ASX Announcement **30 September 2024**

Company Announcements Office
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Attached is the Elanor Commercial Property Fund (ASX:ECF) Annual Financial Report for the year ended 30 June 2024.

In respect of the Appendix 4E Preliminary Final Report released to the ASX on 30 August 2024, we note that the attached Annual Financial Report includes a revaluation of the Fund's Equity Accounted Investment of $1.5 million from $18.7 million to $17.2 million in the Consolidated Statements of Financial Position.

As a result of this adjustment, the Fund's statutory net loss after tax in the Consolidated Statements of Profit or Loss increased from $25.2 million to $26.7 million and the Fund's net assets decreased from $265.7 million to $264.2 million.

ECF's Funds from Operations of $33.1 million, or 10.47 cents per security, for the year ended 30 June 2024 is unchanged.

Yours Sincerely,

Symon Simmons
Company Secretary
Elanor Investors Group

Authority and Contract Details

This announcement has been authorised for release by the Board of Directors of Elanor Funds Management Limited as responsible entity of the Elanor Commercial Property Fund. For further information regarding the announcement please contact:

Symon Simmons
Company Secretary
Elanor Investors Group
Phone: (02) 9239 8400

About Elanor Commercial Property Fund

Elanor Commercial Property Fund (ASX: ECF) is an externally managed real estate investment trust that invests in Australian commercial office assets. It was listed on the ASX in 2019 and currently owns 9 office assets with a combined valuation of $514 million.
www.elanorinvestors.com/ECF

Annual Financial Report

For the year ended
30 June 2024

Elanor Commercial Property Fund

Comprising the stapling of units in Elanor Commercial Property Fund I (ARSN 636 623 099) and units in Elanor Commercial Property Fund II (ARSN 636 623 517)

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

ELANOR COMMERCIAL PROPERTY FUND

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ELANOR COMMERCIAL PROPERTY FUND

DIRECTORS' REPORT

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

The annual financial report of the Consolidated Group comprises Elanor Commercial Property Fund I (ECPF I) and its controlled entities and Elanor Commercial Property Fund II (ECPF II).

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.

ECPF I and ECPF II were registered as managed investment schemes on 18 October 2019. The units of ECPF I and the units of ECPF II are combined and issued as stapled securities in the Group. The Group's securities are traded on the Australian Securities Exchange (ASX: ECF). The units of each scheme cannot be traded separately and can only be traded as stapled securities. Although there is no ownership interest between ECPF I and ECPF II, ECPF I is deemed to be the parent entity of the Group in accordance with the Australian Accounting Standards.

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 on 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, 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 activity of the Fund is the investment in Australian commercial office properties, located in major metropolitan areas or established commercial precincts.

3. Distributions

Distributions in respect of the year ended 30 June 2024

The following table details the Consolidated Group's distributions that were declared and / or paid in respect of the year ended 30 June 2024:

Consolidated Group	Distribution Cents per stapled security	30 June 2024 $'000
Distribution paid: 1 July - 30 September 2023	2.125	6,727
Distribution paid: 1 October - 31 December 2023	2.125	6,727
Distribution paid: 1 January - 31 March 2024	2.125	6,727
Distribution payable: 1 April - 30 June 2024	2.125	6,727
Total distribution relating to the year ended 30 June 2024	**8.50**	**26,908**

4. Operating and financial review

OVERVIEW AND STRATEGY

The Elanor Commercial Property Fund is an externally managed real estate investment fund that invests in high investment quality commercial office properties.

The Fund's objective is to provide strong, risk-adjusted returns through a combination of regular distributions and capital growth. To achieve this objective, the Fund's strategy is to:

- Invest in commercial office properties with differentiated competitive market positions that are located in major metropolitan areas or established commercial precincts;
- Execute leasing strategies and actively manage the properties to grow the income and capital value of the assets;
- Acquire additional high investment quality commercial office properties in line with the Fund's investment criteria; and
- Maintain a conservative capital structure with a target Gearing range between 30% and 40%.

