PROPERTY
INCOME
FUND

Annual Financial Report

For the year ended 30 June 2024

Elanor Property Income Fund

Comprising the stapling of units in Elanor Property Income Fund I (ARSN 615 291 220) and units in Elanor Property Income Fund II (ARSN 615 291 284)

Level 38, 259 George Street,
Sydney NSW 2000
GPO Box 1511,
Sydney NSW 2001
www.elanorinvestors.com/EPIF

ELANOR PROPERTY INCOME FUND

TABLE OF CONTENTS

ELANOR PROPERTY INCOME FUND

DIRECTORS' REPORT

The Directors of Elanor Funds Management Limited (Responsible Entity), as responsible entity of the Elanor Property Income Fund I (EPIF I) and Elanor Property Income Fund II (EPIF II), present their report together with the consolidated financial report of Elanor Property Income Fund (EPIF, Group, Consolidated Group or Fund) and the consolidated financial report of the Elanor Property Income Fund I for the year ended 30 June 2024.

The annual financial report of the Consolidated Group comprises EPIF II and its controlled entities, including EPIF I and its controlled entities. The annual financial report of the EPIF I Group comprises Elanor Property Income Fund I and its controlled entities.

The Responsible Entity is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 38, 259 George Street, Sydney NSW 2000.

Elanor Asset Services Pty Limited (ABN 83 614 679 622), a wholly owned subsidiary of Elanor Investors Group, is the Manager of the Fund, providing services in accordance with the Investment Management Agreement. The Trust Company (Australia) Limited is the Custodian of the Fund, pursuant to the Custody Deed.

The Directors' report is a combined Directors' report that covers both schemes. The financial information for the Group is taken from the consolidated financial reports and notes.

1. Directors

The following persons have held office as Directors of the Responsible Entity during the year and up to the date of this report:

- Ian Mackie (appointed as Chair from 1 January 2024, appointed as Director on 25 August 2023)
- Paul Bedbrook (resigned as Chair and Director on 31 December 2023)
- Anthony (Tony) Fehon (Director, and appointed as Managing Director on 9 September 2024)
- Glenn Willis (resigned on 9 September 2024)
- Nigel Ampherlaw (resigned on 23 September 2024)
- Su Kiat Lim
- Karyn Baylis
- Victor Rodriguez (appointed on 7 July 2023 and resigned on 3 September 2024)
- Kathy Ostin (appointed on 1 January 2024)

2. Principal activities

The principal activities of the Fund are the investment in a range of properties, providing diversification by property, sector, geographic location and tenancy mix.

3. Distributions

Distributions in respect of the year ended 30 June 2024

The following table details the Consolidated Group's distributions that were declared before the reporting date for the year ended 30 June 2024.

Consolidated Group	Distribution Cents per stapled	30 June 2024 $'000	Distribution Cents per stapled	30 June 2023 $'000
Monthly distributions paid	4.09	3,278	3.01	2,560
June distributions payable	0.29	230	0.40	340
Special distribution	–	–	36.00	45,976
Special distribution - return of capital	27.00	21,666	–	–
Total distributions paid or payable	**31.38**	**25,174**	**39.41**	**48,876**

4. Operating and financial review

OVERVIEW AND STRATEGY

The Elanor Property Income Fund is a closed-ended fund that holds direct property investments.

On 8 May 2024, during an extraordinary EPIF securityholder meeting EPIF members approved:

- The orderly wind up of EPIF, incorporating the realisation of the Fund's assets and returning of capital to investors as the assets are realised in accordance with the Fund's Product Disclosure Statement and the Fund's Constitution, to be completed over a 12-18 month period, subject to market conditions; and
- Providing an initial return of capital to eligible securityholders of approximately $0.27 per security, by way of increased drawn debt in the Fund, with the proceeds of the debts drawn down to fund the initial return of capital. The initial return of capital was paid to securityholders on 13 May 2024.

Prior to the decision to wind up the fund, the Fund's objective was to provide reliable monthly income and the potential for capital growth by investing in a diversified portfolio of quality properties in Australia and New Zealand. The Fund's strategies were to:

- Invest across a range of properties, providing diversification by property, sector, geographic location and tenancy mix;
- Invest in real estate assets, both directly and indirectly through listed and unlisted property funds;
- Invest in liquid investments and cash; and
- Target stabilised real estate assets that are competitively located and generate predictable, recurring cashflows.

The Fund's portfolio at balance date comprised direct investments in four non-discretionary focused shopping centres with:

- A combined valuation of $98.9 million;
- Occupancy of 94%;
- 42% of its income from major retailers and 58% from specialty retailers; and
- 37% of revenue generated by supermarket tenants, 58% from specialty stores and 5% from discount department stores (DDS).

4. Operating and financial review

OVERVIEW AND STRATEGY (CONTINUED)

During the year from 1 July 2023 to 30 June 2024, the Fund achieved the following results:

- Statutory loss of $13.0 million ($4.7 million profit in the prior year);
- Funds from Operations (FFO) for the period of $3.7 million or 4.60 cents per stapled security;
- Distributions of $3.5 million or 4.38 cents per stapled security (paid monthly); and
- A special distribution of $0.27 per stapled security ($21.7 million) was paid on 13 May 2024.
- Further to the above, the sale of the Fund's Glenorchy Plaza asset was exchanged on 3 April 2024 and subsequently settled on 8 July 2024 for $19.45 million. The net proceeds from the sale were used to repay debt by $17.2 million, pay $1.0 million of transaction and selling costs, with the remaining $1.6 million paid to unitholders via a special distribution of $0.02 per stapled security on 15th July 2024.

INVESTMENT PORTFOLIO

The valuation of the Fund's portfolio of investment properties (net of estimated selling costs) at 30 June 2024 was $98.9 million.

The following table shows the Fund's investment portfolio as at balance date:

Property	Location	Type	Carrying Value 30 June 2024 $'m	Carrying Value 30 June 2023 $'m
Manning Mall	Taree, NSW	Sub-regional shopping centre	34.0	38.0
Gladstone Square	Gladstone, QLD	Neighbourhood shopping centre	27.9	31.0
Glenorchy Plaza	Glenorchy, TAS	Neighbourhood shopping centre	19.4	21.4
Northway Plaza	Bundaberg, QLD	Neighbourhood shopping centre	17.6	19.8
Total Investment Properties			**98.9**	**110.2**

The $11.3 million decrease in the valuation of the Fund's investment properties is a result of the revaluation of properties down to their net realisable value, based either on contracted sales prices or market evidence of the net realisable value. Included in the valuations is an allowance for selling costs. The value of Glenorchy Plaza, Northway Plaza and Manning Mall reflect the net sales price (after selling costs) based on contractual sales arrangements.

4. Operating and financial review (continued)

FINANCIAL RESULTS

The Fund recorded a statutory loss after tax of $13.0 million for the year ended 30 June 2024 (30 June 2023: profit after tax of $4.7 million).

Funds from Operations (FFO) were $3.7 million or 4.60 cents per weighted stapled average security. FFO is the Directors' measure of the periodic amount available for distributions and has been determined in accordance with the definition outlined in the Property Council of Australia's white paper "Voluntary best practice guidelines for disclosing FFO and AFFO" and adjusted for amortisation amounts.

The Fund's balance sheet at 30 June 2024 had net assets of $29.3 million, and cash on hand of $1.1 million.

A summary of the Fund's results for the year is set out below:

Key financial results	Consolidated Group 30 June 2024	Consolidated Group 30 June 2023
Net statutory (loss) / profit ($'000)	(12,979)	4,709
Funds from Operations (FFO) ($'000)	3,691	5,938
FFO per stapled security (cents)	4.60	6.97
FFO per weighted average stapled security (cents)	4.60	5.91
Distributions paid and payable to securityholders ($'000)	25,174	48,876
Distributions (cents per stapled security)	31.38	39.41
Net tangible assets ($ per stapled security)	0.37	0.84
Gearing (net debt / total assets less cash) (%)1	66.2%	37.6%

1. The Fund's increased gearing reflects the additional drawn debt approved by securityholders at the EGM on 8 May 2024.

The table below provides a reconciliation from statutory net (loss)/profit to Funds from Operations:

Funds from Operations (FFO)	Consolidated Group 30 June 2024 $'000	Consolidated* Group 30 June 2023 $'000
Statutory net (loss) / profit	**(12,979)**	**4,709**
Adjustments for items included in statutory profit:		
Straight-lining of rental income[2]	525	414
Revaluation adjustments on investment properties	14,122	(1,236)
Net fair value movement on derivative financial instruments	486	65
Net fair value movement on financial assets at fair value through profit or loss	320	1,452
Net accounting gain on sale/ disposal of investment properties	–	(1,787)
Amortisation expense[3]	457	507
Transaction cost[4]	760	1,180
Other	–	635
Funds from Operations (FFO)[1]	**3,691**	**5,938**

* Comparatives have been restated to reclassify amounts between net fair value adjustments on investment properties and amortisation expense, refer to Note 17 for further detail. The restatement does not have any impact to the overall FFO.

Note 1: Funds from Operations (FFO) has been determined in accordance with the Property Council Guidelines and adjusted for amortisation of borrowing cost which is excluded from FFO and represents the Directors' view of underlying earnings from ongoing operating activities, being statutory profit / (loss) (under IFRS), adjusted for non-cash and other items such as property revaluations, derivative mark-to-market impacts, amortisation of tenant incentives, gains/losses on sale of investment properties, straight-line rental adjustments, non-FFO tax expenses/benefits and other unrealised one-off items.

Note 2: Straight-lining of rental income is a non-cash accounting adjustment recognised in rental income in the Consolidated Statement of Profit or Loss.

Note 3: Amortisation expense includes the amortisation of capitalised leasing costs and debt establishment costs, recognised in rates, taxes and other outgoings, other expenses and borrowing costs in the Consolidated Statement of Profit or Loss.

Note 4: Transaction costs primarily relate to acquisition, underwriting and professional fees relating to the sale of Glenorchy.

4. Operating and financial review (continued)

SUMMARY AND OUTLOOK

At an extraordinary general meeting on 8 May 2024, EPIF securityholders approved the orderly wind up of the Fund and an initial return of capital to eligible securityholders.

In considering and assessing the range of strategic options available in these circumstances, the Responsible Entity formed the view that it would be in the best interests of securityholders as a whole to proceed with an orderly realisation of the Fund's assets with capital returned to investors progressively, as the assets are realised after repayment of debt and payment of transaction costs.

