CM).

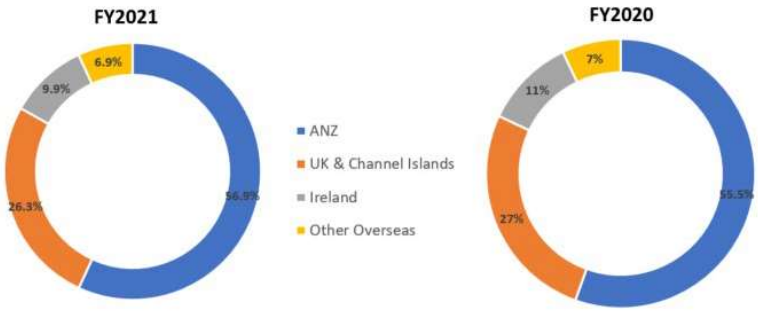
The net loss after tax of Link Group for FY2021 was $162.7 million, which was behind FY2020's net loss of $102.5 million. This statutory loss resulted from an impairment charge of $182.8 million (comprised of $173.1 million in goodwill impairment and $9.7 million in software asset impairment) in respect of the BCM segment, which is experiencing challenging market conditions, particularly in relation to the non-performing loan market in Ireland, Italy, and the UK.

Link Group continued to show resilience in response to the challenges brought on by the COVID-19 pandemic across all global markets. During this period, we maintained a focus on safeguarding the well-being of employees, as well as ensuring the continuity of service for clients. Link Group was aided by several factors including, but not limited to:

- Continued investment in new technology and products to enable better servicing of our clients;
- A resilient earnings profile supporting operating cash flow, with approximately 85% of revenue being recurring in nature, however, some business units saw market volatility impacting Non-Recurring Revenue;
- Additional initiatives were implemented to reduce costs and support operating cash flow;
- A strong liquidity position supported by cash reserves and committed, undrawn debt facilities; and
- Debt serviceability and leverage remained comfortably within existing bank covenants.

Link Group's revenue by geographic region (as illustrated below in Figure 1) reflects our position as a global business with revenue derived from outside Australia and New Zealand (ANZ) at 43% compared to 45% in FY2020.

Figure 1: External revenue by region



1 At the IPO issue price of $17.13 per share, the market value of Link Group's equity interest in PEXA is ~$1.3 billion at 30 June 2021.

2 Regulatory changes include 'Protecting Your Super' (PYS) legislation, 'Putting Members' Interests First' (PMIF) legislation and 'Early Release of Superannuation' legislation (ERS).

4. STRATEGY



5. SOLID FINANCIAL RESULTS AND PLATFORM FOR FURTHER GROWTH

Link Group delivered a satisfactory overall financial performance despite the challenging year in which we continued to experience some adverse economic impacts from the COVID-19 pandemic. The Retirement and Superannuation Solutions division continued to show strong underlying member growth, whilst the Corporate Markets division effectively responded to the ongoing global demand for virtual meetings. In addition, we continued to win new annuity business in Corporate Markets and Fund Solutions and we delivered savings of $23 million from the Global Transformation Program in FY2021.

We have also maintained a prudent financial position. The financial year ended with comfortable leverage (below our guidance range of 2.0 – 3.0 times), substantial debt service capacity and high levels of cash-flow generation. Consistent with our stated objectives and the needs of the market and client base, Link Group continued to invest in our technology platforms and product and service innovation during FY2021. Table 1 below contains an overview of Link Group's financial results.

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Table 1: Statutory & Operating Financial Results

	IN $M	FY2021	FY2020	Variance (%)
Statutory Results	Revenue	1,160.3	1,230.4	(6)
	(Loss)/profit before tax	(141.5)	(90.0)	57
	Statutory NPAT	**(162.7)**	**(102.5)**	**59**
	Earnings per share (cents)	(30.8)	(19.7)	56
Operating Results	Operating EBITDA	256.6	293.8	(13)
	EBITDA after significant items	197.0	246.3	(20)
	Operating EBIT	141.4	179.7	(21)
	NPATA	(108.8)	(42.9)	154
	Operating NPATA	**113.2**	**137.6**	**(18)**
	Operating Earnings per share (cents)	21.3	25.9	(18)

(a) Statutory NPAT

Statutory Net Profit after Tax (Statutory NPAT) reflected a loss of $162.7 million compared to a prior year Statutory NPAT loss of $102.5 million. The lower Statutory NPAT result in FY2021 reflects:

- recognition of an impairment charge relating to Banking and Credit Management; and
- lower Operating EBIT contribution from all Business Units;

partially offset by:

- net gain on assets held at fair value;
- profit on disposal of LMS South Africa;
- lower net finance expense from interest income on the PEXA shareholder loan and lower interest rates; and
- an equity accounted profit after tax relating to the stronger operating result of Torrens Group Holdings Pty Ltd (PEXA's parent entity) as it grew revenue and underlying earnings substantially during the year.

(b) Operating NPATA

Link Group considers Operating NPATA to be a meaningful measure of after-tax profit as it excludes the impact of Significant items (including the impairment loss and fair value gain) and the large amount of non-cash amortisation of acquired intangibles reflected in NPAT. The measure includes the tax-effected depreciation and amortisation expense relating to all capital expenditure and the original cost of acquired software that is integral to the ongoing operating performance of the business.

Operating NPATA of $113.2 million was down 18% on the prior year result of $137.6 million reflecting:

- lower Operating EBIT performance in all Business Units; and
- higher income tax expense;

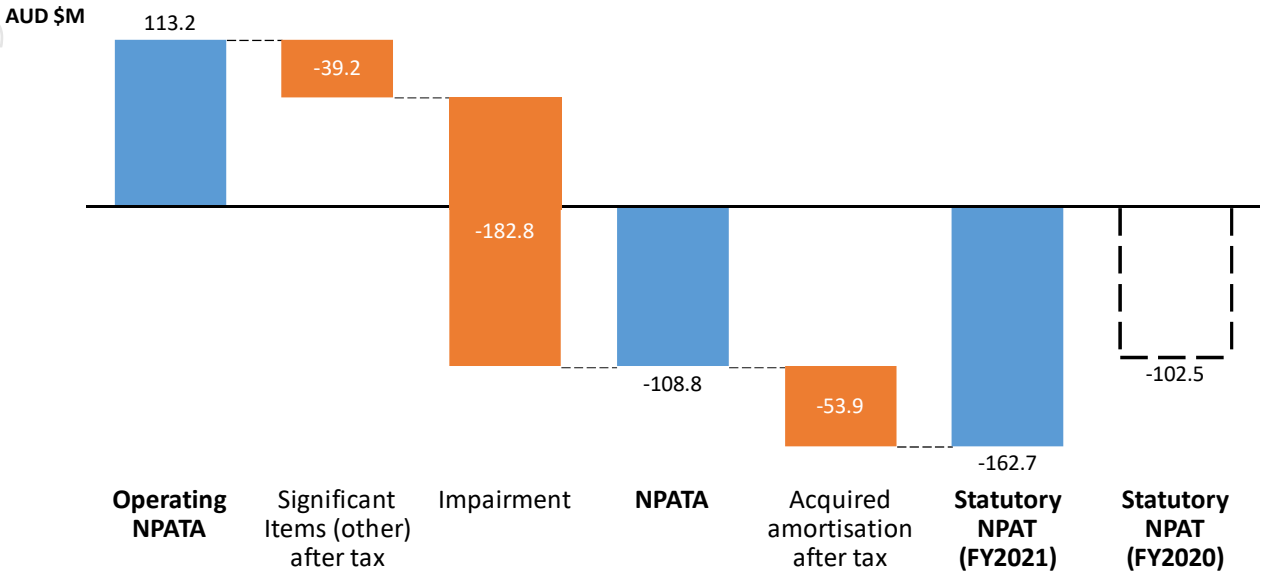
partially offset by:

- an equity accounted profit after tax relating to the stronger operating result of Torrens Group Holdings Pty Ltd (PEXA's parent entity) as it grew revenue and underlying earnings substantially during the year; and
- lower interest expense.

Figure 2 below provides a reconciliation of Operating NPATA to Statutory NPAT.

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Figure 2: Statutory & Operating Financial Results[1,2]



(c) Financial Performance by Division

Link Group's Operating EBIT result was $141.4 million, which was down 21% on the prior year result of $179.7 million. Operating EBIT margins of 12.2% compared to 14.6% in FY2020 reflects the impact of a changing revenue mix (i.e. lower levels of higher margin Non-Recurring Revenue) resulting from lower interest rates and temporary market uncertainty (impacting new NPL loan portfolios and fund launches) driven by the COVID-19 pandemic, combined with higher staff costs reflecting reinstated incentives, annual leave timing and the special equity grant, partly offset with cost-saving initiatives implemented in response to the pandemic and savings from the Global Transformation program.

Excluding the impact of net increases to staff costs highlighted above (i.e. reinstated incentives, annual leave timing and the special equity grant partly offset by savings from temporary salary reductions), FY2021 Operating EBIT would have been only 2% lower than FY2020.

1 'Significant Items (other) after tax' includes significant items both above and below the EBITDA line.

2 This reconciliation reflects significant items after tax. Note Table 7 reflects significant items before tax.

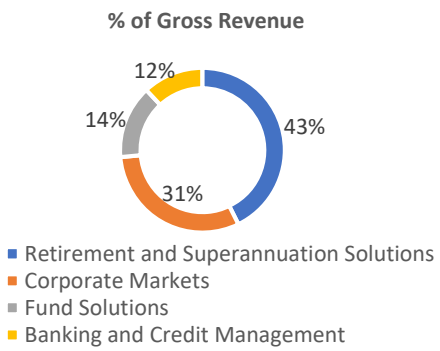
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Table 2 below provides a summary of revenue and Operating EBIT by reporting segment.

Table 2: FY2021 Revenue and Operating EBIT by reporting segment

IN $M	FY2021	FY2020	Variance (%)
Revenue			
Retirement and Superannuation Solutions	506.9	529.4	(4)
Corporate Markets	364.9	387.1	(6)
Fund Solutions	170.5	173.0	(1)
Banking and Credit Management	141.1	165.7	(15)
Gross Revenue	**1,183.4**	**1,255.1**	**(6)**
Eliminations	(23.0)	(24.7)	(7)
Total Revenue	**1,160.3**	**1,230.4**	**(6)**
Recurring Revenue %	85%	83%	
Operating EBIT			
Retirement and Superannuation Solutions	96.0	96.3	(0)
Corporate Markets	54.2	71.9	(25)
Fund Solutions	15.7	20.3	(23)
Banking and Credit Management	(12.1)	6.7	(281)
Head Office	(12.4)	(15.5)	(20)
Total Operating EBIT	**141.5**	**179.7**	**(21)**
Operating EBIT margin %	12%	15%	



Retirement and Superannuation Solutions

Retirement and Superannuation Solutions revenue decreased 4% year-on-year to $506.9 million resulting from a reduction in both Recurring Revenue and Non-Recurring Revenue. Operating EBIT was $96.0 million, which was $0.3 million or 0.2% lower than the prior year. The decrease on the prior year largely reflects the reduced levels of legislative change activity, impacting levels of fee for service revenue, the part year impact of client exits and the in-year revenue impact from PYS and client discounts, together with the normalisation of fee for service revenue following the conclusion of regulatory change programs (PYS, ERS and PMIF).

Table 3: Retirement and Superannuation Solutions Revenue, Operating EBITDA and Operating EBIT

IN $M	FY2021	FY2020	Variance (%)
Revenue	506.9	529.4	(4)
Operating Expenses	(364.5)	(383.5)	(5)
Operating EBITDA	**142.4**	**145.9**	**(2)**
Depreciation & Amortisation	(46.3)	(49.6)	(7)
Operating EBIT	**96.0**	**96.3**	**(0)**
Recurring Revenue %	90%	87%	
Operating EBITDA margin %	28%	28%	
Operating EBIT margin %	19%	18%	

Recurring Revenue of $454.1 million (or 89.6% of the total revenue) was down $4.5 million or 1% on the prior year. Recurring Revenue performance can be attributed mainly to the following factors:

- part year impact of some client exits;
- revenue impact of the PYS legislation on member numbers; and
- impact of client discounts

partly offset by:

- underlying member (excl. ERFs) growth of 6.5%[1];
- winning delivery of Hostplus client contact centre;
- indexation-linked price increases; and
- full year impact of UK pensions business.

Non-Recurring Revenue of $52.8 million represents 10.4% of total Retirement and Superannuation Solutions revenue, and it decreased by 25% compared to the prior year largely resulting from higher legislative change activity in FY2020. Fee-for-service revenue projects completed during FY2021 included significant regulatory and legislative change programs particularly related to Early Release of Superannuation scheme, insurance changes and 'Supermatch' program.

Corporate Markets

During FY2021, Corporate Markets revenue was $364.9 million. That was 6% lower than the prior year mainly reflecting a reduction in Non-Recurring Revenue activity, coupled with the disposal of Link Market Services (LMS) South Africa. Operating EBIT decreased to $54.2 million, which was $17.7 million or 25% down on the previous year, due to the impact of reduced levels of higher margin Non-Recurring Revenue, continued pricing pressure in core registry services across all jurisdictions, partly offset by lower operating costs.

Table 4: Corporate Markets Revenue, Operating EBITDA and Operating EBIT

IN $M	FY2021	FY2020	Variance (%)
Revenue	364.9	387.1	(6)
Operating Expenses	(275.4)	(281.3)	(2)
Operating EBITDA	**89.5**	**105.8**	**(15)**
Depreciation & Amortisation	(35.3)	(33.8)	4
Operating EBIT	**54.2**	**71.9**	**(25)**
Recurring Revenue %	74%	72%	
Operating EBITDA margin %	25%	27%	
Operating EBIT margin %	15%	19%	

Recurring Revenue of $270.8 million was $8.2 million behind prior year but increasing as a proportion of Total Revenue to 74%. The Recurring Revenue performance can be attributed mainly to the following factors:

- disposal of LMS South Africa on 1 November 2020;
- lower print and mail volumes; and
- continued competitive fee pressure.

partly offset by:

- solid organic growth within our client base of ~5% in our major regions;
- cross-selling of value-added services; and
- strong overall client retention of >94%;

Non-Recurring Revenue decreased to $94.2 million, which is a $14.0 million reduction on the previous year, reflecting lower levels of margin income, share dealing and investor relations support services, mainly due to the impact of COVID-19.

1 Underlying members assumes the full impact of PYS and ERS member losses is reflected in June 2020.

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Fund Solutions

Fund Solutions has performed well under challenging circumstances in FY2021, as global equity markets make a steady recovery following the initial pandemic-related drop during FY2020. Fund Solutions' Operating EBIT for the period was $15.7 million with a margin of 9%, which was down $4.6 million on the prior year result. The decrease in Operating EBIT compared to prior year largely reflects the adverse impact of several contract renegotiations and planned client exits. Net new money flows were also down as a result of economic uncertainty and weaker investor sentiment.

Table 5: Fund Solutions Revenue, Operating EBITDA and Operating EBIT

IN $M	FY2021	FY2020	Variance (%)
Revenue	170.5	173.0	(1)
Operating Expenses	(142.3)	(141.6)	0
Operating EBITDA	**28.2**	**31.3**	**(10)**
Depreciation & Amortisation	(12.5)	(11.0)	13
Operating EBIT	**15.7**	**20.3**	**(23)**
Recurring Revenue %	92%	92%	
Operating EBITDA margin %	17%	18%	
Operating EBIT margin %	9%	12%	

Recurring revenue, reflecting 92% of total revenue, was down 2% on prior year, mainly attributable to a lower average basis points earned on assets under management (AuM) in the UK and Ireland. This can be attributed mainly to the following factors:

- fewer sub-funds across the UK and Ireland following a number of client exits and contract renegotiations; and
- sub-fund wind ups which broadly reflects the cessation of funds with sub-optimal Net Asset Value sizes;

partly offset by:

- additional sub-funds launched for new and existing clients, including Local Government Pension Schemes.

Total EMEA assets under management and administration at 30 June 2021 amounted to £118.8 billion (up from £102.5 billion in the prior year) and reflect Fund Solutions' position as a leading independent authorised fund manager in the UK based on market share.

Banking and Credit Management

During FY2021, Banking and Credit Management revenue was $141.1 million, reflecting a 15% reduction on the prior year. Operating EBIT for the period was ($12.1) million with a margin of (9%), which is down on the prior year. The decrease in Operating EBIT compared to prior year reflects the lower revenue result coupled with higher depreciation and amortisation charges, including client migration related amortisation.

Table 6: Banking and Credit Management Revenue, Operating EBITDA and Operating EBIT

IN $M	FY2021	FY2020	Variance (%)
Revenue	141.1	165.7	(15)
Operating Expenses	(135.2)	(143.5)	(6)
Operating EBITDA	**5.9**	**22.1**	**(73)**
Depreciation & Amortisation	(18.0)	(15.4)	17
Operating EBIT	**(12.1)**	**6.7**	**(281)**
Recurring Revenue %	86%	89%	
Operating EBITDA margin %	4%	13%	
Operating EBIT margin %	(9%)	4%	

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Banking and Credit Management revenue of $141.4 million was down 15% from $165.7 million in the prior year due to:

- lower revenue in the UK and Ireland mostly as a result of portfolio run-off and client losses;
- impact of COVID-19 pandemic-related market volatility and significant government stimulus programs on the NPL new business pipeline;

partly offset by:

- continued growth in origination revenue in the Netherlands and Ireland.

Assets under administration at 30 June 2021 amounted to $114.7 billion (down from $131.9 billion in the prior year).

(d) Significant items

Total Significant items expense of $275.9 million was higher than the prior year expense of $240.1 million. The table below reflects the impact of significant items on each line item.

Table 7: Summary of Significant Items

IN $M	FY2021	FY2020	Variance (%)
Significant Items / One-off costs			
Business Combinations Costs	(21.5)	(13.6)	58
Global Transformation Program	(27.2)	(31.3)	(13)
Global RSS Tender Costs	0.0	(2.6)	(100)
Total Significant Items (impacting EBITDA)	**(48.6)**	**(47.5)**	**2**
Depreciation and amortisation	(1.6)	(5.3)	(70)
Acquired amortisation	(46.9)	(52.9)	(11)
Impairment of Intangibles	(182.8)	(107.8)	70
Total Significant Items (impacting EBIT)	**(279.9)**	**(213.4)**	**31**
Net finance expense	(0.2)	(1.8)	(90)
Gain / (Loss) on Assets Held at Fair Value	2.6	(23.0)	(111)
Gain on Disposal of Subsidiary	15.3	0.0	nmf[1]
Loss from Equity Accounted Investments[2]	(26.5)	(17.2)	55
Total Significant Items (impacting NPBT)	**(288.6)**	**(255.3)**	**13**
Tax benefit / (expense)	12.7	15.2	(16)
Total Significant Items (impacting NPAT)	**(275.9)**	**(240.1)**	**15**

The increase in Significant items impacting EBITDA was largely due to higher business combination/acquisition and divestment costs of $21.5 million. FY2021 business combination costs includes those associated with the responding to the PEP/Carlyle and SS&C proposals, the terminated PES acquisition, exploration of a PEXA de-merger/trade sale, and the successful PEXA IPO.

The Group recognised an increased impairment expense impacting EBIT in FY2021, with a charge of $182.8 million related to the Banking and Credit Management Cash Generating Unit, comprised of $173.1 million in goodwill impairment and $9.7 million in software asset impairment. The value in use has reduced from prior periods following a reduction in forecast cash flows, primarily due to lower levels of non-performing loan books expected to come to market in the forecast period, following the economic impact and government responses to the COVID-19 pandemic.

Additional significant items impacting NPBT in FY2021 include a $15.3 million gain recognised on disposal of LMS South Africa, a $17.1 million fair value loss on the Leveris investment, a $19.7 million fair value gain on the SMART Pension investment, and PEXA significant items. The fair value loss on Leveris reflects the full write-down of the investment following the Board of Directors of Leveris resolving to cease trading and proceed with a non-court liquidation.

The income tax benefit reflects the tax effect of the above items.

1 'nmf' denotes a variance that is not meaningful.

2 The market value of Link Group's holding in PEXA is ~$1.3 billion.

(e) Other expenses below EBITDA

Table 8: Other Expenses Below EBITDA

IN $M	FY2021	FY2020	Variance (%)
EBITDA after Significant Items	208.0	246.3	(16)
Depreciation and Amortisation	(116.7)	(119.3)	(2)
EBITA	**91.2**	**127.0**	**(28)**
Acquired Amortisation	(46.9)	(52.9)	(11)
Impairment of Intangibles	(182.8)	(107.8)	70
EBIT	**(138.4)**	**(33.7)**	**311**
Net Finance Expense	(24.0)	(33.2)	(28)
Gain / (Loss) on Assets Held at Fair Value	3.6	(23.2)	(116)
Gain on Disposal of Subsidiary	15.3	0.0	nmf
Profit / (Loss) from Equity Accounted Investments	1.9	(0.0)	nmf
NPBT	**(141.5)**	**(90.0)**	**57**
Tax Expense	(21.2)	(12.5)	70
NPAT	**(162.7)**	**(102.5)**	**59**
Add Back Acquired Amortisation and Impairment of Intangibles	53.9	59.6	(10)
NPATA	**(108.8)**	**(42.9)**	**154**
Add Back Significant Items After Tax	221.9	180.5	23
Operating NPAT	**113.2**	**137.6**	**(18)**

Depreciation and Amortisation

Depreciation and amortisation expense decreased by 2% to $116.7 million compared with the prior year largely due to lower amortisation on right of use assets, due to the ongoing consolidation of global premises. Acquired amortisation reflects the amortisation of client lists and the revaluation impact of acquired intangible assets resulting from business combinations. Acquired amortisation decreased by 11% to $46.9 million compared with the prior year. This reflected assets from prior years' acquisitions reaching the end of their useful lives in FY2020 and FY2021.

Net Finance Expense

Net finance expense of $24.0 million is lower by $9.2 million on the previous year's net finance expense largely reflecting the interest income received on PEXA shareholder loans, and lower interest expense benefiting from lower interest rates.

Gain / (Loss) on Assets Held at Fair Value

Gain on assets held at fair value increased to $3.6 million, reflecting a fair value gain on the SMART Pension investment, net of a fair value loss on the Leveris investment.

Gain on Disposal of Subsidiary

Gain on disposal of subsidiary of $15.3 million reflected the gain on disposal of LMS South Africa.

Profit / (Loss) from Equity Accounted Investments

Profit from equity accounted investments increased to $1.9 million, reflecting Link Group's share of the stronger operating result of Torrens Group Holdings Pty Ltd (PEXA's parent entity).

Tax Expense

The effective tax rate of (15%) is reflective of non-taxable items such as the impairment expense, gain on disposal and fair value adjustments.

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6. SOLID BALANCE SHEET AND CASH FLOW CONVERSION

Link Group maintained a solid balance sheet in FY2021 with a moderate level of gearing (23.9%[1]) as at 30 June 2021. The business generates high levels of cash while also maintaining a substantial ongoing investment in enhancing our proprietary systems and in new products and services.

(a) Balance Sheet

The cash balance of $395.0 million as at 30 June 2021 reflects $200 million of cash proceeds received on 30 June 2021 as a partial repayment of PEXA shareholder loans, prior to the PEXA IPO listing on 1 July 2021. Of the PEXA proceeds, $20.0 million was subsequently used to purchase shares in the IPO as part of the cornerstone commitment, with the remainder to be applied to debt repayments.

Table 9: Summary Balance Sheet

	As at 30 June	
IN $M	**FY2021**	**FY2020**
Assets		
Cash	395.0	264.1
Trade & Other Receivables	235.4	238.9
Other Current Assets	908.9	675.6
Total Current Assets	**1,539.3**	**1,178.6**
Deferred Tax Asset	65.3	56.5
Other Non Current Assets	2,672.2	3,118.4
Total Non Current Assets	**2,737.4**	**3,174.9**
TOTAL ASSETS	**4,276.8**	**4,353.5**
Liabilities		
Trade & Other Payables	340.6	275.2
Interest Bearing Liabilities	31.0	35.9
Other Current Liabilities	956.7	678.6
Total Current Liabilities	**1,328.3**	**989.7**
Interest Bearing Liabilities	1,037.0	1,227.0
Deferred Tax Liability	120.7	142.5
Other Non Current Liabilities	51.2	62.1
Total Non Current Liabilities	**1,208.9**	**1,431.6**
TOTAL LIABILITIES	**2,537.2**	**2,421.2**
NET ASSETS	**1,739.6**	**1,932.2**
Equity		
Contributed Equity	1,917.7	1,889.7
Reserves	(11.2)	16.7
Retained Earnings	(167.8)	21.2
Non-Controlling Interest	0.8	4.6
TOTAL EQUITY	**1,739.6**	**1,932.2**

1 Gearing ratio calculated as Senior Debt / (Market Capitalisation + Senior Debt).

Interest-bearing liabilities have decreased by $195.0 million compared with the prior year. This largely reflects the stabilisation of global liquidity conditions since the prior year, thereby allowing a reduction of operating cash holdings back to normal levels. This has assisted in reducing interest carry costs during FY2021.

Total contributed equity increased to $1,917.7 million from $1,889.7 million in the prior year as a result of shares issued in relation to staff remuneration and the dividend reinvestment plan.

(b) Cash flow

Cash flow conversion continues to be a key focus of the business and Link Group achieved a strong operating cash conversion rate of 114%, up by 6% on the previous year.

Table 10: Summary Pro Forma Cash Flow

IN $M	FY2021	FY2020	Variance (%)
Operating EBITDA	256.6	**293.8**	**(13)**
Changes in Fund Assets & Liabilities	(0.8)	(0.8)	6
Changes in Working Capital	37.2	25.6	45
Net Operating Cash Flow	**292.9**	**318.6**	**(8)**
Cash Impact of Significant Items	(36.3)	(51.7)	(30)
Tax	(14.1)	(44.7)	(68)
Interest	(27.6)	(32.6)	(15)
Net Cash Provided by Operating Activities	**214.9**	**189.6**	**13**
Capital Expenditure	(41.1)	(107.3)	(62)
Right of use asset payments	(34.9)	(29.8)	17
Free Cash Flow (available for capital management)	**139.0**	**52.5**	**165**
Other investing activities	210.9	(87.0)	(343)
Dividends Paid	(33.0)	(101.8)	(68)
Other financing Activities	(183.5)	(149.6)	23
Net Increase / (decrease) in Cash	**133.4**	**(285.8)**	**(147)**
Net Operating Cash Flow Conversion	**114%**	108%	

Working capital movement of $37.2 million reflects strong trade and other receivables performance, favourable timing differences on investment manager invoices in the Fund Solutions business and staff cost accruals including annual leave provisions. Favourable movements were partially offset by lower provisions and trade and other creditors, which included settlement of delayed VAT payments in the UK (allowable in FY 2020 as a COVID-19 cash conservation measure).

Capital expenditure is a key driver of future productivity, product growth and cost efficiency. The business uses a benchmark of 3-5% of Link Group revenue to guide capital expenditure initiatives. In FY2021, capital expenditure was $41.1 million, representing 3.5% of revenue, slightly below our benchmark and down on FY2020 due to the non-recurrence of one-off premises related capital expenditure and cash conservation measures undertaken during the pandemic.

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(c) Net debt

The Net Debt/Operating EBITDA ratio has decreased to 1.8 times. This reflects the impact of a lower net debt, mostly arising from the $200.0 million partial repayment of PEXA shareholder loans and a strong cash flow performance during the year. The Operating EBITDA/net interest cost ratio has marginally decreased to 11.7 times, reflecting lower earnings for the year.

As at 30 June 2021, Link Group had $612.0 million of undrawn committed facilities available. On 5 July 2021, Facility A was cancelled by Link Group, reducing the available undrawn committed facilities by $275.0 million. This level of cash and available facilities provides capacity for various growth activities in FY2022.

Table 11: Summary of Net Debt

IN $M	FY2021	FY2020
Assets		
Cash	(395.0)	(264.1)
Long Term Debt	849.6	1,014.5
Net Debt	**454.6**	**750.4**
Pro forma debt ratios		
Net Debt / Operating EBITDA[1]	1.8x	2.7x
Operating EBITDA / Net Interest Costs[2]	11.7x	12.1x

7. PRO-ACTIVE MANAGEMENT OF RISKS

(a) Link's risk management strategy

This section introduces Link Group's approach to identifying and managing risks, and for fostering a strong risk culture.

Risk Management Framework (RMF)

The RMF sets the strategic approach for risk management by defining standards, objectives and responsibilities for all areas of the Group. It is then approved by the Link Group Board on recommendation of the Chief Risk Officer. It supports management in effective risk management and developing a strong risk culture.

The RMF sets out:

- segregation of duties utilising a Three Lines of Defence model;
- the identification, management and reporting of risks;
- risk appetite requirements, which define the types and level of risk the Group is willing to undertake in the pursuit of its business strategy; and
- roles and responsibilities for managing risk: The RMF sets out the accountabilities of the Divisional Chief Executives, as well as Link Group committees.

The RMF is complemented by policies and procedures which are aligned to the Group's key risks:

- policies set out principles and requirements for the activities of the Group ('what' must be done); and
- procedures describe how the requirements set out in the policy are met, and who needs to carry them out ('how' things should be done).