During the year ended 30 June 2024, the Fund completed and achieved the following key initiatives and results:

- Funds from Operations (FFO) for the period of $33.1 million or 10.47 cents per security
- Distributions of $26.9 million or 8.50 cents per security, at a payout ratio of 81%, the low end of the Fund's target payout ratio range (80% – 100%);
- Successfully executed a range of new leases and renewals for over 26,000 m^2, further enhancing the Fund's income security and tenant quality;
- Reduced FY25 lease expiries to 8% of gross income;
- Maintained strong occupancy levels at 98.4%, significantly above national office occupancy levels.
- Key leasing initiatives during the period included:
  - Lease renewal executed with DXC Technology for the entire Campus DXC property in Felixstow, South Australia (6,288m^2)
  - Lease renewal executed with Sunshine Loans for 1,053m^2 at 50 Cavill Avenue, Surfers Paradise, Queensland
  - Lease renewal executed with Optus for 665m^2 at 34 Corporate Drive, Cannon Hill, Queensland

4. Operating and financial review (continued)

- New lease signed with NIB Thrive for 509m^2 at 34 Corporate Drive, Cannon Hill, Queensland.
- New leases signed with CIP Construction, Bluepost Productions and Born Creators over a combined 1,203m^2 at 19 Harris St, Pyrmont, New South Wales
- HOA signed with CPB Contractors for renewal of 4,887m^2 at WorkZone West, Perth, Western Australia
- HOA signed with Vocus for new lease of 3,759m^2 at the WorkZone West, Perth, Western Australia
- HOA signed with Bunnings for renewal of 1,992m^2 at the NEXUS Centre, Mt Gravatt, Queensland
- HOA signed with Thomson-Reuters for renewal of 1,941m^2 and a lease was executed with L'Oreal for renewal of 554m^2 at 19 Harris Street, Pyrmont, NSW.

The Fund's portfolio of commercial office assets:

- Comprises nine high investment quality properties located in established commercial office precincts in Brisbane, Gold Coast, Perth, Canberra, Adelaide and Sydney, with a combined value of $462.4 million (including 19 Harris Street);
- Generates approximately 72% of its income from Federal and State Governments (16%), Multinationals (45%, including ITV, Abacus dx, Accor) and ASX-listed tenants (12%, including CIMIC, NAB, Coles and Wesfarmers).
- Had a gearing ratio of 40.1% at balance date (45.9% on a look through basis).

Subsequent to balance date, on 9 September 2024, the Fund announced a strategic partnership with Lederer Group. The Lederer Group has acquired Elanor Investors Group's (ASX: ENN) 12.6% interest in the Fund to become the largest securityholder in the Fund.

As part of the strategic partnership, the Lederer Group has committed $50 million in equity capital to support the Fund. The Lederer Group will have participation on a new investment committee (one of four positions alongside representatives of the Responsible Entity and the Manager). The new investment committee will oversee any material investment or divestment initiatives, including major capital expenditure, and will make non-binding recommendations to the Responsible Entity in relation to those matters having regard to the best interest of all ECF securityholders.

The Fund has committed to acquire at least its 49.9% pro-rata share of the Harris Street Fund Capital Notes, subject to sourcing suitable funding. Citigroup Global Markets Australia Pty Limited and MA Moelis Australia Advisory Pty Ltd are advising on a potential rights issue in ECF to fund both the commitment to the Harris Street Fund and to provide further capital for near term capital expenditure and incentives.

The Lederer Group's equity commitment of $50 million includes an offer to take up 100% of its entitlement and sub-underwrite any potential rights issue at an indicative offer price of 60 cents per security. The Responsible Entity will actively explore the rights issue, however, any equity raising is subject to market conditions, final Responsible Entity Board approval, regulatory approvals and securing suitable underwriting support for the rights issue.

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 ECF. 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.

4. Operating and financial review (continued)

INVESTMENT PORTFOLIO

The valuation of the Fund's portfolio of investment properties at 30 June 2024 has decreased by $31.9 million (6.71%) since 30 June 2023 (a $18.8 million or 4.06% decrease since 31 December 2023). The valuation of the equity accounted investment in the 19 Harris Street property at 30 June 2024 decreased by $14.3 million (45.52%) since 30 June 2023.

This decrease in portfolio valuation is primarily due to rising capitalisation and discount rates driven by the prevailing interest rate environment and broader market conditions. These impacts have been partially offset by increasing portfolio rents for the Fund. The Fund's portfolio valuation decrease is consistent with reduced asset valuations across the Australian commercial office market. The Sydney City commercial office market has been more severely impacted by rising capitalisation rates based on recent commercial property transactions, and this is reflected in the value of the Fund's 49.9% interest in the 19 Harris Street property.