5. Interests in the Group

The movement in stapled securities of the Group during the year is set out below:

	Consolidated Group 30 June 2024	Consolidated Group 30 June 2023	EPIF I 30 June 2024	EPIF I 30 June 2023
Stapled securities on issue at the beginning of the year	85,142,280	127,712,725	85,142,280	127,712,725
Stapled securities issued during the year	82,259	32,014	82,259	32,014
Stapled securities acquired through security buy-back scheme	-	(38,535,189)	-	(38,535,189)
Stapled securities redeemed during the year	(4,979,993)	(4,067,270)	(4,979,993)	(4,067,270)
Stapled securities on issue at the end of the year	**80,244,546**	**85,142,280**	**80,244,546**	**85,142,280**

6. Directors

Name	Particulars
Ian Mackie	Independent Non-Executive Chairman (appointed as Chair on 1 January 2024, appointed as Director on 25 August 2023) Ian was appointed as a Director of both Elanor Investors Limited ('EIL') and Elanor Funds Management Limited ('EFML') (the Responsible Entity of EPIF) in August 2023. With more than 40 years of experience in real estate investment and funds management in the Asia Pacific region, Ian is currently the Lead Independent Director of Keppel REIT Management Limited (KRML), manager of the Keppel REIT, listed on the Singapore Stock Exchange. Ian served as Chair of the Urban Land Institute (ULI) Australia, and as a member for the Board of ULI Asia Pacific, from June 2019 until June 2022. He remains a member of the Australian National Council, and a ULI Global Trustee. Ian was previously the International Director and Asia Pacific Head of Strategic Partnerships at LaSalle Investment Management Asia from January 2000 to April 2018. Ian also served on LaSalle's Asia Pacific Investment Committee from 2006 and its Global Investment Strategy Committee from 2008. Ian holds a Bachelor of Arts (Economics & Law) from the University of Canberra and an Associate Diploma in Valuation from the University of Technology Sydney. He is a member of the Australian Institute of Company Directors, and the Singapore Institute of Directors, and has been a director of regulated entities in Singapore and South Korea. Former listed directorships in the last three years: Nil Interest in stapled securities: Nil Qualifications: B. Arts (Econ & Law)
Paul Bedbrook	Independent Non-Executive Chairman (resigned as Chair and Director on 31 December 2023) Paul was appointed as a Director of both EIL and EFML (the Responsible Entity of EPIF) in June 2014. Paul has had a career of over 30 years in financial services, originally as an analyst, fund manager and then the GM & Chief Investment Officer for Mercantile Mutual Investment Management Ltd (ING owned) from 1987 to 1995. Paul was an executive for 26 years with the Dutch global banking, insurance and investment group, ING, retiring in 2010. Paul's career included the roles of: President and CEO of ING Direct Bank, Canada (2000 – 2003), CEO of the ING Australia/ANZ Bank Wealth JV (2003 - 2008) and Regional CEO, ING Asia Pacific, Hong Kong (2008 – 2010). Paul was previously the Chairman of Zurich Financial Services Australia and its Life, General and Investment Companies. Paul is currently a non-executive director of the National Blood Authority. Former listed directorships in the last three years: Elanor Retail Property Fund (ERF) Interest in stapled securities: Nil Qualifications: B.Sc, F FIN, FAICD

6. Directors (continued)

Name	Particulars
Glenn Willis	Managing Director and Chief Executive Officer (resigned as Managing Director and Chief Executive Officer on 9 September 2024) Glenn has over 30 years' experience in the Australian and international capital markets. Glenn was the co-founder and Chief Executive Officer of Moss Capital, prior to its ASX listing as Elanor Investors Group in July 2014. Prior to Elanor, Glenn co-founded Grange Securities and led the team in his role as Managing Director and CEO. After 12 years of growth, Grange Securities was acquired by Lehman Brothers International in 2007 as the platform for Lehman's Australian investment banking and funds management operations. Glenn was appointed Managing Director and Country Head in March 2007. In 2008, Glenn was appointed executive Vice Chairman of Lehman Brothers Australia. Glenn is a Director of FSHD Global Research Foundation. Former listed directorships in the last three years: Elanor Retail Property Fund (ERF) Interest in stapled securities: 485,205 Qualifications: B.Bus (Econ & Fin)
Nigel Ampherlaw	Independent Non-Executive Director (resigned on 23 September 2024) Nigel was appointed as a Director of both EIL and EFML (the Responsible Entity of EPIF) in June 2014. Nigel was a Partner of PricewaterhouseCoopers for 22 years where he held a number of leadership positions, including heading the financial services audit, business advisory services and consulting businesses. He also held a number of senior client Lead Partner roles. Nigel has extensive experience in risk management, technology, consulting and auditing in Australia and the Asia-Pacific region. Nigel is the chairman and independent Non-Executive Director of Great Southern Bank. Former listed directorships in the last three years: Elanor Retail Property Fund (ERF) Interest in stapled securities: 109,630 Qualifications: B.Com, FCA, MAICD
Anthony (Tony) Fehon	Independent Non-Executive Director (appointed as Managing Director on 9 September 2024) Tony was appointed as a Director of both EIL and EFML (the Responsible Entity of EPIF) in August 2019. Tony has more than 30 years' experience working in senior roles with some of Australia's leading financial services and funds management businesses. He has broad experience in operational and leadership roles across many industries. Tony is a director of Elanor Hotel Accommodation Limited and Elanor Hotel Accommodation II Limited, enlighten Australia Pty Limited, Volt Corporation Limited, and numerous small companies. He was previously an Executive Director of Macquarie Bank Limited where he was involved in the formation and listing of several of Macquarie's listed property trusts including being a director of the listed leisure trust. Former listed directorships in the last three years: Elanor Retail Property Fund (ERF) Interest in stapled securities: 60,000 Qualifications: B. Com, FCA

6. Directors (continued)

Name	Particulars
Su Kiat Lim	Non-Executive Director Su Kiat was appointed as a Director of both EIL and EFML (the Responsible Entity of EPIF) in October 2021. Su Kiat is currently CEO of Firmus Capital Pte Ltd, a Singapore based private equity real estate investment management firm founded in 2017. Su Kiat has been in the property industry for over 20 years with extensive direct real investment experience, executing strategies across direct real estate portfolios in Asia Pacific including Australia. In 2011 Su Kiat co-founded Rockworth Capital Partners, with direct real estate AUM of circa $1bn by 2017. Prior to that, Su Kiat held key roles in investments management and investment origination at Frasers Commercial Trust and ALLCO REIT. Su Kiat started his career in real estate as a Consultant in Retail Economics at Urbis. Su Kiat is a non-executive Director of Aspen Group Holdings Ltd a diversified group listed on the SGX. Former listed directorships in the last three years: Elanor Retail Property Fund (ERF) Interest in stapled securities: Nil Qualifications: B.Bus, PhD (Econ)
Karyn Baylis AM	Independent Non-Executive Director Karyn was appointed as a Director of both EIL and EFML (the Responsible Entity of EPIF) in November 2021. Karyn has led a distinguished business career in Australia and internationally, having held a range of senior management and C-suite executive roles in multinational businesses including at Optus, Insurance Australia Group and Senior Vice President of The Americas at Qantas Airways. In 2009 she was appointed CEO of Jawun and spent 12 years working with some of the leading indigenous reform voices in the country along with outstanding organisations. She retired from Jawun in January 2022. Karyn has received a number of awards, notably a Member in the General Division of the Order of Australia (AM) for significant service to the Indigenous community in the 2018 Queen's Birthday Honours and The Australian Financial Review and Westpac 100 Women of Influence Award in Diversity in 2015. Karyn is a Non-Executive Director of Save the Children Australia. Karyn is also a current member of Chief Executive Women (CEW), Australian Institute of Company Directors (AICD) and National Leadership Group (NLG). Previous Board positions include CARE Australia, Cure Cancer, Grocon Holdings Pty Ltd and NRMA Financial Management and Life Nominees. Former listed directorships in the last three years: Elanor Retail Property Fund (ERF) Interest in stapled securities: Nil

6. Directors (continued)

Name	Particulars
Victor Rodriguez	Non-Executive Director (appointed on 7 July 2023 and resigned on 3 September 2024) Victor was appointed as a Director of both EIL and EFML (also the Responsible Entity of EPIF) on 7 July 2023. Victor is currently Chief Executive, Funds Management of Challenger Limited (ASX:CFG) (Challenger), having been appointed to that role in August 2022, following five years as Head of Fixed Income within the Challenger Investment Management business. Victor has over 30 years' investment management experience. Prior to joining Challenger, Victor was head of Asia Pacific Fixed Income at Aberdeen Asset Management based in Singapore between 2014 to 2017. There he led a team of more than 30 investment professionals across the region. He was also a Regional Director overseeing the wider Aberdeen business. Prior to relocating to Singapore, Victor led Aberdeen's Australian Fixed Income business. Victor also held various investment roles over 13 years at Credit Suisse Asset Management in Australia, including Deputy Head of Fixed Income for three years up to 2009. Victor is a Non-Executive Director of Lennox Capital Partners Pty Limited, WaveStone Capital Partners Pty Limited and Alphinity Investment Management Pty Limited. Former listed directorships in the last three years: Nil Interest in stapled securities: Nil
Kathy Ostin	Independent Non-Executive Director (appointed on 1 January 2024) Kathy was appointed as a Director of both EIL and EFML (also the Responsible Entity of EPIF) on 1 January 2024. Kathy is an experienced Non-Executive Director and Chair of Audit and Risk Committees. Kathy spent 24 years with KPMG in Australia, the United States, Asia and the United Kingdom across the audit, risk consulting and advisory divisions providing global perspective. She was previously Audit, Assurance & Risk Consulting Partner at KPMG for 12 years and retired from the partnership in December 2017. Kathy currently serves as a Non-Executive Director and Chair of the Audit and Risk Committee of each of 3P Learning Limited (ASX: 3PL), Dusk Group Limited (ASX: DSK), Capral Limited (ASX: CAA), Next Science Limited (ASX: NXS), Alex Bank Pty Limited and Alex Corporation Limited (Chair of the Audit Committee), and is the President of the Board of Directors of The Alpine Association of Australia Ltd (operating as Redbank Lodge). Kathy holds a Bachelor of Commerce (Accounting & Finance) from the University of New South Wales. She is a graduate and member of the Australian Institute of Company Directors, Chartered Accountants Australia & New Zealand and Fellow of the Financial Services Institute of Australasia. Former listed directorships in the last three years: Swift Networks Group Ltd (ASX:SW1) (resigned 19 November 2021) Interest in stapled securities: Nil. Qualifications: B. Com, GAICD, CA ANZ, FINSIA

7. Directors' relevant interests

	Stapled securities at the date of this report
Ian Mackie (appointed as Chair from 1 January 2024, appointed as Director on 25 August 2023)	–
Paul Bedbrook (resigned as Chair and Director on 31 December 2023)	–
Glenn Willis (resigned as Managing Director and Chief Executive Officer on 9 September 2024)	485,205
Nigel Ampherlaw (resigned on 23 September 2024)	109,630
Anthony (Tony) Fehon (Director, and appointed as Managing Director on 9 September 2024)	60,000
Su Kiat Lim	–
Karyn Baylis AM	–
Victor Rodriguez (appointed on 7 July 2023, resigned on 3 September 2024)	–
Kathy Ostin (appointed on 1 January 2024)	–

Other than as disclosed in Note 14 of the financial statements, no contracts exist where a Director is entitled to a benefit.

8. Directors' remuneration

The Directors of the Responsible Entity and other management personnel are paid by the Responsible Entity. Payments made from the Fund to the Responsible Entity do not include any amounts attributable to the compensation of key management personnel.

9. Company Secretary

Symon Simmons held the position of Company Secretary of the Responsible Entity during the year. Symon is the Chief Financial Officer of the Group and holds a Bachelor of Economics with majors in Economics and Accounting, and has extensive experience as a company secretary, is a Justice of the Peace in NSW and is a Responsible Manager on the Australian Financial Services Licence held by the Responsible Entity.