1 Leverage calculated in accordance with Link Group's debt agreement.

2 Interest cover calculated in accordance with Link Group's debt agreement.

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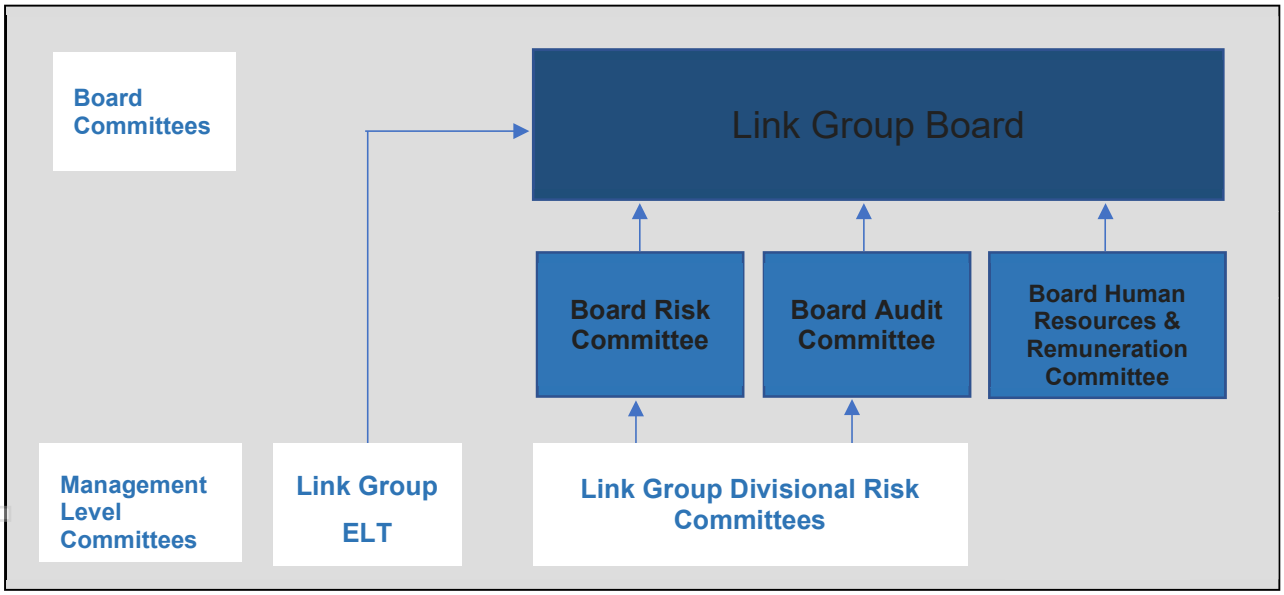
Segregation of duties – the 'Three Lines of Defence' model

The RMF sets out a clear Three Lines of Defence model which distinguishes the functional responsibilities of each line. All employees are responsible for understanding and managing risks within the context of their individual roles and responsibilities, as set out below:

- first line comprises all employees engaged in the revenue generating and client-facing areas of the Group and all associated support functions, including Finance and Human Resources. The first line is responsible for identifying and managing the risks they generate, designing and testing the effectiveness of their controls and ensuring they meet their compliance obligations.
- second line is comprised of the Risk and Compliance functions. The role of the second line is to establish the frameworks and policies to support the business in identifying and managing their risks as well as limits, under which first line activities shall be performed, consistent with the risk appetite of the Group. Risk also provides guidance, challenge and independent oversight of the first line.
- third line of defence is Internal Audit, who are responsible for providing independent assurance over the effectiveness of the Group's governance, risk management and control practices.

Risk Appetite

Risk appetite is defined as the level and type of risk the Group is willing and able to assume given its business strategy and obligations to stakeholders. It provides a basis for ongoing dialogue between management and Board with respect to the Group's current and evolving risk profile, allowing strategic and financial decisions to be made on an informed basis. Risk appetite is approved by the Link Group Board.



(b) Risk Committees

Various committees also fulfil important roles and responsibilities. Link Group's divisional level risk committees consider risk matters relevant to their business, with escalation to the Board Risk Committee, whose Chairman, in turn, escalates to the Link Group Board, as required.

In addition to supporting the Board in setting the risk appetite of the Group, the Board Risk Committee is responsible for:

- reviewing the risk management and compliance frameworks and policies, and monitoring the effectiveness of their implementation;
- monitoring the Group's risk profile against the agreed appetite. Where actual performance differs from expectations, the actions taken by management are reviewed to ascertain that the committee is comfortable with them.

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Further, there are two other Board-level committees which oversee the implementation of key aspects of the RMF:

Link Group Board Audit Committee:

The Audit Committee receives and considers reports from the Risk Committee on the adequacy and effectiveness of the Company's risk management, internal compliance and control systems and the process and evidence adopted to satisfy those conclusions. The Committee is also responsible for reviewing whether the Company has any material exposure to any economic, environmental and social sustainability risks and for reviewing and monitoring related party transactions and investments involving the Company and its directors. It should also be noted that the Internal Audit function has a direct reporting line to the Chair of the Audit Committee.

Link Group Board Human Resources and Remuneration Committee:

The Human Resources and Remuneration Committee is responsible for oversight of the human resources strategy and supporting policies and practices for the Company's employees and directors and oversight of the policies and practices of the Company regarding the remuneration of directors and other senior executives and reviewing all components of the remuneration framework; this includes receiving information on risk management performance and proposals on risk adjustments to variable remuneration.

Link Group's risk culture

Risk culture can be defined as the norms, attitudes and behaviours related to risk awareness, risk taking and risk management. This is reflected in how the Group identifies, escalates and manages risk matters. Link Group is committed to maintaining a robust risk culture in which:

- Senior management expect, demonstrate and reward the right behaviours from a risk and control perspective; and
- employees identify, manage and escalate risk and control matters, and meet their responsibilities around risk management. Specifically, all employees regardless of their positions, functions or locations must play their part in managing the Group's risks. Employees are required to be familiar with risk requirements which are relevant to their responsibilities, know how to escalate actual or potential risk issues, and have an appropriate level of awareness of the risk management process as defined by the RMF.

(c) Our Code of Conduct

The Code of Conduct and Ethics builds on Link Group's Purpose and Values and outlines the expectations of our people to do what is right, to comply with laws and policies and behave professionally. The Code applies to our employees, contractors and our Board members.

All employees are required to undertake mandatory training on their obligations under the Code, at commencement of employment, and then on at least an annual basis. As part of the training, employees are required to attest to their compliance or disclose any breach of the Code at any time in the previous 12 months. Material breaches of the Code are reported to the Board.

(d) Changes Relevant to the Group Risk Profile

Link Group continues to focus on identifying and adopting global best practices to identify, assess, manage, and control risks across our businesses. The following changes have the ability to directly or indirectly influence the Group Risk Profile.

- Successful commencement of Vivek Bhatia as new Link Group Managing Director and CEO
- A number of new, highly experienced Senior Executive and Senior Leader appointments
- Refreshed purpose to sharpen focus on core goals and stakeholders
- Refreshed strategic priority to simplify, deliver and grow
- Refreshed values - creating a link between purpose and strategic priorities by expressing the standards and behaviours expected from directors, senior executives and employees
- Terminated acquisition of Pepper European Services (PES)
- Simplified Business Unit structure with dissolution of Technology & Operations division
- Reviewed, consolidated, and reduced the number of Group Policies

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- Reduced our geographical footprint through divestment of our Link Market Services business in South Africa, closure of our Manila office in the Philippines, and closure of our Beckenham office in the UK
- Consolidating infrastructure and decommissioning aging technology assets as we execute on our cloud strategy
- Expanded our technology and administration operations capabilities in Mumbai, India
- Enhanced global treasury policy and treasury risk management

The Directors and Management understand and continually reassess existing and emerging risks (both short-term and long-term) that may be applicable to the Link Group's business, including Environment, Sustainability and Governance (ESG) risk. Link Group acknowledges the impacts that climate change could have on our business, that its impact may increase in future, and that it is increasing in significance for clients, investors and regulators globally. For more information about how we manage environmental, social, governance and climate-related risk, please refer to our Sustainability Report.

Material existing and emerging risks to the Group's future performance

Some of the more material business risks faced by Link Group and how they are being managed are considered below in more detail. In addition, there are other generic risks inherent to all businesses, including Link Group's, such as:

- our exposure to the macro-economic environment, political and regulatory risk;
- our systems, technology and operational quality;
- ongoing impacts of the pandemic; and
- our ability to attract and retain key personnel.

Link Group considers these key risks in operating our businesses and actively manages them.

COVID-19 Risk Factor

The COVID-19 pandemic event remained a source of great uncertainty in FY21 and continues to have profound global health, social and economic impacts. Link Group considers COVID-19 to be a material risk factor that has the potential to alter (positively or negatively) many of the other risks that Link Group faces.

RISK CATEGORY	DESCRIPTION OF THE RISK AND ITS IMPACT	HOW WE RESPOND
Information and Cyber security	**Description** Link Group's core products and services inherently involve appropriate management of information. Link Group's ability to ensure the confidentiality, integrity and availability of information that it holds, may provide a competitive advantage or may be detrimental to Link Group, as it attempts to enable efficient and secure businesses. The COVID-19 pandemic continued to be a source of increased Information and Cyber security risks as the majority of our people were required to work remotely and perpetrators focused their efforts on an expanding range of diverse avenues in an attempt to access data. **Impact** Clients expect Link Group to securely store and make use of accurate information irrespective of whether our people are working in our offices or remotely. Failure to meet these expectations may result in breach of confidence, contract or regulation, which may	Link Group has in place a global information security management system aligned to the international best practice standard ISO27001, APRA CPS234 and the NIST cyber security resilience framework and invests over $10 million per annum in key controls. These include: • employing 'privacy by design' principles in the design, development and deployment of policies, processes, procedures, systems, infrastructure, products and services; • proactive management of identified vulnerabilities, with controls in place to prevent, detect, mitigate and report breaches, including privacy and data breach response plans and regulatory reporting mechanisms; • Implementation of new and/or updated information security controls in mitigation of known attack vectors; • monitoring of internal and external system traffic; • regular external penetration testing;

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RISK CATEGORY	DESCRIPTION OF THE RISK AND ITS IMPACT	HOW WE RESPOND
	have a negative impact on Link Group's reputation, financial performance and ability to achieve our strategic objectives.	• user access controls to restrict access to premises, information and systems; and • mandatory privacy and information security training to all staff at least annually. Link Group maintains close ties with the information and cyber security community and government authorities in a number of jurisdictions in which it operates.
Political and regulatory environment	**Description** Link Group's businesses are influenced and affected by laws, regulations and government policy in each of the jurisdictions in which our clients operate. Political and/or regulatory change, and Link Group's ability to comply with regulations, could enable or inhibit our business objectives. **Impact** Changes could affect the ability to achieve business objectives and financial performance. For example, by: • limiting or removing authority to operate; • changing how a business operates; and/or • altering resource requirements, operating efficiency and profitability. Changes may also provide an opportunity for Link Group to generate additional revenue streams by supporting its clients in their regulatory compliance obligations including the following. • In Australia, legislative changes permitting early withdrawal from super funds has had and will continue to have a material ongoing impact on the numbers of members administered by Link Group. • In Australia, the Protecting Your Superannuation Legislation continues to have a material impact on operating volumes, the number of members administered by Link Group and operating margins in the Retirement and Superannuation Solutions division. • Certain proposed regulatory changes in Australia and other jurisdictions in which Link Group operates provide opportunities to develop additional products and services for our clients.	Link Group: • engages with government, regulatory authorities and industry; • actively monitors, assesses and manages the impacts of changes to laws, regulation and government policy; • designs processes, procedures and systems consistent with the stated policy principles within each jurisdiction; • works with clients to assist in preparation for, and mitigation of, the impact of change; and • has a diversified geographic and jurisdictional presence. Link Group's businesses are supported by specialist Risk & Compliance professionals in each of the jurisdictions in which we operate. We are supported by internal and external legal counsel and expert third party advisors, as required. Link Group has a regulatory change framework in place to identify our clients' regulatory requirements and, where feasible, develop and implement solutions to assist them. To manage legislative change in superannuation, including Protecting your Superannuation and the Early Release of Superannuation scheme, Link Group collaborates with clients and applies selected commercial contractual protections (e.g. volume clauses).

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RISK CATEGORY	DESCRIPTION OF THE RISK AND ITS IMPACT	HOW WE RESPOND
Principal risk	**Description** Link Group's ability to comply with relevant obligations may result in regulatory and consumer exposures, contrary to our objectives to operate profitable, risk managed, compliant businesses. **Impact** Link Group primarily provides services to/for clients as an agent (where we are indirectly accountable), but also provides services to clients as principal (where we are directly liable). The Fund Solutions business acts as principal, primarily in Europe, and has direct regulatory obligations. Willingness to assume principal risk may provide a high barrier to entry, which could be a competitive advantage for Link Group. However, material failure by Link Group to discharge our principal obligations may negatively affect financial performance (compensation, pecuniary penalties, lost earnings) and reputation. It may also give rise to regulatory penalties or removal of authority to operate the relevant business.	Link Group mitigates this risk through: • robust risk management and compliance frameworks focused on identifying, assessing, monitoring and controlling risk; • skilled and qualified staff; • documented processes and procedures; • assurance programs and Internal Audit function; • professional lines of insurance; • proactive engagement with regulators; • in the case of Fund Solutions, governance mechanisms and processes are in place to ensure its fiduciary obligations are being fulfilled; • at least annual compliance training for impacted staff; • effective internal complaints mechanism and dispute resolution systems to identify consumer concerns; • ensuring compensation is appropriate with the level of risk taken in services and products provided; and • a strong corporate governance structure and culture, including local legal entity boards with direct regulatory accountability as required.
Client base, retention and arrangements	**Description** Link Group may experience greater or less success in attracting new clients, cross-selling products and services, retaining existing clients and scope of services on commercial terms and benefit from client merger activity than expected/desired. Some factors may include: • scope and quality of service; • increased competition; • industry consolidation; • business and regulatory environment; • strength of relationships; and/or • technological disruption and innovation. **Impact** The key industries in which Link Group operates are all competitive markets and are expected to remain competitive. This may affect organic growth capability and the scope and quality of products and services. It may also influence resourcing, margins and financial performance.	Link Group manages this risk through: • development of long-term relationships premised on strategic partnership; • competitive, diversified and integrated product and service offerings; • dedicated client relationship managers; • market and product benchmarking and evaluations; • reputation and brand equity; • management of contracted service delivery, including prompt rectification of issues; and • commercial contractual protections. Link Group actively monitors and invests in innovation and new technologies. It has invested over $400 million in delivering technology-driven solutions for our clients and continues to partner with industry leaders to expand the range of value-added services for clients to further enhance competitive advantage.

RISK CATEGORY	DESCRIPTION OF THE RISK AND ITS IMPACT	HOW WE RESPOND
Benefit realisation from acquisition, integration and transformation	**Description** The benefits of investment, acquisition, integration, migration, relocation, consolidation or transformation in a timely and commercial manner could be less than or greater than expected. Some factors may include: • appropriateness of each plan; • accuracy of the calculation of expected benefits; • quality and efficiency of execution; • market conditions and client receptivity; and • unexpected intervening events. **Impact** The extent to which expected synergies and other benefits are realised can affect Link Group's financial performance, organisational efficiency, allocation of resources and strategic plans.	Having successfully executed and integrated more than 40 business combinations over the past 15 years, Link Group has significant experience delivering on the expected benefits. This is achieved principally through: • established and robust processes encapsulating people, systems, products and clients; • partnering with organisations and employing people with appropriate skills, expertise, and experience to optimise each specific opportunity; • disciplined project governance controls; • initial strategic and financial analysis; • contingency factoring; • sound due diligence practices; and • contractual protections.

8. OUTLOOK

MACRO TAILWINDS

- Growth in equities markets driving investment flows & shareholder numbers
- Fund consolidation and demographics to fuel growth in superannuation / pensions
- Increased regulatory oversight and cost pressures across various markets supporting outsourcing trends
- Greater uptake of digital platforms to support scale, complexity and customer engagement

FY 2022

Low single digit revenue growth

Investment in technology and people to drive growth and will result in Operating EBIT broadly in line with FY 2021

- Global Transformation on target to achieve gross annualised savings of $75 million by June 2022
- Strong pipeline of opportunities with key RSS contract renewals completed
- Strong balance sheet & operating cash flow supporting growth and capital management initiatives
- Outcome of Woodford investigation expected to be known in FY 2022
- Additional investment in data/cyber security, front-line operations and risk and regulatory functions

FY 2023

Focused technology investment and macro tailwinds expected to deliver stronger revenue growth relative to FY 2022

Operational leverage delivering EBIT growth

- RSS benefiting from fund consolidation, member growth and pipeline opportunities
- CM benefiting from leadership positions, integrated service offering and positive market fundamentals
- Improving macro conditions in UK/Europe supporting revenue growth in FS and BCM
- Margin improvement through continued investment in technology and transformation activities

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9. APPENDIX 1: NON-IFRS DEFINITIONS

Link Group uses a number of non-IFRS financial measures in this OFR to evaluate the performance and profitability of the overall business. The principal non-IFRS financial measures that are referred to in this OFR are as follows.

FY	is financial year ended 30 June (in the applicable year).
Recurring Revenue	is revenue arising from contracted core administration servicing and registration services, corporate and trustee services, transfer agency, stakeholder engagement services, share registry services and shareholder management and analytics services that are unrelated to corporate actions. Recurring Revenue is expressed as a percentage of total revenue. Recurring Revenue is revenue the business expects to generate with a high level of consistency and certainty year-on-year. Recurring Revenue includes contracted revenue which is based on fixed fees per member, per client or shareholder. Clients are typically not committed to a certain total level of expenditure and as a result, fluctuations for each client can occur year-on-year depending on various factors, including number of member accounts in individual funds or the number of shareholders of corporate market clients.
Non-Recurring Revenue	is revenue the business expects will not be earned on a consistent basis each year. Typically, this revenue is project related and can also be ad hoc in nature. Non-Recurring Revenue includes corporate actions (including print and mail), call centre, capitals markets investor relations analytics, investor relations web design, extraordinary general meetings, share sale fees, off-market transfers, employee share plan commissions and margin income revenue. Non-Recurring Revenue also includes fee for service (FFS) project revenue, product revenue, revenue for client funded FTE, share sale fees, share dealing fees, one-off and other variable fees.
Gross Revenue	is the aggregate segment revenue before elimination of intercompany revenue and recharges such as Technology and Innovation recharges for IT support, client-related project development and communications services on-charged to clients. Link Group management considers segmental Gross Revenue to be a useful measure of the activity of each segment.
Operating EBITDA	is earnings before interest, tax, depreciation and amortisation and Significant items. Management uses Operating EBITDA to evaluate the operating performance of the business and each operating segment prior to the impact of Significant items, the non-cash impact of depreciation and amortisation and interest and tax charges, which are significantly impacted by the historical capital structure and historical tax position of Link Group. Link Group also presents an Operating EBITDA margin which is Operating EBITDA divided by revenue, expressed as a percentage. Operating EBITDA margin for business segments is calculated as Operating EBITDA divided by segmental Gross Revenue, while Link Group Operating EBITDA margin is calculated as Operating EBITDA divided by revenue. Management uses Operating EBITDA to evaluate the cash generation potential of the business because it does not include Significant items or the non-cash charges for depreciation and amortisation. However, the Company believes that it should not be considered in isolation or as an alternative to net Operating free cash flow.
EBITDA	is earnings before interest, tax, depreciation and amortisation.

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Operating EBIT	is earnings before interest, tax and Significant items. Link Group also presents an Operating EBIT margin which is Operating EBIT divided by revenue, expressed as a percentage. Operating EBIT margin for business segments is calculated as Operating EBIT divided by segmental Gross Revenue, while Link Group Operating EBIT margin is calculated as Operating EBIT divided by revenue.
EBIT	is earnings before interest and tax.
Operating NPATA	is net profit after tax and after adding back tax affected Significant items and acquired amortisation. Acquired amortisation comprises the amortisation of client lists and the revaluation impact of acquired intangibles such as software assets, which were acquired as part of business combinations. Link Group management considers Operating NPATA to be a meaningful measure of after-tax profit as it excludes the impact of Significant items and the large amount of non-cash amortisation of acquired intangibles reflected in NPAT. This measure includes the tax effected amortisation expense relating to acquired software which is integral to the ongoing operating performance of the business. Link Group also presents Operating NPATA margin which is Operating NPATA divided by revenue, expressed as a percentage. Operating NPATA margin is a measure that Link Group management uses to evaluate the profitability of the overall business.
Operating earnings per share	is Operating NPATA divided by the weighted average number of ordinary shares outstanding for the period. Link Group management considers Operating earnings per share to be a meaningful measure of after-tax profit per share as it excludes the impact of Significant items and the large amount of non-cash amortisation of acquired intangibles reflected in basic earnings per share. This measure includes the tax effected amortisation expense relating to acquired software which is integral to the ongoing operating performance of the business.
Significant items	refer to items which are considered to have a material financial impact and are not part of the normal operations of the Group. Significant items are used in both profit and loss and cash flow presentation. These items typically relate to events that are considered to be 'one-off' and are not expected to re-occur. Significant items are broken down into; Business combination/acquisition & divestment costs, Global Transformation costs, and other one-offs costs.
Net operating cash flow	is Cash receipts in the course of operations less Cash payments in the course of operations.

Although Link Group believes that these measures provide useful information about the financial performance of Link Group, they should be considered as supplemental to the information presented in accordance with Australian Accounting Standards and not as a replacement for them. Because these non-IFRS financial measures are not based on Australian Accounting Standards, they do not have standard definitions, and the way Link Group calculated these measures may differ from similarly titled measures used by other companies.

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REMUNERATION REPORT

Introduction from the Chair of the Human Resources and Remuneration Committee

Dear Shareholder,

On behalf of the Board, I present the Remuneration Report for the financial year ended 30 June 2021. This Report has been prepared on a consistent basis to previous years for ease of reference.

Our Remuneration Report received a vote in favour of 97.23% at the 2020 AGM. We have taken into account shareholder feedback in presenting the FY2021 remuneration outcomes. Our aim is to continue to align remuneration structures and decisions with sustainable shareholder value creation.

Company Performance

FY2021 was significantly impacted by the unprecedented challenges presented by the COVID-19 pandemic, CEO & Managing Director transition, takeover activity and the PEXA IPO. In this context, the Company achieved an Operating NPATA of $113 million and a dividend of $0.10 per share was paid.

Remuneration Outcomes

In FY2021, the remuneration measures foreshadowed in the FY2020 Remuneration Report were implemented and additional remuneration issues were addressed, principally in response to the COVID-19 pandemic. These are summarised below:

- The outgoing Managing Director and Executive KMP were not awarded any Fixed Pay increases for FY2021;
- The previously agreed annual 2.5% increase to Non-Executive Director fees for FY2019, FY2020 and FY2021 remained suspended for FY2021 and therefore there was no increase to the base Non-Executive Director fees for FY2021;
- The Board and Executive KMP took a temporary fee and Fixed Pay reduction for up to six months commencing 1 May 2020 and in recognition of this temporary Fixed Pay reduction, Executive KMP (excluding the outgoing Managing Director and CEO & Managing Director) received Link Group shares or rights equivalent to the temporary Fixed Pay reduction amount. One half of the shares or rights will become available in December 2021, and the other half in December 2022;
- To support retention of executives during a critical period and business continuity, Executive KMP (excluding the CEO & Managing Director) will participate in a 'one off' equity retention plan;
- Following two years where Link Group has not paid any STI to Executive KMP, the level of Operating NPATA performance in FY2021 met the short term incentive (STI) gateway and STI payments will be made to Executive KMP to reward for company and individual performance;
- The FY2019 grant did not vest as EPS and TSR performance hurdles were not met.

We welcome your feedback on our FY2021 Remuneration Report.

Yours sincerely,



Sally Pitkin, AO
Human Resources & Remuneration Committee Chair

SECTION

01 Directors' Report

ABOUT THIS REMUNERATION REPORT

The Remuneration Report (Report) summarises the remuneration of Link Group's KMP; namely Directors and Executive KMP that are named in this Report for the year ended 30 June 2021. This Report has been prepared in accordance with the requirements of section 300A of the *Corporations Act 2001* and has been audited.

1. OVERVIEW OF THE EXECUTIVE KMP REMUNERATION APPROACH

1.1 Remuneration principles & philosophy

Link Group applies the following principles when developing and implementing remuneration decisions. The decisions made about remuneration should:

- support competitive market pay;
- support the attraction and retention of capable and committed employees;
- reinforce the alignment of behaviours and outcomes to Link Group values and strategic imperatives;
- align remuneration with sustainable shareholder value creation and returns;
- align remuneration with prudent risk taking and Link Group's long-term financial soundness;
- motivate individuals to pursue Link Group's long-term growth and success;
- demonstrate a clear relationship between Link Group's overall performance and the performance of individuals;
- support gender pay equity; and
- comply with all relevant legal, tax and regulatory provisions.

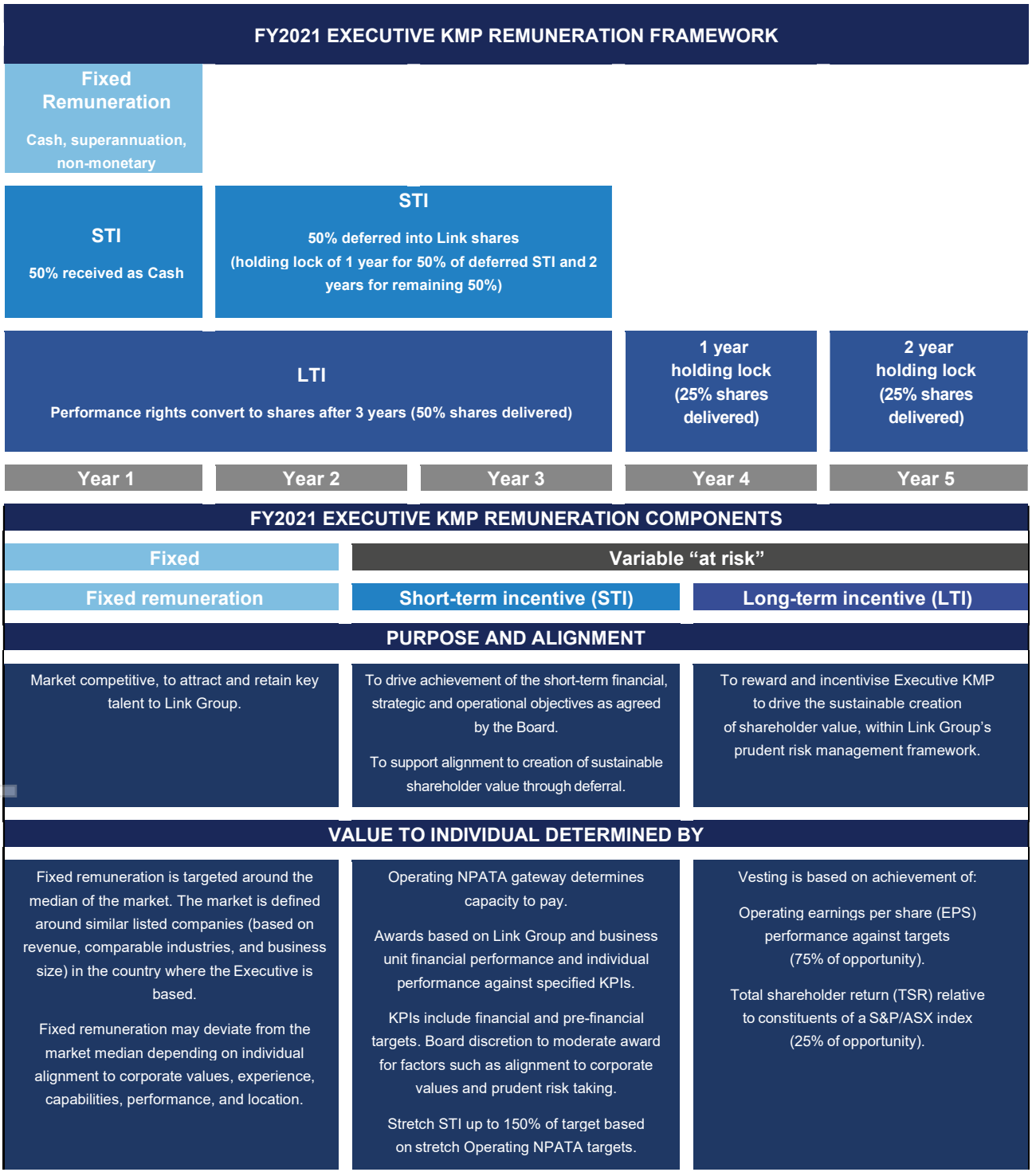
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1.2 FY2021 remuneration framework

Link Group's remuneration framework is designed to reward Executive KMP for achievement of Link Group strategy and shareholder value creation. Figure 1 outlines the components of Executive KMP remuneration and their purpose.

Figure 1: FY2021 Executive KMP remuneration framework



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EXECUTIVE KMP REMUNERATION IN FY2021

What changes to executive remuneration have been made in FY2021 and why?