The resilience of the Fund's property portfolio is a result of its tenant quality, occupancy of 98.4%, and WALE of 4.0 years. Strong tenant demand has driven 9.1% positive leasing spreads and 4.7% like-for-like income growth, reflecting the strength of the leasing outcomes achieved during the year. This is a direct result of the Fund's strategy to invest in commercial office properties with differentiated competitive market positions.

The following table shows a summary of ECF's investment portfolio as at balance date:

Property	Location	Carrying Value 30 June 2024 $'m	Carrying Value 30 June 2023 $'m
50 Cavill Avenue	Surfers Paradise QLD	110.5	120.0
WorkZone West	Perth, WA	111.0	118.0
Garema Court	Canberra, ACT	57.7	66.0
200 Adelaide St	Brisbane, QLD	43.5	50.0
NEXUS Centre	Mount Gravatt, QLD	33.5	35.0
Limestone Centre	Ipswich, QLD	30.5	29.6
Campus DXC	Felixstow, SA	31.0	28.5
34 Corporate Drive	Cannon Hill, QLD	26.0	28.5
Total Investment Properties		**443.7**	**475.6**

Equity Investment	Location	Ownership %	Equity Accounted Value 30 June 2024 $'m	Equity Accounted Value 30 June 2023 $'m
19 Harris Street	Pyrmont, NSW	49.9	17.2	31.6
Total Equity Investment			**17.2**	**31.6**
Total Investment Portfolio			**460.9**	**507.2**

On 20 August 2024, Harris Property Trust executed a credit approved term sheet with its financier to extend and vary the existing debt facility from 23 May 2025 to 30 June 2027. The revised terms include a requirement to reduce the debt facility from $101.75 million to $77.0 million prior to 30 November 2024. The Harris Street Fund intends to undertake a capital note raise to meet this requirement.

The ASX announcement made by Elanor Investors Group (which incorporates ECF's Responsible Entity, EFML, and the trustee of the Harris Property Trust) on 23 August 2024 may create a material uncertainty as to the ability to complete ECF's and Harris Street Fund capital note raise within the required timeframe.

4. Operating and financial review (continued)

To mitigate the risk of not completing the capital raising within the required timeframe, the trustee of the Harris Property Trust can undertake alternative options including reducing the size of the raise, seeking further accommodation from the financier, undertaking a refinancing of the existing debt or an orderly sale of the Harris Street property asset.

FINANCIAL RESULTS

The Fund recorded a statutory loss after tax of $26.7 million for the year ended 30 June 2024 (2023: loss after tax of $32.2 million).

Funds from Operations (FFO) was $33.1 million (2023: $34.9 million) or 10.47 cents (2023: 11.01 cents) per weighted 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 relating to borrowing costs and the manager contribution.

The Fund's balance sheet remains strong at 30 June 2024, with net assets of $264.2 million, and cash on hand of $7.7 million. The Fund also has $4.5 million in undrawn debt facilities.

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

Key financial results	Consolidated Group 30 June 2024	ECPF II 30 June 2024
Net statutory (loss)/profit ($'000)	(26,704)	648
Funds from Operations (FFO) ($'000)	33,143	2,060
Distributions payable to security holders ($'000)	6,727	389
FFO per stapled security (cents)	10.47	0.65
FFO per weighted average stapled security (cents)	10.47	0.65
Distributions (cents per stapled security)	8.50	0.52
Net tangible assets ($ per stapled security)	0.83	0.05
Gearing (net debt / total assets less cash) (%)	40.1%	44.5%
Gearing (look-through)[1] (%)	45.9%	44.5%

[1] Adjusted for equity accounted investment of 19 Harris Street, Pyrmont, NSW.

4. Operating and financial review (continued)

The table below provides a reconciliation from statutory net loss to Funds from Operations:

Funds from Operations (FFO)[1]	Consolidated Group 30 June 2024 $'000	ECPF II 30 June 2024 $'000
Statutory net (loss)/profit	**(26,704)**	**648**
Adjustments for items included in statutory loss:		
Fair value (gain)/loss included in share of profit from equity accounted investment[2]	13,236	–
Fair value (gain)/loss on investment property	35,311	(98)
Fair value (gain)/loss on derivatives	2,598	134
Straight lining of rental income[3]	231	53
Amortisation expense[4]	6,246	1,198
Transaction costs	755	125
Adjustments for non profit / (loss) item:		
Share of FFO from equity accounted investments	1,470	–
Funds from Operations (FFO)[1]	**33,143**	**2,060**