10. Indemnification and insurance of officers and auditors

During the financial year, the Responsible Entity paid a premium in respect of a contract insuring the Directors of the Responsibility Entity (as named above), the Company Secretary, and all executive officers of the Company and of any related body corporate against a liability incurred in their capacity as Directors and officers of the Company to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Responsible Entity has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer of the Company or of any related body corporate against a liability incurred in their capacity as an officer.

The Fund indemnifies the auditor (PricewaterhouseCoopers Australia) against any liability (including legal costs) for third party claims arising from a breach by the Fund of the auditor's engagement terms, except where prohibited by the *Corporations Act 2001*.

11. Environmental regulation

To the best of their knowledge and belief after making due enquiry, the Directors have determined that the Group has complied with all significant environmental regulations applicable to its operations in the jurisdictions in which it operates.

12. Significant changes in state of affairs

Other than the commencement of wind-up of the Fund, there was no significant change in the state of affairs of the Fund during the year.

13. Auditor's independence declaration

A copy of the auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is included on the page following the Directors' Report.

14. Non audit services

There were no non-audit services provided during the year (2023: nil).

15. Likely developments and expected results of operations

On 8 May 2024, during an extraordinary securityholder meeting EPIF members approved the orderly windup of the Funds, incorporating the realisation of the Fund’s assets and returning of capital to investors as the assets are realised in accordance with the Fund’s Product Disclosure Statement and the Funds Constitution, to be completed over a 12-18 month period, subject to market conditions.

As such, the consolidated financial statements have been prepared on a non-going concern basis. The extent of any potential deterioration in either the capital or physical property markets on the future results of the Fund is unknown. Such results could include property market valuations, the ability of the Fund to realise the assets, and the ability to unwind the Fund.

At the date of this report and to the best of the Directors' knowledge and belief, other than matters disclosed above and under Note 16, there are no other anticipated changes in the operations of the Fund which would have a material impact on the future results of the Fund.

16. Events occurring after reporting date

Subsequent to balance date on 8 July 2024, Glenorchy Plaza was settled for $19.75 million with the net proceeds distributed to EPIF securityholders by way of a special distribution of $0.02 per stapled security. Out of the total contract price of $19.75 million, $17.2 million was used to repay the debt and $1.0 million was to pay selling costs and settlement adjustments. The remaining amount of $1.6 million was subsequently paid via special distribution on 15 July 2024.

Furthermore, on 4 September 2024 the Fund entered into a Heads of Agreement for the sale of Manning Mall for a gross sale price of $36.0 million and on 24 September 2024 the Fund entered into a put and call option Deed for the sale of Northway Plaza for a gross sale price of $18.59 million. Under the non-going concern basis of preparation, the value under the agreements for the sale of the assets is considered to be an indicator of net realisable value of the asset. Therefore, the adopted 30 June 2024 valuation of Northway and Manning Mall reflects the net sales (after selling costs) proceeds under the contractual arrangement.

Elanor Investor Group and the Responsible Entity

On 23 August 2024, Elanor Investors Group (ASX: ENN) requested, and the ASX granted, a voluntary suspension of trading of ENN securities on the ASX to enable Elanor to consider a range of options to stabilise and maintain its ongoing financial position. Elanor Funds Management Limited (EFML) is a wholly owned subsidiary of Elanor Investors Group and is the Responsible Entity of EPIF. If Elanor Investors Group is not able to stabilise and maintain its ongoing financial position, it may cast uncertainty about EFML’s ability to act as Responsible Entity of the Fund.

Other than the events disclosed above, the Directors of the Responsible Entity are not aware of any other matters since the end of the period that has or may significantly affect the operations of the Fund, the result of those operations, or the state of the Fund's affairs in future financial periods that are not otherwise referred to in this Directors' Report.

17. Rounding of amounts to the nearest thousand dollars

In accordance with *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, amounts in the financial statements have been rounded to the nearest thousand dollar, unless otherwise indicated.

This report is made in accordance with a resolution of the Board of Directors of the Responsible Entity. The Financial Statements were authorised for issue by the Directors on 27 September 2024.

Signed in accordance with a resolution of the Directors pursuant to section 298(2) of the *Corporations Act 2001 (Cth)*. The Directors have the power to amend and re-issue the Financial Statements.

Ian Mackie	Tony Fehon
Chairman	Managing Director

Sydney, 27 September 2024

Auditor's Independence Declaration

As lead auditor for the audit of Elanor Property Income Fund II and Elanor Property Income Fund I for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

This declaration is in respect of Elanor Property Income Fund II and Elanor Property Income Fund I and the entities they controlled during the period.

CJ Cummins
Partner
PricewaterhouseCoopers

Sydney
27 September 2024

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

ELANOR PROPERTY INCOME FUND

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	Consolidated Group 30 June 2024 $'000	Consolidated* Group 30 June 2023 $'000	EPIF I Group 30 June 2024 $'000	EPIF I* Group 30 June 2023 $'000
Income					
Rental income	2	9,907	11,544	9,907	11,544
Outgoings reimbursements		840	1,060	840	1,060
Net valuation gain on investment properties	6	–	1,236	–	1,236
Net accounting gain on disposal of investment properties		–	1,787	–	1,787
Provision for expected credit loss		–	–	–	220
Distribution income		108	259	108	259
Other income		11	156	11	–
Total income		**10,866**	**16,042**	**10,866**	**16,106**
Expenses					
Rates, taxes and other outgoings		3,719	4,657	3,719	4,652
Borrowing costs		2,573	1,653	2,564	3,516
Other expenses		1,046	1,149	921	1,037
Investment management fees	14	723	904	723	888
Net revaluation loss on investment properties	6	14,122	–	14,122	–
Net fair value loss on derivatives		486	65	–	–
Transaction and establishment costs		760	1,180	760	1,177
Provision for expected credit loss		96	273	10	–
Net fair value loss on financial assets at fair value through profit or loss		320	1,452	320	1,452
Total expenses		**23,845**	**11,333**	**23,139**	**12,722**
Net (loss) / profit for the period		**(12,979)**	**4,709**	**(12,273)**	**3,384**
Attributable to securityholders of:					
- Elanor Property Income Fund II		(706)	1,325	–	–
- Elanor Property Income Fund I (Non-controlling interest)		(12,273)	3,384	(12,273)	3,384
Net (loss) / profit attributable to security holders for the period		**(12,979)**	**4,709**	**(12,273)**	**3,384**
Basic earnings / (loss) per stapled security (cents)	4	(16.18)	4.69	(15.30)	3.37
Diluted earnings / (loss) per stapled security (cents)	4	(16.18)	4.69	(15.30)	3.37

*Comparatives have been restated for presentation purposes, refer to Note 17 for details.

ELANOR PROPERTY INCOME FUND

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Consolidated Group 30 June 2024 $'000	Consolidated Group 30 June 2023 $'000	EPIF I 30 June 2024 $'000	EPIF I 30 June 2023 $'000
Net (loss) / profit for the period	**(12,979)**	**4,709**	**(12,273)**	**3,384**
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss				
Other comprehensive income for the period	–	–	–	–
Total comprehensive (loss) / profit for the period	**(12,979)**	**4,709**	**(12,273)**	**3,384**
Attributable to security holders of:				
- Elanor Property Income Fund II	(706)	1,325	–	–
- Elanor Property Income Fund I (Non-controlling interest)	(12,273)	3,384	(12,273)	3,384
Total comprehensive (loss) / profit for the period	**(12,979)**	**4,709**	**(12,273)**	**3,384**

The above Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying notes

ELANOR PROPERTY INCOME FUND

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	Consolidated Group 30 June 2024 $'000	Consolidated Group 30 June 2023 $'000	EPIF I 30 June 2024 $'000	EPIF I 30 June 2023 $'000
Current assets					
Cash and cash equivalents		1,133	958	822	815
Trade and other receivables	8	451	477	480	155
Prepayments		130	215	156	240
Derivative financial instruments	11	248	548	–	–
Distribution receivable		–	47	–	47
Investment property	6	98,946	–	98,946	–
Financial assets at fair value through profit or loss	7	–	4,451	–	4,451
Total current assets		**100,908**	**6,696**	**100,404**	**5,708**
Non-current assets					
Investment property	6	–	110,200	–	110,200
Derivative financial instruments	11	–	186	–	–
Total non-current assets		**–**	**110,386**	**–**	**110,200**
Total assets		**100,908**	**117,082**	**100,404**	**115,908**
Current liabilities				–	
Trade and other payables	9	4,087	1,764	4,767	1,792
Rent received in advance		101	109	101	109
Distribution payable	3	230	340	–	–
Interest bearing liabilities	10	67,160	43,441	–	–
Interest bearing cross staple loan	10			67,160	–
Non-Interest bearing cross staple loan	10	–	–	40,207	65,526
Total current liabilities		**71,578**	**45,654**	**112,235**	**67,427**
Non-current liabilities					
Interest bearing liabilities	10	–	–	–	–
Interest bearing cross staple loan	10	–	–	–	43,441
Total non-current liabilities		**–**	**–**	**–**	**43,441**
Total liabilities		**71,578**	**45,654**	**112,235**	**110,868**
Net assets		**29,330**	**71,429**	**(11,831)**	**5,040**
Equity					
Equity Holders of Parent Entity					
Contributed equity		65,648	88,572	30,203	32,890
Retained accumulated (losses) / profits		(24,487)	(22,183)	(42,034)	(27,850)
Parent entity interest		**41,161**	**66,389**	**(11,831)**	**5,040**
Equity Holders of Non-Controlling Interest					
Contributed equity		30,203	32,890	–	–
Retained accumulated (losses) / profits		(42,034)	(27,850)	–	–
Non-controlling interest		**(11,831)**	**5,040**	**–**	**–**
Total equity attributable to stapled security holders:					
- Elanor Property Income Fund II		41,161	66,389	–	–
- Elanor Property Income Fund I		(11,831)	5,040	(11,831)	5,040
Total equity attributable to stapled security holders		**29,330**	**71,429**	**(11,831)**	**5,040**

The above Consolidated Statements of Financial Position should be read in conjunction with the accompanying notes

ELANOR PROPERTY INCOME FUND

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Note	Contributed equity $'000	Retained profits/ (accumulated losses) $'000	EPIF II Group Total Equity $'000	Non-controlling interest $'000	Total Equity $'000
Consolidated Group						
Balance as at 1 July 2023		88,572	(22,183)	66,389	5,040	71,429
Opening retained earnings adjustment		–	28	28	(28)	–
Net (loss) for the period		–	(706)	(706)	(12,273)	(12,979)
Total comprehensive expense for the period		**–**	**(678)**	**(678)**	**(12,301)**	**(12,979)**
Transactions with securityholders in their capacity as securityholders:						
New shares		–	–	–	68	68
Equity transaction costs		–	–	–	(10)	(10)
Redemption and application		(1,258)	–	(1,258)	(2,745)	(4,003)
Distributions paid and payable	3	–	(1,626)	(1,626)	(1,883)	(3,509)
Special distribution		(21,666)	–	(21,666)	–	(21,666)
Total equity as at 30 June 2024		**65,648**	**(24,487)**	**41,161**	**(11,831)**	**29,330**