The Board reviewed FY2021 remuneration for the Executive KMP in the context of the scale, complexity and geographical reach of Link Group, and market benchmarking data. As foreshadowed in the FY2020 Remuneration Report, no Executive KMP received a Fixed Pay increase in FY2021.

As a result of the COVID-19 pandemic, the outgoing Managing Director and Executive KMP accepted a temporary Fixed Pay reduction for up to six months of 50% and 20% respectively concluding on 31 October 2021.

Executive KMP (excluding the outgoing Managing Director and the current CEO & Managing Director) received a grant of restricted shares or share rights to recognise their contribution to agreeing to this temporary pay reduction and to support their retention.

The award value at grant for Executive KMP is equivalent to the actual Fixed Pay reduction and is subject to a service condition with 50% being delivered one year after being awarded and the remaining 50% after two years.

The number of restricted shares granted is based on the value available to each participant divided by the five trading day volume weighted average market price (VWAMP) for Link Group shares from the date of the announcement of Link Group's full year results.

How is Link Group's performance reflected in FY2021 remuneration outcomes?

In FY2021 the Operating NPATA gateway on the STI was achieved and therefore Executive KMP will receive a STI payment for FY2021.

The FY2019 LTI grant was tested at the end of FY2021, resulting in no vesting of the relative TSR component and no vesting of the EPS component, as the performance hurdles were not achieved.

The Board considered the impact of the equity investment in Property Exchange Australia (PEXA) against the transaction principles and determined that no adjustments would be made to FY2021 LTI targets or the number of PSRs on issue. In addition, it was agreed that the acquired amortisation, net of tax, be added back to the NPATA contribution from PEXA in determining the Operating NPATA for Link Group and that the fair value gain be excluded.

In respect of the sale of the CPCS business. given that CPCS was sold in FY2020, the Board determined that any CPCS contribution be excluded from the base year target for the FY2021 PSRs granted in calendar year 2019.

The impact of transactions is considered on a case by case basis in line with agreed transaction principles outlined in Section 3.1.

Further detail on performance outcomes is provided in Section 2.2.

How is fixed remuneration determined and how is it positioned relative to the market?

Fixed remuneration generally includes base salary, superannuation and may include non-monetary benefits.

Fixed remuneration is targeted around the median of the market. The market is defined as companies of similar size and/or industry in the country in which the Executive is based. Consideration is generally given to listed companies with market capitalisation 50% to 200% of Link Group's 12-month average market capitalisation. In markets where listed company data is not disclosed, market surveys are used and roles are compared against companies with revenue between 50% to 200% of Link Group's annualised revenue.

Fixed remuneration is generally reviewed against the market annually, however, there is no guaranteed annual increase.

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What proportion of target remuneration is 'at risk' and why is it considered appropriate for the business?

Generally, target total remuneration is positioned between the median and 75th percentile of the market.

A significant portion of Executive KMP remuneration is 'at risk' subject to both short and long-term performance hurdles. The 'at risk' components directly align executive pay with our strategic imperatives and shareholder value creation.

The proportion of total target remuneration 'at risk' for Executive KMP ranges from 55% to 73%.

Is clawback available on 'at-risk' remuneration?

The Board has the discretion to determine that a portion or all of an employee's unvested or vested STI and LTI awards be forfeited if, in the Board's opinion, adverse circumstances affecting the performance, reputation or risk profile of Link Group have come to the Board's attention which, had they been known at the time when the STI or LTI was made, would have caused the Board to make a different award or no award.

What was the target remuneration mix for each executive KMP for FY2021?

EXECUTIVE KMP	TOTAL FIXED REMUNERATION %	TARGET STI %	LTI GRANT %	TOTAL VARIABLE REMUNERATION %
Continuing Executive KMP				
Vivek Bhatia	29%	28%	43%	71%
Chris Addenbrooke	35%	35%	30%	65%
Antoinette Dunne	45%	33%	22%	55%
Paul Gardiner	40%	30%	30%	60%
Andrew MacLachlan	40%	30%	30%	60%
Dee McGrath	45%	33%	22%	55%
Former Executive KMP				
John McMurtrie	30%	30%	40%	70%
Robbie Hughes	28%	28%	45%	73%
Lysa McKenna	44%	33%	22%	55%
Susan Ring	36%	36%	27%	63%

What are the performance measures (including gateway) on the STI plan and how do they align with the business strategy?

An Operating NPATA gateway must be met before any STI is awarded. The Board determines an annual Operating NPATA target, taking into consideration our longer-term growth strategy. The Operating NPATA target for FY2021 was $78.1 million.

Operating NPATA, which reflects the underlying earnings of the business and excludes the impact of non-cash acquired amortisation and the after-tax impact of one off significant items, is a key measure of success for our business and part of our growth strategy. Including Operating NPATA as a gateway supports affordability of the plan in a given year.

Payments made under the STI plan are subject to the achievement of a balanced scorecard of individual measures comprising both financial and pre-financial measures aligned to our strategic imperatives.

Measures vary by role and across financial years but broadly fall under the categories of Business, Financial & Strategy, Customer & Stakeholder, People & Leadership and Operational Excellence. Further detail is included in Section 2.2.

The Board has discretion to moderate payment for factors such as alignment to corporate values, compliance and prudent risk taking.

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What is the target and maximum STI opportunity each Executive KMP can earn under the STI plan?	The target STI opportunity for Executive KMP represents an opportunity to earn, on average, around 32% of total target remuneration. Target STI ranges from 75% to 100% of fixed remuneration. Executive KMP have the opportunity to earn up to 150% of their target STI where the Operating NPATA is 110% of budget. This represents the maximum STI.
What percentage of STI is deferred and for how long?	Fifty percent of any STI awarded to the Executive KMP, including the CEO & Managing Director, will be deferred into Link shares or rights. The deferred shares or rights are subject to a holding lock, one half of which are deliverable after one year and the remainder after two years.
How is the LTI aligned to the business strategy?	The LTI Plan measures performance over a three-year period against Operating EPS targets (75%) and relative TSR performance targets (25%), with no re-testing. The Operating EPS measure aligns to the purpose of the Plan to support our growth strategy and has strong alignment to sustainable shareholder value. Our key focus is on delivering sustainable earnings growth to our shareholders. The use of Operating EPS as a performance measure is further reinforced by Link's growth strategy being underpinned by a disciplined approach to acquisition as well as organic growth in our existing businesses. This strategy requires dealing effectively with the inherent complexity in managing the acquisition pipeline and the need to integrate well and achieve synergies. Link Group acknowledges that TSR performance relative to a basket of constituents is important to some investors. However, in the absence of a sizeable group of comparable industry peers, we also acknowledge that comparison to a broad group of S&P/ASX index constituents can give arbitrary results that are not reflective of the Company's performance. The lower weighting to TSR is reflective of this issue. One-half of any vested award is available to the participant at the end of the performance period. The remaining vested award is subject to an additional holding lock, of which 50% is available after a further year and 50% after two years. The Board has determined that the combination of the three-year vesting period and subsequent two-year holding lock provides participants alignment to Link Group's long-term growth strategy. The relative TSR component of the LTI granted in FY2021 is measured against 58 constituents of the S&P/ASX 100, excluding materials, utilities, industrials and energy companies. The Board retains discretion to make adjustments for any unintended remuneration outcomes arising from a relative TSR measure. Further detail is included in Section 3.1.
How are EPS targets determined?	The Operating EPS targets in relation to LTI grants are set with reference to the Group's growth strategy. The macroeconomic environment, market and industry peer practice and stakeholder expectations are also considered. The target range set provides appropriate stretch to executives and achievement provides strong returns to shareholders. For the purpose of the LTI, Operating EPS is calculated by dividing the Group's Operating NPATA by the undiluted weighted average number of shares on issue throughout the Performance Period. Operating NPATA reflects the underlying earnings of the business and excludes the impact of non-cash acquired amortisation and the after-tax impact of one off significant items. The Board has discretion to include or exclude items from the calculations. A reconciliation of the Operating NPATA to statutory NPAT is set out in Figure 2 of the Operating and Financial Review.

What are the minimum shareholding requirements for Executive KMP? Have Executive KMP met the requirements?	Executive KMP are required to hold a minimum shareholding of one year's fixed remuneration within five years of the date they are appointed as a KMP. Deferred STI and vested LTI subject to a holding lock count towards this requirement. All Executive KMP with five or more years in an Executive KMP role are in compliance with the minimum shareholding requirement. See Table 12 for further detail.
What changes to Executive KMP remuneration will be made in FY2022?	The Board reviewed remuneration for the Executive KMP in the context of the scale, complexity and geographical reach of Link Group, and market benchmarking data. As a result, Vivek Bhatia and Dee McGrath's Fixed Pay will increase to $1,400,000 and $670,000 respectively effective 1 October 2021. There will be no change to the STI and LTI target percentages with the actual amounts reflecting the Fixed Pay change. No other Executive KMP will receive a Fixed Pay increase in FY2022. Several Executive KMP will receive or have received an equity grant as part of a retention scheme to retain key talent during a critical period for the Company where the CEO & Managing Director transitioned and the Company dealt with an unsolicited takeover bid. Paul Gardiner was awarded a retention grant of 99,005 Link Group shares that will become available in October 2022. Dee McGrath, Andrew MacLachlan and Chris Addenbrooke will be granted Link Group share rights in FY2022 equivalent to approximately 50% of their FY2021 Fixed Pay. The grant will be subject to a service condition with 50% being delivered one year after being awarded and the remaining 50% two years after being awarded.

NON-EXECUTIVE DIRECTOR REMUNERATION IN FY2021 AND FY2022

Were there any changes to Non-Executive Director remuneration in FY2021?	Non-Executive Director (NED) base fees were last adjusted in FY2019. NED base fees were increased by 2.5% from 1 July 2018 as part of a three-year program to increase fees by 2.5% in FY2019, FY2020 and FY2021. The fee increase was suspended in FY2020 and FY2021. The Chair fee reflects a single payment, with no additional fees paid to the Chair for Committee work. There were no changes to the NED fee pool in FY2021.
What changes to Non-Executive Director remuneration will be made in FY2022?	The previously suspended NED fee increases of 2.5% for both FY2020 and FY2021 will be reinstated for FY2022 resulting in a 5% increase in base NED fees. There will be no changes to Committee fees. There will be no changes to the fee pool.
What are the minimum shareholding requirements for Non-Executive Directors?	NEDs are required to hold a minimum shareholding of one time the NED annual base fee (not including Committee membership or the higher fee for the Committee Chair) within three years after the date of their appointment.
Have Non-Executive Directors met the requirements?	All NEDs are in compliance with the minimum shareholding requirement.

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2. SUMMARY INFORMATION

2.1 Key Management Personnel

The names and titles of KMP are set out below. There have been no other changes to KMP following the end of the financial year.

NAME	POSITION	STATUS	TERM AS KMP
NON-EXECUTIVE DIRECTORS			
Michael Carapiet	Independent Chair and Non-Executive Director	Full year	
Glen Boreham, AM	Independent Non-Executive Director	Full year	
Andrew (Andy) Green, CBE	Independent Non-Executive Director	Full year	
Peeyush Gupta, AM	Independent Non-Executive Director	Full year	
Anne McDonald	Independent Non-Executive Director	Full year	
Sally Pitkin, AO	Independent Non-Executive Director	Full year	
Fiona Trafford-Walker	Independent Non-Executive Director	Full year	
CONTINUING EXECUTIVE KMP			
Vivek Bhatia	Chief Executive Officer & Managing Director	Part year	Commenced 2 November 2020
Chris Addenbrooke	Chief Executive Officer, Link Fund Solutions	Full year	
Antoinette Dunne	Chief Executive Officer, Banking and Credit Management	Part year	Commenced 1 June 2021
Paul Gardiner[1]	Chief Executive Officer, Corporate Markets	Full year	
Andrew MacLachlan	Chief Financial Officer	Full year	
Dee McGrath	Chief Executive Officer, Retirement & Superannuation Solutions	Full year	
FORMER EXECUTIVE KMP			
John McMurtrie, AM	Executive Director and Managing Director	Part year	Ceased 1 November 2020
Robbie Hughes	Chief Executive Officer, Banking and Credit Management	Part year	Ceased 4 March 2021
Lysa McKenna	Co-Chief Executive Officer, Corporate Markets	Part year	Ceased 2 May 2021
Susan Ring	Co-Chief Executive Officer, Corporate Markets	Part year	Ceased 2 May 2021

1 Paul Gardiner's role changed from Chief Technology and Operations Officer to Chief Executive Officer, Corporate Markets from 3 May 2021

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2.2 FY2021 Overview – alignment between performance and Executive KMP remuneration

In FY2021, our Executive KMP remuneration consisted of fixed remuneration, short-term incentives (STIs) and a grant of Performance Share Rights (PSRs) under the LTI Plan. The short and long-term incentive plans align remuneration outcomes to Link Group's strategic objectives, and reward superior business performance and sustainable shareholder value creation. Given the Operating NPATA STI gateway was achieved, STIs were paid to certain Executive KMP in FY2021. In addition to the above remuneration elements, the continuing Executive KMP presently hold an estimated 0.3% of Link Group's issued share capital.

Tables 1, 2 and 3 provide further detail of our performance against our strategic goals in FY2021, and table 4 details Company performance over five years.

For FY2021, Executive KMP performance has been contextualised by the financial performance and leadership demonstrated during the COVID-19 pandemic, transaction activity and Managing Director succession.

Table 1: KPI Performance of Executive KMP

MEASURE	OUTCOME	DESCRIPTION
Company Financial Performance	Above target	Link Group reported Operating NPATA was $113 million in FY2021. The Operating NPATA gateway of $78.1 million was met in FY2021. Strong cash conversion of 114%.
Divisional Financial Performance	At target	Retirement & Superannuation Solutions, Funds Solutions and Corporate Markets performed above their target Operating EBIT budget with Technology and Operations and Banking & Credit Management performing below.
Strategy	At target	Progress has been made against the three priorities of simplifying the organisation, delivering on our commitments and growing the business. Achievements include: Effective management of transaction activities including non-binding indicative takeover bids from a PEP/Carlyle Consortium and SS&C. PEXA IPO launched with Link Group retaining a 42.8% holding with a value of $1.4bn based on the IPO opening price. In addition, Link Group received proceeds of $180m which is being used to strengthen the balance sheet. Implementation of the new global operating model and organisation structure. Decision not to proceed with Pepper European Servicing (PES) acquisition. Acquisition of Casa4Funds in Luxembourg (subject to regulatory approval), growing the company's footprint in the region.

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MEASURE	OUTCOME	DESCRIPTION
Customer and Stakeholder	At target	Retaining existing clients as well as business development through new clients and new services are key drivers of Link Group's growth strategy. Key highlights included: • Retaining major clients across all businesses including key contract renewals in R&SS; • Undertaking the first R&SS client satisfaction survey to help determine initiatives to continuously improve client delivery; • Delivering over 500 virtual AGMs for clients in Australia, New Zealand, the United Kingdom (UK) and Germany and winning the Financial Standard MAX award for our virtual meeting product; • Winning 60 IPOs across Australia and the UK; • Completing the rollout of the digital platform for our largest Funds Solutions client in the UK; • Continued growth of our Netherlands business and mortgage servicing capability across Ireland and the Netherlands; and • Continuing global development of Link Group's brand. Key governance objectives were achieved in FY2021 including meeting all required reporting deadlines, quarterly risk management reporting and execution of the Link Group corporate governance framework to drive good corporate governance in how we operate to create sustainable value for shareholders.
People and Leadership	At target	Link Group recognises its people are paramount to the ongoing success of the business. In FY2021: • the wellbeing of our employees was addressed effectively, particularly in response to the COVID-19 pandemic, with the extension of our Employee Assistance Program to India, the provision of a range of wellbeing tools and information through our Wellness Hub and the roll out of mental health webinars; • voluntary turnover was 18%; • progress was made against diversity targets with balanced gender participation achieved at management and ELT level however gender diversity within the Senior Leader level remained below target. A Link Group Diversity & Inclusion (D&I) Committee (chaired by the CEO&MD) and employee D&I working groups were established; • CEO & Managing Director succession and leadership changes were effectively managed; • Link Group's approach to blended working was determined with a pilot conducted across three locations ahead of a global rollout in FY22; • Link Group's first global employee engagement survey was conducted; • Link Group's values were refreshed and launched; • A global recognition program 'Appreciate' was launched to recognise employees living Link Group's values; and • Link Academy programs were enhanced with additional on-line training solutions provided to all employees.

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MEASURE	OUTCOME	DESCRIPTION
Operational Excellence	At target	Rapid response to COVID-19 pandemic included continuity of service to clients with approximately 90% of employees able to work remotely. The global transformation program continued to progress with annualised savings in excess of $42 million achieved to date. Implementation of the hub strategy in Leeds and Mumbai has continued. As at 30 June 2021, around 640 FTEs were in place in the Mumbai hub. Continued rollout of productivity and workflow automation systems and tools across various business units to improve efficiency and accuracy.

Table 2: FY2021 Performance Assessment Summary

	GATEWAY MET					
CONTINUING EXECUTIVE KMP	COMPANY FINANCIAL	DIVISIONAL FINANCIAL	STRATEGY	CUSTOMER AND STAKEHOLDER	PEOPLE AND LEADERSHIP	OPERATIONAL EXCELLENCE
Vivek Bhatia	Exceeded	N/A	Exceeded	Met	Exceeded	Met
Chris Addenbrooke	Exceeded	Exceeded	Met	Met	Met	Met
Antoinette Dunne	N/A	N/A	N/A	N/A	N/A	N/A
Paul Gardiner	Exceeded	Largely Met	Met	Met	Met	Met
Andrew MacLachlan	Exceeded	N/A	Met	Met	Met	Met
Dee McGrath	Exceeded	Exceeded	Met	Met	Met	Met

Outcomes are included for continuing KMP. As Antoinette Dunne became KMP from 1 June 2021, an assessment of her performance as KMP is not provided.

Table 3: STI amounts awarded

	STI TARGET ($)[1]	STI MAX ($)	TOTAL STI PAYABLE ($)	STI ACHIEVED (% OF TARGET)	STI ACHIEVED (% OF MAXIMUM)	% OF MAXIMUM FORFEITED	STI TO BE PAID IN CASH ($)
CONTINUING EXECUTIVE KMP							
Vivek Bhatia[2]	1,300,000	1,950,000	1,885,000	145%	97%	3%	942,500
Chris Addenbrooke[3]	464,732	697,098	525,349	113%	75%	25%	262,675
Antoinette Dunne[3]	29,597	44,396	28,710	97%	65%	35%	14,355
Paul Gardiner	502,500	753,750	505,000	100%	67%	33%	252,500
Andrew MacLachlan	450,000	675,000	575,000	128%	85%	15%	287,500
Dee McGrath	468,750	703,125	563,000	120%	80%	20%	281,500
FORMER EXECUTIVE KMP							
John McMurtrie	1,100,000	1,650,000	-	-	-	100%	-
Robbie Hughes[3]	444,515	666,772	-	-	-	100%	-
Lysa McKenna	250,000	375,000	270,833	108%	72%	28%	135,417
Susan Ring[3]	329,108	493,663	287,779	87%	58%	42%	287,779

1 STI Targets for Antoinette Dunne, Lysa McKenna and Susan Ring represent a pro-rata amount for their period as Executive KMP.

2 Vivek Bhatia's STI Target and payment represents a full year value.

3 Robbie Hughes and Antoinette Dunne are based in Ireland and are remunerated in EUR. Chris Addenbrooke and Susan Ring are based in the UK and accordingly are remunerated in GBP. Susan Ring's STI will be paid in cash. Their STI Targets have been converted to AUD using the prevailing exchange rates that were used to prepare the financial statements for FY2021.

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Table 4 outlines the financial performance of Link Group.

Table 4: Five-year performance of Link Group

		2021	2020[1]	2019[1]	2018	2017
EPS	(cents)	**(30.75)**	(19.67)	60.71	27.86	22.59
Operating EBIT	($millions)	**141.4**	179.7	291.5	294.1	184.1
Operating NPATA	($millions)	**113.2**	137.6	196.9	203.2	123.8
Net Profit (loss) after tax	($millions)	**(162.7)**	(102.5)	324.1	139.8	85.2
Change in share price to 30 June	($)	**0.94**	(0.90)	(2.33)	(0.57)	0.03
Declared Dividends	(cents per share)	**10.00**	19.00	20.50	20.50	14.00

1 FY2020 and FY2019 have been restated as disclosed in the Financial Statements for the year ended 30 June 2021.

FY2019 LTI Grant Outcome

The Omnibus Equity Plan measures performance over a three-year period against Operating EPS targets (75%) and relative TSR performance targets (25%).

FY2019 EPS Grant Outcome

EPS PSRs are subject to a compound annual growth rate in Operating EPS of between a threshold target of 7% and a stretch target of 12%.

Table 5: FY2019 EPS Grant Outcome

		2021	2018	CAGR %
Operating NPATA	($ millions)	113.18	203.24	
Weighted average number of ordinary shares	(millions)	531.2	494.9	
Operating EPS	(cents)	21.3	41.1	-19.6%

Using the vesting scale outlined in section 3.1, 0% of the PSR's subject to the EPS hurdle vested in FY2021. The Board considered the impact of various transactions using the agreed transactions principles and, in regards to the major transactions during the performance period, decided not to make any adjustment to the FY2019 targets for the equity investment in PEXA, the LAS acquisition and the disposal of the CPCS business.

FY2019 TSR Grant Outcome

TSR takes into account the change in Link Group's share price over the relevant performance period, as well as the dividends paid (dividends are assumed to be reinvested in Link Group shares).

Over the performance period, Link Group was ranked in the 17th percentile within the peer group. Using the vesting scale outlined in section 3.1, no PSR's subject to the TSR hurdle vested in FY2021.

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Actual Remuneration Received

Table 6 shows the actual cash remuneration paid to Executive KMP during FY2021 and FY2020 and deferred payments received. The table below does not include the accounting value of equity that was expensed, but not realised, under the LTI.

Table 6: Actual remuneration received in FY2021 and FY2020 [1,2]

	YEAR	FIXED REMUNERATION ($)	STI PAID [3] ($)	DEFERRED STI REALISED ($)	LTI REALISED ($)	TERMINATION BENEFITS ($)	TOTAL REMUNERATION ($)
Continuing Executive KMP							
Vivek Bhatia	2021	907,359	-	-	-	N/A	907,359
	2020	N/A	N/A	N/A	N/A	N/A	N/A
Chris Addenbrooke	2021	456,429	-	-	-	N/A	456,429
	2020	497,799	237,474	-	-	N/A	735,273
Antoinette Dunne	2021	51,338	-	-	-	N/A	51,338
	2020	N/A	N/A	-	N/A	N/A	N/A
Paul Gardiner	2021	625,333	-	-	-	N/A	625,333
	2020	626,664	-	-	165,182	N/A	791,846
Andrew MacLachlan	2021	580,015	-	-	-	N/A	580,015
	2020	551,553	-	-	97,342	N/A	648,895
Dee McGrath[4]	2021	611,836	-	-	100,963	N/A	712,799
	2020	598,735	-	-	137,603	N/A	736,338
Former Executive KMP							
John McMurtrie	2021	224,209	-	-	-	N/A	224,209
	2020	1,005,886	-	-	553,784	N/A	1,559,670
Robbie Hughes	2021	323,677	-	-	-	N/A	323,677
	2020	448,485	231,975	-	-	N/A	680,460
Lysa McKenna	2021	318,645	-	-	-	N/A	318,645
	2020	176,165	-	-	-	N/A	176,165
Susan Ring	2021	296,892	-	-	-	N/A	296,892
	2020	188,403	-	-	-	N/A	188,403

1 Remuneration for KMP is included from the date they are designated as KMP until they cease as KMP. Vivek Bhatia commenced as Executive KMP on 1 November 2020 and Antoinette Dunne on 1 June 2021. Lysa McKenna and Susan Ring were KMP from 1 January 2020 to 2 May 2021.

2 Chris Addenbrooke and Susan Ring are based in the UK and accordingly are remunerated in GBP. Antoinette Dunne and Robbie Hughes are based in Ireland and remunerated in EUR. Remuneration has been converted to AUD using the prevailing exchange rates that were used to prepare the financial statements for FY2021.

3 Chris Addenbrooke was eligible to participate in a retention bonus of GBP 379,500 (gross). Robbie Hughes was eligible to participate in a retention bonus of EUR 422,400 (gross). Both were payable in 3 equal payments in April 2018, April 2019 and April 2020 and the amounts reflected under 2020 represented the final tranche of this incentive.

4 Dee McGrath was issued with 65,325 shares on commencement. The amount included under LTI Realised reflects 25,453 restricted shares in FY2020 and 19,774 in FY21 which were released from a holding lock. The remainder of the shares are held under a holding lock.

2.3 Executive KMP statutory remuneration table

Table 7 presents the remuneration for Executive KMP for FY2021 and comparative information for FY2020. The information presented in Table 7 has been prepared in accordance with the Australian Accounting Standards and accordingly differs from the information presented in the actual remuneration received in Table 6 in Section 2.2.

Table 7: Executive KMP statutory remuneration

		SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	OTHER LONG-TERM BENEFITS		EQUITY BASED PAYMENTS					
NAME	YEAR	SALARY AND FEES $	STI [1] $	OTHER BENEFITS $	SUPER-ANNUATION BENEFITS $	LONG SERVICE LEAVE $	TERMIN-ATION BENEFITS $	LTI $	SPECIAL EQUITY GRANT $	DEFERRED STI [2] $	TOTAL $	% OF REMUNERATION RELATED TO PERFORM-ANCE	VALUE OF PSRS AS A % OF REMUNERATION
EXECUTIVE KMP [3]													
Vivek Bhatia [4]	2021	892,896	942,500	8,615	14,463	787	-	791,373	-	-	2,650,634	36%	30%
	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chris Addenbrooke	2021	435,135	262,675	35,501	21,294	-	-	66,529	25,166	-	846,300	31%	8%
	2020	461,072	79,158	74,383	5,541	-	-	74,067	-	-	694,221	11%	11%
Antoinette Dunne	2021	49,365	14,355	2,105	1,973	-	-	1,296	2,120	-	71,214	20%	2%
	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Paul Gardiner [5]	2021	603,639	252,500	12,409	21,694	12,094	-	226,575	36,340	-	1,165,251	22%	19%
	2020	626,664	-	12,397	21,003	12,117	-	98,620	-	-	770,801	0%	13%
Andrew MacLachlan	2021	555,015	287,500	12,673	25,000	10,840	-	77,720	32,542	-	1,001,290	29%	8%
	2020	551,553	-	12,904	25,000	23,082	-	87,407	-	-	699,946	0%	12%
Dee McGrath [6]	2021	590,142	281,500	8,791	21,694	2,165	-	149,497	33,899	-	1,087,688	26%	14%
	2020	598,735	-	8,489	21,003	-	-	377,160	-	-	1,005,387	0%	38%

1 No Executive KMP received a Company STI in relation to FY2020.

2 Deferred STI shares awarded in respect of FY2021 are subject to service conditions and a holding lock. 50% will vest subject to continued service at the end of FY2022, 50% will vest subject to continued service at the end of FY2023. The accounting value for these Deferred STI will commence from FY2022.

3 Chris Addenbrooke and Susan Ring are based in the UK and accordingly are remunerated in GBP. Antoinette Dunne and Robbie Hughes are based in Ireland and remunerated in EUR. Remuneration has been converted to AUD using the prevailing exchange rates that were used to prepare the financial statements for FY2021.

4 The amount included in LTI for Vivek Bhatia includes restricted shares issued on commencement. Delivery of shares are subject to service conditions.

5 The amount included in LTI for Paul Gardiner includes restricted shares issued during FY2021. Delivery of shares is subject to service conditions.

6 The amount included in LTI for Dee McGrath includes restricted shares issued to on commencement. The shares are subject to service conditions and a holding lock.

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	YEAR	SALARY AND FEES $	SHORT-TERM BENEFITS STI [1] $	POST-EMPLOYMENT BENEFITS OTHER BENEFITS $	OTHER LONG-TERM BENEFITS SUPER-ANNUATION BENEFITS $	LONG SERVICE LEAVE $	TERMIN-ATION BENEFITS $	EQUITY BASED PAYMENTS LTI $	EQUITY BASED PAYMENTS SPECIAL EQUITY GRANT $	EQUITY BASED PAYMENTS DEFERRED STI[2] $	TOTAL $	% OF REMUNERATION RELATED TO PERFORM-ANCE	VALUE OF PSRS AS A % OF REMUNERATION
EXECUTIVES THAT CEASED TO BE KMP													
John McMurtrie, AM[3]	**2021**	**216,978**	**-**	**4,674**	**7,231**	**-**	**-**	**(200,370)**	**-**	**-**	**28,513**	**0%**	**-703%**
	2020	1,005,886	-	12,936	21,003	19,880	-	280,975	-	-	1,340,680	0%	21%
Robbie Hughes	**2021**	**281,786**	**-**	**23,606**	**41,891**	**-**	**-**	**187,413**	**14,473**	**-**	**549,169**	**0%**	**35%**
	2020	448,485	77,325	37,876	67,273	-	-	143,990	-	-	774,949	10%	19%
Lysa McKenna	**2021**	**300,566**	**135,417**	**10,478**	**18,079**	**6,016**	**-**	**29,784**	**15,496**	**-**	**515,836**	**26%**	**6%**
	2020	176,165	-	6,560	10,501	3,895	-	34,159	-	-	231,280	0%	15%
Susan Ring	**2021**	**282,047**	**287,779**	**1,458**	**14,845**	**-**	**-**	**42,600**	**15,276**	**-**	**644,005**	**45%**	**7%**
	2020	188,403	-	917	9,418	-	-	46,122	-	-	244,860	0%	19%
Total	**2021**	**4,207,569**	**2,464,226**	**120,310**	**188,164**	**31,902**	**-**	**1,372,417**	**175,312**	**-**	**8,559,900**	**29%**	**16%**
	2020	4,056,963	156,483	166,462	180,742	58,974	-	1,142,500	-	-	5,762,124	3%	20%

1 No Executive KMP received a Company STI in relation to FY2020.

2 Deferred STI shares awarded in respect of FY2021 are subject to service conditions and a holding lock. 50% will vest subject to continued service at the end of FY2022, 50% will vest subject to continued service at the end of FY2023. The accounting value for these Deferred STI will commence from FY2022.