Note 1: Funds from Operations (FFO) has been determined in accordance with the Property Council Guidelines and adjusted for amortisation of borrowing cost and manager contribution 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. This includes the group's proportional ownership of 19 Harris Street's FFO, which is held as an equity accounted investment.
Note 2: Includes amortisation of the manager contribution of $0.93 million.
Note 3: Straight lining of rental income is a non-cash accounting adjustment recognised in rental income in the Consolidated Statement of Profit or Loss.
Note 4: Amortisation expense includes the amortisation of capitalised leasing costs and rental abatements, and debt establishment costs recognised in the Consolidated Statement of Profit or Loss

CLIMATE RELATED DISCLOSURES

Elanor Investors Group ('Elanor' or 'Elanor Group'), as the Manager of a portfolio of commercial office properties across Australia, recognises the impact that climate change is having on the environment and the importance of its contribution to climate change mitigation initiatives.

Specifically, Elanor is advancing its understanding of climate-related risks and opportunities in line with leading practice frameworks and standards being set by the Australian Accounting Standards Board to ensure it is ready for climate-related financial disclosure.

As part of Elanor's commitment to sustainability and responsible business practices, the Elanor Group continues to progress disclosure on measuring, monitoring, and reporting of climate-related risks and opportunities in line with the draft Australian Sustainability Reporting Standards ('ASRS').

The following sections outline the progress Elanor is making on climate change initiatives and climate-related financial disclosure in line with the draft ASRS framework covering the areas of governance, strategy, risk management, and targets and metrics.

4. Operating and financial review (continued)

CLIMATE-RELATED FINANCIAL DISCLOSURES

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The following sections outline the progress Elanor is making on climate change initiatives and climate-related financial disclosure in line with the draft ASRS framework covering the areas of governance, strategy, risk management, and targets and metrics.

Governance

The Elanor Board takes responsibility for overseeing the Elanor's sustainability strategy and policies, which includes managing climate-related financial risks and opportunities. Elanor's ESG Committee, operating under a Charter, reports to the Board as a Management Committee. Chaired by the CEO and Managing Director, the ESG Committee ensures the Group identifies, assesses, and manages material ESG risks, including climate-related risks and opportunities.

Working closely with Elanor's Executive Management Committee and key business unit managers, the ESG Committee collaborates to achieve the successful formulation and implementation of Elanor's ESG initiatives. The ESG Committee plays a pivotal role in developing an understanding of Elanor's climate-related risks and opportunities, and assessing the processes, controls, and procedures it uses to monitor, manage and oversee these risks and opportunities.

Strategy

Elanor Investors Group's second ESG Annual report, released last year, sets out the Elanor's ESG strategy. Short, medium and long-term goals have been identified against five material environment topics including energy and carbon management, ecological impacts, water management, waste impacts and climate change vulnerability. Currently, portfolio-wide identification of decarbonisation opportunities, including net zero modelling are priorities.

Elanor is currently developing its strategy for managing its climate-related risks and opportunities as an integral part of Elanor's strategic considerations. Elanor is working with key internal and external expert stakeholders to understand the current and anticipated effects of those climate-related risks and opportunities on the business model and value chain and readying itself for climate-related financial disclosure.

Risk management

The Elanor Board and ESG Committee are responsible for monitoring and managing climate-related risks and opportunities. To ensure that climate-related risks and opportunities are managed in a coordinated manner, a process is underway to consider how to integrate climate-related risks and opportunities into Elanor's Risk Management Framework and Risk Appetite Statement along with broader ESG, business-related and macro-economic matters.

4. Operating and financial review (continued)

To ensure the Elanor Group addresses climate-related risks and opportunities more effectively, a climate change vulnerability analysis process is being integrated into due diligence procedures for all new asset acquisitions.

In the coming years, this analysis will be extended to cover Elanor's long-term portfolio, evaluating climate-related risks and opportunities thoroughly from both a physical risk and transition risk perspective.

Metrics and targets

Elanor is committed to reducing its environmental impact on the planet and understanding its climate-related financial impact.

Energy usage data and scope 1 and 2 carbon emissions have been collected for all Elanor-managed assets for financial years 2022, 2023 and 2024. This data will help to establish energy consumption and carbon emission targets for Elanor's managed fund real estate portfolio.

Elanor is currently evaluating the impact of its business operations on the environment and exploring ways to minimise its carbon footprint. These efforts include:

- Energy efficiency improvements;
- On-site renewable energy generation; and
- Long term generation credits procurement.