	Note	Contributed equity $'000	Retained profits/ (accumulated losses) $'000	EPIF II Group Total Equity $'000	Non-controlling interest $'000	Total Equity $'000
Consolidated Group						
Balance as at 1 July 2022		89,691	23,576	113,267	38,189	151,456
Net profit for the period		–	1,325	1,325	3,384	4,709
Total comprehensive income for the period		**–**	**1,325**	**1,325**	**3,384**	**4,709**
Transactions with securityholders in their capacity as securityholders:						
Security buy back		–	–	–	(30,443)	(30,443)
New shares		8	–	8	18	26
Equity transaction costs		–	–	–	(2,050)	(2,050)
Redemption and application		(1,127)	–	(1,127)	(2,266)	(3,393)
Distributions paid and payable		–	(1,417)	(1,417)	(1,483)	(2,900)
Special distribution		–	(45,666)	(45,666)	(310)	(45,976)
Total equity as at 30 June 2023		**88,572**	**(22,183)**	**66,389**	**5,040**	**71,429**

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes

ELANOR PROPERTY INCOME FUND

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Note	Contributed equity $'000	Retained profits/ (accumulated losses) $'000	Total Equity $'000
Elanor Property Income Fund I				
Balance as at 1 July 2023		32,890	(27,850)	5,040
Opening retained earnings adjustment		–	(28)	(28)
Net loss for the period		–	(12,273)	(12,273)
Total comprehensive income for the period		**–**	**(12,301)**	**(12,301)**
Transactions with securityholders in their capacity as securityholders:				
New units issued		68	–	68
Redemption		(2,745)	–	(2,745)
Equity transaction costs		(10)	–	(10)
Distributions paid and payable	3	–	(1,883)	(1,883)
Total equity as at 30 June 2024		**30,203**	**(42,034)**	**(11,831)**

	Note	Contributed equity $'000	Retained profits/ (accumulated losses) $'000	Total Equity $'000
Elanor Property Income Fund I				
Balance as at 1 July 2022		65,581	(27,392)	38,189
Net profit for the period		–	3,384	3,384
Total comprehensive expense for the period		**–**	**3,384**	**3,384**
Transactions with securityholders in their capacity as securityholders:				
Security buy-back		(30,443)	–	(30,443)
New units issued		18	–	18
Redemption		(2,266)	–	(2,266)
Equity transaction costs		–	(2,049)	(2,049)
Distributions paid and payable	3	–	(1,483)	(1,483)
Special distribution		–	(310)	(310)
Total equity as at 30 June 2023		**32,890**	**(27,850)**	**5,040**

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes

ELANOR PROPERTY INCOME FUND

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	Consolidated Group 30 June 2024 $'000	Consolidated Group 30 June 2023 $'000	EPIF I Group 30 June 2024 $'000	EPIF I Group 30 June 2023 $'000
Cash flows from operating activities					
Rental and other property income received		10,464	15,257	10,210	14,948
Finance costs paid		(2,945)	(1,576)	(2,965)	(3,925)
Payments to suppliers and the Responsible Entity		(2,708)	(10,093)	(1,508)	(8,829)
Net cash flows from operating activities	5(a)	**4,811**	**3,588**	**5,737**	**2,194**
Cash flows from investing activities					
Receipts from disposals of financial assets		1,385	–	1,385	–
Payments for additions to investment properties		(3,850)	(4,000)	(3,850)	(4,000)
Receipts from disposals of assets held for sale		–	87,000	–	87,000
Investment in financial assets		–	(7,819)	–	(7,819)
Net cash flows from investing activities		**(2,465)**	**75,181**	**(2,465)**	**75,181**
Cash flows from financing activities					
Proceeds from interest bearing liabilities	5(b)	24,150	1,912	–	–
Distributions paid		(3,602)	(7,222)	(1,867)	(1,483)
Distributions received from equity accounted investments		155	–	152	–
Payment from interest bearing - cross staple loan	5(b)	–	–	(1,600)	(46,517)
Special distribution paid		(21,666)	(45,977)	–	(310)
Security buy-back		–	(30,443)	–	(30,443)
Redemption of units		(1,258)	–	–	(685)
Application of units		50	(1,477)	50	–
Net cash flows from financing activities		**(2,171)**	**(83,207)**	**(3,265)**	**(79,438)**
Net increase/(decrease) in cash and cash equivalents		175	(4,438)	7	(2,062)
Cash and cash equivalents at the beginning of the period		958	5,396	815	2,878
Cash at the end of the period		**1,133**	**958**	**822**	**816**

The above Consolidated Statements of Cash Flows should be read in conjunction with the accompanying notes

About this Report

Elanor Property Income Fund (the Fund, Group or Consolidated Group) is a 'stapled' entity comprising of Elanor Property Income Fund I (‘EPIF I’) and its controlled entities, and Elanor Property Income Fund II (‘EPIF II’). The units in EPIF I are stapled to units in EPIF II. The stapled securities cannot be traded or dealt with separately. EPIF I and EPIF II were registered as managed investment schemes on 13 October 2016.

For the purposes of the consolidated financial report, EPIF II has been deemed the parent entity of EPIF I in the stapled structure. The financial report of the Fund comprises the consolidated financial report of EPIF II and its controlled entities, including EPIF I and its controlled entities (EPIF I Group). As permitted by *ASIC Corporations (Stapled Group Reports) Instrument 2015/838*, this report is a combined report that presents the consolidated financial statements and accompanying notes of both the Fund and EPIF I Group.

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, the Scheme Constitutions and Australian Accounting Standards. Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standards ('IFRS').

Comparative figures have been restated where appropriate to ensure consistency of presentation throughout the financial report, refer to note 17 for further details.

New accounting standards and interpretations

(a) New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2023 that have a material impact on the amounts recognised in prior periods or will affect the current or future periods.

(b) New accounting standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2024 and have not been adopted early in preparing these financial statements. None of these are expected to have a material effect on the financial statements to the Fund.

About this report (continued)

Basis of Consolidation

The consolidated financial report of the Fund incorporates the assets and liabilities of EPIF II (the Parent) and all of its subsidiaries, including EPIF I as at 30 June 2024. EPIF II is the parent entity in relation to the stapling. The results and equity of EPIF I (which is not directly owned by EPIF II) have been treated and disclosed as a non-controlling interest. Whilst the results and equity of EPIF I are disclosed as a non-controlling interest, the stapled securityholders of EPIF I are the same as the stapled securityholders of EPIF II.

This consolidated financial report also includes a separate column representing the financial report of EPIF I, incorporating the assets and liabilities of EPIF I as at 30 June 2024.

For the purpose of preparing the financial statements, the Fund is a for-profit entity. The financial report is presented in Australian Dollars.

Basis of Preparation

On 8 May 2024, the EPIF securityholders approved the Responsible Entity's proposal for the orderly wind up of the Fund incorporating the realisation of the Fund's assets (namely Gladstone Square, Glenorchy Plaza, Manning Mall and Northway Plaza). Consequently, the directors of the Responsible Entity have determined that the going concern basis of preparation is no longer appropriate. As such these consolidated financial statements have been prepared on the basis that the Group is no longer a going concern.

Non-financial assets have been written down to the lower of their carrying amounts and their net realisable values. Net realisable value is the estimated selling price the entity expects to obtain under the circumstances less the estimated costs necessary to make the sale. Additional liabilities have been recognised as result of the decision to wind-up the Fund to the extent that the Fund had a present obligation as at 30 June 2024. Non-current assets and non-current liabilities have been reclassified to current where they are expected to be realised or settled within the next twelve months from the reporting date. Liabilities have been presented in order of their priority in liquidation.

In April 2024, the Fund revised and increased its debt facility to $69 million and extended the maturity date to 31 August 2025. The revised debt facility prescribes a timetable for the completion of the sale of the EPIF assets on or before certain dates with the final asset sale to be realised on or before 30 April 2025.

Non-compliance with the prescribed timetable would constitute a Review Event under the debt facility agreement which may result in a review of the facility.

As at 30 June 2024, EPIF had a net current asset surplus and net assets of $29.3 million. EPIF I had a net current asset deficiency of $11.8 million and negative net assets of $11.8 million. EPIF I operates within a stapled structure, where its securities cannot be traded or dealt with separately from those of EPIF II. The combined financial position of the stapled funds will be considered when unwinding the EPIF structure. EPIF II has provided EPIF I with a letter of support in this regard.

Rounding of amounts to the nearest thousand dollars

In accordance with *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

About this report (continued)

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount 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 prospectively.

In preparing the consolidated financial statements for the year ended 30 June 2024, significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are consistent with those disclosed in the financial report of the previous financial year.

Enhanced disclosures have been incorporated throughout the consolidated financial statements to enable users to understand the basis for the estimates and judgments utilised. The estimates or assumptions which are material to the financial statements are discussed in the following notes:

- Investment Properties - assumptions underlying net realisable value - Note 6

About this report (continued)

The notes to the consolidated Financial Statements have been organised into the following sections:

Results

This section focuses on the operating results and financial performance of the Fund. It includes disclosures of revenue and distributions.

1. Segment information

The Fund operates in one business segment, being the investment directly and indirectly in retail assets in Australia.

2. Revenue

OVERVIEW

The Fund's main source of revenue is rental income from its investment in retail properties.

	Consolidated Group 30 June 2024 $'000	Consolidated [2] Group 30 June 2023 $'000	EPIF I Group 30 June 2024 $'000	EPIF I[2] Group 30 June 2023 $'000
Manning Mall	3,659	3,726	3,659	3,726
Gladstone Square	2,563	2,421	2,563	2,421
Glenorchy Plaza	1,944	2,079	1,944	2,079
Northway Plaza	1,741	1,584	1,741	1,584
Tweed Mall [1]	–	1,734	–	1,734
Total revenue from operating activities	**9,907**	**11,544**	**9,907**	**11,544**

[1] The rental income for Tweed Mall for the year ended 30 June 2023 represents income up to 30 September 2022, when the sale of the asset was settled.

[2] Comparatives have been restated for presentation purposes. Refer to Note 17 for further details.

ACCOUNTING POLICY

Rental income

The Fund is the lessor of operating leases. Rental income arising from operating leases is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the term of the lease on the same basis as the lease income.

Rental abatements

Where a rental abatement is granted retrospectively on uncollected past due rent, the abatement is expensed as an impairment of trade receivables. Where an agreement on past due receivables has not been reached by 30 June 2024, an estimate of the expected abatement on the outstanding balance is made and incorporated into the expected credit loss calculation.

Rental abatements or other lease modification accompanied by extensions of lease terms or other changes in lease scope, are accounted for as a lease modification. The abated portion will be capitalised as a lease incentive and amortised on a straight-line basis over the remaining life of the lease.

2. Revenue (continued)

Lease incentives

Lease incentives (including rent free periods, fit out and other payments) are accounted for on a straight-line basis over the lease term and offset against rental income in the consolidated statement of profit or loss. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, it is reasonably certain that the tenant will exercise that option.

Outgoings recoveries

Outgoings recoveries are recognised in accordance with AASB 15 and are typically invoiced monthly based on an annual estimate. Revenue related to outgoings recoveries is recognised over time as the estimated costs are consumed by tenants. Should any adjustment be required based on actual costs incurred, this is accounted for on a monthly basis and subsequently charged to tenants on an annual basis.