3 The amount included in LTI includes reversal of prior year LTI grants that did not vest. In John McMurtrie' s case, this resulted in a negative value.

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3. DETAILED REMUNERATION INFORMATION

3.1 Detail of Executive KMP remuneration framework

Table 8 outlines the detail of the FY2021 STI and LTI arrangements.

Table 8: FY2021 approach

STI	
Opportunity	Any STI awarded is subject to the achievement of annual targets. The target STI opportunity for Executive KMP represents an opportunity to earn on average around 32% of total target remuneration. Target STI ranges from 75% to 100% of fixed remuneration. Executive KMP have the opportunity to earn up to 150% of their target STI where the Operating NPATA is 110% of budget. This represents the maximum STI. A sliding scale applies between 100% and 110% achievement of the Operating NPATA target to determine the STI pool accrual. The actual STI pool as well as the quantum of an individual KMP's STI is performance based and subject to Board discretion. 50% of any STI paid is delivered as cash with the remaining 50% awarded in the form of Link Group shares with a holding lock of up to two years.
Gateway	A minimum level of Operating NPATA must be achieved before any STI is paid. This level is set by the Board annually once the Budget is approved. In FY2021, the STI Gateway Operating NPATA target for Executive KMP was $78.1 million. This gateway was not adjusted for any COVID-19 impact. As the STI gateway target was met, Executive KMP were eligible to receive a STI payment in FY2021.
Performance measures	Allocation of the STI is by achievement of a balanced scorecard of relevant corporate, business unit (where relevant) and individual measures aligned to our strategic objectives comprising a combination of Operating NPATA, business Operating EBIT and individual strategic goals. Goals vary by role and across financial years but broadly fall under the categories of Company Financial Performance, Strategic Priorities, Divisional Financial Performance, Customer & Stakeholder, People & Leadership and Operational Excellence. In providing a final assessment of performance against goals, the Board may use its discretion as detailed below. For FY2021, the weighting of financial (Operating NPATA and Operating EBIT) to pre-financial goals (Strategic and Operational goals) was 55%/45% for the CEO & Managing Director and 60%/40% for other Executive KMP. Further detail is provided in Section 2.2.
STI Deferral	In FY2021, deferral of 50% of any earned STI into equity is mandated for Executive KMPs. Deferral is into Link Group shares which are subject to a holding lock for a period of up to two years.
Board Discretion	In reviewing the final assessment of annual performance against KPIs and STI awarded, the Board may in its discretion take into consideration: • company, business unit and individual performance; • external market factors; • alignment to Link Group's core values and behaviours; • internal and external stakeholder relationship management; • prudent risk taking; and • the impact of circumstances, either positive or negative, that arise through the year such as an acquisition or disposal event, fraud, information security or privacy breach, reputational damage, client wins or losses, and any other events it deems relevant.

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	The Board endeavours to apply discretion fairly and consistently and considers the use of discretion in the awards of STI to Executive KMP based on: • Link Group and relevant Business Unit performance; • results of individual ELT performance reviews which are based on weighted KPIs set at the commencement of the year, and includes an assessment in relation to behaviours and risk management; and • input from the Risk Committee Chair and Chief Risk Officer on risk and compliance factors including: ○ deliberate and/or repeated inadvertent breaches of laws, regulations, or group policies; ○ failure to obtain pre-approval for trading in Link Group shares; ○ mandatory training completion rate; ○ high or critical risk incidents and/or audit items remaining open for more than six (6) months and with no action plan to address them; ○ upheld employee grievances or whistleblowing matters and any disciplinary actions; and ○ qualitative assessment on embedding a culture of good risk management.
Clawback	The Board has the discretion to determine that a portion or all of an employee's unvested or vested short-term incentive (STI) and long-term incentive (LTI) awards be forfeited if, in the Board's opinion, adverse circumstances affecting the performance, reputation or risk profile of Link Group have come to the Board's attention which circumstances, had they been known at the time when the STI or LTI was made, would have caused the Board to make a different award or no award. No Board discretion in relation to clawback was applied in FY2021.
Termination	The Board has the discretion to determine the treatment of deferred STI in the event an Executive KMP ceases employment during the vesting period.
LTI – OMNIBUS EQUITY PLAN	
Award vehicle	Awards are delivered in the form of PSRs. No dividends are paid during the performance period. Participants are entitled to receive dividends and to exercise voting rights attaching to those shares post-vesting while the shares are subject to the holding lock. A cash-settled alternative (through the issue of indeterminate rights) is included in the Omnibus Equity Plan.
Opportunity	The maximum grant value of LTI opportunities represents 22% to 45% of the total target remuneration package for continuing Executive KMP, or 50% to 150% of fixed remuneration. The number of performance rights granted is determined based on the opportunity available to each participant divided by the five trading day VWAMP for Link Group shares from the date of announcement of Link Group's full year results.
Performance measures	The following performance measures apply for FY2021 grants under the LTI: • Operating EPS (75%) – EPS is calculated by dividing Link Group's Operating NPATA by the undiluted weighted average number of shares on issue throughout the performance period. The Board has discretion to include or exclude items from the calculations. Franking credits are excluded from the calculations. Operating NPATA is a measure consistently used internally and by which both Management and the market tracks Link Group's performance. Operating NPATA reflects the underlying earnings of the business and excludes the impact of non-cash acquired amortisation as well as the after tax impact of one off significant items. While an internal measure, it receives assurance at each level within the business. The use of Operating EPS as a performance measure reinforces Link's growth strategy which is underpinned by a disciplined approach to acquisitions as well as organic growth in our existing businesses. This strategy requires dealing effectively with the inherent complexity in managing an acquisitions pipeline and the need to integrate well and achieve synergies. PSRs are subject to a compound annual growth rate in EPS of between a threshold target of 5% and a stretch target of 10%. This target range provides appropriate

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stretch to executives, is competitive against the ranges set by industry peers and achievement should result in strong returns to shareholders.

Our key focus is on delivering earnings growth to our shareholders. The Operating EPS measure strongly supports the aim of the LTI principles in supporting our growth strategy.

- TSR (25%) – relative to the constituents of the S&P/ASX 100, excluding materials, utilities, industrials and energy companies. Our starting comparator group, before consideration of any corporate actions during the vesting period, is 55 companies for the FY2021 grant.

  TSR takes into account the change in Link Group's share price over the relevant performance period, as well as the dividends paid (dividends are assumed to be reinvested in Link Group shares).

  Link Group acknowledges that TSR performance relative to a basket of constituents is important to some investors. However, in the absence of a sizeable group of comparable industry peers, we also acknowledge that comparison to a broad S&P/ASX index constituents group can give arbitrary results that are not reflective of the Company's performance. The lower weighting on TSR is reflective of this.

Vesting schedule

The vesting schedule for the EPS portion is as follows:

EPS PERFORMANCE OUTCOME	PERCENTAGE OF PERFORMANCE RIGHTS THAT WILL VEST
Compound annual growth rate of less than 5%	0%
Compound annual growth rate of 5%	50%
Compound annual growth rate between 5% and 10%	Pro-rata between 50% and 100%
Compound annual growth rate of 10% or more	100%

The vesting schedule for the TSR portion is as follows:

LINK GROUP'S RELATIVE TSR RANKING	PERCENTAGE OF PERFORMANCE RIGHTS THAT WILL VEST
Link Group ranks below the 50th percentile	0%
Link Group ranks at the 50th percentile	50%
Link Group ranks between the 50th and 75th percentile	Pro-rata between 50% (at 50th percentile) and 100% (at 75th percentile)
Link Group ranks at or above the 75th percentile	100%

Transaction impact

As a framework for assessing the treatment of transactions, the Board uses a number of principles against which to assess the impact of a transaction on the LTI:

1. preserve the value of the awards held by employees;
2. reward for the success of the transaction;
3. maintain the level of stretch expected when the original targets were set;
4. be consistent with general market/shareholder expectations; and
5. maintain the integrity of each year's remuneration as awarded.

Each transaction is assessed against these criteria on a case by case basis.

Performance period and holding lock

Performance is measured over a three-year period. Awards lapse at the end of three years to the extent performance measures are not met. There is no retesting of awards.

One-half of any vested award is available to the participant at the end of the performance period. A holding lock applies to the remaining 50%; one-half of which is then available after a further one and two years respectively. Shares are delivered upon PSRs vesting and are held by a trustee while the holding lock applies.

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Clawback	Under the Omnibus Equity Plan, the Board has the discretion to determine that a portion or all of an employee's unvested or vested short-term incentive (STI) and long-term incentive (LTI) awards be forfeited if, in the Board's opinion, adverse circumstances affecting the performance, reputation or risk profile of Link Group have come to the Board's attention which circumstances, had they been known at the time when the STI or LTI was made, would have caused the Board to make a different award or no award.
Termination	In the event of a cessation of employment for a 'qualifying reason' (for example, death, serious injury, disability or illness, genuine retirement or retrenchment), equity will be retained 'on-foot' and will be tested against performance hurdles at the original vesting date alongside other participants, having regard to the portion of the performance period served, unless otherwise determined by the Board.
Change of control	The Board has the discretion to vest outstanding awards taking into account the portion of the vesting period and performance against hurdles at the time of the change of control and any replacement equity offered by third parties. There is no acceleration of awards in respect of a potential change of control.
Treatment of dividends	Participants are not eligible to receive dividends on PSRs until rights are vested and converted into shares. Dividends apply to shares subject to a holding lock.
Hedging policy	Executive KMP are not permitted to hedge unvested award nor awards subject to a holding lock.
Minimum Shareholding Requirement	Executive KMP are required to hold a minimum of one year's annual fixed remuneration within five years of the date that they are appointed as a KMP. Deferred STI and vested LTI subject to a holding lock count towards this requirement.

3.2 Key terms of employment contracts

The key employment terms for the Executive KMP are summarised in Table 9. All Executive KMP have continuing contracts.

Table 9: Employment terms

	ANNUAL LEAVE ENTITLEMENT	NOTICE PERIOD COMPANY AND EMPLOYEE
CONTINUING EXECUTIVE KMP		
Vivek Bhatia	20 days	12 months
Chris Addenbrooke	25 days	12 months
Antoinette Dunne	27 days	6 months
Paul Gardiner	20 days	12 months
Andrew MacLachlan	20 days	12 months
Dee McGrath	20 days	6 months

All employment contracts contain:

- total remuneration packages (including mandatory superannuation or pension contributions), plus car parking and any related FBT liability (where applicable) as a discretionary benefit that can be removed at any time; and
- express provisions protecting Link Group's confidential information and intellectual property; and post-employment restrictions covering non-competition, non-solicitation of clients and non-poaching of employees for a maximum of 12 months.

Under the terms of all employment contracts, either party is entitled to terminate employment by giving written notice in accordance with the relevant contract notice period. Link Group may, at its election, make a payment in lieu of that notice based on the Executive KMP's base remuneration package.

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Link Group may also terminate employment immediately and without further payment where the employee commits serious misconduct and on other similar grounds.

Any termination payments are paid within applicable legislative requirements.

3.3 Non-Executive Director fees and statutory remuneration table

Non-Executive Director fee policy

The pool for payment of Non-Executive Directors' (NED) fees is capped by the Company at $2 million per annum. NED fees are set with reference to relevant market data. The Board reviews fees annually and seeks benchmarking data using the same comparator groups used for the Executive KMP, being Australian-listed companies of similar size and/or industry. Consideration is given to S&P/ASX 200 entities with market capitalisation 50% to 200% of Link Group's 12-month average market capitalisation and specific peer companies. The Board also reviews NED remuneration with reference to the scale, complexity and geographical reach of Link Group.

NEDs receive an annual fee for Board membership and for service as the Chair or a Member of Board Committees. The Chair of the Board does not receive any fees for serving as a Member of Board Committees and NEDs do not receive fees for serving on the Nominations Committee. NEDs are eligible to receive a travel allowance for overseas board meetings. In FY2021, only UK-based Andy Green received a travel allowance for his return trips to Australia. NEDs do not participate in any variable or incentive plans and do not receive retirement benefits other than superannuation.

Following a review of the committee structures, the audit and risk responsibilities were separated to enable a greater focus on risk management. The committee structures and fees effective from 1 December 2019 are detailed in Table 10.

Table 10: Non-Executive Director fees [1, 2]

	2021		2020	
	CHAIR FEE $	MEMBER FEE $	CHAIR FEE $	MEMBER FEE $
Base fees	365,600	168,100	365,600	168,100
Committee				
Risk Committee	32,000	16,000	32,000	16,000
Audit Committee	32,000	16,000	32,000	16,000
Human Resources and Remuneration Committee	32,000	16,000	32,000	16,000
Technology and Transformation Committee[3]	32,000	16,000	32,000	16,000
Nomination Committee	–	–	–	–

1 Amounts are exclusive of GST and inclusive of any required superannuation payments (where applicable).

2 Amounts are full fees, prior to any temporary reduction applied as a result of COVID-19 measures.

3 The Technology and Transformation Committee was previously named the Technology and Operations Committee.

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Fees paid to NEDs during FY2021 and FY2020 were:

Table 11: Statutory remuneration for Non-Executive Directors

NAME	YEAR	FEES[1] $	SUPERANNUATION BENEFITS $	TOTAL $
Michael Carapiet	**2021**	**388,716**	**-**	**388,716**
	2020	336,797	-	336,797
Glen Boreham, AM	**2021**	**252,124**	**-**	**252,124**
	2020	206,834	-	206,834
Andrew (Andy) Green, CBE[2]	**2021**	**261,820**	**-**	**261,820**
	2020	277,241	-	277,241
Peeyush Gupta, AM	**2021**	**170,557**	**16,203**	**186,760**
	2020	171,298	16,273	187,571
Anne McDonald	**2021**	**203,096**	**17,286**	**220,382**
	2020	171,298	16,273	187,571
Sally Pitkin, AO	**2021**	**235,996**	**-**	**235,996**
	2020	209,022	-	209,022
Fiona Trafford-Walker	**2021**	**202,203**	**-**	**202,203**
	2020	209,824	-	209,824
Total	**2021**	**1,714,512**	**33,489**	**1,748,001**
	2020	1,582,314	32,546	1,614,860

Minimum shareholding requirements

The Board has adopted a Minimum Shareholding Policy to assist in aligning the interests of all Directors with our shareholders. Each NED must hold a minimum number of shares, equivalent to one times the NED annual base fee (not including Committee membership or the higher fee for the Committee Chair). The minimum shareholding requirement must be met within three years after the date of their appointment. At the time of publication of this Report, all NEDs with three or more years' service are in compliance with the minimum shareholding requirements.

1 NEDs who participated in Special Purpose Committees relating to the unsolicited, conditional, non-binding indicative offers for the shares in Link Group and the maximisation of the value of Link Group's investment in PEXA were paid Special Exertion Fees. There were 24 meetings in total and the fee for Michael Carapiet was $84,050; for Glen Boreham $50,430, and for Sally Pitkin, Anne McDonald, and Andy Green $33,620.

2 Andy Green is based in the UK and accordingly is remunerated in GBP. His annual fee for serving as a Director of the Company is £102,500. In addition, he receives a travel allowance of £5,575 for each return trip to Australia to attend Board meetings.

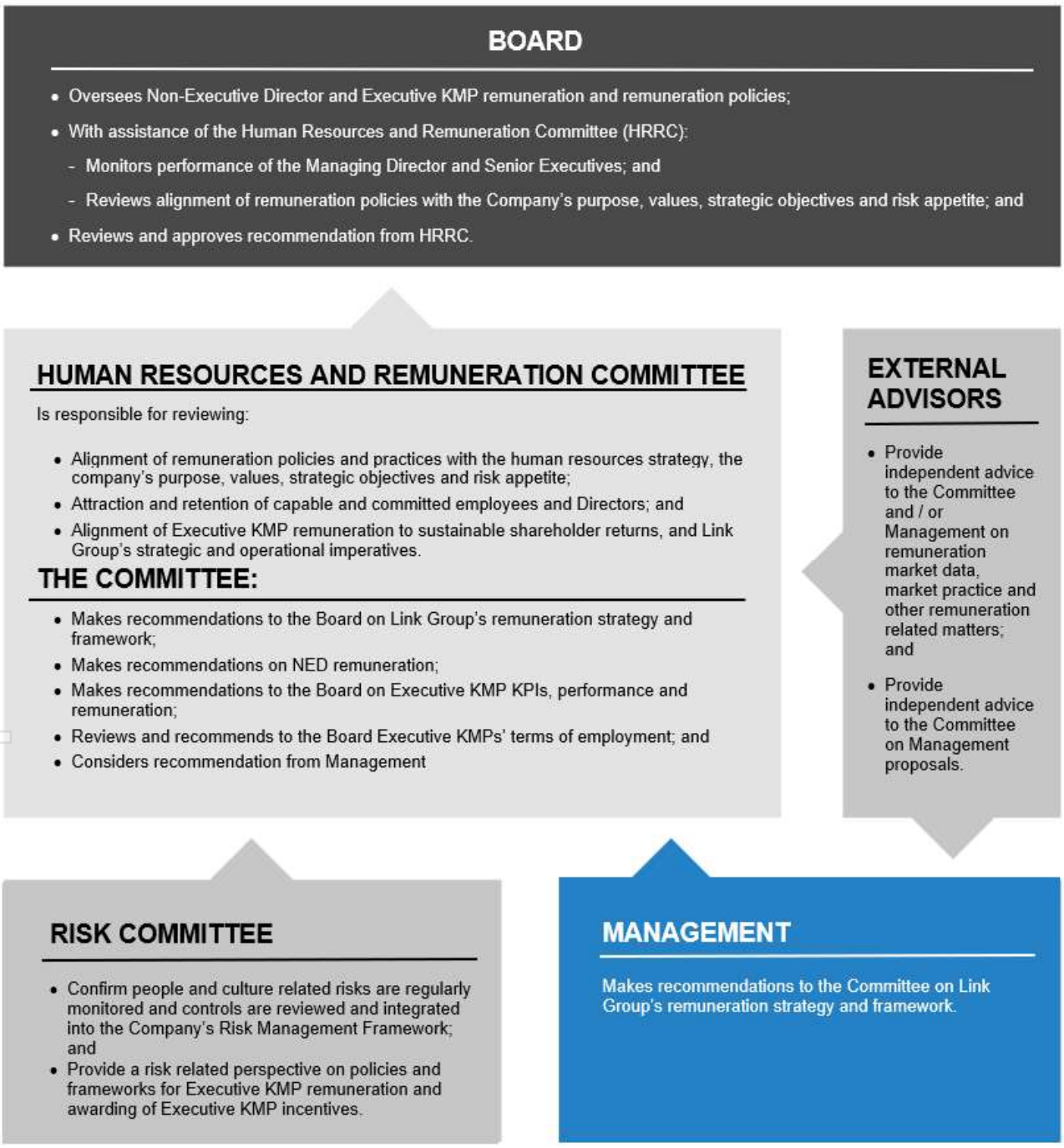
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3.4 Remuneration governance

The Human Resources and Remuneration Committee (the Committee) assists the Board with oversight of Link Group's human resources and remuneration strategies and supporting policies and practices for our employees and NEDs and monitoring the implementation and effectiveness of the strategy, policies and practices.

Figure 3 outlines the relationship between the Board, Committee, Management and external advisors. The Committee comprises independent NEDs appointed by the Board.

Figure 3



During FY2021, no remuneration recommendations were provided by any external advisors.

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3.5 Additional required disclosures

Table 12 outlines the grant of PSRs for Continuing Executive KMP in FY2021.

Table 12: FY2021 Grant of PSRs to Continuing Executive KMP

	TOTAL NUMBER OF PSRS AS AT 1 JULY 2020	PSRS GRANTED IN FY2021	GRANT DATE	EXERCISE PRICE FOR PSRS GRANTED IN FY2021	FAIR VALUE OF PSRS GRANTED IN FY2021		TOTAL NUMBER OF PSRS VESTED DURING THE YEAR	TOTAL NUMBER OF PSRS FORFEITED /LAPSED OR EXPIRED DURING THE YEAR	TOTAL NUMBER OF PSRS AS AT 30 JUNE 2021
					EPS	TSR			
CONTINUING EXECUTIVE KMP									
Vivek Bhatia	N/A	482,649	30 Nov 2020	Nil	4.35	2.51	-	-	482,649
Chris Addenbrooke	172,516	97,480	30 Nov 2020	Nil	4.35	2.51	-	49,776	220,220
Antoinette Dunne[1]	25,786	22,276	30 Nov 2020	Nil	4.35	2.51	-	-	48,062
Paul Gardiner	215,184	124,375	30 Nov 2020	Nil	4.35	2.51	-	59,145	280,414
Andrew MacLachlan	153,488	111,380	30 Nov 2020	Nil	4.35	2.51	-	26,286	238,582
Dee McGrath	57,317	77,347	30 Nov 2020	Nil	4.35	2.51	-	-	134,664

All PSRs granted during FY2021 vest over a service period covering 1 July 2020 to 30 June 2023.

Table 13 details the shares or rights allocated as part of the Special Equity Grant.

Table 13: Equity Granted under the Special Equity Grant program[2]

	SPECIAL EQUITY GRANTED IN FY2021	INSTRUMENT	GRANT DATE	EXERCISE PRICE FOR SPECIAL EQUITY GRANTED IN FY2021	TOTAL NUMBER OF SPECIAL EQUITY DELIVERED DURING THE YEAR	TOTAL NUMBER OF SPECIAL EQUITY AS AT 30 JUNE 2021
CONTINUING EXECUTIVE KMP						
Vivek Bhatia	N/A	N/A	N/A	N/A	N/A	N/A
Chris Addenbrooke	11,484	Restricted Shares	1 Dec 2020	Nil	-	11,484
Antoinette Dunne	6,772	Share Rights	1 Dec 2020	Nil	-	6,772
Paul Gardiner	16,583	Restricted Shares	1 Dec 2020	Nil	-	16,583
Andrew MacLachlan	14,850	Restricted Shares	1 Dec 2020	Nil	-	14,850
Dee McGrath	15,469	Restricted Shares	1 Dec 2020	Nil	-	15,469
EXECUTIVES THAT CEASED TO BE KMP						
John McMurtrie, AM	N/A	N/A	N/A	N/A	N/A	N/A
Robbie Hughes	11,558	Share Rights	1 Dec 2020	Nil	-	11,558
Lysa McKenna	9,900	Restricted Shares	1 Dec 2020	Nil	-	9,900
Susan Ring	9,759	Restricted Shares	1 Dec 2020	Nil	-	9,759

1 Antoinette Dunne began as KMP from 1 June 2021 and the PSRs showing reflect allocations prior to this time.

2 Fifty percent of the special Equity Grant award will be delivered on 1 December 2021 and the other 50% on 1 December 2022.

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Movements in shareholdings

The movement during the reporting period in the number of ordinary shares in Link Administration Holdings Limited held, directly, indirectly or beneficially, by each NED and Executive KMP, including their related parties, is set out in Table 14.

able 14: Shareholding movement and minimum shareholding status

	BALANCE AT 1 JULY 2020[1]	RECEIVED ON EXERCISE OF OPTIONS/ RIGHTS	PURCHASED/ ACQUIRED	DISPOSED	BALANCE AT 30 JUNE 2021[1]	MINIMUM SHAREHOLD-ING STATUS[2]
Michael Carapiet	1,967,160	-	-	-	1,967,160	Met
Glen Boreham, AM	120,521	-	2,199	-	122,720	Met
Andrew (Andy) Green, CBE	26,030	-	-	-	26,030	Met
Peeyush Gupta, AM	46,728	-	853	-	47,581	Met
Anne McDonald	32,871	-	278	-	33,149	Met
Sally Pitkin, AO	85,517	-	0	-	85,517	Met
Fiona Trafford-Walker	31,173	-	569	-	31,742	Met
Vivek Bhatia	N/A	-	279,457	-	279,457	N/A
Chris Addenbrooke	48,041	-	11,484	-	59,525	N/A
Antoinette Dunne	N/A		N/A		0	N/A
Paul Gardiner	778,058	-	115,588		893,646	Met
Andrew MacLachlan	96,132	-	14,850		110,982	Met
Dee McGrath	65,325	-	15,469	-	80,794	N/A
FORMER EXECUTIVE KMP						
John McMurtrie, AM	14,157,665	-	-	-	N/A	N/A
Robbie Hughes	49,850	-	-	-	N/A	N/A
Lysa McKenna	11,822	-	9,900	-	N/A	N/A
Susan Ring	-	-	9,759	-	N/A	N/A

Loans to Key Management Personnel and their related parties

There were no loans to Executive KMP during the year.

Other transactions with Key Management Personnel

A number of Link Group's NEDs are directors of other entities, which will, from time to time, transact with Link Group. The terms and conditions of the transactions with these entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel-related entities on an arm's length basis. Those transactions are the provision of Link Group services to companies of which some of the NEDs were directors, such as registry services.

From time to time, Directors of Link Group, or their related entities, may purchase services from Link Group. These purchases are on the same terms and conditions as those entered into by other Link Group employees or clients and are engaged on an arm's length basis. These services relate to some NEDs being members of superannuation funds to which Link Group provides services.

1 Executives who were not KMP at the start or end of the financial year have their respective share opening or closing holdings shown as N/A.

2 Current KMP who have not met the threshold and are not yet required to meet the threshold are shown as N/A.

OTHER INFORMATION

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Significant Changes in State of Affairs

PEP/Carlyle and SS&C conditional, non-binding indicative proposals

On 12 October 2020, and as updated on 26 October 2020, Link Group announced it had received a conditional, non-binding indicative proposal from a consortium comprising Pacific Equity Partners (PEP), Carlyle Group (Carlyle) and their affiliates (the Consortium) to acquire 100% of the shares in Link Group.

On 7 December 2020, and as updated on 10 December 2020, Link Group announced it had received a conditional, non-binding indicative proposal from SS&C Technology Holdings (SS&C) to acquire 100% of the shares in Link Group.

The Directors considered that the proposals did not represent compelling value for Link Group shareholders at that time. Link Group provided due diligence information on a non-exclusive basis to assist the parties to develop a proposal capable of being recommended to Link Group shareholders.

Link Group announced on 4 January 2021 that it had received a letter from SS&C stating it had withdrawn its proposal. Link Group announced on 28 April 2021 that it had received a letter from the Consortium stating it had withdrawn its proposal.

Termination of Proposed Acquisition of Pepper European Servicing

On 31 January 2020, Link Group announced it had entered into a binding agreement to acquire Pepper European Servicing (PES) from Pepper Group for an upfront consideration of $277 million, subject to mandatory regulatory approvals and commercial conditions. On 1 February 2021, Link Group announced that it had exercised its contractual right to terminate the agreement and not proceed with the acquisition of PES, as the mandatory regulatory approvals and commercial conditions had not been satisfied by the long stop date.

PEXA Initial Public Offering

On 30 June 2021, Link Group's ownership in PEXA Group Limited (PEXA, formerly Torrens Group Holdings) decreased from 44.2% to 42.8% as a result of a series of equity transactions that led to PEXA Group Limited's shares commencing trading on the Australian Securities Exchange (ASX) on 1 July 2021. Link Group received net proceeds of $179.4 million as a result of the transaction, and will continue to account for PEXA as an equity-accounted investee in the basis Link Group has significant influence over PEXA.

Other changes in state of affairs

Link Group repaid $102.0 million of its AUD non-amortising loan facility and £45.3 million of its multi-currency non-amortising loan facility during the financial year. All other terms and conditions of the facilities remain substantially the same and are disclosed in Note 18 to the financial statements.

On 26 August 2020, the Directors resolved to cease the on-market share buy-back announced to the ASX on 29 August 2019. In total, Link Group bought back and cancelled 3,622,175 shares for a total consideration of $19.4 million.

On 1 November 2020, John McMurtrie retired as Managing Director of Link Group, and was succeeded by Vivek Bhatia as Managing Director and Chief Executive Officer.

In the opinion of the Directors, aside from the matters described above, there were no other significant changes in the state of the affairs of the Company or Link Group that occurred during the financial year ended 30 June 2021.