Elanor's 2024 ESG report, to be released later in 2024, will provide details on the Elanor Group's energy and carbon management initiatives, achievements, and plans across the portfolio to enhance its climate-related financial disclosure.

By drawing on the draft ASRS requirements and enhancing the Elanor Group's understanding of climate-related risks and opportunities, Elanor aims to foster sustainable and responsible business practices that benefit the Elanor Group's shareholders, including ECF's shareholders, key stakeholders and the environment.

RISK MANAGEMENT

Earnings variability and potential capital value impacts due to the prevailing interest rate environment and economic conditions are the primary risk to the Fund in the coming period. Potential capital value movements are related to higher return hurdles for real estate investments as interest rates rise, driven by volatility and uncertainty in respect of short- and long-term interest rates.

Further, risks may also relate to increased operating expenses, a softening of rental growth, an increase in required incentives or longer letting up periods and possible weather-related events. While general market uncertainty may impact the availability of capital for acquisition opportunities, demand for quality assets is expected to remain positive.

These risks to the Fund are mitigated through hedging of interest rates and active management of the Fund's portfolio. Regular and active engagement with tenants across the portfolio and ongoing assessments of tenant rental risks contribute strongly to the performance of the Fund. Further risk mitigants include the broadening of the Fund's tenant mix and actively managing the Fund's cash position and capital structure.

4. Operating and financial review (continued)

SUMMARY AND OUTLOOK

The Fund's core strategy will remain focused on actively managing and growing earnings from its investment portfolio, realising value-add opportunities across the existing portfolio, and acquiring additional high investment quality commercial office properties.

The resilience of the Fund's property portfolio in the current economic environment reflects its tenant quality, occupancy of 98.4%, and WALE of 4.0 years. Strong tenant demand has driven positive leasing spreads of 9.1% and like-for-like income growth of 4.7%, reflecting the strength of the leasing outcomes achieved during the year. This is a direct result of the Fund's strategy to invest in commercial office properties with differentiated competitive market positions.

Looking ahead, in addition to the disclosures included in the Overview and Strategy section above, risks to the Fund in the coming year include demand variability associated with uncertain economic market conditions. This has been mitigated by management by successfully renewing and extending leasing agreements with existing tenants and actively marketing any remaining vacant space to secure the portfolio's future income.

The active asset management of the Fund's portfolio is generating improved operational performance, and strategic initiatives to grow and realise the capital value of the Fund are being progressed.

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 '000	Consolidated Group 30 June 2023 '000	ECPF II 30 June 2024 '000	ECPF II 30 June 2023 '000
Stapled securities on issue at the beginning of the period	316,556	316,556	316,556	316,556
Stapled securities issued during the period	–	–	–	–
Stapled securities on issue at the end of the period	**316,556**	**316,556**	**316,556**	**316,556**

6. Directors

Name	Particulars
Ian Mackie	Independent Non-Executive Director (appointed as Chair on 1 January 2024, appointed as Director on 25 August 2023) Ian was appointed as a Director of Elanor Investors Limited (EIL) and Elanor Funds Management Limited (the Responsible Entity of ECF) 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 ECF) 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: 200,000 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: Nil 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 ECF) 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: Nil Qualifications: B.Com, FCA, MAICD

6. Directors (continued)

Name	Particulars
Anthony (Tony) Fehon	Independent Non-Executive Director (appointed as Managing Director on 9 September 2024) Tony was appointed as a Director of both the EIL and EFML (the Responsible Entity of ECF) 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, and numerous small companies. He was previously an Executive Director of Macquarie Bank Limited where he held responsibilities for several of Macquarie's listed property trusts as well as operational leadership for residential real estate developments and real estate based operational businesses in the living and leisure sectors. Former listed directorships in the last three years: Elanor Retail Property Fund (ERF) Interest in stapled securities: 67,500 Qualifications: B. Com, FCA
Su Kiat Lim	Independent Non-Executive Director Su Kiat was appointed as a Director of both EIL and EFML (the Responsible Entity of ECF) 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 over 20 years' experience in the real estate funds, investment and asset management industry across the Asia Pacific region including Australia. In 2011 Su Kiat co-founded Rockworth Capital Partners, a direct real estate investment management firm in Singapore, successfully growing its AUM to $1bn by 2017. Prior to that, Su Kiat held key roles in Investment Management at Frasers Property Limited, Frasers Commercial Trust and ALLCO REIT. Su Kiat was appointed as a non-executive Director of Aspen Group Holdings Limited, a SGX main board listed developer since 2016. Former listed directorships in the last three years: Elanor Retail Property Fund (ERF) Interest in stapled securities: Nil Qualifications: B.Bus, PhD (Econ)