3. Distributions

OVERVIEW

In accordance with the Fund's Constitutions, the Responsible Entity determines FFO attributable to securityholders as the net distributable profit for the year, excluding certain non-recurring and non-cash items.

Distributions during the year

Consolidated Group

The following distributions were declared by the Consolidated Group during the year or post balance date:

Consolidated Group	Distribution 30 June 2024 stapled security	Distribution 30 June 2023 stapled security	Total amount 30 June 2024 $'000	Total amount 30 June 2023 $'000
Special distribution (declared before year end)	27.00	36.00	21,666	45,976
Monthly distributions paid and payable	4.38	3.41	3,508	2,900
Total	**31.38**	**39.41**	**25,174**	**48,876**

EPIF I Group

The following distributions were declared and paid by EPIF I during the year or post balance date:

	Distribution 30 June 2024 stapled security	Distribution 30 June 2023 stapled security	Total amount 30 June 2024 $'000	Total amount 30 June 2023 $'000
Special distribution (declared before year end)	–	0.24	–	310
Monthly distributions paid and payable	2.35	1.74	1,883	1,483
Total	**2.35**	**1.98**	**1,883**	**1,793**

ACCOUNTING POLICY

Distributions are recognised as a liability when declared or at the record date (if earlier). Distributions paid and payable are recognised as distributions within equity. Distributions paid are included in cash flows from financing activities in the consolidated statement of cash flows.

4. Earnings per stapled security

OVERVIEW

Basic earnings per stapled security is calculated as net profit or loss attributable to securityholders divided by the weighted average number of ordinary stapled securities issued.

Diluted earnings per stapled security is calculated as profit or loss attributable to securityholders adjusted for any profit or loss recognised in the year in relation to dilutive potential stapled securities divided by the weighted average number of stapled securities and dilutive stapled securities.

Earnings used in the calculation of basic and diluted earnings per stapled security reconciles to the net profit or loss in the consolidated statements of comprehensive income as follows:

	Consolidated Group 30 June 2024	Consolidated[1] Group 30 June 2023	EPIF I Group 30 June 2024	EPIF I[1] Group 30 June 2023
The earnings / (losses) per stapled security measures shown below is based upon the profit / (loss) attributable to securityholders:				
Basic earnings per stapled security (cents)	(16.18)	4.69	(15.30)	3.37
Diluted earnings per stapled security (cents)	(16.18)	4.69	(15.30)	3.37
Profit/ (Loss) attributable to securityholders used in calculating basic and diluted earnings per stapled security ($'000)	(12,979)	4,709	(12,273)	3,384
Weighted average number of stapled securities used as denominator in calculating basic earnings per stapled security	80,237,924	100,431,823	80,237,924	100,431,823
Weighted average number of stapled securities used as denominator in calculating diluted earnings per stapled security	80,237,924	100,431,823	80,237,924	100,431,823

[1]Basic and diluted earnings per share for the prior year have been restated. Refer to Note 17 for further details.

5. Cash flow information

OVERVIEW

This note provides further information on the consolidated cash flow statements of the Group. It reconciles (loss) / profit for the year to cash flows from operating activities, reconciles liabilities arising from financing activities and provides information about non-cash transactions.

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

	Consolidated Group 30 June 2024 $'000	Consolidated* Group 30 June 2023 $'000	EPIF I Group 30 June 2024 $'000	EPIF I* Group 30 June 2023 $'000
Profit / (Loss) for the period	**(12,979)**	**4,709**	**(12,273)**	**3,384**
Amortisation	457	506	457	506
Distribution received	(108)	–	(108)	–
Other non cash items	(438)	(126)	(32)	(9)
Straight-lining of rental income and rental guarantee	525	414	525	414
Revaluation adjustment on revaluation of investment property	14,122	(2,238)	14,122	(2,238)
Fair value adjustment on revaluation of derivative	486	65	-	–
Fair value adjustment on financial assets at fair value through profit or loss	320	1,452	320	1,452
Net cash provided by operating activities before changes in working capital	**2,385**	**4,782**	**3,011**	**3,509**
Movement in working capital:				
Decrease in trade and other receivables	26	884	(325)	77
Decrease/ (Increase) in prepayments	85	(200)	84	(226)
Decrease/ (Increase) in other current assets	–	(78)	–	(78)
Increase/ (Decrease) in trade and other payables	2,323	(1,909)	2,975	(1,197)
Increase/ (Decrease) in amounts received in advance	(8)	109	(8)	109
Net cash from operating activities	**4,811**	**3,588**	**5,737**	**2,194**

*Comparatives have been restated for presentation purposes, refer to Note 17 for further details. The restatements do not impact the overall net cash from operating activities.

5. Cash flow information (continued)

(b) Reconciliation of liabilities arising from financing activities

Consolidated Group

		Cash flows	*Non-cash items*	
	30 June 2023 $'000	Debt drawdowns/ (paydowns) $'000	Amortisation of borrowing costs $'000	30 June 2024 $'000
Interest bearing loans	43,441	23,399	320	67,160
Total liabilities from financing activities	**43,441**	**23,399**	**320**	**67,160**

		Cash flows	*Non-cash items*	
	30 June 2022 $'000	Debt drawdowns/ (paydowns) $'000	Amortisation of borrowing costs $'000	30 June 2023 $'000
Interest bearing loans	41,689	1,912	(160)	43,441
Total liabilities from financing activities	**41,689**	**1,912**	**(160)**	**43,441**

EPIF I

		Cash flows	*Non-cash items*	
	30 June 2023 $'000	Debt drawdowns/ (paydowns) $'000	Accumulated interest expenses $'000	30 June 2024 $'000
Interest bearing loans	108,967	(1,600)	–	107,367
Total liabilities from financing activities	**108,967**	**(1,600)**	**–**	**107,367**

		Cash flows	*Non-cash items*	
	30 June 2022 $'000	Debt drawdowns/ (paydowns) $'000	Accumulated interest expenses $'000	30 June 2023 $'000
Interest bearing loans	155,484	(46,517)	–	108,967
Total liabilities from financing activities	**155,484**	**(46,517)**	**–**	**108,967**

ACCOUNTING POLICY

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash balances and bank overdrafts.

Operating Assets and Liabilities

This section includes information about the assets used by the Fund to generate profits and revenue, specifically information relating to its investment properties and liabilities.

6. Investment properties

OVERVIEW

On 8 May 2024, the EPIF securityholders approved the Responsible Entity's proposal for the orderly wind up of the Fund incorporating the realisation of the Fund's assets, Gladstone Square, Glenorchy Plaza, Manning Mall and Northway Plaza.

At balance date, the Fund's investment property portfolio comprised of four retail shopping centres in Australia.

(a) Net realisable Value of investment properties

Property	Valuation	Consolidated Group 30 June 2024 $'000	Consolidated Group 30 June 2023 $'000	EPIF I 30 June 2024 $'000	EPIF I 30 June 2023 $'000
Manning Mall	Net realisable value	33,973	38,000	33,973	38,000
Gladstone Square	Net realisable value	27,900	31,000	27,900	31,000
Glenorchy Plaza	Sale Price	19,447	21,400	19,447	21,400
Northway Plaza	Net realisable value	17,627	19,800	17,627	19,800
Total		**98,946**	**110,200**	**98,946**	**110,200**

On 3 April 2024, the Fund exchanged contracts for the sale of Glenorchy Plaza. The adopted 30 June 2024 valuation for Glenorchy Plaza reflects the net sale proceeds under the sale contract after selling costs. Settlement of the sale completed on 8 July 2024.

On 4 September 2024 the Fund entered into a Heads of Agreement for the sale of Manning Mall for a gross sale price of $36.0 million and on 24 September 2024 the Fund entered into a put and call option Deed for the sale of Northway Plaza for a gross sale price of $18.59 million. The value under the agreements for the sale of the assets is considered to be an indicator of net realisable value of the asset Under the non-going concern basis of preparation, the value under the agreements for the sale of the assets is considered to be an indicator of net realisable value of the asset. The value for Gladstone reflects the estimated net realisable value, less selling costs.

6. Investment properties

ACCOUNTING POLICY

Recognition and measurement

Investment properties have been written down to their net realisable value. Net realisable value is the estimated selling price that the entity expects to obtain under the circumstances less the established costs necessary to make the sale.

Sensitivity Information

If the actual net realisable value was achieved at an amount 2.5% above / below the current estimate, the impact on the total value of investment properties would be as follows.

	Value sensitivity	
	Increase by 2.50% $'000	Decrease by 2.50% $'000
Net realisable value	2,522	(2,522)

(b) Movement in investment properties

	Consolidated Group 30 June 2024 $'000	Consolidated* Group 30 June 2023 $'000	EPIF I Group 30 June 2024 $'000	EPIF I* Group 30 June 2023 $'000
Opening Balance at fair value	110,200	106,200	110,200	106,200
Capital expenditure	3,850	3,363	3,850	3,363
Straightlining of rental income	(525)	(396)	(525)	(396)
Amortisation	(457)	(203)	(457)	(203)
Movement in lease incentives and rental guarantee	–	–	–	–
Net revaluation adjustments	(14,122)	1,236	(14,122)	1,236
Total investment properties at net realisable value	**98,946**	**110,200**	**98,946**	**110,200**

* Comparatives have been restated for presentation purposes, refer to Note 17 for further details. The restatements do not have any impact to the overall opening or closing carrying value of investment properties.

7. Financial assets at fair value through profit or loss

OVERVIEW

The Fund classifies the following financial assets at fair value through profit or loss (FVPL) for equity investments that are held for trading.

Financial assets measured at FVPL include the following:

	Consolidated Group 30 June 2024 $'000	Consolidated Group 30 June 2023 $'000	EPIF I Group 30 June 2024 $'000	EPIF I Group 30 June 2023 $'000
Investments in ECF	–	1,688	–	1,688
Investment in Harris Street Fund	–	2,763	–	2,763
Total financial assets at fair value through profit or loss	**–**	**4,451**	**–**	**4,451**

During the year, the Fund sold 1,928,628 units in the Elanor Commercial Property Fund (ASX: ECF) on market for total consideration of $1,384,825.

During the year, the Fund sold 3,798,490 units in the unlisted Harris Street Fund to Elanor Investors Group for total consideration of $2,745,075.

ACCOUNTING POLICY

Initial measurement

At initial recognition, the Fund measures a financial asset at its fair value including transaction costs.

Classification

The Fund classifies its financial assets in the following measurement categories:

- Those to be measured at fair value through profit or loss (either through other comprehensive income or through profit or loss), and
- Those to be measured at amortised cost.

The classification depends on the Fund's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Recognition and derecognition

Purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all the risks and rewards of ownership.

7. Financial assets at fair value through profit or loss (continued)

Measurement

At initial recognition, the Fund measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

The fair value of the investment in ECF is classified as level 1 fair value in the fair value hierarchy as the fair value is determined by reference to published quotations in an active market. The fair value of the investment in Harris Street is classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable market data as the fair value is determined on the Fund's reported net asset value.

8. Trade and other receivables

OVERVIEW

This note provides further information about assets that are incidental to the Fund's trading activities, being trade and other receivables.