Events Subsequent to Reporting Date

Casa4Funds acquisition

On 18 December 2020, Link Group entered into a binding agreement to acquire 100% of Casa4Funds S.A. (Casa4Funds) for a cash free, debt free consideration of €10 million. Casa4Funds, headquartered in Luxembourg, is one of the oldest European independent third-party UCITS Management Companies and Alternative Investment Fund Managers (AIFM). As at 30 June 2021, the acquisition was subject to mandatory regulatory approvals and completed on 4 August 2021.

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On-market share buy-back

On 26 August 2021, Link Group announced its intention to undertake an on-market buy-back of its shares up to a maximum cost of $150.0 million. Link Group reserves the right to vary, suspend or terminate the buy-back at any time.

Post balance date debt repayments

Link Group made the following debt repayments subsequent to reporting date:

- On 7 July 2021, Link Group repaid $45 million of its AUD non-amortising loan facility;
- On 12 July 2021, Link Group repaid £3.3 million of its GBP non-amortising loan facility;
- On 12 July 2021, Link Group repaid $75 million of its AUD non-amortising loan facility; and
- On 28 July 2021, Link Group repaid $30 million of its AUD non-amortising loan facility.

On 5 July 2021, Link Group terminated $275 million of the AUD non-amortising term loan facility early in accordance with the Syndicated Facility Agreement.

Impact of COVID-19 on post balance date trading

Whilst the Directors note the ongoing COVID-19 pandemic continues to impact global markets, including jurisdictions that Link Group operates in, Link Group has shown resilience and has been proactive in response to these challenges. The future impact of the COVID-19 pandemic remains uncertain.

Other than the matters described above, in the opinion of the Directors, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of Link Group, the results of those operations, or the state of affairs of Link Group, in future financial years.

Likely Developments

Further information about the likely developments in the operations of Link Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to Link Group.

Environmental Regulation

Link Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. The Board believes Link Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to Link Group.

Indemnification and Insurance

The Company has agreed to indemnify, to the extent permitted by the *Corporations Act 2001*, each Director and officer in respect of certain losses and liabilities (including all reasonable legal expenses) which the Director or officer may incur as a result of, or by reason of being a Director or officer of Link Group or a related body corporate.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

In accordance with the provisions of the *Corporations Act 2001*, the Company has a Directors' and officers' liability policy which covers all Directors and officers of Link Administration Holdings Limited and its Controlled Entities. The terms of the policy specifically prohibit disclosure of details of the amount of the insurance cover and the premium paid.

During the financial year, the Company has not paid any premium in respect of a contract to insure the auditor of the Company or any of the auditor's related entities.

Corporate Governance

The Board implements high standards of corporate governance, taking into account the Company's size, structure and nature of its operations. Link Group's Corporate Governance Statement reports against the Fourth Edition of the ASX Corporate Governance Council's Principles and Recommendations. The Corporate Governance Statement is approved by the Board and the most current version is available on the Link Group website at www.linkgroup.com.

Rounding Off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that Instrument amounts in the financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Non-audit services

During the year KPMG, Link Group's auditor, performed certain other services in addition to the audit of the financial statements amounting to $793,624 (2020: $675,918). The Board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the Audit Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by Link Group and have been reviewed by the Risk and Audit Committees to ensure they do not impact the integrity and objectivity of the auditor;
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for Link Group, acting as an advocate for Link Group or jointly sharing risks and rewards; and

Details of the amounts paid to KPMG for audit and non-audit services provided during the year are disclosed in Note 30 to the financial statements.

The Lead Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 60 and forms part of the Directors' Report for the financial year ended 30 June 2021.

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

Dated 26 August 2021 at Sydney.



Michael Carapiet
Chair



Vivek Bhatia
Chief Executive Officer & Managing Director

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LEAD AUDITOR'S INDEPENDENCE DECLARATION

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KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Link Administration Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Link Administration Holdings Limited for the financial year ended 30 June 2021 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.

KPMG

Eileen Hoggett
Partner

Sydney
26 August 2021

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	NOTE	2021 $'000	2020 RESTATED [1] $'000
Revenue – contracts with clients	6	**1,160,340**	1,230,401
Expenses:			
Employee expenses		**(614,349)**	(599,171)
Occupancy expenses		**(20,118)**	(28,432)
IT costs		**(116,944)**	(118,417)
Administrative and general expenses	7	**(179,310)**	(224,611)
Acquisition and capital management related expenses		**(21,651)**	(13,455)
		(952,372)	(984,086)
Depreciation expense	15	**(53,740)**	(55,397)
Intangibles amortisation expense	16	**(102,687)**	(110,133)
Contract fulfilment cost amortisation expenses		**(7,193)**	(6,738)
		(163,620)	(172,268)
Gain/(loss) on financial assets held at fair value through profit and loss	21	**3,607**	(23,179)
Share of profit/(loss) of equity-accounted investees, net of tax	5	**1,942**	(14)
Profit on disposal of subsidiaries	26	**15,347**	48
Impairment expense	16	**(182,779)**	(107,751)
Finance income		**8,866**	2,009
Finance costs	19	**(32,840)**	(35,190)
Net finance costs		**(23,974)**	(33,181)
Profit/(loss) before tax		**(141,509)**	(90,030)
Tax expense	9(a)	**(21,195)**	(12,493)
Profit/(loss) for the year		**(162,704)**	(102,523)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Defined benefit re-measurement		**(111)**	(12)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		**(7,006)**	(2,279)
Other comprehensive income, net of tax		**(7,117)**	(2,291)
Total comprehensive income for the year		**(169,821)**	(104,814)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

[1] Prior period comparative information has been restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. Refer to Note 3.

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

	NOTE	2021 $'000	2020 RESTATED [1] $'000
Profit attributable to:			
Owners of the Company		**(163,352)**	(104,621)
Non-controlling interest		**648**	2,098
Profit/(loss) for the year		**(162,704)**	(102,523)
Total comprehensive income attributable to:			
Owners of the Company		**(170,493)**	(106,704)
Non-controlling interest		**672**	1,890
Total comprehensive income for the year		**(169,821)**	(104,814)

EARNINGS PER SHARE		CENTS PER SHARE	CENTS PER SHARE [5]
Basic earnings per share	8	**(30.75)**	(19.67)
Diluted earnings per share	8	**(30.35)**	(19.55)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

[1] Prior period comparative information has been restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. Refer to Note 3.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	NOTE	30 JUNE 2021 $'000	30 JUNE 2020 RESTATED [1] $'000	1 JULY 2019 RESTATED [6] $'000
Current assets				
Cash and cash equivalents		**395,024**	264,092	560,176
Trade and other receivables	10	**235,388**	238,937	244,830
Derivative financial assets		**273**	363	–
Other assets		**36,458**	33,849	37,318
Current tax assets		**7,290**	18,459	234
Fund assets	12	**864,901**	616,982	985,900
Assets held for sale		**–**	5,931	–
Total current assets		**1,539,334**	1,178,613	1,828,458
Non-current assets				
Trade and other receivables	10	**1,651**	5,251	3,490
Investments	21	**103,502**	93,198	51,349
Derivative financial assets		**–**	330	–
Equity-accounted investments	5	**535,247**	705,259	705,273
Plant and equipment	15	**215,711**	250,429	268,932
Intangible assets	16	**1,798,436**	2,042,245	2,188,936
Deferred tax assets	9(d)	**65,275**	56,472	51,976
Other assets		**17,612**	21,686	18,121
Total non-current assets		**2,737,434**	3,174,870	3,288,077
Total assets		**4,276,768**	4,353,483	5,116,535
Current liabilities				
Trade and other payables	11	**340,595**	275,154	261,328
Interest bearing loans and borrowings	18	**30,952**	35,945	30,038
Provisions	13	**14,147**	18,391	14,765
Employee benefits	14	**49,910**	38,650	44,670
Current tax liabilities		**31,909**	4,870	7,773
Fund liabilities	12	**860,746**	614,883	985,633
Liabilities held for sale		**–**	1,794	–
Total current liabilities		**1,328,259**	989,687	1,344,207
Non-current liabilities				
Trade and other payables	11	**7,379**	8,583	29,244
Interest-bearing loans and borrowings	18	**1,036,961**	1,226,952	1,393,515
Provisions	13	**37,940**	48,074	39,915
Employee benefits	14	**5,892**	5,450	5,286
Deferred tax liabilities	9(d)	**120,742**	142,492	147,411
Total non-current liabilities		**1,208,914**	1,431,551	1,615,371
Total liabilities		**2,537,173**	2,421,238	2,959,578
Net assets		**1,739,595**	1,932,245	2,156,957
Equity				
Contributed equity	22	**1,917,748**	1,889,733	1,909,140
Reserves	23	**(11,172)**	16,669	15,256
Retained earnings	24	**(167,815)**	21,237	229,338
Total equity attributable to equity holders of the parent		**1,738,761**	1,927,639	2,153,734
Non-controlling interest		**834**	4,606	3,223
Total equity		**1,739,595**	1,932,245	2,156,957

The consolidated statement of financial position is to be read in conjunction with the notes to the financial statements.

[1] Prior period comparative information has been restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. Refer to Note 3.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2021

	SHARE CAPITAL $'000	RESERVES $'000	RETAINED EARNINGS $'000	TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT $'000	NON-CONTROLLING INTEREST $'000	TOTAL EQUITY $'000
Balance at 30 June 2020 [1]	1,889,733	16,669	21,237	1,927,639	4,606	1,932,245
Net loss after tax	–	–	(163,352)	(163,352)	648	(162,704)
Defined benefit remeasurement	–	(111)	–	(111)	–	(111)
Foreign currency translation differences, net of tax	–	(7,030)	–	(7,030)	24	(7,006)
Total other comprehensive income, net of income tax	–	(7,141)	–	(7,141)	24	(7,117)
Total comprehensive income	–	(7,141)	(163,352)	(170,493)	672	(169,821)
Transfer from retained earnings to reserves	–	29,070	(29,070)	–	–	–
Transactions with shareholders						
Dividends declared during the year	–	(42,657)	–	(42,657)	(304)	(42,961)
Equity settled share-based payments	–	10,414	1,402	11,816	–	11,816
Treasury shares acquired	–	(18,490)	–	(18,490)	–	(18,490)
Disposal of subsidiaries with non-controlling interest	–	2,026	–	2,026	(1,133)	893
Transactions with non-controlling interest without a change in control	–	(1,063)	1,968	905	(3,007)	(2,102)
Issue of share capital, net of costs of raising capital and tax	28,015	–	–	28,015	–	28,015
Total contributions by and distributions to owners	28,015	(49,770)	3,370	(18,385)	(4,444)	(22,829)
Balance at 30 June 2021	1,917,748	(11,172)	(167,815)	1,738,761	834	1,739,595

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements.

[1] Prior period comparative information has been restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. Refer to Note 3.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2021 (CONTINUED)

	SHARE CAPITAL $'000	RESERVES $'000	RETAINED EARNINGS $'000	TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT $'000	NON-CONTROLLING INTEREST $'000	TOTAL EQUITY $'000
Balance at 30 June 2019 - As reported	1,909,140	15,256	223,739	2,148,135	3,223	2,151,358
Prior period restatement (refer Note 3)	–	–	5,599	5,599	–	5,599
Balance at 30 June 2019 - Restated [1]	1,909,140	15,256	229,338	2,153,734	3,223	2,156,957
Net loss after tax [8]	–	–	(104,621)	(104,621)	2,098	(102,523)
Defined benefit remeasurement	–	(12)	–	(12)	–	(12)
Foreign currency translation differences, net of tax	–	(2,071)	–	(2,071)	(208)	(2,279)
Total other comprehensive income, net of income tax	–	(2,083)	–	(2,083)	(208)	(2,291)
Total comprehensive income [8]	–	(2,083)	(104,621)	(106,704)	1,890	(104,814)
Transfer from retained earnings to reserves	–	104,173	(104,173)	–	–	–
Transactions with shareholders						
Dividends declared during the year	–	(101,248)	5	(101,243)	(507)	(101,750)
Equity settled share-based payments	–	967	688	1,655	–	1,655
Treasury shares acquired	–	(396)	–	(396)	–	(396)
Buy-back and cancellation of share capital, net of costs	(19,407)	–	–	(19,407)	–	(19,407)
Total contributions by and distributions to owners	(19,407)	(100,677)	693	(119,391)	(507)	(119,898)
Balance at 30 June 2020 [8]	1,889,733	16,669	21,237	1,927,639	4,606	1,932,245

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements.

[1] Prior period comparative information has been restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. Refer to Note 3.

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	NOTE	2021 $'000	2020 $'000
Cash flows from operating activities			
Cash receipts in the course of operations		1,290,851	1,369,711
Cash payments in the course of operations		(997,928)	(1,051,088)
		292,923	318,623
Cash payments for global transformation, acquisition/divestment and other one-off costs		(36,334)	(51,718)
Interest received		2,693	1,700
Dividends received		458	386
Borrowing costs paid		(30,719)	(34,700)
Income taxes paid		(14,100)	(44,683)
Net cash provided by operating activities	17(a)	214,921	189,608
Cash flows from investing activities			
Payments for plant and equipment		(15,219)	(33,147)
Payments for software		(25,868)	(74,134)
Proceeds from disposal of subsidiaries, net of cash disposed		20,315	–
Proceeds from loan repayments		200,000	–
Acquisition of subsidiary, net of cash acquired		(7,072)	(5,634)
Proceeds from/(payments for) derivatives		475	(633)
Payments for investments		(4,993)	(69,560)
Proceeds from investments		1,278	1,509
Sub-lease receipts		936	263
Payment of indemnified liabilities		–	(12,926)
Net cash used in investing activities		169,852	(194,262)
Cash flows from financing activities			
Proceeds from borrowings		11,960	308,557
Repayment of borrowings		(195,057)	(437,615)
Payment of borrowing transaction costs		–	(721)
Repayment of lease liabilities		(34,852)	(29,848)
Payment for buy-back of shares		–	(19,407)
Payment for purchase of treasury shares		(432)	(396)
Dividends paid to owners of the Company		(32,695)	(101,243)
Dividends paid to non-controlling interest		(304)	(507)
Net cash (used in)/provided by financing activities		(251,380)	(281,180)
Net (decrease)/increase in cash and cash equivalents		133,393	(285,834)
Cash and cash equivalents at the beginning of the financial year		264,092	560,176
Effect of exchange rate fluctuations on cash held		(2,461)	(8,283)
Cash and cash equivalents reclassified as held for sale		–	(1,967)
Cash and cash equivalents at the end of the financial year		395,024	264,092

The consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements.

PREPARATION OF THIS REPORT

1. GENERAL INFORMATION

Link Administration Holdings Limited (the "Company") is a company incorporated and domiciled in Australia. The Company's registered office and principal place of business is Level 12, 680 George Street, Sydney NSW 2000, Australia. The consolidated financial statements of Link Group as at and for the year ended 30 June 2021 comprise the Company and its subsidiaries and Link Group's interest in associates. Link Group is a for-profit entity. Link Group's purpose is connecting people with their assets – safely, securely and responsibly. Link Group administers financial ownership data and drives user engagement, analysis and insight through technology. We deliver complete solutions for companies, large asset owners and trustees across the globe. Our commitment to market-leading client solutions is underpinned by our investment in people, processes and technology.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a going concern basis.

Notwithstanding the net loss after tax, Link Group showed resilience in response to the challenges brought on by the COVID-19 pandemic across all global markets. During this period, Link Group maintained a focus on safeguarding the well-being of employees, as well as ensuring continuity of service for clients. Link Group's response was aided by several factors including, but not limited to:

- Continued investment in new technology and products to enable better servicing of our clients;
- A resilient earnings profile supporting operating cash flow, with approximately 85% of revenue recurring in nature;
- Additional initiatives were implemented to reduce costs and support operating cash flow;
- A strong liquidity position supported by cash reserves and committed, undrawn credit facilities; and
- Debt serviceability and leverage remained comfortably within existing bank covenants.

The Directors of the Company consider it probable that Link Group will continue to fulfil all obligations as and when they fall due for the foreseeable future and accordingly consider that Link Group's financial statements should be prepared on a going concern basis.

The consolidated financial statements were approved by the Board of Directors on 26 August 2021.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial instruments designated at fair value through profit or loss, which are measured at fair value.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian Dollars, which is the Company's functional currency. Link Group's accounting policies applied in translating the results and financial position of subsidiaries which have a functional currency other than Australian Dollars into the presentation currency are described in Note 2(e).

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(d) Use of estimates and judgements

Preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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 the following notes to the financial statements:

- Note 9(e) Utilisation of tax losses;
- Note 13 Provisions;
- Note 16 Key assumptions in impairment testing for cash generating units (CGUs) containing goodwill;
- Note 21 Fair value of level 3 financial instruments;
- Note 25 Share-based payments; and
- Note 26 Business combinations.

Whilst COVID-19 has not had an impact on any of Link Group's accounting policies, the impact of COVID-19 has been considered in applying Link Group's accounting policies including where management has made judgements, estimates and assumptions. To the extent relevant, the impact of COVID-19 has been considered and disclosed throughout the notes to the consolidated financial statements, including:

- Note 10 Assumptions within our expected credit losses on trade and other receivables;
- Note 16 Impact on cash flows forecasts used for impairment testing for CGUs containing goodwill; and
- Note 21 Impact on the fair value assessment of Level 3 investments.

(e) Foreign currency

Foreign currency transactions

Transactions, assets and liabilities in foreign currencies are translated to the respective functional currencies of Link Group entities using the following applicable exchange rate:

FOREIGN CURRENCY AMOUNT	APPLICABLE EXCHANGE RATE
Transactions	Date of transaction
Monetary assets and liability	Reporting date
Non-monetary assets and liability measured at fair value	Date fair value is determined

Foreign currency differences arising on translation are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Australian dollars at the following applicable exchange rates:

FOREIGN CURRENCY AMOUNT	APPLICABLE EXCHANGE RATE
Asset and liabilities	Reporting date
Income and expenses	Date of transaction

On consolidation, foreign exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income and presented in equity in the Foreign Currency Translation Reserve. Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income and presented in equity in the Foreign Currency Translation Reserve.

(f) Rounding off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that Instrument all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

(g) Changes in accounting policies

The principal accounting policies adopted by Link Group are consistent with those of the previous financial year.

Software-as-a-Service (SaaS) cloud computing arrangements

In April 2021, the IFRS Interpretations Committee (IFRIC) issued a decision clarifying its interpretation of how current accounting standards apply to configuration and customisation costs incurred when implementing a Software-as-a-Service cloud computing arrangement.

Link Group reviewed its accounting policies in light of the IFRIC decision and confirms its existing accounting policies comply with the IFRIC's decision. Link Group's accounting policies in relation to Software-as-a-Service cloud computing arrangements are as follows:

- Costs incurred to acquire Software-as-a-Service cloud computing arrangements are expensed when incurred;
- Distinct configuration and customisation costs incurred when implementing Software-as-a-Service cloud computing arrangements are capitalised as an intangible asset where they meet the recognition requirements of AASB 138 *Intangible Assets*; and
- Any remaining configuration and customisation costs incurred when implementing Software-as-a-Service cloud computing arrangements are expensed when the services are received.

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3. RESTATEMENT OF PRIOR PERIOD

(a) Nature of prior period restatement

During the year ended 30 June 2021, Link Group was made aware of material restatements to the financial statements of its equity-accounted investment, PEXA Group Limited (PEXA, formerly Torrens Group Holdings Pty Ltd), for the years ended 30 June 2019 and 30 June 2020. The restatements arose upon a reissue of PEXA's audited financial statements on 21 May 2021 and relate to PEXA recognising a deferred tax asset arising from unutilised tax losses, which had previously been unrecognised. The restatements had a material impact in Link Group's share of loss of equity-accounted investees, and related tax effect accounting.

(b) Effect of prior period restatement

The corrections to PEXA's audited financial statements have been incorporated by Link Group restating each of the financial statement line items in the prior periods. The following tables summarise the impact on the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2020 and the Consolidated Statement of Financial Position as at 1 July 2019 and 30 June 2020:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020	AS PREVIOUSLY REPORTED $'000	CORRECTION $'000	AS RESTATED $'000
Share of loss of equity-accounted investees, net of tax	(11,385)	11,371	(14)
Loss before tax	(101,401)	11,371	(90,030)
Tax expense	(12,497)	4	(12,493)
Loss for the year	(113,898)	11,375	(102,523)
Total comprehensive income	(113,898)	11,375	(102,523)

EARNINGS PER SHARE	CENTS PER SHARE	CENTS PER SHARE	CENTS PER SHARE
Basic earnings per share	(21.81)	2.14	(19.67)
Diluted-earnings per share	(21.67)	2.12	(19.55)

	AS AT 30 JUNE 2020			AS AT 1 JULY 2019		
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	AS PREVIOUSLY REPORTED $'000	CORRECTION $'000	AS RESTATED $'000	AS PREVIOUSLY REPORTED $'000	CORRECTION $'000	AS RESTATED $'000
Total current assets	1,178,613	–	1,178,613	1,828,458	–	1,828,458
Equity-accounted investments	691,228	14,031	705,259	702,613	2,660	705,273
Total non-current assets	3,160,839	14,031	3,174,870	3,285,417	2,660	3,288,077
Total assets	4,339,452	14,031	4,353,483	5,113,875	2,660	5,116,535
Total current liabilities	989,687	–	989,687	1,344,207	–	1,344,207
Deferred tax liabilities	145,435	(2,943)	142,492	150,350	(2,939)	147,411
Total non-current liabilities	1,434,494	(2,943)	1,431,551	1,618,310	(2,939)	1,615,371
Total liabilities	2,424,181	(2,943)	2,421,238	2,962,517	(2,939)	2,959,578
Net assets	1,915,271	16,974	1,932,245	2,151,358	5,599	2,156,957
Retained earnings	4,263	16,974	21,237	223,739	5,599	229,338
Total equity attributable to equity holders of the parent	1,910,665	16,974	1,927,639	2,148,135	5,599	2,153,734
Total equity	1,915,271	16,974	1,932,245	2,151,358	5,599	2,156,957

OPERATING RESULTS

4. OPERATING SEGMENTS

(a) Reportable segments

As announced to the ASX, as part of its "Simplify, Deliver, Grow" strategy, Link Group realigned its global operating model and organisation structure during the financial year ended 30 June 2021 to best achieve its strategic priorities. The Technology & Operations ("T&O") segment has been dissolved and reorganisation along global business lines with clearly defined shared services, together with the removal of margins from technology charges, provides greater transparency of performance within each segment. Some of the principles underpinning the realigned global operating model and structure include:

- A simplified organisation structure and segment reporting (making Link Group easier to understand);
- Undiluted accountability for end to end global business unit performance;
- Improved client and stakeholder engagement and service delivery;
- Increased process integration;
- Enhanced decision making, bringing Link Group closer to the clients; and
- Enhanced ability to accelerate growth (organically and inorganically).

As a result, Link Group now has four reportable segments together with its strategic investment in PEXA Group Limited (refer to Note 5). Each of the segments offers different products and services and is managed separately because they require different technology and business strategies to service their respective markets and comply with relevant legislative and other requirements. Financial information for each division is provided regularly to Link Group's Chief Executive Officer & Managing Director (the chief operating decision maker). The following summary describes the operations in each of Link Group's reportable segments.

- **Retirement & Superannuation Solutions ("RSS")** – provides core member and employer administration services, combined with a full range of value-added services including an integrated clearing house, financial planning and advice, direct investment options and trustee services.
- **Corporate Markets ("CM")** – provides a uniquely integrated range of corporate markets capabilities including shareholder management and analytics, stakeholder engagement, share and unit registry, employee share plans, company secretarial support, as well as various specialist offerings such as insolvency solutions.
- **Banking & Credit Management ("BCM")** – provides loan origination and servicing, debt work-out, compliance and regulatory oversight services to a range of clients including retail banks, investment banks, private equity funds and other investors.
- **Fund Solutions ("FS")** – provides authorised fund manager/management company, third-party administration and transfer agency services to asset managers and a variety of investment funds.

As required by Australian Accounting Standards, comparative information has been restated to align to the new reportable segments.

Revenues from external clients, revenues from transactions with other segments, measure of profit or loss (Operating EBIT), impairment expense and total assets are presented below for each reportable segment.

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FOR THE YEAR ENDED 30 JUNE 2021	RSS $'000	CM $'000	BCM $'000	FS $'000	TOTAL REPORTABLE SEGMENTS $'000	HEAD OFFICE $'000	TOTAL LINK GROUP $'000
Segment revenue	506,905	364,938	141,053	170,456	1,183,352	–	1,183,352
Inter-segment eliminations	(2,033)	(20,908)	(67)	(4)	(23,012)	–	(23,012)
Revenues from external clients	504,872	344,030	140,986	170,452	1,160,340	–	1,160,340
Operating EBIT	96,045	54,230	(12,112)	15,722	153,885	(12,436)	141,449
Impairment expense	–	–	(182,779)	–	(182,779)	–	(182,779)
Total assets at 30 June 2021	617,849	898,133	174,753	1,505,453	3,196,188	1,080,580	4,276,768

FOR THE YEAR ENDED 30 JUNE 2020 – RESTATED [1]	RSS $'000	CM $'000	BCM $'000	FS $'000	TOTAL REPORTABLE SEGMENTS $'000	HEAD OFFICE $'000	TOTAL LINK GROUP $'000
Segment revenue	529,441	387,056	165,656	172,971	1,255,124	–	1,255,124
Inter-segment eliminations	(1,292)	(23,317)	–	(114)	(24,723)	–	(24,723)
Revenues from external clients	528,149	363,739	165,656	172,857	1,230,401	–	1,230,401
Operating EBIT	96,272	71,923	6,685	20,327	195,207	(15,488)	179,719
Impairment expense	–	(107,751)	–	–	(107,751)	–	(107,751)
Total assets at 30 June 2020 [2]	661,064	948,719	391,290	1,240,206	3,241,279	1,112,204	4,353,483

1 Comparative information has been restated to align to the new reportable segments.

2 Prior period comparative information has been restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. Refer to Note 3.

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(b) Reconciliation of reportable segments

A reconciliation of information provided on reportable segment measures of profit or loss to the consolidated net profit after tax is provided below.

	2021 $'000	2020 [1] $'000
Operating EBIT	**141,449**	179,719
Significant items/One-off costs:		
• Global transformation costs	**(27,153)**	(31,321)
• Business combination/acquisition & divestment costs	**(21,470)**	(13,566)
• Other one-off costs	**–**	(2,592)
Total significant items	**(48,623)**	(47,479)
Depreciation expense – non-operating	**(1,507)**	(5,188)
Intangibles amortisation expense – non-operating	**(88)**	(71)
Intangibles amortisation expense – acquisition related	**(46,883)**	(52,934)
Gain/(loss) on financial assets held at fair value through profit and loss	**3,607**	(23,179)
Share of profit of equity-accounted investees (excluding acquired amortisation), net of tax	**19,433**	17,509
Share of acquired amortisation of equity-accounted investees, net of tax	**(17,491)**	(17,523)
Profit on disposal of subsidiaries	**15,347**	48
Impairment expense	**(182,779)**	(107,751)
Finance income	**8,866**	2,009
Finance expense	**(32,840)**	(35,190)
(Loss)/profit before tax	**(141,509)**	(90,030)
Income tax expense	**(21,195)**	(12,493)
Net (loss)/profit after tax	**(162,704)**	(102,523)

(c) Geographic information

Link Group had total revenue and non-current assets attributed to the following geographic locations.

	REVENUE		NON-CURRENT ASSETS	
	2021 $'000	2020 $'000	2021 $'000	2020 [11] $'000
Australia and New Zealand	**660,111**	682,433	**1,432,299**	1,642,791
United Kingdom and Channel Islands	**305,009**	326,916	**1,065,103**	1,277,574
Ireland	**115,007**	134,203	**22,114**	41,765
Other countries	**80,213**	86,849	**47,490**	48,709
	1,160,340	1,230,401	**2,567,006**	3,010,839

In presenting the geographic information, revenue and non-current assets are allocated based on the country in which the legal entity is domiciled. Non-current assets allocated by country include plant and equipment, intangible assets, equity-accounted investments and other assets.

(d) Major clients

Link Group had one (2020: one) major client in the RSS segment, which generated revenues of $131.4 million (2020: $129.0 million).

Segment reporting

Segment results that are reported to Link Group's Chief Executive Officer & Managing Director (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

[1] Prior period comparative information has been restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. Refer to Note 3.

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5. EQUITY-ACCOUNTED INVESTMENTS

Equity accounted investments are those over which Link Group has significant influence, but not control. Set out below are the equity-accounted investments of Link Group as at 30 June 2021.

EQUITY-ACCOUNTED INVESTMENTS	PLACE OF BUSINESS	% OWNERSHIP INTEREST 2021	% OWNERSHIP INTEREST 2020	2021 $'000	2020 [1] $'000
PEXA Group Limited	Australia	42.8	44.2	535,247	705,259

On 30 June 2021, Link Group's ownership in PEXA Group Limited (PEXA, formerly Torrens Group Holdings) decreased from 44.2% to 42.8% as a result of a series of equity transactions that lead to PEXA Group Limited's shares commencing trading on the Australian Securities Exchange (ASX) on 1 July 2021. Link Group will continue to account for PEXA as an equity-accounted investee on the basis Link Group has significant influence over PEXA.

(a) Summarised financial information for equity-accounted investments

The following table summarises the financial information of PEXA Group Limited (PEXA, formerly Torrens Group Holdings) as included in its own consolidated financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of Link Group's interest in PEXA.

PEXA SUMMARY BALANCE SHEET AS AT 30 JUNE 2021	2021 $'000	2020 [12] $'000
Cash and cash equivalents	51,517	70,417
Other current assets	33,130	23,016
Non-current assets	1,528,469	1,569,223
Shareholder loans payable	(192,982)	–
Other current liabilities	(55,417)	(35,233)
Non-current liabilities	(332,925)	(30,999)
Net Assets	1,031,792	1,596,424
Link Group's share of net assets (42.8%, 2020: 44.2%)	441,250	705,259
Link Group's share of PEXA IPO funds raised on 1 July 2021	93,997	–
Carrying value of equity-accounted investment	535,247	705,259
Fair value of Link Group's investment based on PEXA ASX close price [2]	1,300,553	n/a

1 Prior period comparative information has been restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. Refer to Note 3.

2 PEXA Group Limited's close price on 1 July 2021, being the date PEXA Group Limited was admitted to the Australian Securities Exchange.

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PEXA SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021	2021 $'000	2020 [1] $'000
Revenue	221,046	155,587
Depreciation expense	(2,381)	(2,364)
Intangibles amortisation expense – non-acquisition related	(7,067)	(3,363)
Intangibles amortisation expense – acquisition related	(56,560)	(56,664)
Net finance (expense)/income	(36,495)	2,501
Income tax expense	(3,695)	8,736
Profit/(loss) for the year	(11,787)	(30)
Other comprehensive income for the year	–	–
Total comprehensive income for the year	(11,787)	(30)
Link Group's share of comprehensive income (44.2%) [2]	(5,207)	(14)
Elimination of shareholder loan interest	7,149	–
Link Group's share of comprehensive income	1,942	(14)

(b) Reconciliation of movements in carrying values

	2021 $'000	2020 [14] $'000
Carrying value at beginning of the year	705,259	705,273
Share of profit/(loss) of equity-accounted investees, net of tax	1,942	(14)
Share of other comprehensive income	–	–
Return of capital from equity-accounted investee, converted to shareholder loan	(419,460)	–
Shareholder loan converted to additional shares in equity-accounted investee	234,024	–
Additional shares in equity-accounted investee acquired in IPO	20,631	–
Elimination of shareholder loan interest	(7,149)	–
Carrying value at the end of the year	535,247	705,259

On 30 July 2020, PEXA's board returned capital to shareholders by drawing down on shareholder loans, of which Link Group's share was $419.5 million. As part of PEXA's IPO transaction, on 30 June 2021 PEXA made a $200.0 million cash payment to partially repay Link Group's shareholder loan, with Link Group's remaining $234.0 million loan outstanding converting to shares in PEXA at the IPO price of $17.13 per share. Link Group accounted for its $20.6 million cash contribution to PEXA's IPO on 1 July 2021 as a payable as at 30 June 2021 given Link Group was legally obligated under the IPO underwriting agreement, and a reliable estimate of the obligation was known following PEXA's bookbuild process in late June 2021.

6. REVENUE

Revenue

Revenue is recognised as performance obligations are satisfied over time. Clients obtain control of services as they are delivered, and revenue is recognised over time as those services are provided. Invoices are generally issued on a monthly basis and are payable within 7 to 30 days. As such, there is not considered to be any significant financing component within each contract.

Where Link Group has a right to consideration from a client in an amount that corresponds directly with the value of performance completed to date (for example, a service contract billed for a fixed amount for each hour of service provided), Link Group recognises revenue in the amount to which it has a right to invoice the client.

Link Group may also recognise revenue derived at a point in time, generally when Link Group's performance obligation is linked to a particular event. Revenue is recognised when Link Group has an unconditional right to payment under the terms of the contract.

1 Prior period comparative information has been restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. Refer to Note 3.

2 Link Group's interest in PEXA Group Limited reduced from 44.2% to 42.8% on 30 June 2021, hence Link Group's share of comprehensive income was 44.2% of the full year ended 30 June 2021.

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Contract fulfilment costs

Costs directly related to a contract that generate or enhance Link Group's resources to satisfy performance obligations in the future, and that are expected to be recovered, are recognised as an asset. Contract fulfilment costs are amortised on a straight-line basis over the expected life of the contract.

Any recoveries of those contract fulfilment costs from client are classified as contract liabilities and amortised over the same period where they do not relate to a separate performance obligation.

(a) Disaggregation of revenue

Revenue has been disaggregated by primary geographic location. The tables below also include a reconciliation of the disaggregated revenue with Link Group's reportable segments.

FOR THE YEAR ENDED 30 JUNE 2021	RSS $'000	CM $'000	BCM $'000	FS $'000	TOTAL REPORTABLE SEGMENTS $'000	INTER-SEGMENT ELIMINATIONS $'000	TOTAL LINK GROUP $'000
Geographic location							
Australia and New Zealand	501,458	160,667	–	19,710	681,835	(21,724)	660,111
United Kingdom and Channel Islands	5,447	143,885	28,823	127,886	306,041	(1,032)	305,009
Ireland	–	5,405	87,026	22,576	115,007	–	115,007
Other countries	–	54,981	25,204	284	80,469	(256)	80,213
Revenues from contracts with clients	506,905	364,938	141,053	170,456	1,183,352	(23,012)	1,160,340

FOR THE YEAR ENDED 30 JUNE 2020 – RESTATED [1]	RSS $'000	CM $'000	BCM $'000	FS $'000	TOTAL REPORTABLE SEGMENTS $'000	INTER-SEGMENT ELIMINATIONS $'000	TOTAL LINK GROUP $'000
Geographic location							
Australia and New Zealand	527,528	158,945	–	18,282	704,755	(22,322)	682,433
United Kingdom and Channel Islands	1,913	163,758	32,194	130,297	328,162	(1,246)	326,916
Ireland	–	4,380	105,435	24,388	134,203	–	134,203
Other countries	–	59,973	28,027	4	88,004	(1,155)	86,849
Revenues from contracts with clients	529,441	387,056	165,656	172,971	1,255,124	(24,723)	1,230,401

[1] Comparative information has been restated to align to the new reportable segments.

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(b) Contract balances

The following table provides information about contract assets and contract liabilities from contracts with clients.

	2021 $'000	2020 $'000
Contract assets (included in trade and other receivables)	–	–
Contract liabilities – current (included in trade and other payables)	(31,278)	(28,400)
Contract liabilities – non-current (included in trade and other payables)	(6,135)	(7,688)
	(37,413)	(36,088)

Contract assets primarily relate to Link Group's rights to consideration for work completed but not billed at the reporting date. Contract assets are transferred to trade receivables when Link Group's contractual entitlement to the consideration becomes unconditional. This usually occurs when Link Group has a contractual right to issue an invoice to the client.

Contract liabilities primarily relate to consideration received in advance from client for services for which revenue is recognised over time.

(c) Unsatisfied performance obligations

The following table shows unsatisfied performance obligations resulting from client contracts.

	2021 $'000	2020 $'000
Aggregate amount of revenue allocated to client contracts that are partially or fully unsatisfied as at year end, which will be recognised on a straight-line basis consistent with the length of each client contract.	1,396,076	1,349,952

Link Group expects that approximately 35% of revenue allocated to the unsatisfied contracts as at 30 June 2021 (2020: 36%) will be recognised during the next financial year. The majority of the remaining 59% (2020: 64%) will be recognised as revenue between 1 July 2022 and 30 June 2026 (2020: 1 July 2021 and 30 June 2025).

As permitted under AASB 15, revenue allocated to unsatisfied performance obligations is not disclosed for contracts that are for periods of one year or less. Unsatisfied performance obligations also exclude client contracts entered into subsequent to 30 June 2021 or any future contract renewals that may occur.

7. ADMINISTRATIVE AND GENERAL EXPENSES

	2021 $'000	2020 $'000
Costs recharged to clients	(70,091)	(88,919)
Professional & consulting expenses	(42,091)	(52,079)
Office expenses	(7,407)	(12,236)
Insurance costs	(19,853)	(15,878)
Travel expense	(806)	(8,574)
Other expenses	(39,062)	(46,925)
	(179,310)	(224,611)

8. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Ordinary shares on issue have been adjusted for the bonus element of new shares issued at a discount to market value during the year.

	2021 $'000	2020 [1] $'000
Profit/(loss) for the year attributable to owners of the Company	**(163,352)**	(104,621)

	NUMBER OF SHARES [2] '000	NUMBER OF SHARES [18] '000
Weighted average number of ordinary shares (basic)		
Issued ordinary shares at the beginning of the financial year	**530,266**	533,576
Effect of allotments, issuances and buybacks	**3,157**	(2,082)
Effect of treasury shares acquired	**(2,223)**	234
Effect of bonus entitlement offer on ordinary shares	**17**	33
Weighted average number of ordinary shares (basic)	**531,217**	531,761

(b) Diluted earnings per share

Diluted earnings per share is determined by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, which comprise Performance Share Rights (PSRs) granted to employees. Dilutive securities have been adjusted for the bonus element of new shares issued at a discount to market value during the year.

	2021 $'000	2020 [17] $'000
Profit/(loss) for the year attributable to owners of the Company	**(163,352)**	(104,621)

	NUMBER OF SHARES [18] '000	NUMBER OF SHARES [18] '000
Weighted average number of ordinary shares (diluted)		
Basic weighted average number of ordinary shares	**531,217**	531,761
Effect of dilutive PSRs	**7,085**	3,463
Effect of bonus entitlement offer on dilutive PSRs	**–**	1
Weighted average number of ordinary shares (diluted)	**538,302**	535,225
Basic earnings per share (cents)	**(30.75)**	(19.67)
Diluted earnings per share (cents)	**(30.35)**	(19.55)

[1] Prior period comparative information has been restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. Refer to Note 3.

[2] The weighted average number of ordinary shares used in the Basic and Diluted earnings per share calculation for the current and comparative year were adjusted retrospectively in accordance with AASB 133 *Earnings per Share* following the issue of new shares at a discount to market value during the year. When new shares are issued at a discount to market value ("bonus element"), there is a resulting theoretical dilution of existing ordinary shares on issue, leading to a decrease in basic and diluted earnings per share.

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9. TAXATION

(a) Income tax expense

	2021 $'000	2020 [1] $'000
Current tax expense		
Current year	(51,422)	(22,635)
Adjustment for prior years	(863)	(405)
	(52,285)	(23,040)
Deferred tax (expense)/benefit		
Origination and reversal of temporary differences	31,586	13,886
Adjustment for prior years	(496)	(3,339)
	31,090	10,547
Tax expense	(21,195)	(12,493)
Profit/(loss) before income tax	(141,509)	(90,030)
Prima facie income tax expense calculated at 30% on operating profit from ordinary activities:	42,453	27,009
Effect of tax rates in foreign jurisdictions	(24,468)	(9,199)
Non-deductible expenses	(40,655)	(30,327)
Non-assessable income	10,204	3,066
Recognition of previously unrecognised tax losses	2,730	702
Effect of change in UK tax rates	(10,100)	–
(Under)/over provision of tax in respect of prior years	(1,359)	(3,744)
Income tax expense	(21,195)	(12,493)
Movement in temporary differences	(31,586)	(13,886)
Utilisation of recognised tax losses	–	2,507
Income tax payable on current year profits	(52,781)	(23,872)

(b) Effective tax rates for Australian and overseas operations

	2021			2020 [19]		
	PROFIT/ (LOSS) BEFORE TAX $'000	INCOME TAX EXPENSE $'000	EFFECTIVE TAX RATE	PROFIT/ (LOSS) BEFORE TAX $'000	INCOME TAX EXPENSE $'000	EFFECTIVE TAX RATE
Australian operations	63,087	(6,382)	10.1%	46,842	(10,275)	21.9%
Overseas operations	(204,596)	(14,813)	(7.2%)	(136,872)	(2,218)	(1.6%)
Link Group	(141,509)	(21,195)	(15.0%)	(90,030)	(12,493)	(13.9%)

The effective tax rate for the year ended 30 June 2021 for Link Group was impacted by the following material factors:

- Loss before tax of $173.1 million related to goodwill impairment expense (Note 16), which did not give rise to an income tax benefit for overseas operations;
- Loss before tax of $17.1 million relating to the fair value of Link Group's investment in Leveris Limited (Note 21(a)) which did not give rise to an income tax benefit for overseas operations;
- Income tax expense of $10.1 million relating to the change in future United Kingdom tax rate from 19% to 25% with effect from 1 April 2023; and
- Profit before tax of $15.3 million related to sale of subsidiaries (Note 26), which did not give rise to an income tax expense for Australian operations.

[1] Prior period comparative information has been restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. Refer to Note 3.

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After adjusting for the above factors, Australian operations had an effective tax rate of 26.2%, overseas operations had and effective tax rate of 41.2%, and Link Group had an effective tax rate of 30.8%.

(c) Tax recognised in other comprehensive income and equity

	2021			2020		
	BEFORE TAX $'000	TAX EXPENSE $'000	NET OF TAX $'000	BEFORE TAX $'000	TAX BENEFIT $'000	NET OF TAX $'000
Foreign Currency Translation Reserve	(7,542)	(536)	(7,006)	(2,452)	173	(2,279)
	(7,542)	(536)	(7,006)	(2,452)	173	(2,279)

(d) Deferred tax assets/(liabilities)

	2021 $'000	2020 [1] $'000
Deferred tax asset:		
Provisions & accruals	37,294	31,359
Other	20,793	16,231
Tax losses	7,188	8,882
	65,275	56,472
Deferred tax liability:		
Intangible assets	(65,808)	(73,826)
Plant, equipment & software	(4,476)	(7,606)
Other	(50,458)	(61,060)
	(120,742)	(142,492)

	BALANCE AT 1 JULY 2020 [20] $'000	ACQUIRED IN BUSINESS COMBINATION $'000	RECOGNISED IN PROFIT OR LOSS $'000	RECOGNISED IN OCI $'000	BALANCE AT 30 JUNE 2021 $'000
Deferred tax asset:					
Provisions & Accruals	31,359	–	5,858	77	37,294
Other	16,231	–	4,554	8	20,793
Tax losses	8,882	–	(1,932)	238	7,188
	56,472	–	8,480	323	65,275
Deferred tax liability:					
Intangible assets	(73,826)	–	8,721	(703)	(65,808)
Plant, equipment & software	(7,606)	–	3,130	–	(4,476)
Other	(61,060)	–	10,758	(156)	(50,458)
	(142,492)	–	22,609	(859)	(120,742)

[1] Prior period comparative information has been restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. Refer to Note 3.

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	BALANCE AT 1 JULY 2019 [1] $'000	ACQUIRED IN BUSINESS COMBINATION $'000	RECOGNISED IN PROFIT OR LOSS [21] $'000	RECOGNISED IN OCI $'000	BALANCE AT 30 JUNE 2020 [21] $'000
Deferred tax asset:					
Provisions & Accruals	31,041	–	373	(55)	31,359
Other	15,479	–	(327)	1,079	16,231
Tax losses	5,456	–	4,073	(647)	8,882
	51,976	–	4,119	377	56,472
Deferred tax liability:					
Intangible assets	(74,193)	(1,306)	2,171	(498)	(73,826)
Plant, equipment & software	(11,504)	–	3,819	79	(7,606)
Other	(61,714)	–	439	215	(61,060)
	(147,411)	(1,306)	6,429	(204)	(142,492)

(e) Unrecognised tax losses

As at 30 June 2021, Link Group had carried forward tax losses unrecognised for deferred tax purposes available to offset against taxable income in future years in the following jurisdictions:

- Australian tax losses of $177.0 million (2020: $193.0 million);
- European tax losses of $14.7 million (2020: $6.3 million); and
- Other jurisdiction tax losses of $0.6 million (2020: $0.6 million).

The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these losses because it is not probable that conditions will permit their utilisation in the foreseeable future.

Significant accounting estimate and judgement

Judgement is required in determining whether it is probable future conditions will permit utilisation of carried forward tax losses. Deferred tax assets in respect of Link Group's carried forward tax losses have not been recognised to the extent it is not probable that conditions will permit their utilisation in the foreseeable future.

(f) Franking credits

	2021 $'000	2020 $'000
Amount of franking credits available to shareholders for subsequent financial years	**3,526**	3,065

The ability to use the franking credits is dependent on the ability to declare dividends. The Company seeks to maintain a surplus franking credit balance at 30 June each year by considering the amount of current year income tax related payments when determining the franking of dividends.

[1] Prior period comparative information has been restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. Refer to Note 3.

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Current tax

Current tax is the expected tax payable or receivable on the taxable income for the current year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

- the initial recognition of goodwill;
- the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and
- differences relating to investments in subsidiaries and jointly controlled entities to the extent it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which Link Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Offsetting deferred tax balances

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Tax consolidation or grouping

Australia

The Company and its wholly-owned Australian subsidiaries are part of a tax consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax consolidated group is Link Administration Holdings Limited. Members of the Australian tax-consolidated group have entered into a tax sharing agreement that requires wholly-owned subsidiaries to make contributions to the head entity for current tax liabilities. Under the tax funding agreement, the subsidiaries reimburse the Company for their portion of Link Group's current tax liability and recognise this payment as an inter-entity payable/receivable in their financial statements. The Company reimburses the subsidiaries for any deferred tax asset arising from unused tax losses and/or tax credits.

Overseas

The Company also has wholly-owned subsidiaries in the following foreign jurisdictions which have made the following elections with the relevant local taxation authority:

- United Kingdom and Jersey subsidiaries have elected to apply tax grouping rules to share tax losses and/or tax payments in the United Kingdom and Jersey; and
- Other countries subsidiaries have elected to form a tax group (or adopt fiscal unity) in relevant European countries.

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OPERATING ASSETS AND LIABILITIES

10. TRADE AND OTHER RECEIVABLES

	2021 $'000	2020 $'000
Current		
Trade receivables	151,452	167,966
Less: Expected credit losses	(3,555)	(5,008)
	147,897	162,958
Investment management debtors	78,297	67,130
Contract assets	–	–
Other receivables	9,194	8,849
	235,388	238,937
Non-current		
Other receivables	1,651	5,251
	1,651	5,251

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised costs less provision for doubtful debts. Trade receivables are generally due after 7 to 30 days. Link Group has no significant concentration of credit risk. Trade and other receivables are spread across a large number of different clients.

As at 30 June 2021, management have assessed the expected credit losses for trade and other receivables. A provision for credit losses has been made for the expected non-recoverable trade receivable amounts arising from services provided. As at 30 June 2021, the expected credit losses relating to recoverability of trade and other receivables have been assessed in the context of the COVID-19 pandemic and its impact on the economic conditions of the industries in which Link Group's clients operate.

Investment management debtors consist of amounts due from authorised funds, receivable by Link Fund Solutions Limited (the Authorised Corporate Director) in respect of managing these authorised funds.

11. TRADE AND OTHER PAYABLES

	2021 $'000	2020 $'000
Current		
Trade creditors	50,405	38,518
Investment management creditors	135,859	102,096
Deferred consideration	1,109	8,173
Accrued operational expenses	45,041	54,611
Contract liabilities	31,278	28,400
IT related creditors	15,175	14,913
Indemnified payables	4,712	3,942
PEXA IPO contribution payable	20,631	–
Other creditors and accruals	36,385	24,501
	340,595	275,154

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	2021 $'000	2020 $'000
Non-current		
Contract liabilities	6,135	7,688
Other creditors	1,244	895
	7,379	8,583

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

Investment management creditors consist of amounts due to authorised funds, payable by Link Fund Solutions Limited (the Authorised Corporate Director) in respect of managing these authorised funds.

12. FUND ASSETS AND LIABILITIES

	2021 $'000	2020 $'000
Fund assets		
Fund receivables	864,901	616,982
	864,901	616,982
Fund liabilities		
Fund payables	(860,746)	(614,883)
	(860,746)	(614,883)

Fund assets and liabilities

These balances relate to investors' purchase or redemption of units in authorised funds of which Link Fund Solutions Limited (Link Asset Services' collective investment scheme administration business) is the Authorised Corporate Director. Link Fund Solutions Limited acts in the role of principal in the transactions, and the balances are due to and from the investors and investment funds. As at 30 June 2021, $4.2 million ($864.9 million assets net of $860.7 million liabilities) of net cash was due from investors and investment funds. The net receivable position arose because Link Fund Solutions Limited was yet to receive settlement from some investors and/or funds. The majority of funds need to be settled within a 4-day settlement period.

13. PROVISIONS

	2021 $'000	2020 $'000
Current		
Provisions	14,147	18,391
Non-current		
Provisions	37,940	48,074

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A reconciliation of the carrying amount of each material class of provisions is set out below:

	CLAIMS $'000	INTEGRATION $'000	ONEROUS CONTRACTS $'000	OTHER $'000	TOTAL $'000
Balance at 1 July 2020	41,671	4,639	6,253	13,902	66,465
Provisions made during the year	7,540	858	991	312	9,701
Provisions used during the year	(8,807)	(1,747)	(2,746)	(2,927)	(16,227)
Provisions reversed during the year	(4,534)	(1,118)	(112)	(2,418)	(8,182)
Foreign exchange translation difference	309	(136)	116	41	330
Balance at 30 June 2021	36,179	2,496	4,502	8,910	52,087
Current	8,153	858	1,303	3,833	14,147
Non-current	28,026	1,638	3,199	5,077	37,940

Significant accounting estimate and judgement

Judgement is required in determining the expected outflow of economic benefits required to settle provisions. Provisions are based on expected obligations at reporting date under current legal and contractual requirements and using estimates based on past experience.

Provisions

A provision is recognised if, as a result of a past event, Link Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is treated as a finance expense.

Claims: Link Group recognises a provision for claims arising from processing errors and other corporate events associated with the handling of administration activities for and on behalf of clients and investors. Provisions are measured at the cost that Link Group expects to incur in settling the claim. The provision also includes an estimate of claims that have been incurred but are not yet reported.

Integration: The integration provision includes restructuring costs. The restructuring provision is based on estimates of the future costs associated with redundancies. The provision calculation includes assumptions around the timing and costs of redundancies. A provision for restructuring is recognised when Link Group has approved a detailed and formal restructuring plan and the restructuring either has commenced or has been announced publicly. Future operating costs are not included in the provision.

Onerous contracts: A provision for onerous contracts is recognised when the expected benefits to be derived by Link Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, Link Group recognises any impairment loss on the assets associated with that contract.

Other: Other provisions are for contractual obligations relating make-good obligations and remediation costs. Make good provisions relate to Link Group's future obligation to remove fixtures and fittings or reinstate leaseholds back to original condition. Remediation cost provisions relate to contractual obligations under client contracts to remediate errors on claims.

14. EMPLOYEE BENEFITS

	2021 $'000	2020 $'000
Current		
Employee entitlements	49,910	38,650
Non-current		
Employee entitlements	5,892	5,450

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Long-term employee benefits

Link Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. That benefit is discounted to determine its present value and the fair value of any related assets is deducted.

Short-term employee benefits

Liabilities for employee benefits for wages, salaries, and annual leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that Link Group wholly expects to pay as at the reporting date including related on-costs (where applicable).

15. PLANT AND EQUIPMENT

	PLANT & EQUIPMENT $'000	FIXTURES AND FITTINGS $'000	RIGHT-OF-USE $'000	TOTAL $'000
Cost				
Balance at 1 July 2020	88,370	86,724	271,286	446,380
Acquisitions through business combinations	17	–	–	17
Additions	11,317	2,657	14,828	28,802
Effects of movements in exchange rates	283	(64)	564	783
Disposals/write offs	(4,903)	(11,661)	(34,691)	(51,255)
Balance at 30 June 2021	95,084	77,656	251,987	424,727
Depreciation and impairment losses				
Balance at 1 July 2020	(58,323)	(37,108)	(100,520)	(195,951)
Depreciation charge for the year	(12,896)	(7,362)	(33,482)	(53,740)
Effects of movements in exchange rates	284	248	(341)	191
Disposals/write offs	4,795	8,264	27,425	40,484
Balance at 30 June 2021	(66,140)	(35,958)	(106,918)	(209,016)
Carrying amount at 30 June 2021	28,944	41,698	145,069	215,711

	PLANT & EQUIPMENT $'000	FIXTURES AND FITTINGS $'000	RIGHT-OF-USE $'000	TOTAL $'000
Cost				
Balance at 1 July 2019	81,355	73,198	263,326	417,879
Acquisitions through business combinations	16	50	–	66
Additions	10,508	15,853	13,548	39,909
Effects of movements in exchange rates	(1,088)	(482)	(2,532)	(4,102)
Transfers to assets held for sale	(1,802)	(216)	(1,142)	(3,160)
Disposals/write offs	(619)	(1,679)	(1,914)	(4,212)
Balance at 30 June 2020	88,370	86,724	271,286	446,380
Depreciation and impairment losses				
Balance at 1 July 2019	(48,623)	(31,111)	(69,213)	(148,947)
Depreciation charge for the year	(12,358)	(7,998)	(35,041)	(55,397)
Effects of movements in exchange rates	543	157	1,281	1,981
Transfers to assets held for sale	1,496	165	539	2,200
Disposals/write offs	619	1,679	1,914	4,212
Balance at 30 June 2020	(58,323)	(37,108)	(100,520)	(195,951)
Carrying amount at 30 June 2020	30,047	49,616	170,766	250,429

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The expected useful life and the depreciation methods are listed below:

ITEM	USEFUL LIFE	DEPRECIATION METHOD
Office equipment	3–8 years	Straight-line
Fixture and fitting	2–10 years	Straight-line
Leased plant and equipment	3–10 years	Straight-line
Right-of-use assets	Non-cancellable lease period	Straight-line

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

16. INTANGIBLE ASSETS

	GOODWILL $'000	CLIENT RELATIONSHIPS $'000	SOFTWARE $'000	BRAND NAMES $'000	TOTAL $'000
Cost					
Balance at 1 July 2020	1,559,260	510,285	678,386	4,520	2,752,451
Acquisitions through business combinations	653	–	–	–	653
Additions	–	–	26,834	–	26,834
Effects of movements in exchange rates	8,128	3,653	205	73	12,059
Disposals/Assets written off	–	(12,269)	(22,402)	–	(34,671)
Balance at 30 June 2021	1,568,041	501,669	683,023	4,593	2,757,326
Amortisation and impairment losses					
Balance at 1 July 2020	(109,667)	(209,333)	(388,150)	(3,056)	(710,206)
Amortisation charge	–	(39,687)	(62,694)	(306)	(102,687)
Impairment expense	(173,112)	–	(9,667)	–	(182,779)
Effects of movements in exchange rates	632	(615)	2,246	(38)	2,225
Disposals/Assets written off	–	12,269	22,288	–	34,557
Balance at 30 June 2021	(282,147)	(237,366)	(435,977)	(3,400)	(958,890)
Carrying amount at 30 June 2021	1,285,894	264,303	247,046	1,193	1,798,436

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	GOODWILL $'000	CLIENT RELATIONSHIPS $'000	SOFTWARE $'000	BRAND NAMES $'000	TOTAL $'000
Cost					
Balance at 1 July 2019	1,565,738	505,834	613,177	4,543	2,689,292
Acquisitions through business combinations	–	6,872	–	–	6,872
Additions	–	–	73,131	–	73,131
Effects of movements in exchange rates	(5,998)	(2,421)	(3,321)	(23)	(11,763)
Transfers to assets held for sale	(480)	–	(866)	–	(1,346)
Disposals/Assets written off	–	–	(3,735)	–	(3,735)
Balance at 30 June 2020	1,559,260	510,285	678,386	4,520	2,752,451
Amortisation and impairment losses					
Balance at 1 July 2019	(2,512)	(167,313)	(327,801)	(2,730)	(500,356)
Amortisation charge	–	(43,659)	(66,126)	(348)	(110,133)
Impairment expense	(107,751)	–	–	–	(107,751)
Effects of movements in exchange rates	596	1,639	1,310	22	3,567
Transfers to assets held for sale	–	–	732	–	732
Disposals/Assets written off	–	–	3,735	–	3,735
Balance at 30 June 2020	(109,667)	(209,333)	(388,150)	(3,056)	(710,206)
Carrying amount at 30 June 2020	1,449,593	300,952	290,236	1,464	2,042,245

An impairment expense of $9.7 million was recognised in relation to specific software assets within the Banking & Credit Management CGU considered to be not recoverable. The impairment expense on specific assets was recognised prior to CGU impairment testing.

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the cost of the acquisition over Link Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. Subsequent to initial measurement, goodwill is measured at cost less accumulated impairment losses.

Client relationships

Client relationships acquired in business combinations are recognised initially at fair value and are subsequently amortised according to the expected useful life of these relationships.

Software

Link Group capitalises in-house developed software that meets business and client needs and enables operational efficiencies to be achieved.

Development expenditure is capitalised only if development costs are directly attributable, can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and Link Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Other software development costs are expensed as incurred.

Brand Names

Brand names acquired in business combinations are recognised initially at fair value and are subsequently amortised according to the expected useful life of the brand name.