	Consolidated Group 30 June 2024 $'000	Consolidated Group 30 June 2023 $'000	EPIF I Group 30 June 2024 $'000	EPIF I Group 30 June 2023 $'000
Current				
Trade receivables	342	395	342	38
Other receivables	109	82	138	117
Total current	**451**	**477**	**480**	**155**
Total trade and other receivables	**451**	**477**	**480**	**155**

ACCOUNTING POLICY

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade and other receivables are initially recognised at the amount of consideration that is unconditional, unless they contain a significant financing component, when they are recognised at fair value. The Fund holds the receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate method, less loss allowance.

9. Trade and other payables

OVERVIEW

This note provides further information about assets and liabilities that are incidental to the Fund's trading activities, being trade and other payables.

(a) Trade and other payables

	Consolidated Group 30 June 2024 $'000	Consolidated Group 30 June 2023 $'000	EPIF I Group 30 June 2024 $'000	EPIF I Group 30 June 2023 $'000
Trade creditors	1,527	296	1,590	370
Accrued expenses	2,560	1,413	1,918	724
GST payable		55		58
Intercompany creditors	–	–	1,259	640
Total payables	**4,087**	**1,764**	**4,767**	**1,792**

ACCOUNTING POLICY

Trade and other payables represent liabilities and accrued expenses owing by the Fund at year end which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition. Trade and other payables are recognised at amortised cost and normal commercial terms and conditions apply to payables.

Finance and Capital Structure

This section provides further information on the Fund's debt structure and financial risk management in respect of its exposure to credit, liquidity and market risks.

10. Interest bearing liabilities

OVERVIEW

In April 2024, the Fund revised and increased its debt facility to $69 million and extended the maturity date to 31 August 2025. The revised debt facility prescribes a timetable for the completion of the sale of the EPIF assets on or before certain dates with the final asset sale to be realised on or before 30 April 2025. Non-compliance with the prescribed timetable would constitute a Review Event under the debt facility agreement which may result in a revision of the terms of the facility. The total drawn amount at 30 June 2024 is $67.8 million.

All debt has been classified as current on the basis that the ability to meet the prescribed timetable is not wholly within the control of the Fund and therefore, there is no unconditional right to defer settlement of the borrowings beyond a period of twelve months.

The revised facility agreement prescribes a timetable for the disposal of EPIF assets, in accordance with the wind-up plan, with property sales (and relevant debt repayments) to be completed as follows:

1. First sale of any asset – 30 August 2024 with the Loan to Value Ratio decreasing to 60% (from 65%)
2. Second sale of any asset – 31 October 2024 with Loan to Value Ratio decreasing to 55%
3. Third sale of any asset – 28 February 2025 with Loan to Value Ratio decreasing to 50%
4. Sale of all assets – 30 April 2025

The first sale asset requirement was met, with the sale of Glenorchy Plaza settling on 8 July 2024. The second sale, Northway Plaza, will exceed the timetable, however, a waiver has been received from the lender agreeing the second sale to be finalised by 16 December 2024.

The weighted average cost of debt is 5.57% p.a., and the weighted average debt facility maturity at year-end is 1.17 years. At 30 June 2024, the interest rate risk of drawn facilities is hedged to 37%. The fair value of the debt facilities is $68.8 million.

The cross-staple loan (interest bearing) has a back-to-back arrangement to mirror the external hedged debt facilities of EPIF II.

	Consolidated Group 30 June 2024 $'000	Consolidated Group 30 June 2023 $'000	EPIF I Group 30 June 2024 $'000	EPIF I Group 30 June 2023 $'000
Bank loan - term debt	67,762	43,612	–	–
Bank loan - borrowing costs less amortisation	(602)	(171)	–	–
Cross-staple loan (non-interest portion)	–	–	40,207	65,526
Cross-staple loan (interest portion)	–	–	67,160	–
Total current interest-bearing liabilities	**67,160**	**43,441**	**107,367**	**65,526**
Non-current				
Cross-staple loan (interest portion)	–	–	–	43,612
Total non-current interest-bearing liabilities	**–**	**–**	**–**	**43,612**
Total interest-bearing liabilities	**67,160**	**43,441**	**107,367**	**109,138**

10. Interest bearing liabilities (continued)

ACCOUNTING POLICY

Interest bearing liabilities are recognised initially at cost, being the fair value of the consideration received net of transaction costs associated with the borrowing. Subsequent to initial recognition, interest bearing liabilities are recognised at amortised cost using the effective interest method. Under the effective interest method, any transaction fees, costs, discounts and premiums directly related to the borrowings are recognised in the consolidated statement of profit or loss over the expected life of the borrowings.

Interest bearing liabilities are classified as current liabilities where the liability has been drawn under a financing facility which expires within one year. Amounts drawn under financial facilities which expire after one year are classified as non-current where the Fund has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

11. Derivative financial instruments

OVERVIEW

The Fund's derivative financial instruments consist of interest rate swap contracts to hedge its exposure to movements in variable interest rates. The interest rate swap agreements allow the Fund to raise long term borrowings at a floating rate and effectively swap them into a fixed rate.

	Consolidated Group 30 June 2024 $'000	Consolidated Group 30 June 2023 $'000	EPIF I Group 30 June 2024 $'000	EPIF I Group 30 June 2023 $'000
Current assets				
Interest rate swaps	248	548	–	–
Non-current assets				
Interest rate swaps	–	186	–	–
Total derivative financial instruments	**248**	**734**	**–**	**–**

(a) Valuation

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves (level 2). The interest rate swap hedges interest rate risk on the Fund's debt facilities.

All of the resulting fair value estimates are included in Level 2. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

The fair value of derivatives has been determined with reference to market observable inputs for contracts with similar maturity profiles. The valuation is a present value calculation which incorporates fixed rate and forward interest rate curves.

(b) Hedging

Instruments used by the Group

Interest rate swaps are currently in place to hedge 37% (2023: 57%) of the variable loan principal outstanding. The fixed interest rates of the swap is 2.5% (2023: 2.5%), which is below the 90-day bank bill rate, which was at the end of the reporting period 4.42% (2023: 3.73%).

The swaps contracts require settlement of net interest receivable or payable every 90 days. The settlements dates coincide with the dates on which interest is payable on the underlying debt.

As a result any fair value movement of the interest rate swaps are recognised in the profit and loss.

ACCOUNTING POLICY

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

12. Contributed equity

OVERVIEW

The Fund is a 'stapled' entity comprising of EPIF I and its controlled entities, and EPIF II. The units in EPIF I are stapled to units in EPIF II. The stapled securities cannot be traded or dealt with separately.

(a) Parent entity

	No. of securities 30 June 2024	No. of securities 30 June 2023
Opening balance	85,142,280	127,712,725
New units issued	82,259	32,014
Security buy back	–	(38,535,189)
Redemption and application	(4,979,993)	(4,067,270)
Total contributed equity	**80,244,546**	**85,142,280**

(b) EPIF I Group

	No. of securities 30 June 2024	No. of securities 30 June 2023
Opening balance	85,142,279	127,712,725
New units issued	82,259	32,014
Security buy back	–	(38,535,189)
Redemption and application	(4,979,993)	(4,067,271)
Total contributed equity	**80,244,545**	**85,142,279**

13. Financial Risk Management

OVERVIEW

The Fund's principal financial instruments comprise cash, trade and other receivables, interest bearing loans and derivatives. The Fund's activities are exposed to a variety of financial risks: market risk (including interest rate risk); credit risk; and liquidity risk.

This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk and the Fund's management of capital. Further quantitative disclosures are included through these financial statements.

The Board of Directors (Board) of the Responsible Entity of the Fund has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Board is responsible for monitoring the identification and management of key risks to the business.

The Board has established a Risk Management Framework outlining principles for overall risk management covering specific areas, such as mitigating foreign exchange, interest rate and liquidity risks. The Risk Management Framework provides a framework to identify and manage financial risks with a key philosophy of risk mitigation. Derivatives are exclusively used for hedging purposes, not as trading or other speculative instruments. The Fund uses derivative financial instruments such as interest rate swaps where possible to hedge certain risk exposures.

The Fund uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk, ageing analysis for credit risk and cash flow forecasting for liquidity risk.

There have been no other significant changes in the types of financial risks or the Fund's risk management program (including methods used to measure the risks).

(a) Market risk

Market risk refers to the potential for changes in the value of the Fund's financial instruments or revenue streams from changes in market prices, being interest rate risk.

(b) Interest rate risk

Interest rate risk refers to the potential fluctuations in the fair value or future cash flows of a financial instrument because of changes in market interest rates.

As at reporting date, the Fund had the following undiscounted (including future interest payable) interest bearing assets and liabilities:

13. Financial Risk Management (continued)

(b) Interest rate risk (continued)

Consolidated Group 30 June 2024	Maturity < 1 yr $'000	Maturity 1 - 5 yrs $'000	Maturity > 5 yrs $'000	Total $'000
Assets				
Cash and cash equivalents	1,133	–	–	1,133
Derivative financial instruments	248	–	–	248
Total assets	**1,381**	**–**	**–**	**1,381**
Weighted average interest rate				**1.96%**
Liabilities				
Interest bearing loans	67,160	–	–	67,160
Total liabilities	**67,161**	**–**	**–**	**67,160**
Weighted average interest rate				**5.57%**

Consolidated Group 30 June 2023	Maturity < 1 yr $'000	Maturity 1 - 5 yrs $'000	Maturity > 5 yrs $'000	Total $'000
Assets				
Cash and cash equivalents	958	–	–	958
Derivative financial instruments	548	186	–	734
Total assets	**1,506**	**186**	**–**	**1,692**
Weighted average interest rate				**1.23%**
Liabilities				
Interest bearing loans	43,441	–	–	43,441
Total liabilities	**43,441**	**–**	**–**	**43,441**
Weighted average interest rate				**4.50%**

13. Financial Risk Management (continued)

(b) Interest rate risk (continued)

EPIF I 30 June 2024	Maturity < 1 yr $'000	Maturity 1 - 5 yrs $'000	Maturity > 5 yrs $'000	Total $'000
Assets				
Cash and cash equivalents	822	–	–	822
Total assets	**822**	**–**	**–**	**822**
Liabilities				
Interest bearing cross-staple loan	67,762	–	–	67,762
Total liabilities	**67,762**	**-**	**–**	**67,762**
Weighted average interest rate				**5.57%**

EPIF I 30 June 2023	Maturity < 1 yr $'000	Maturity 1 - 5 yrs $'000	Maturity > 5 yrs $'000	Total $'000
Assets				
Cash and cash equivalents	815	–	–	815
Total assets	**815**	**–**	**–**	**815**
Liabilities				
Interest bearing cross-staple loan	43,441	–	–	43,441
Total liabilities	**43,441**	**–**	**–**	**43,441**
Weighted average interest rate				**4.50%**

The cross-staple loan has a back-to-back arrangement to mirror the external hedged debt facilities of EPIF II.