Amortisation

Amortisation is charged on a straight-line basis over the estimated useful lives of intangible assets, except when another systematic basis measuring the pattern in which the economic benefits of a software asset are consumed can be reliably measured. In such cases, amortisation is charged on that systematic basis over the estimated useful life of that asset. The estimated useful lives for the current and comparative periods are as follows:

ITEM	USEFUL LIFE	AMORTISATION METHOD
Software	2–5 years	Straight-line
Client relationships	3–20 years	Straight-line
Brand Names	5–10 years	Straight-line

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(a) Impairment testing for CGUs containing goodwill

During the year ended 30 June 2021, Link Group revised its Operating Segments (refer Note 4). For the purposes of impairment testing, goodwill is allocated to Link Group's cash-generated units ("CGUs"). Each of Link Group's Operating Segments is considered a CGU. The aggregate carrying amounts of goodwill allocated to each CGU are as follows:

CGUS FOR THE YEAR ENDED 30 JUNE	2021 $'000	2020 $'000
Retirement & Superannuation Solutions (RSS)	306,243	n/a
Corporate Markets (CM)	511,950	n/a
Banking & Credit Management (BCM)	82,743	n/a
Fund Solutions (FS)	384,958	n/a
Retirement & Superannuation Solutions	n/a	279,266
Corporate Markets APAC	n/a	254,494
Corporate Markets EMEA	n/a	221,519
Banking & Credit Management	n/a	246,394
Fund Solutions	n/a	354,103
Technology & Operations	n/a	93,817
Total goodwill	1,285,894	1,449,593

The carrying amounts of Link Group's goodwill and intangible assets are tested annually for impairment.

For the purposes of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The goodwill and any other intangible assets with indefinite lives acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised in profit and loss if the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amounts of CGUs were determined through value in use calculations. The value in use calculations applied a post-tax discounted cash flow model, based on five-year cash flow forecasts endorsed by the Board and an appropriate terminal value. Management has considered the economic conditions and uncertainty due to the COVID-19 pandemic when determining the cash flow forecasts. The forecast assumptions are based on the information available as at 30 June 2021. While operations across Link Group have been impacted to varying degrees during the financial year, Link Group has, in the main, remained resilient to date.

IMPAIRMENT TESTING RESULTS BY CGU FOR THE YEAR ENDED 30 JUNE 2021	RSS $'000	CM $'000	BCM $'000	FS $'000
Value in use (recoverable amount)	2,018,749	1,162,111	139,491	751,423
Carrying amount	547,631	811,046	139,491	515,979
Impairment headroom	1,471,118	351,065	–	235,444

Cash flows after the fifth year were projected at growth rates of:

CGUS FOR THE YEAR ENDED	2021	2020
Retirement & Superannuation Solutions	2.4%	n/a
Corporate Markets	2.3%	n/a
Banking & Credit Management	2.0%	n/a
Fund Solutions	2.1%	n/a
Retirement & Superannuation Solutions	n/a	2.5%
Corporate Markets APAC	n/a	2.7%
Corporate Markets EMEA	n/a	2.0%
Banking & Credit Management	n/a	2.0%
Fund Solutions	n/a	2.1%
Technology & Operations	n/a	2.4%

The value in use calculations employed a range of pre-tax discount rates from 8.43% to 9.13% (2020: 8.47% to 10.06%). These rates relate to the risks in the respective segments and countries in which they operate. The discount rate used reflects management's estimate of the time value of money and Link Group's weighted average cost of capital (WACC), which is calculated separately for each CGU.

Banking & Credit Management (BCM) CGU impairment

An impairment expense of $173.1 million was recognised in relation to the BCM CGU as a result of the value in use calculations. The value in use of the BCM CGU, determined as $139.5 million using a pre-tax discount rate of 9.13% (2020: no comparative under prior year CGU structure) has reduced following a reduction in forecast cash flows. The BCM CGU has forecast reduced cash flows due to continuation of its loan portfolio run-off, and reduction in new business pipeline due to the COVID-19 pandemic, coupled with a relatively fixed cost base. A return to growth for the BCM CGU is forecast for the 2023 financial year following improving macro conditions in the United Kingdom and Europe. The impairment expense has been allocated against goodwill.

Sensitivity analysis

The carrying amount of the Banking & Credit Management CGU has been impaired to its value in use. Any adverse change to the following key assumptions would result in the carrying amount exceeding the value in use:

- discount rate;
- five-year cash flow forecast; and/or
- terminal growth rate.

Management considered the following reasonably possible changes in the key assumptions, leaving all other assumptions unchanged. The sensitivity analysis presented is prepared on the basis that the reasonably possible change in each key assumption would not have a consequential impact on other assumptions. The associated impact on the impairment assessment is presented in the table below.

	BCM $'000
Discount rate +0.5%	(10,814)
Discount rate -0.5%	12,476
Five-year cash flow forecast +5%	6,975
Five-year cash flow forecast -5%	(6,975)
Terminal growth rate +0.5%	9,991
Terminal growth rate -0.5%	(8,676)

Management is of the opinion that the above reasonably possible changes in the key assumptions on which the recoverable amount of Link Group's other CGUs are based would not cause their carrying amounts to exceed their value in use.

Significant accounting estimate and judgement

Judgement is required in estimating recoverable amounts of cash generating units (CGUs) to which intangible assets with an indefinite useful life (goodwill) are allocated. All key assumptions applied in value in use calculation were determined using the past experiences of Link Group and an assessment of current economic conditions. Where possible, assumptions were validated against external sources of information.

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17. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of net profit after tax to net cash inflow from operating activities

	2021 $'000	2020 [1] $'000
Net profit/(loss) after income tax	**(162,704)**	(102,523)
Add/(less) non-cash items		
Depreciation expense	**53,740**	55,397
Intangibles amortisation expense	**102,687**	110,133
Contract fulfilment costs amortisation expense	**7,193**	6,738
Loss/(gain) on financial assets held at fair value through profit & loss	**(3,607)**	23,179
Share of loss of equity-accounted investees, net of tax	**(1,942)**	14
Profit on disposal of subsidiaries	**(15,347)**	(48)
Impairment expense	**182,779**	107,751
Equity-settled share-based payment expense	**11,816**	1,655
Unrealised foreign exchange loss/(gain)	**100**	(1,269)
Unwinding discount on provisions and deferred consideration	**91**	427
Borrowing cost amortisation	**1,471**	1,520
Loss on disposal/write off of plant and equipment	**(1,152)**	–
Net cash inflow from operating activities before changes in assets and liabilities	**175,125**	202,974
Change in operating assets and liabilities		
Change in trade and other receivables	**1,806**	4,886
Change in other assets	**(6,957)**	(8,397)
Change in fund assets and fund liabilities	**(838)**	(790)
Change in trade and other payables	**41,768**	19,125
Change in employee benefits	**11,762**	(5,809)
Change in provisions	**(14,840)**	9,809
Change in current and deferred tax balances	**7,095**	(32,190)
Net cash inflow from operating activities	**214,921**	189,608

(b) Reconciliation of movement in liabilities to cash flows arising from financing activities

			NON-CASH			
	30 JUNE 2020 $'000	FINANCING CASH FLOWS $'000	BORROWING COST AMORTISATION $'000	OTHER NON-FINANCING ACTIVITIES $'000	FOREIGN EXCHANGE MOVEMENT $'000	30 JUNE 2021 $'000
Interest-bearing loans and borrowings – Current	**35,945**	**(4,829)**	**–**	**(15)**	**(149)**	**30,952**
Interest-bearing loans and borrowings – Non-current	**1,226,952**	**(213,139)**	**1,471**	**11,056**	**10,621**	**1,036,961**
Total liabilities from financing activities	**1,262,897**	**(217,968)**	**1,471**	**11,041**	**10,472**	**1,067,913**

[1] Prior period comparative information has been restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. Refer to Note 3.

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CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT

18. INTEREST BEARING LOANS AND BORROWINGS

	2021 $'000	2020 $'000
Current		
Lease liabilities	**30,952**	35,945
	30,952	35,945
Non-current		
Lease liabilities	**188,653**	215,301
Loans	**848,308**	1,011,651
	1,036,961	1,226,952

FINANCING ARRANGEMENTS	FACILITY NOTIONAL CURRENCY	INTEREST RATE AT 30 JUNE 2021 (P.A.)	2021 $'000	2020 $'000
Total facilities available:				
Non-amortising term loan facility	AUD	1.8% – 2.2%	**550,000**	550,000
Working capital facility	AUD	1.7% – 1.8%	**30,000**	30,000
Non-amortising term loan facility	GBP	1.7%	**856,511**	832,438
Working capital facility	GBP	1.7%	**36,839**	35,804
			1,473,350	1,448,242
Facilities utilised at reporting date:				
Non-amortising term loan facility	AUD	1.8%	**158,000**	305,000
Working capital facility	AUD	1.7%	**11,520**	12,903
Non-amortising term loan facility	GBP	1.7%	**691,620**	709,452
Working capital facility	GBP	1.7%	**186**	190
			861,326	1,027,545
Facilities not utilised at reporting date				
Non-amortising term loan facility	AUD	0.7% – 0.9%	**392,000**	245,000
Working capital facility	AUD	0.7%	**18,480**	17,097
Non-amortising term loan facility	GBP	0.7%	**164,891**	122,986
Working capital facility	GBP	0.7%	**36,653**	35,614
			612,024	420,697

Facilities utilised at reporting date includes $11.7 million (2020: $13.1 million) of guarantees provided to external parties, which have not been drawn down. Refer to Note 20.

Link Group repaid $102.0 million of its AUD non-amortising loan facility and £45.3 million of its multi-currency non-amortising loan facility during the financial year.

As at 30 June 2021, the terms of the facilities under the Syndicated Loan Agreement were as follows:

- $275 million of the AUD non-amortising term loan facility available to 25 January 2024;
- $275 million of the AUD non-amortising term loan facility available to 25 January 2024;
- $30 million AUD working capital facility to 25 January 2024;
- £465 million GBP non-amortising term loan facility available to 2 November 2022; and
- £20 million working capital facility available to 2 November 2022.

On 5 July 2021, Link Group terminated $275 million of the AUD non-amortising term loan facility early in accordance with the Syndicated Facility Agreement.

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19. FINANCE COSTS

	2021 $'000	2020 $'000
Loan interest expense	(21,833)	(23,283)
Lease liabilities interest expense	(9,374)	(10,467)
Amortisation of capitalised borrowing costs	(1,471)	(1,520)
Foreign exchange gain/(loss)	(96)	521
Other	(66)	(441)
	(32,840)	(35,190)

20. CONTINGENT LIABILITIES

Link Group has granted bank guarantees, letters of credit and performance guarantees in the favour of:

TYPE/COUNTERPARTY	BENEFICIARY	REASON	2021 $'000	2020 $'000
Bank guarantee – Westpac	Pacific Custodians Pty Limited	Regulatory financial licence	10,000	10,000
Letter of credit – Westpac	STRATE Limited	Regulatory financial licence	–	753
Letter of credit – Westpac	Railway Pension Nominees Limited	Property lease	–	630
Bank guarantee – Westpac	ASX Settlement & Transfer Corp	Contractual obligation	500	500
Bank guarantee – Westpac	GESB Superannuation	Contractual obligation	1,000	1,000
Letter of credit – Westpac	Australian Securities & Investments Commission	Contractual obligation	20	20
Bank guarantee – HSBC	Kryalos Societa di Gestione del Risparmio S.p.A	Property lease	186	190

Australian Financial Services Licence (AFSL) Performance Bond

A Guarantee for $10 million (2020: $10 million) is held with Westpac on behalf of a subsidiary of Link Group, Pacific Custodians Pty Limited, as a requirement of the subsidiary's Australian Financial Services Licence (AFSL) requirements (AFSL Performance Bond).

LF Equity Income Fund (previously known as LF Woodford Equity Income Fund)

From time to time, Link Fund Solutions (LFS) receives enquiries, complaints or claims from investors or third parties in relation to the funds for which it acts, or has acted, as authorised corporate director (ACD) (in relation to authorised funds) or operator (in relation to unregulated funds). As disclosed on 18 June 2019, the Financial Conduct Authority (FCA) notified LFS that it was commencing an investigation into LFS as ACD to the LF Woodford Equity Income Fund, now known as the LF Equity Income Fund (Fund). As the FCA investigation is an ongoing and confidential process, Link Group cannot speculate or make any further comment on it. As at the date of these consolidated financial statements there has been no enquiry, complaint or claim received by LFS regarding its role in relation to any funds, including the Fund, which should be disclosed as a contingent liability in these consolidated financial statements. LFS continues to act in the best interests of investors in the Fund as the orderly wind-up of the Fund progresses.

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21. INVESTMENT AND FINANCIAL RISK MANAGEMENT

(a) Investments

	2021 $'000	2020 $'000
Listed equity securities – at fair value through profit or loss	**4,105**	2,907
Unlisted investments – at fair value through profit or loss	**99,397**	90,291
	103,502	93,198

The equity securities have been designated at fair value through profit or loss because they are managed on a fair value basis and their performance is actively monitored.

Link Group continues to account for its 12.3% (2020: 17.4%) ownership interest in Smart Pension Limited (Smart) within unlisted investments at fair value, with gains or losses recognised through profit or loss given Link Group does not have significant influence over Smart. During the year, Link Group made an additional £2.5 million ($4.6 million) investment in Smart. As at 30 June 2021, the investment had a fair value of $92.5 million (2020: $66.2 million) after accounting for foreign exchange fluctuations.

Link Group continues to account for its 13.1% (2020: 13.1%) ownership interest in Leveris Limited (Leveris) within unlisted investments at fair value, with gains or losses recognised through profit or loss given Link Group does not have significant influence over Leveris. As at 30 June 2021, the investment had a fair value of $nil (2020: $16.7 million) after Link Group wrote off its investment following the Board of Directors of Leveris resolving to cease trading and proceed with a non-court liquidation.

(b) Financial Risk Management Overview

Link Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

Risk Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Link Group has established risk management policies that identify and analyse the risks faced by Link Group, set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly.

Credit Risk

Credit risk is the risk of financial loss to Link Group if a client or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets less any provisions for impairment represents Link Group's maximum credit exposure.

Link Group's exposure to credit risk arises predominantly through its cash and cash equivalents, trade and other receivables, and fund assets.

- Cash and cash equivalent amounts as well as transactions involving derivative financial instruments are all held or maintained by banks and financial institutions with high credit ratings. Link Group monitors counterparty credit exposure on a daily basis to ensure compliance with pre-determined credit limits to minimise credit risk.
- Trade Receivables are monitored in line with Link Group's credit policy. The credit quality of clients is assessed by taking into account their financial position, past experience and other relevant factors. Based on the above process, Link Group considers that all unimpaired trade and other receivables are collectible in full.
- Fund assets relate to investors' purchase or redemption of units in investment funds of which Link Fund Solutions Limited (Link Group's collective investment scheme administration business) is an Authorised Corporate Director. Link Group has a limited exposure to credit risk as fund assets and fund liabilities are usually settled within four business days. Link Group has rights regarding net settlement, enabling uncollectable balances to be recovered, refer to Note 12.

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The maximum exposure to credit risk for trade and other receivables at the end of the reporting period was as follows:

	2021 $'000	2020 $'000
Neither past due nor impaired	217,149	211,880
Past due 1–30 days	9,920	14,082
Past due 31–60 days	4,667	6,538
Past due over 61 days	3,734	6,437
	235,388	238,937

Movements in the allowance for impairment in respect of trade and other receivables during the year are disclosed in Note 10.

Liquidity Risk

Liquidity risk is the risk that Link Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Link Group manages its liquidity risk by maintaining adequate cash reserves and available committed credit lines combined with continuous monitoring of actual and forecast cash flows on a short, medium and long term basis. See Note 18 for details of Link Group's unused facilities at year end.

Remaining contractual maturities at the end of the reporting period of financial liabilities, including estimated interest payments were as follows. The amounts include both interest and principal cash flows undiscounted and based on contractual maturity (without reference to the repricing schedule) and therefore the totals will differ from those disclosed in the statement of financial position. The interest repayments are based on forward interest rates and as such these amounts could vary, however it is not expected that they will do so significantly from the amounts stated below.

	CARRYING AMOUNT $'000	TOTAL $'000	< 1 YEAR $'000	1–2 YEARS $'000	2–5 YEARS $'000	> 5 YEARS $'000
30 June 2021						
Non-interest bearing						
Trade and other payables	347,974	347,974	340,595	4,067	2,720	592
Fund liabilities	860,746	860,746	860,746	–	–	–
Interest bearing						
Loans and borrowings	1,067,913	1,125,828	52,202	733,474	254,458	85,694
Total non-derivative liabilities	2,276,633	2,334,548	1,253,543	737,541	257,178	86,286
30 June 2020						
Non-interest bearing						
Trade and other payables	283,737	283,737	275,154	3,603	4,341	639
Fund liabilities	614,883	614,883	614,883	–	–	–
Interest bearing						
Loans and borrowings	1,262,897	1,374,752	69,705	64,809	1,129,068	111,170
Total non-derivative liabilities	2,161,517	2,273,372	959,742	68,412	1,133,409	111,809

The Company and a number of the subsidiaries are guarantors to Link Group's loans and borrowings.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect Link Group's income or carrying value of its holdings of financial instruments as at the year end.

Foreign currency risk

Foreign currency risk is the risk that the carrying value or future cash flows associate with a financial instrument will fluctuate because of changes in foreign exchange rates.

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(a) Specific foreign currency items

On 2 November 2017, Link Group drew down from its £465 million non-amortising term loan facility (refer Note 18), and Link Group designated the term loan facility as a hedge of the net investment in its UK subsidiaries. The term loan facility has subsequently been partially repaid, the drawn amount of £351.1 million had a fair value and carrying amount at 30 June 2021 of $646.6 million (2020: $709.5 million). A foreign exchange loss of $18.3 million (2020: gain of $13.6 million) on translation of the term loan facility to AUD at the end of the financial year is recognised in other comprehensive income and accumulated in the foreign currency translation reserve on consolidation. The hedge was considered 100% effective throughout the year.

(b) Other foreign currency items

In addition to the specific items mentioned above, entities within Link Group typically enter into transactions and recognise assets and liabilities that are denominated in their functional currency. Whilst a number of entities within Link Group hold financial instruments in a currency which is not their local functional currency, these balances are not considered material and do not expose Link Group to significant foreign currency risk.

Link Group is exposed to foreign currency risk when net investments in foreign subsidiaries are translated to Link Group's reporting currency, the Australian Dollar (AUD). The effects of any exchange rate movements in respect of the net investment in foreign subsidiaries are recognised in the foreign currency translation reserve on consolidation.

Sensitivity testing was performed by flexing the value of the AUD against foreign currencies to which Link Group is exposed by 10% (2020: 10%). The assumed 10% change was chosen based on historical and reasonably possible movements of official exchange rates.

	PROFIT/(LOSS) AFTER TAX		NET ASSETS	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
AUD +10%/GBP	**6,959**	10,182	**(29,034)**	(26,508)
AUD -10%/GBP	**(6,959)**	(10,182)	**29,013**	26,507
AUD +10%/EUR	**15,120**	4,562	**(18,271)**	(32,990)
AUD -10%/EUR	**(15,120)**	(4,562)	**18,271**	32,990
AUD +10%/Other currencies	**(367)**	(167)	**(7,176)**	(6,483)
AUD -10%/Other currencies	**367**	167	**7,219**	6,497

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. Link Group is exposed to interest rate risk attaching specifically to Link Group's financial assets and liabilities as well as through the maintenance of paying agent and escrow bank accounts administered on behalf of clients. Link Group's primary financial assets impacted by changes in variable interest rates include cash and cash equivalents. Link Group's primary financial liabilities impacted by interest rate movements include interest bearing loans and borrowings.

A sensitivity analysis was performed to assess the impact interest rates have on Link Group's statement of financial performance, including the impact of hedging and escrow bank accounts. Sensitivity testing was performed by increasing interest rates by 0.5% (2020: 0.5%) as at reporting date which would result in a favourable impact on Link Group's loss/profit before tax of $4.5 million (2020: favourable impact of $1.7 million). A decrease of 0.5% (2020: 0.5%) would have an adverse impact on Link Group's profit before tax of $0.1 million (2020: adverse impact of $0.2 million). The assumed 0.5% (2020: 0.5%) change was chosen based on historical and reasonably possible movements of official interest rates. The method of calculation has not changed from the prior period.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Link Group's exposure to price risk arises primarily from the listed and unlisted equity securities it holds, which have been designated at fair value through profit or loss.

A 5% increase/(decrease) (2020: 5%) in the fair value of Link Group's listed and unlisted investments would increase/(decrease) Link Group's profit before tax by $5.2 million (2020: $4.7 million). The assumed 5% change was chosen based on historical and reasonably possible movements in equity markets.

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(c) Capital management

The Board's policy is to maintain a capital base to provide confidence to shareholders and other stakeholders and to sustain future development of the business. Capital consists of total equity less amounts accumulated in equity in relation to dividend reserves and other reserves.

Link Group monitors the ratio of net financial indebtedness to operating earnings in accordance with the terms of its Syndicated Loan Agreement. Net debt is calculated as interest bearing liabilities less cash and cash equivalents. Link Group also monitors the interest cover ratio, which is calculated by dividing operating earnings by interest expense.

(d) Fair value of financial instruments

The following table details Link Group's fair value amounts of financial instruments categorised by the following levels.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
30 June 2021				
Assets				
Derivative financial assets	–	273	–	273
Listed investments designated at fair value through profit and loss	4,105	–	–	4,105
Unlisted equity securities designated at fair value through profit and loss	–	767	98,630	99,397
	4,105	1,040	98,630	103,775
30 June 2020				
Assets				
Derivative financial assets	–	693	–	693
Listed investments designated at fair value through profit and loss	2,907	–	–	2,907
Unlisted equity securities designated at fair value through profit and loss	–	1,631	88,660	90,291
	2,907	2,324	88,660	93,891

There have been no assets transferred between levels during the year (2020: none).

Level 1 investments consist of financial instruments traded in active markets and are valued based on quoted market prices at the end of the reporting period.

Level 2 investments consist of unlisted managed investment schemes and derivative financial instruments. Unlisted managed investment schemes are valued based on daily quoted unit redemption prices derived using observable market data. Derivative financial instruments are valued using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

Level 3 investments include unlisted investments held by Link Group, the valuation for which is deemed to have one or more significant inputs which are not based on observable market data.

Significant increases or decreases in future cash flows would increase or decrease, respectively, the fair value of the investments.

	2021 $'000	2020 $'000
Reconciliation of movements in level 3 investments		
Opening level 3 investments at the beginning of the financial year	88,660	45,176
Acquisitions	5,054	69,983
Fair value gain/(loss) recognised in profit or loss	2,384	(22,996)
Foreign currency retranslation	2,532	(3,503)
Closing level 3 investments at the end of the financial year	98,630	88,660

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Significant accounting estimate and judgement

Judgement is required in measuring level 3 investments at fair value. All key assumptions applied in fair value measurements were determined using the past experiences of Link Group and management. Where possible, assumptions were validated against external sources of information such as independent arms-length transactions, or independent expert valuations.

The following table sets out the carrying amount and fair value of financial assets and financial liabilities:

FAIR VALUE VS CARRYING AMOUNTS	2021		2020	
	FAIR VALUE $'000	CARRYING AMOUNT $'000	FAIR VALUE $'000	CARRYING AMOUNT $'000
Assets				
Financial assets measured at fair value through profit and loss				
Derivative financial assets	273	273	693	693
Investments	103,502	103,502	93,198	93,198
Financial assets measured at amortised cost				
Cash and cash equivalents	395,024	395,024	264,092	264,092
Trade and other receivables	237,039	237,039	244,188	244,188
Fund assets	864,901	864,901	616,982	616,982
	1,600,739	1,600,739	1,213,902	1,213,902
Liabilities				
Financial liabilities measured at amortised cost				
Trade and other payables	347,974	347,974	283,737	283,737
Interest bearing loans and borrowings	1,067,913	1,067,913	1,262,897	1,262,897
Fund liabilities	860,746	860,746	614,883	614,883
	2,276,633	2,276,633	2,161,517	2,161,517

The fair values of interest bearing loans and borrowings are not materially different to their carrying amounts since the interest payable on those borrowings is floating at current market rates.

Financial instruments – Recognition/derecognition

A financial instrument is recognised when Link Group becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised if Link Group's contractual rights to the cash flows from the financial assets expire or if Link Group transfers the financial asset to another party without retaining control or substantially all the risks and rewards of the asset. Financial liabilities are derecognised if Link Group's obligations specified in the contract expire or are discharged or cancelled.

Measurement

Financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, financial instruments are measured as described below.

Financial assets measured at fair value through profit or loss

Financial instruments at fair value through profit or loss are measured at fair value, with changes recognised in the statement of comprehensive income under "gains or losses on financial assets held at fair value through profit and loss".

Financial assets measured at amortised cost

Other financial instruments are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables and interest-bearing loans and borrowings are classified as financial liabilities. Trade and other receivables and cash and cash equivalents are classified as financial assets. Cash and cash equivalents comprise cash balances and call deposits.

Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Any impairment losses are recognised in profit or loss.

22. CONTRIBUTED EQUITY

	2021 $'000	2020 $'000
Issued and paid-up capital		
Balance at the beginning of the year	**1,889,733**	1,909,140
Equity issued under share-based payment arrangements (refer Note 25)	**18,058**	–
Equity issued under dividend reinvestment plan	**9,957**	–
Equity bought back and cancelled	**–**	(19,387)
Equity raising and share buy-back costs, net of tax	**–**	(20)
Balance at the end of the year	**1,917,748**	1,889,733

	2021 '000	2020 '000
Number of shares issued:		
Balance at the beginning of the year	**530,328**	533,951
Equity issued under share-based payment arrangements (refer Note 25)	**3,680**	–
Equity issued under dividend reinvestment plan	**2,218**	–
Equity bought back and cancelled	**–**	(3,623)
Balance at the end of the year	**536,226**	530,328

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares are recognised as a deduction from equity, net of any related income tax benefit.

Ordinary shares

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

The Link Group Dividend Reinvestment Plan (DRP) operates in respect of dividends declared by Link Group from time to time and allows shareholders to reinvest some or all of their dividend in new shares rather than receiving their dividend as a cash payment.

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23. RESERVES

CONSOLIDATED	SHARE COMPEN-SATION RESERVE $'000	TREASURY SHARE RESERVE $'000	DISTRI-BUTABLE PROFITS RESERVE $'000	FOREIGN CURRENCY TRANSLATION RESERVE $'000	ACQUISITION RESERVE $'000	DEFINED BENEFIT RESERVE $'000	PRE-ACQUISITION PROFITS PAID RESERVE $'000	TOTAL $'000
Balance at 1 July 2020	8,215	(320)	117,412	35,000	(12,552)	(1,353)	(129,733)	16,669
Other comprehensive income	–	–	–	(7,030)	–	(111)	–	(7,141)
Transfer from retained earnings to reserves	–	–	29,070	–	–	–	–	29,070
Transactions with shareholders								
Dividends declared from distributable profits reserve	–	–	(42,657)	–	–	–	–	(42,657)
Equity settled share-based payments	10,167	247	–	–	–	–	–	10,414
Treasury shares acquired	–	(18,490)	–	–	–	–	–	(18,490)
Disposal of subsidiaries with non-controlling interest	–	–	–	1,930	96	–	–	2,026
Transactions with non-controlling interest without a change in control	–	–	–	–	(1,063)	–	–	(1,063)
Balance at 30 June 2021	18,382	(18,563)	103,825	29,900	(13,519)	(1,464)	(129,733)	(11,172)

CONSOLIDATED	SHARE COMPEN-SATION RESERVE $'000	TREASURY SHARE RESERVE $'000	DISTRI-BUTABLE PROFITS RESERVE $'000	FOREIGN CURRENCY TRANS-LATION RESERVE $'000	ACQUISITION RESERVE $'000	DEFINED BENEFIT RESERVE $'000	PRE-ACQUISITION PROFITS PAID RESERVE $'000	TOTAL $'000
Balance at 1 July 2019	10,022	(2,698)	114,487	37,071	(12,552)	(1,341)	(129,733)	15,256
Other comprehensive income	–	–	–	(2,071)	–	(12)	–	(2,083)
Transfer from retained earnings to reserves	–	–	104,173	–	–	–	–	104,173
Transactions with shareholders								
Dividends declared from distributable profits reserve	–	–	(101,248)	–	–	–	–	(101,248)
Equity settled share-based payments	(1,807)	2,774	–	–	–	–	–	967
Treasury shares acquired	–	(396)	–	–	–	–	–	(396)
Balance at 30 June 2020	8,215	(320)	117,412	35,000	(12,552)	(1,353)	(129,733)	16,669

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Share compensation reserve

The reserve for own shares represents the cost of ordinary shares held by an equity compensation plan that will be issued to settle entitlements under share-based payment plans. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Treasury share reserve

The treasury share reserve comprises the cost of the Company's shares held by Link Group. Treasury shares are carried at cost and held for the purposes of the settling share-based payment arrangements at a future date, refer Note 25. At 30 June 2021, Link Group held 3,802,952 (2020: 62,582) of the Company's shares.

Distributable profits reserve

The distributable profits reserve is available to enable the payment of future dividends.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of Link Group. Where Link Group hedges foreign currency risk on net investments in foreign subsidiaries, foreign exchange gains/losses on translation of the hedging instrument are recognised in other comprehensive income and accumulated in the foreign currency translation reserve on consolidation.

Acquisition reserve

The acquisition reserve represents the purchase of non-controlling interests where there is no change in control. The accounting standards prescribe that the value of such acquisitions should be accounted for as equity transactions instead of accounting for them as an adjustment to goodwill.

Defined benefit reserve

The defined benefit reserve represents the re-measurement of the net defined benefit liability and comprises the actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest).

Pre-acquisition profits paid reserve

The pre-acquisition profits paid reserve represents dividends paid on consolidation from pre and post-acquisition profits in a prior period.

Dividends

	2021 INTERIM	2020 FINAL	2020 INTERIM	2019 FINAL
Dividend cents per share	**4.5**	**3.5**	6.5	12.5
Franking percentage	**60%**	**50%**	100%	100%
Total dividend ($'000)	**24,073**	**18,561**	34,504	66,744
Record date	**04.03.2021**	**02.09.2020**	05.03.2020	05.09.2019
Payment date	**09.04.2021**	**25.09.2020**	09.04.2020	10.10.2019

Dividends are recognised as a liability in the period in which they are declared. The final 2021 dividend has not been declared at the reporting date and therefore is not reflected in the consolidated financial statements.

On 26 August 2021, the Directors approved a final dividend of $29,492,439, which equates to 5.5 cents per share, franked at 100% in respect of the financial year ended 30 June 2021. The record date for determining entitlements to the final dividend is 1 September 2021. Payment of the final dividend will occur on 20 October 2021.

24. RETAINED EARNINGS

	2021 $'000	2020 [1] $'000
Retained earnings at the beginning of the financial year [23]	**21,237**	229,338
Net profit attributable to equity holders	**(163,352)**	(104,621)
Transfer from retained earnings to distributable profits reserve	**(29,070)**	(104,173)
Gain on settlement of dividend reinvestment plan recognised in retained earnings	**–**	5
Gain on settlement of equity settled share-based payments recognised in retained earnings	**1,402**	688
Transactions with non-controlling interest without a change in control	**1,968**	–
Retained earnings at the end of the year	**(167,815)**	21,237

25. SHARE-BASED PAYMENT ARRANGEMENTS

The fair value of the share-based payments is determined at grant/service commencement date and is recognised as an expense, with a corresponding increase in reserves, over the vesting period. The amount expensed is adjusted based on the related service and non-market performance conditions which are expected to be met, resulting in the amount recognised being based on the number of awards that meet the related service and non-market performance conditions at the vesting date. The impact of any changes to the estimates of non-market vesting conditions are adjusted each reporting period to reflect the most current expectation of vesting.

(a) Description of share-based payment arrangements

At 30 June 2021, Link Group had the following shared-based payment arrangements.

Omnibus equity plan

The Omnibus equity plan (OEP) entitles Executive KMPs, Senior Executives and Senior Leaders to receive Performance Share Rights (PSRs) which, subject to the satisfaction of service-based conditions and performance hurdles, will, if vested, allow participants to receive fully paid ordinary shares in the Company. During the financial year and in accordance with the OEP, LTI PSRs were granted to Executive KMPs, Senior Executives and Senior Leaders on 30 November 2020. The PSRs are divided into two tranches of 75% and 25% and subject to testing against an operating earnings-per-share (EPS) target and relative total shareholder return (relative TSR) respectively.

The terms and conditions of the PSRs granted during the financial year ended 30 June 2021 were as follows.

GRANT DATE/ EMPLOYEES ENTITLED	NUMBER OF PSRS	VESTING CONDITIONS	CONTRACTUAL LIFE OF PSRS
LTI issued to Executive KMPs, Senior Executives and Senior Leaders on 30 November 2020	**2,485,578**	75% against an EPS target and 25% against relative TSR for the three-year performance period commencing 1 July 2020.	Seven years, with last exercise occurring September 2027 (unless the PSRs lapse earlier in accordance with the terms of the invitation).
LTI issued to Senior Executive on 15 February 2021	**18,563**	75% against an EPS target and 25% against relative TSR for the three-year performance period commencing 1 July 2020.	Seven years, with last exercise occurring September 2027 (unless the PSRs lapse earlier in accordance with the terms of the invitation).

The number of PSRs issued to each participant was calculated with reference to the 5-day Volume Weighted Average Price (VWAP) following the release of the 2020 full year results and accounted for at fair value in accordance with accounting standards from grant date.

[1] Prior period comparative information has been restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. Refer to Note 3.

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The expense recognised in the consolidated statement of profit or loss and other comprehensive income in relation to the LTI PSRs during the year ended 30 June 2021 was $1.8 million (2020: $1.2 million).

Special equity grant

On 1 December 2020, the Board, at its discretion, offered restricted shares (RSs) or share rights (SRs) under the Omnibus equity plan (OEP) as compensation to employees who participated in the voluntary temporary pay reduction. The restricted shares or share rights entitle participants to receive fully paid ordinary shares in the Company subject to continued employment for a one or two year service period.

The terms and conditions of special equity granted during the financial year ended 30 June 2021 were as follows.

GRANT DATE	NUMBER OF RSs/SRs	VESTING CONDITIONS
Restricted shares issued 1 December 2020	2,763,466	Subject to continued employment, vesting on 30 November 2021.
Share rights issued 1 December 2020	463,963	Subject to continued employment, vesting on 30 November 2021.
Restricted shares issued 1 December 2020	392,793	Subject to continued employment, vesting on 30 November 2022.
Share rights issued 1 December 2020	56,778	Subject to continued employment, vesting on 30 November 2022.

The expense recognised in the consolidated statement of profit or loss and other comprehensive income in relation to the special equity grant during the financial year ended 30 June 2021 was $9.4 million (2020: $Nil).

(b) Measurement of grant date fair values

Significant accounting estimate and judgement

Judgement is required in determining the fair value of PSRs, which was determined at grant date based upon an independent valuation. The amount expensed is adjusted based on the related service and non-market performance conditions which are expected to be met.

The following inputs were used in the measurement of the fair values at grant date of the LTI PSRs issued during the year ended 30 June 2021:

	30 NOVEMBER 2020
Fair value at grant date:	
i. EPS tranche at grant date	$4.35
ii. TSR tranche fair value at grant date	$2.51
Share price at grant date	$4.90
Exercise price	–
Expected volatility (weighted average volatility)	32.5%
PSR life (expected weighted average life)	3 years
Holding lock discount:	
i. 1 year	7.5%
ii. 2 years	10%
Expected dividends	2.73%
Risk-free interest rate (based on government bonds)	0.12%

The fair value of services received in return for LTI PSRs is based on the fair value of LTI PSRs granted, measured using a Monte Carlo valuation model. Expected volatility is estimated taking into account historic average share price volatility of the Company and certain other ASX listed companies.

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The fair value of services received in return for special equity grant restricted shares or share rights is based on the market price of Link Group's ordinary shares at grant date, being $4.92.

(c) Reconciliation of share rights

The number of share rights on issue during the financial year ended 30 June 2021 was as follows:

	LTI PSRs		SEG SRs		STI DEFERRAL PSRs	
	2021 '000	2020 '000	2021 '000	2020 '000	2021 '000	2020 '000
On issue at beginning of the year	**4,112**	3,116	**–**	–	**6**	6
Granted during the year	**2,504**	1,758	**521**	–	**–**	–
Lapsed during the year	**(1,111)**	(409)	**(49)**	–	**–**	–
Vested during the year	**–**	(353)	**(3)**	–	**(6)**	–
On issue at the end of the year	**5,505**	4,112	**469**	–	**–**	6

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GROUP STRUCTURE

26. BUSINESS COMBINATIONS

In addition to organic growth, Link Group seeks to grow through acquisitions and leverage the existing systems, skill sets and processes to improve client satisfaction and obtain synergies to drive positive returns for shareholders.

All business combinations are accounted for by applying the acquisition method. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Link Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as at the acquisition date.

Consideration transferred includes the fair values of the assets, liabilities and contingent liabilities, including liabilities incurred by Link Group to the previous owners of the acquiree and equity interests issued by Link Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the Business Combination.

Significant accounting estimate and judgement

Judgement is required in measuring the fair value of identifiable assets acquired and liabilities assumed for each acquisition. All key assumptions applied in fair value measurements were determined using the past experiences of Link Group and management. Where possible, assumptions were validated against external sources of information.

Acquisitions

On 31 July 2020, Link Group acquired 100% of Universal Capital Securities Private Limited for INR 32.1 million ($0.6 million).

On 5 March 2021, Link group acquired 100% of SKDC Consultants Limited for INR 50.9 million ($0.9 million).

On 18 September 2020, Link Group acquired the remaining 25% interest, taking its interest to 100%, in TSR Darashaw Consultants Private Limited for INR 333.0 million ($6.2 million). Given Link Group already owned 75% of TSR Darashaw Consultants Private Limited, this was not a business combination and was accounted for as a transaction with non-controlling interests in accordance with AASB 10 *Consolidated Financial Statements*.

These share registry acquisitions in India add scale to the existing Link Intime business and provide the opportunity to obtain cost synergies from integration.

Provisional acquisition accounting

The fair values of the following assets and liabilities have been recognised on a provisional basis as at 30 June 2021, whereby the accounting balances for the acquisition may be revised in accordance with AASB 3 *Business Combinations*:

- intangible assets (excluding goodwill), predominantly client relationships, have been determined provisionally pending completion of fair value calculations; and
- the fair value of net identifiable assets acquired may be impacted by the completion of the newly acquired subsidiaries 30 June 2021 financial statement audits and tax returns.

Where new information obtained within one year of the acquisition about the facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, the accounting for the acquisition will be revised.

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Prior year provisional acquisition accounting

The fair values of the assets and liabilities acquired in the Link Pension Administration Limited business combination were recognised on a provisional basis as at 30 June 2020. No new information was obtained about the facts and circumstances that existed at the date of the acquisitions, meaning no adjustments to any amounts recognised or the accounting for the acquisitions were required. The measurement period for these business combinations is now closed.

Disposal of subsidiaries

On 2 November 2020, Link Group completed the sale of its 74.9% interest in Link Market Services South Africa (Pty) Limited (LMSSA) to JSE Limited for a cash free, debt free consideration of ZAR 224.5 million ($19.5 million). The subsidiaries over which Link Group relinquished control due to the sale transaction were:

- Link Market Services South Africa (Pty) Limited;
- Link Investor Services Pty Limited; and
- Pacific Custodians (Nominees) (RF) Pty Limited.

LMSSA's assets and liabilities associated with the sale were presented as a disposal group held for sale as at 30 June 2020.

The results of the disposed subsidiaries are included in Link Group's consolidated statement of profit or loss and other comprehensive income up until the date of relinquishment of control on 2 November 2020. On the date of relinquishment of control, Link Group derecognised the assets and liabilities of the disposed subsidiaries and recognised a profit before tax on disposal of $15.3 million in accordance with AASB 10 *Consolidated Financial Statements*.

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27. CONTROLLED ENTITIES

SUBSIDIARIES	COUNTRY OF INCORPORATION	% OWNERSHIP INTEREST CONSOLIDATED 2021	% OWNERSHIP INTEREST CONSOLIDATED 2020
Australia and New Zealand			
Link Administration Pty Limited	Australia	100	100
Link Digital Solutions Pty Limited	Australia	100	100
Link Market Services Group Pty Limited	Australia	100	100
Link Market Services Holdings Pty Limited	Australia	100	100
Link Market Services Limited	Australia	100	100
Pacific Custodians Pty Limited	Australia	100	100
Link MS Services Pty Limited	Australia	100	100
Link Share Plans Pty Limited	Australia	100	100
Orient Capital Pty Limited	Australia	100	100
Corporate File Pty Limited	Australia	100	100
Open Briefing Pty Limited	Australia	100	100
Australian Administration Services Pty Limited	Australia	100	100
AAS Superannuation Services Pty Limited	Australia	100	100
Link Group Technology Pty Limited	Australia	100	100
Atune Financial Solutions Pty Limited	Australia	100	100
Primary Superannuation Services Pty Limited	Australia	100	100
The Superannuation Clearing House Pty Limited	Australia	100	100
Complete Corporate Solutions Pty Limited	Australia	100	100
Company Matters Pty Ltd	Australia	100	100
The Australian Superannuation Group (WA) Pty Ltd	Australia	100	100
Link DigiCom Pty Limited	Australia	100	100
Link Business Services Pty Ltd	Australia	100	100
Link Administration Services Pty Limited	Australia	100	100
Link Advice Pty Limited	Australia	100	100
Link Super Pty Limited	Australia	100	100
P.S.I Superannuation Management Pty Limited	Australia	100	100
Empirics Marketing Pty Limited	Australia	51.3	51.3
FuturePlus Financial Services Pty Limited	Australia	100	100
Link Property Holdings Pty Limited	Australia	100	100
Link Property Pty Limited	Australia	100	100
Link Administration RSS Pty Limited *(formerly FuturePlus Legal Services Pty Limited)*	Australia	100	100
Accrued Holdings Pty Limited	Australia	51.3	51.3
Synchronised Software Pty Limited	Australia	100	100
Link Administration Support Services Pty Limited	Australia	100	100
Superpartners Pty Limited	Australia	100	100
Link Administration Resource Services Pty Limited	Australia	100	100
Link Fund Solutions Pty Limited	Australia	100	100
Adviser Network Pty Limited	Australia	100	100
Link Land Registry Services Pty Limited	Australia	100	100
WO Nominees A/C Non Taxable Pty Limited	Australia	100	100
WO Nominees A/C Company Pty Limited	Australia	100	100
WO Nominees A/C Fund Pty Limited	Australia	100	100

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SUBSIDIARIES	COUNTRY OF INCORPORATION	% OWNERSHIP INTEREST CONSOLIDATED 2021	% OWNERSHIP INTEREST CONSOLIDATED 2020
Link Administration Holdings Employee Share Trust [1]	Australia	–	–
Link Market Services (New Zealand) Limited	New Zealand	100	100
Pacific Custodians (New Zealand) Limited	New Zealand	100	100
United Kingdom and Channel Islands			
Link Group Administration Limited	United Kingdom	100	100
Link Group Service Company Limited	United Kingdom	100	100
D.F. King Ltd	United Kingdom	100	100
Orient Capital Limited	United Kingdom	100	100
Link Group Corporate Director Limited	United Kingdom	100	100
Link Group Corporate Secretary Limited	United Kingdom	100	100
Asset Checker Limited	United Kingdom	50	50
Crown Northcorp Limited	United Kingdom	100	100
Jessop Fund Managers Limited	United Kingdom	100	100
LFI (Nominees) Limited	United Kingdom	100	100
Link Alternative Fund Administrators Limited	United Kingdom	100	100
Link Asset Services (Holdings) Limited	United Kingdom	100	100
BCMGlobal London Limited *(formerly Link Asset Services (London) Limited)*	United Kingdom	100	100
BCMGlobal (UK) Limited *(formerly Link Asset Services (UK) Limited)*	United Kingdom	100	100
Link Company Matters Limited	United Kingdom	100	100
LF Solutions Holdings Limited *(formerly Link Financial Group Limited)*	United Kingdom	100	100
Link Financial Investments Limited	United Kingdom	100	100
Link Fund Administrators Limited	United Kingdom	100	100
Link Fund Solutions Limited	United Kingdom	100	100
Link Market Services Limited	United Kingdom	100	100
Link Market Services Trustees (Nominees) Limited	United Kingdom	100	100
Link Market Services Trustees Limited	United Kingdom	100	100
BCMGlobal Mortgage Services Limited *(formerly Link Mortgage Services Limited)*	United Kingdom	100	100
Link Share Plan Services Limited	United Kingdom	100	100
Link Treasury Services Limited	United Kingdom	100	100
Northern Registrars Limited *(dissolved 8 December 2020)*	United Kingdom	–	100
Personal Pension Management Ltd *(dissolved 8 December 2020)*	United Kingdom	–	100
Rooftop Mortgages Limited	United Kingdom	100	100
Sinclair Henderson Fund Administration Limited	United Kingdom	100	100
Stentiford Close Registrars Limited *(dissolved 8 December 2020)*	United Kingdom	–	100
Link Pension Administration Limited	United Kingdom	100	100
Financial Administrators (Guernsey) Limited *(dissolved 24 February 2021)*	Guernsey	–	100
Link Market Services (Guernsey) Limited	Guernsey	100	100
Link Nominees 1 Limited *(dissolved 24 February 2021)*	Guernsey	–	100
Link Nominees 2 Limited *(dissolved 24 February 2021)*	Guernsey	–	100
Link Market Services (Jersey) Limited	Jersey	100	100

[1] Link Group has determined it controls the employee share trust that administers its share-based payment arrangements (refer Note 25), despite having no ownership interest in the entity.

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SUBSIDIARIES	COUNTRY OF INCORPORATION	% OWNERSHIP INTEREST CONSOLIDATED 2021	% OWNERSHIP INTEREST CONSOLIDATED 2020
Link Market Services (Isle of Man) Limited	Isle of Man	100	100
Europe			
Link Market Services GmbH	Germany	100	100
Link Market Services (Frankfurt) GmbH	Germany	100	100
Link Asset Services GmbH	Germany	100	100
Orient Capital GmbH	Germany	100	100
BCMGlobal ASI Limited *(formerly Link ASI Limited)*	Ireland	100	100
Link CTI Limited	Ireland	100	100
Link Fund Administrators (Ireland) Ltd	Ireland	100	100
Link Fund Manager Solutions (Ireland) Limited	Ireland	100	100
Link IRG (BC) Limited	Ireland	100	100
Link Registrars Limited	Ireland	100	100
Link Group Administration Pty Limited	Ireland	100	100
Link Group Service Company Pty Limited	Ireland	100	100
Link Fund Solutions (Luxembourg) S.A.	Luxembourg	100	100
Link Asset Services B.V.	Netherlands	100	100
BCMGlobal Netherlands B.V. *(formerly Link Asset Services (Netherlands) B.V.)*	Netherlands	100	100
FlexFront B.V.	Netherlands	100	100
Link Asset Services (France) SAS	France	100	100
Other countries			
Link Investor Services Pty Limited *(disposed 2 November 2020)*	South Africa	–	74.9
Link Market Services South Africa (Pty) Limited *(disposed 2 November 2020)*	South Africa	–	74.9
Pacific Custodians (Nominees) (RF) Pty Limited *(disposed 2 November 2020)*	South Africa	–	74.9
Link Intime India Private Limited	India	100	100
Sharex Dynamic (India) Pvt Ltd *(merged into Link Intime India Private Limited)*	India	–	100
TSR Darashaw Consultants Private Limited	India	100	75
Universal Capital Securities Private Limited *(acquired 31 July 2020)*	India	100	–
SKDC Consultants Limited *(acquired 5 March 2021)*	India	100	–
Link Administration Services Private Limited	India	100	100
PNG Registries Pty Limited	Papua New Guinea	100	100
Link Market Services (Hong Kong) Pty Limited	Hong Kong	100	100

Subsidiaries are entities controlled by the Company. Control exists when Link Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed on acquisition when necessary to align them with the policies adopted by Link Group.

28. PARENT ENTITY DISCLOSURES

In accordance with the *Corporations Act 2001*, these consolidated financial statements present the results of the consolidated entity only. As at, and throughout, the financial year ended 30 June 2021 the ultimate parent entity of Link Group was Link Administration Holdings Limited.

	2021 $'000	2020 $'000
Result of parent entity		
Profit for the year	**29,070**	104,173
Other comprehensive income	**–**	–
Total comprehensive income for the year	**29,070**	104,173
Financial position of parent entity at year end		
Current assets	**23,297**	13,689
Total assets	**2,000,524**	1,947,268
Current liabilities	**27,345**	109
Total liabilities	**27,345**	109
Total equity of the parent entity comprising of:		
Contributed equity	**1,917,748**	1,889,733
Share compensation reserve	**18,382**	8,215
Distributable profits reserve	**103,848**	117,412
Accumulated losses	**(66,799)**	(68,201)
Total equity	**1,973,179**	1,947,159

The parent entity has a deficiency of net current assets of $4.0 million (2020: net current assets of $13.5 million), primarily due to the $24.5 million income tax payable (2020: $10.3 million income tax receivable) it carries as head of the Link Administration Holdings tax consolidated group. The current tax asset/liability is funded by other members of the tax consolidated group, shown as inter-company receivables in non-current assets. Link Group has $211.1 million (2020: $188.9 million) net current assets and $395.0 million (2020: $264.1 million) cash and cash equivalents as at 30 June 2021.

Other than those disclosed in Note 20, the parent entity has no contingent liabilities, contractual commitments or guarantees with third parties as at 30 June 2021 (2020: none).

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OTHER DISCLOSURES

29. RELATED PARTIES

Key Management Personnel compensation

The aggregate Key Management Personnel ("KMP") compensation comprised the following:

	2021 $	2020 $
Short term employee benefits	8,506,617	5,962,222
Post-employment benefits	221,653	213,288
Other long-term benefits	31,902	58,974
Share-based payments	1,547,729	1,142,500
Termination benefits	–	–
	10,307,901	7,376,984

30. AUDITOR'S REMUNERATION

	2021 $	2020 $
Audit of the financial statements		
Auditor of the Company – KPMG Australia	1,016,582	941,091
Other network firms – KPMG international	1,429,293	1,105,481
Assurance related services		
Auditor of the Company – KPMG Australia	575,624	604,629
Other network firms – KPMG international	280,826	311,794
Other services		
Auditor of the Company – KPMG Australia	580,350	415,000
Other network firms – KPMG international	213,274	260,918
	4,095,949	3,638,913

"Other services" includes accounting and other services provided during the financial year.

The Auditor's remuneration relating to entities acquired in a business combination during the financial year is disclosed only in respect of the period those entities were controlled by Link Group.

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31. SUBSEQUENT EVENTS

Casa4Funds acquisition

On 18 December 2020, Link Group entered into a binding agreement to acquire 100% of Casa4Funds S.A. (Casa4Funds) for a cash free, debt free consideration of €10 million. Casa4Funds, headquartered in Luxembourg, is one of the oldest European independent third-party UCITS Management Companies and Alternative Investment Fund Managers (AIFM). As at 30 June 2021, the acquisition was subject to mandatory regulatory approvals and completed on 4 August 2021.

On-market share buy-back

On 26 August 2021, Link Group announced its intention to undertake an on-market buy-back of its shares up to a maximum cost of $150.0 million. Link Group reserves the right to vary, suspend or terminate the buy-back at any time.

Post balance date debt repayments

Link Group made the following debt repayments subsequent to reporting date:

- On 7 July 2021, Link Group repaid $45 million of its AUD non-amortising loan facility;
- On 12 July 2021, Link Group repaid £3.3 million of its GBP non-amortising loan facility;
- On 12 July 2021, Link Group repaid $75 million of its AUD non-amortising loan facility; and
- On 28 July 2021, Link Group repaid $30 million of its AUD non-amortising loan facility.

On 5 July 2021, Link Group terminated $275 million of the AUD non-amortising term loan facility early in accordance with the Syndicated Facility Agreement.

Impact of COVID-19 on post balance date trading

Whilst the Directors note the ongoing COVID-19 pandemic continues to impact global markets and business operations, including jurisdictions that Link Group operates in, Link Group has shown resilience and has been proactive in response to these challenges. The future impact of the COVID-19 pandemic remains uncertain.

Other than the matters described above, in the opinion of the Directors, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of Link Group, the results of those operations, or the state of affairs of Link Group, in future financial years.

32. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

There are no new standards, amendments to standards and interpretations effective for annual periods beginning on or after 1 July 2021 that have been applied in preparing these consolidated financial statements. No new standards are expected to be relevant to Link Group, and Link Group does not intend to adopt any standards early.

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SECTION

04 Directors' Declaration

1. In the opinion of the Directors of Link Administration Holdings Limited (the Company):
   a) the consolidated financial statements and notes that are set out on pages 61 to 112 and the Remuneration Report on pages 33 to 56 in the Directors' Report are in accordance with the Corporations Act 2001, including:
      (i) giving a true and fair view of Link Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
      (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
   b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director and the Chief Financial Officer for the financial year ended 30 June 2021.
3. The Directors draw attention to Note 2(a) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors.



Michael Carapiet
Chair



Vivek Bhatia
Chief Executive Officer & Managing Director

Dated 26 August 2021 at Sydney.

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Independent Auditor's Report

To the shareholders of Link Administration Holdings Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Link Administration Holdings Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Link Group***'s financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2021;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

Link Group consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Link Group in accordance with 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 fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter

We draw attention to Note 3 to the financial statements, which describes the restatement of comparative information related to the Group's equity accounted investee. Our report is not modified in respect of this matter.

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Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Valuation of goodwill
- Revenue

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of goodwill ($1,286m) and recognition of impairment charge ($173.1m)

Refer to Note 16 to the Financial Report

The key audit matter	How the matter was addressed in our audit

Link Group's annual testing of goodwill for impairment is a Key Audit Matter due to:
• the size of the goodwill balance (being 30% of total assets); and
• the forward-looking assumptions Link Group applied in its value in use models, including:
  • forecast cash flows, growth rates and terminal growth rates which are influenced by duration, renewal and key terms of major client contracts, competitive market conditions;
  • estimating the projected cash flow forecast into the future is inherently subjective and susceptible to differences in outcome;
  • Link Group also operates across different geographies with varying market pressures which increases the risk of inaccurate forecast; and
  • discount rates, which are subjective in nature and vary according to the specific conditions and environment of Cash Generating Units (CGUs).
	Our procedures included:
	• Considering the appropriateness of the value in use method applied by Link Group to perform the annual test of goodwill for impairment against the requirements of the Accounting Standards;
	• Testing the integrity of the value in use models used, including the determination of carrying values and the accuracy of the underlying calculations;
	• In light of the recent changes to Link Group's operating model, assessing Link Group's determination of its CGUs, we analysed how independent cash inflows of Link Group were generated, against the requirements of the Accounting Standards;
	• Assessing the historical accuracy of Link Group's forecasts by comparing to actual results, to use in our evaluation of forecasts incorporated in the value in use model;
	• Checking the consistency of the forecast cash flows assumptions, for alignment to Link Group's approved FY22 – FY26 budget and our inquiries with Link Group;
	• Performing sensitivity analysis of key assumptions, in particular discount rates, forecast growth rates and terminal growth rates, to identify those assumptions at a higher risk of bias or inconsistency in application;

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At 30 June Link Group recognised an impairment charge of $173.1m in relation to the Banking and Credit Management CGU. This drives additional audit effort given the sensitivity to changes in cashflow assumptions. During the year ended 30 June 2021 Link Group realigned its operating and organisation structure, requiring consideration of the allocation of goodwill to the CGUs, based on Link Group's management and monitoring of the business.	• Working with our valuation specialists we used our knowledge of Link Group and its industry to independently develop a discount rate range considered comparable using publicly available market data for comparable entities. We involved valuation specialists to supplement our senior audit team members in assessing this Key Audit Matter; and • Assessing the disclosures in the financial report, including those detailing the impairment charge for the year, using our understanding of the information obtained from our testing and against the requirements of the Accounting Standards.
Revenue ($1,160.3m)	
Refer to Note 6 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
Revenue is a Key Audit Matter due to: • its significance to Link Group results; and • the significant audit effort required as a result of the various streams of revenue derived from diverse services and products offered to customers. This includes revenue earned in multiple geographical locations under each of the reporting segments. Link Group generates revenue across its four operating segments from a variety of services and products offerings. Significant revenue streams include fees from the: • provision of administration services to superannuation funds; • provision of services to corporates; • loan origination and servicing, debt work-out, compliance and regulatory oversight services to retail banks, investment banks, private equity funds and other investors; and • provision of management, third-party administration and transfer agency services to investment funds.	Our procedures included: • Obtaining an understanding of processes and testing key controls for significant revenue streams across the four business units. This included walking through the process with Link Group's respective business and finance teams to check our understanding of the procedures and related controls; • Testing of Link Group's controls for the review and manual approval of key calculations and invoices for significant revenue streams; • Using statistical sampling across key revenue streams and checking Link Group's recorded revenue to customer invoices, signed customer contracts and bank statements; • Selecting a sample of invoices across the various revenue streams raised prior to, and post, year-end. We checked the timing of revenue recorded against the details of the service description on the invoice; and • Developing an expectation for contract-based revenue for the significant revenue streams and comparing this with the

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	recorded contract revenue for the current year. We based this on prior year contract revenue and average fee changes sourced from a sample of signed customer contracts and adjusted our expectation for changes in member numbers throughout the year, which were checked to customer invoices.

Other Information

Other Information is financial and non-financial information in Link Group's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report, Operating and Financial Review and Remuneration Report. The Messages from the Chair and Managing Director, Sustainability Report and Additional Shareholder Information are expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001;*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing Link Group's and the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate Link Group and the Company or to cease operations or have no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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. They 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.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Link Administration Holdings Limited for the year ended 30 June 2021, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 33 to 56 of the Directors' report for the year ended 30 June 2021.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Eileen Hoggett
Partner

Brendan Twining
Partner

Sydney
26 August 2021