(c) Interest rate sensitivity

At reporting date, if Australian interest rates had been 1% higher / lower and all other variables were held constant, the impact on the Group in relation to cash and cash equivalents, derivatives, interest bearing loans and the Fund's profit and equity would be:

		Increase by 1%		Decrease by 1%	
Consolidated Group 30 June 2024	**Amount $'000**	**Profit/ (loss) $'000**	**Equity $'000**	**Profit/ (loss) $'000**	**Equity $'000**
Cash and cash equivalents	1,133	12	–	(12)	-
Derivative financial instruments	248	250	–	(250)	-
Interest bearing loans	67,160	(672)	–	672	-
Total increase / (decrease)		**(410)**	**–**	**410**	**–**

		Increase by 1%		Decrease by 1%	
Consolidated Group 30 June 2023	**Amount $'000**	**Profit/ (loss) $'000**	**Equity $'000**	**Profit/ (loss) $'000**	**Equity $'000**
Cash and cash equivalents	958	10	-	(10)	-
Derivative financial instruments	734	250	-	(250)	-
Interest bearing loans	43,441	(306)	-	306	-
Total increase / (decrease)		**(46)**	**–**	**46**	**–**

13. Financial Risk Management (continued)

Of the $67.8 million floating interest-bearing loan, 37% of this amount was hedged using interest rate swap agreement. These agreements are in place to swap the floating interest rate payable to a fixed rate to minimise the interest rate risk.

		Increase by 1%		Decrease by 1%	
EPIF I	**Amount**	**Profit/ (loss)**	**Equity**	**Profit/ (loss)**	**Equity**
30 June 2024	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cash and cash equivalents	822	9	–	(9)	–
Interest bearing cross-staple loan	67,160	(672)	–	672	–
Total increase / (decrease)		**(663)**	**–**	**663**	**–**

		Increase by 1%		Decrease by 1%	
EPIF I	**Amount**	**Profit/ (loss)**	**Equity**	**Profit/ (loss)**	**Equity**
30 June 2023	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cash and cash equivalents	815	8	–	(8)	–
Derivative financial instruments	43,612	(306)	–	306	–
Total increase / (decrease)		**(298)**	**–**	**298**	**–**

(d) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Fund manages credit risk on receivables by performing credit reviews of prospective debtors, obtaining collateral where appropriate and performing detailed reviews on any debtor arrears. Credit risk on derivatives is managed through limiting transactions to investment grade counterparties.

The group applied the AASB9 *Financial Instruments* simplified approach using the provision matrix for measuring the expected credit losses (ECL) which uses a lifetime expected loss allowance. The ECL calculation is based on assumptions about risk of default and expected loss rates. The group has considered the following in assessing the expected credit loss: ageing of the debtor's balances, tenant payment history assessment of the tenant's financial position, existing market conditions and forward-looking estimates.

At balance date, the Fund has recognised a provision for expected credit losses of $1.16 million. This provision reflects the amount of tenant rental arrears at balance date that is likely to be waived in respect of past occupancy and also includes any additional amount relating to arrears at balance date that has been assessed to have credit risk in respect of the financial position of the tenant.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Consolidated Group 30 June 2024 $'000	Consolidated Group 30 June 2023 $'000	EPIF I 30 June 2024 $'000	EPIF I 30 June 2023 $'000
Cash and cash equivalents	1,133	958	822	815
Trade and other receivables	451	477	480	155
Total	**1,584**	**1,435**	**1,302**	**970**

Where entities have a right of set-off and intend to settle on a net basis under netting arrangements, this set-off has been recognised in the consolidated financial statements on a net basis. Details of the Fund's contingent liabilities are disclosed in Note 16.

13. Financial Risk Management (continued)

(d) Credit risk (continued)

At balance date there were no other significant concentrations of credit risk. No allowance has been recognised for the GST from the taxation authorities. Based on historical experience, there is no evidence of default from these counterparties which would indicate that an allowance was necessary.

Impairment losses

The ageing profile of the trade and other receivables balance as at 30 June 2024 is as follows:

	Consolidated Group 30 June 2024 $'000	Consolidated Group 30 June 2023 $'000	EPIF I 30 June 2024 $'000	EPIF I 30 June 2023 $'000
Current	342	155	342	155
Past due 31-61 days	–	8	–	8
Past due 61+ days	566	497	53	30
Total trade receivables	**908**	**660**	**395**	**193**
Current other receivables	706	884	138	5
Total aged Trade and other receivables	**1,614**	**1,544**	**533**	**198**
Provision for expected credit losses	(1,163)	(1,067)	(53)	(43)
Net trade and other receivables	**451**	**477**	**480**	**155**

(e) Capital risk management

The Fund maintains its capital structure with the objective to safeguard its ability to increase returns for securityholders and to maintain an optimal capital structure throughout the wind-up process. The capital structure of the Fund consists of equity as listed in Note 12.

The Fund assesses its capital management approach as a key part of the Fund's overall strategy and it is continuously reviewed by management and the Directors of the Responsible Entity.

To achieve the optimal capital structure, the Board may use the following strategies: amend the distribution policy of the Fund; issue new units through a private placement; conduct a buyback of units; acquire debt; or dispose of investment properties.

(f) Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash including working capital and other reserves, as well as through securing appropriate committed credit facilities.

The following are the undiscounted contractual cash flows of derivatives and non-derivative financial liabilities shown at their nominal amount (including future interest payable).

13. Financial Risk Management (continued)

(f) Liquidity risk (continued)

Consolidated Group 30 June 2024	Less than 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	More than 5 years $'000	Contractual cash flows $'000	Carrying amount $'000
Derivatives	(248)	–	–	–	(248)	(248)
Non derivative financial liabilities						
Payables	4,087	–	–	–	4,087	4,087
Distribution payable	230	–	–	–	230	230
Interest bearing cross-staple loan	67,160	–	–	–	67,160	67,160
Total	**71,229**	**–**	**–**	**–**	**71,229**	**71,229**

Consolidated Group 30 June 2023	Less than 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	More than 5 years $'000	Contractual cash flows $'000	Carrying amount $'000
Derivatives	(548)	(186)	–	–	(734)	(734)
Non derivative financial liabilities						
Payables	1,764	–	–	–	1,764	1,764
Distribution payable	340	–	–	–	340	340
Interest bearing cross-staple loan	43,441	–		–	43,441	43,441
Total	**44,997**	**(186)**	**–**	**–**	**44,811**	**44,811**

EPIF I 30 June 2024	Less than 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	More than 5 years $'000	Contractual cash flows $'000	Carrying amount $'000
Non derivative financial liabilities						
Payables	4,767	–	–	–	4,767	4,767
Interest and Non-Interest bearing cross-staple loan	107,367	–	–	–	107,367	107,367
Total	**112,134**	**–**	**–**	**–**	**112,134**	**112,134**

EPIF I 30 June 2023	Less than 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	More than 5 years $'000	Contractual cash flows $'000	Carrying amount $'000
Non derivative financial liabilities						
Payables	1,792	–	–	–	1,792	1,792
Interest and Non-Interest bearing cross-staple loans	65,526	–	–	43,441	108,967	108,967
Total	**67,318**	**–**	**–**	**43,441**	**110,759**	**110,759**

Other Items

This section provides information that is not directly related to the specific line items in the consolidated financial statements, including information about contingent liabilities, related parties, events after the end of the reporting year, remuneration of auditors and changes in accounting policies and disclosures.

14. Related parties

OVERVIEW

Related parties are persons or entities that are related to the Fund as defined by AASB 124 *Related Party Disclosures*. This note provides information about transactions with related parties during the year.

(a) Key management personnel

Responsible Entity

Elanor Funds Management Limited is the Responsible Entity of the Fund, and is the Key Management Personnel (KMP) of the Fund.

Directors of the Responsible Entity

The Directors of Elanor Funds Management Limited during the year were:

- Ian Mackie (appointed as Chair from 1 January 2024, appointed as Director on 25 August 2023)
- Paul Bedbrook (resigned as Chair and Director on 31 December 2023)
- Anthony (Tony) Fehon (Director, and appointed as Managing Director on 9 September 2024)
- Glenn Willis (resigned as Managing Director and Chief Executive Officer of Elanor Investors Group on 9 September 2024)
- Nigel Ampherlaw (resigned on 23 September 2024)
- Su Kiat Lim
- Karyn Baylis
- Victor Rodriguez (appointed on 7 July 2023 and resigned as 3 September 2024)
- Kathy Ostin (appointed on 1 January 2024)

14. Related parties (continued)

Key Management Personnel

In addition to the Directors, the following persons were Key Management Personnel of the Responsible Entity with the authority for the strategic direction of the Fund:

- Michael Baliva – Fund Manager (resigned on 30 June 2024)
- David Burgess – Fund Manager
- Symon Simmons – Chief Financial Officer
- Paul Siviour – Chief Operating Officer (resigned on 9 September 2024)

Remuneration of Management Personnel

Compensation is paid to the Responsible Entity in the form of fees and is disclosed below. No other amounts are paid by the Fund directly or indirectly to the Management Personnel for services provided to the Fund.

The Directors of the Responsible Entity and other management personnel are paid by the Responsible Entity. Payments made from the Fund to the Responsible Entity do not include any amounts attributable to the compensation of key management personnel.

Consequently, no compensation as defined in AASB 124 *Related Party Disclosures*, is paid by the Fund to its Management Personnel, other than that paid to the Responsible Entity.

Fees to the Responsible Entity or its related parties

During the year, fees were incurred by the Fund to Elanor Investors Group and its controlled entities, in accordance with the Constitution of each scheme, including management fees and cost recoveries.

Fees paid to Elanor Investors Group and its controlled entities:	Consolidated Group 30 June 2024 $	Consolidated Group 30 June 2023 $	EPIF I 30 June 2024 $	EPIF I 30 June 2023 $
Investment Management fees	723,477	903,607	721,612	887,611
Syndication fee	–	279,309	–	279,309
Refinancing costs recharged	400,000	150,000	400,000	150,000
Underwriting fee	–	971,316	–	971,316
Transaction cost	150,000	300,000	150,000	300,000
Total investment management fees	1,273,477	2,604,232	1,271,612	2,588,236
Other[1]	433,520	556,161	433,520	556,161
Total	**1,706,997**	**3,160,393**	**1,705,132**	**3,144,397**

[1.] Other fees include cost recoveries, leasing management fees and development fees.

Outstanding balances arising from Fees paid to Elanor Investors Group and its controlled entities:				
Accounts payable	795,716	–	783,794	–
Total	**795,716**	**–**	**783,794**	**–**

14. Related parties (continued)

Related party holdings

Directors and other Key Management Personnel of the Responsible Entity and of its related entities may hold investments in the Fund. Such investments were purchased on normal commercial terms and were at arm's length. The number of securities held by Directors and other Key Management Personnel are as follows:

	30 June 2024 No. of fully paid units
Investment held by Elanor Investment Trust	29,855,582
Investment held by Directors and Other Management Personnel	859,710
Total	**30,715,292**

	30 June 2023 No. of fully paid units
Investment held by Elanor Investment Trust	18,918,877
Investment held by Directors and Other Management Personnel	734,916
Total	**19,653,793**

Cross-Staple Loan

On 1 July 2022, as part of the internal funding structure on listing of the Fund, EPIF I entered into a 10-year loan with EPIF II, which included an interest and non-interest bearing portion. As at 30 June 2024, the outstanding loan balance payable to EPIF II was $107.4 million ($109 million as at 30 June 2023), splitting into interest bearing and non-interest bearing portion of $67.8 million and $39.7 million respectively.

Disposal of investments in related parties

During the year, the Fund disposed of 1,928,628 units in the Elanor Commercial Property Fund (ASX: ECF) on market for total consideration of $1,384,825. As ECF is managed by the same fund manager as EPIF, Elanor Asset Services Pty Limited, it is considered to be related party.

During the year, the Fund sold 3,798,490 units in the unlisted Harris Street Fund to Elanor Investors Group for a total consideration of $2,745,075.

Refer to note 7 Financial assets for a summary of the investments held at fair value through profit and loss.

During the period the Fund earned the following investment income from these related party investments:

	Consolidated Group 30 June 2024 $	Consolidated Group 30 June 2023 $	EPIF I 30 June 2024 $	EPIF I 30 June 2023 $
Investment income earned from ECF	85,002	135,968	85,002	135,968
Investment income earned from Harris Street Fund	23,235	123,032	23,235	123,032
Total	**108,237**	**259,000**	**108,237**	**259,000**

15. Non-cancellable operating lease receivables

OVERVIEW

This note sets out the non-cancellable operating lease receivables of the Fund and the EPIF I.

	Consolidated Group 30 June 2024 $'000	Consolidated Group 30 June 2023 $'000	EPIF I Group 30 June 2024 $'000	EPIF I Group 30 June 2023 $'000
Within 1 year	6,207	8,657	6,207	8,657
Between 1 and 2 years	5,576	6,758	5,576	6,758
Between 2 and 3 years	4,193	4,646	4,193	4,646
Between 3 and 4 years	3,093	3,377	3,093	3,377
Between 4 and 5 years	2,393	2,400	2,393	2,400
Later than 5 years	8,110	9,554	8,110	9,554
Total	**29,572**	**35,392**	**29,572**	**35,392**

16. Unrecognised items

OVERVIEW

Items that have not been recognised on the Fund's balance sheet, including contractual commitments for future expenditure and contingent liabilities which are not sufficiently certain to qualify for recognition as a liability on the balance sheet, are defined as unrecognised items. This note provides details of any such items.

(a) Contingent liabilities

The Directors are not aware of any material contingent liabilities of the Fund as at 30 June 2024 (30 June 2023: nil).

(b) Commitments

The Fund had $nil of capital commitments (30 June 2023: $0.3 million) in respect of capital expenditures contracted as of 30 June 2024.

17 Restatement of comparatives

(a) Earnings per share

In the prior year, EPS was incorrectly calculated using the closing number of units, rather than the weighted average number of units. The basic and diluted earnings per share for the prior period have been restated. The basic and diluted earnings have been adjusted from 5.53 cents to 4.69 cents per share for the consolidated Group and from 3.97 cents to 3.37 cents for EPIF I.

(b) Statement of profit or loss

Comparatives in the statement of profit or loss have been restated to re-classify:

- capitalised leasing costs from net revaluation gain on investment properties to other expenses
- capitalised lease incentives from net revaluation gain on investment properties to rental income
- amortisation of lease incentives from other expenses to rental income

The following financial statement line items have been restated as follows:

	Consolidated Group			EPIF I Group		
	30 June 2023 (reported) $'000	Increase/ (decrease) $'000	30 June 2023 (restated) $'000	30 June 2023 (reported) $'000	Increase/ (decrease) $'000	30 June 2023 (restated) $'000
Consolidated statements of profit or loss (extract)						
Rental income	12,175	(631)	11,544	12,175	(631)	11,544
Revaluation gain on investment properties	785	451	1,236	785	451	1,787
Total income	**12,960**	**(180)**	**12,780**	**12,960**	**(180)**	**13,331**
Other expenses	1,329	(180)	1,149	1,217	(180)	1,037
Total Expenses	**1,329**	**(180)**	**1,149**	**1,217**	**(180)**	**1,037**

18. Parent entity

OVERVIEW

The financial information below on Elanor Property Income Fund's parent entity, EPIF II, as a stand-alone entity has been provided in accordance with the requirements of the *Corporations Act 2001*.

(a) Summarised financial information

Financial position	EPIF II 30 June 2024 $'000	EPIF II 30 June 2023 $'000
Current assets	110,590	66,131
Non-current assets	–	43,883
Total Assets	**110,590**	**110,014**
Current liabilities	69,428	–
Non-current liabilities	–	43,602
Total Liabilities	**69,428**	**43,602**
Contributed equity	67,061	89,982
Reserves	(1,412)	(1,412)
Retained profits / (accumulated losses)	(24,487)	(22,158)
Total Equity	**41,162**	**66,412**

Financial performance	EPIF II 30 June 2024 $'000	EPIF II 30 June 2023 $'000
(Loss) / profit for the period	(705)	1,325
Other comprehensive income for the period	–	–
Total comprehensive (loss) / income for the period	**(705)**	**1,325**

(b) Commitments

EPIF II had no commitments as at 30 June 2024 (2023: none) in relation to capital expenditure contracted for but not recognised as liabilities.

(c) Guarantees provided

EPIF II had no outstanding guarantees as at 30 June 2024 (2023: none).

(d) Contingent liabilities

EPIF II had no contingent liabilities as at 30 June 2024 (2023: none).

18. Parent entity (continued)

ACCOUNTING POLICY

With the exception of consolidation, the financial information of the parent entity of Elanor Property Income Fund has been prepared on the same basis as the consolidated financial statements.

19. Auditor's remuneration

OVERVIEW

PricewaterhouseCoopers are the independent auditors of the Fund and have provided audit related services to the Group and the Trust during the year.

During the year, the following fees were paid or payable for services provided by the auditor of the Fund:

	Consolidated Group 30 June 2024 $	Consolidated Group 30 June 2023 $
Audit services		
Audit and review of financial reports	153,000	150,000
Total services provided by PwC	**153,000**	**150,000**

20. Subsequent events

Subsequent to balance date, on 8 July 2024, Glenorchy Plaza was settled for $19.75 million with the net proceeds distributed to EPIF securityholders by way of a special distribution of $0.02 per stapled security. Out of the total contract price of $19.75 million, $17.2 million was used to repay the debt and $1.0 million was to pay selling costs and settlement adjustments. The remaining amount of $1.6 million was subsequently paid via special distribution on 15 July 2024.

Furthermore, on 4 September 2024 the Fund entered into a Heads of Agreement for the sale of Manning Mall for a gross sale price of $36.0 million and on 24 September 2024 the Fund entered into a put and call option Deed for the sale of Northway Plaza for a gross sale price of $18.59 million. The value under the agreements for the sale of the assets is considered to be an indicator of net realisable value of the asset and entry into this arrangement post balance date is considered an adjusting subsequent event under Accounting Standard AASB 110 *Events after the Reporting Period*. Therefore, the adopted 30 June 2024 valuation of Northway and Manning Mall reflects the net sales (after selling costs) proceeds under the contractual agreements.

Elanor Investor Group and the Responsible Entity

On 23 August 2024, Elanor Investors Group (ASX: ENN) requested, and the ASX granted, a voluntary suspension of trading of ENN securities on the ASX to enable Elanor to consider a range of options to stabilise and maintain its ongoing financial position. Elanor Funds Management Limited (EFML) is a wholly owned subsidiary of Elanor Investors Group and is the Responsible Entity of EPIF. If Elanor Investors Group is not able to stabilise and maintain its ongoing financial position, it may cast uncertainty about EFML’s ability to act as Responsible Entity of the Fund.

20. Subsequent events (continued)

Other than the events disclosed in the "Going Concern" section, the directors are not aware of any other matters or circumstances not otherwise dealt with in the financial reports or the Directors' Report that has significantly affected or may significantly affect the operations of the Fund, the results of those operations or the state of affairs of the Fund in the financial year subsequent to the year ended 30 June 2024.

21. Accounting policies

OVERVIEW

This note provides an overview of the Fund's accounting policies that relate to the preparation of the financial report as a whole and do not relate to specific items. Accounting policies for specific items in the balance sheet or statement of comprehensive income have been included in the respective note.

(a) Interest Income

Interest income is recognised as it accrues using the effective interest rate method.

(b) Expenses

All expenses, including the responsible entity's fees and custodian fees, are recognised in profit or loss on an accruals basis.

(c) Income Taxation

Under current legislation, the Fund is not subject to income tax as securityholders are presently entitled to the income of the Fund.

ELANOR PROPERTY INCOME FUND

DIRECTORS' DECLARATION TO STAPLED SECURITYHOLDERS

In accordance with a resolution of the Directors of Elanor Funds Management Limited, the Responsible Entity for Elanor Property Income Fund I and Elanor Property Income Fund II, we declare that in the opinion of the Directors:

a) the financial statements and notes set out on pages 14 to 50 are in accordance with the *Corporations Act 2001* (Cth) including:

    i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

    ii. giving a true and fair view of the Consolidated Group's and EPIF I Group's financial position as at 30 June 2024 and of its performance, for the year ended 30 June 2024; and

b) as disclosed in note 'About this report' to the financial statements, the Consolidated Group is expected to be wound up within twelve months from the date of this report as a result of resolution of the EPIF securityholders on 8 May 2024. However, the assets exceed the liabilities and there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and

c) the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board; and

d) The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by Section 295A of the *Corporations Act 2001* (Cth).

This declaration is made in accordance with a resolution of the Boards of Directors in accordance with Section 295(5) of the *Corporations Act 2001* (Cth).

Tony Fehon
Managing Director

Sydney
27 September 2024

Independent auditor's report

To the stapled securityholders of Elanor Property Income Fund

Our opinion

In our opinion:

The accompanying financial report of Elanor Property Income Fund II and its controlled entities (together the Consolidated Group, EPIF or the Fund) and Elanor Property Income Fund I and its controlled entities (together EPIF I) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Consolidated Group's and EPIF I's financial position as at 30 June 2024 and of their financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Consolidated Group's and EPIF I's financial report comprises:

- the consolidated statements of financial position as at 30 June 2024
- the consolidated statements of comprehensive income for the year then ended
- the consolidated statements of profit or loss for the year then ended
- the consolidated statements of changes in equity for the year then ended
- the consolidated statements of cash flows for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the directors' declaration to stapled securityholders.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Consolidated Group and EPIF I in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999

Emphasis of matter - going concern no longer appropriate

We draw attention to the ‘Basis of Preparation’ subsection of the ‘About this report’ section in the financial report, which discusses that the securityholders approved the orderly wind up of the Fund during the year. As a result, the financial report has been prepared on the basis the Consolidated Group and EPIF I are no longer going concerns. Our opinion is not modified in respect of this matter.

Emphasis of matter – subsequent event regarding the Responsible Entity

We draw attention to Note 20 in the financial report which outlines an event subsequent to balance date that may cast uncertainty about the ability of the Responsible Entity of EPIF to continue to act as the Responsible Entity of the Fund. Our opinion is not modified in respect of this matter.

Other information

The directors of the Responsible Entity are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the directors of the Responsible Entity for the financial report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the Responsible Entity are responsible for assessing the ability of the Consolidated Group and EPIF I to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Responsible Entity either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

CJ Cummins
Partner

Sydney
27 September 2024