6. Directors (continued)

Name	Particulars
Karyn Baylis AM	Independent Non-Executive Director Karyn was appointed as a Director of both the EIL and EFML (the Responsible Entity of ECF) 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 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: 25,000
Victor Rodriguez	Non-Executive Director (appointed on 7 July 2023 and resigned on 3 September 2024) Victor was appointed a Director of both EIL and EFML (the Responsible Entity of ECF)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: None Interest in stapled securities: Nil

6. Directors (continued)

Name	Particulars
Kathy Ostin	Independent Non-Executive Director (appointed on 1 January 2024) Kathy was appointed as a Director of both the EIL and EFML (the Responsible Entity of ECF) in 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), and Next Science Limited (ASX: NXS). 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)	200,000
Glenn Willis (resigned as Managing Director and Chief Executive Officer on 9 September 2024)	–
Nigel Ampherlaw (resigned on 23 September 2024)	–
Anthony (Tony) Fehon (Director, appointed as Managing Director on 9 September 2024)	67,500
Su Kiat Lim	–
Karyn Baylis AM	25,000
Victor Rodriguez (appointed on 7 July 2023, resigned on 3 September 2024)	–
Kathy Ostin (appointed on 1 Jan 2024)	–

Other than as disclosed in Note 13 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. Meetings of Directors

	Board (Responsible Entity)		Audit & Risk Committee	
	Eligible to attend[1]	Attended	Eligible to attend	Attended
Ian Mackie (appointed as Chair from 1 January 2024, appointed as Director on 25 August 2023)	8	8	3	3
Paul Bedbrook (resigned as Chair and Director on 31 December 2023)	6	6	3	2
Glenn Willis (resigned as Managing Director and Chief Executive Officer on 9 September 2024)	11	11	-	-
Nigel Ampherlaw (resigned on 23 September 2024)	11	8	5	5
Anthony (Tony) Fehon (appointed as Managing Director on 9 September 2024)	11	11	5	5
Su Kiat Lim	11	9	-	-
Karyn Baylis	11	11	-	-
Victor Rodriguez (appointed on 7 July 2023 and resigned on 3 September 2024)	11	10	-	-
Kathy Ostin (appointed on 1 Jan 2024)	5	5	2	2

Note 1: During the year, the Board met 11 times including special purpose meetings for various funds management initiatives throughout the year.

10. 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.

11. 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 Responsible Entity (as named above), the Company Secretary, and all executive officers of the Responsible Entity and of any related body corporate against a liability incurred in their capacity as Directors and officers of the Responsible Entity to the extent permitted by the *Corporations Act 2001* (Cth). 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 Responsible Entity or of any related body corporate against a liability incurred in their capacity as an officer.

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

12. 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.

13. Significant changes in state of affairs

There was no significant change in the state of affairs of the Fund during the year.

14. Auditor's independence declaration

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

15. Non audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 17 to the consolidated financial statements.

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

16. Likely developments and expected results of operations

The consolidated financial statements have been prepared on the basis of the current known market conditions. 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 raise or refinance debt, and the cost of such debt and the ability to raise equity.

The economic and market uncertainty are difficult to forecast. The Fund will continue to engage regularly with all tenants across the Fund's portfolio.

At the date of this report and to the best of the Directors' knowledge and belief, other than matters disclosed under Events occurring after reporting date, 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.

17. Going concern

As at 30 June 2024, the Fund has a net current asset deficiency of $73.0 million and net assets of $264.2 million. ECPF II has a net current asset deficiency of $6.8 million and net assets of $16.6 million.

The net current asset deficiency of the Fund and ECFPII is attributable to a debt facility of $70.0 million (ECPF II: $6.7 million) maturing on 28 February 2025 and a current payable of $6.7 million (ECPF II: $0.4 million) for the Fund's June Quarter distribution. On 28 June 2024, the Fund executed a credit approved term sheet for the extension of the maturity date of the debt facility to 31 August 2026 with an additional increase of two debt facilities by a total of $15.0 million. Subsequent to balance date, on 8 August 2024 the Fund executed an Amendment and Restatement Deed for the extension and increase of the debt facilities.

Accordingly, as of the date of this report, the Directors believe the Fund and ECPFII, as standalone stapled entity, will be able to realise its assets and discharge its liabilities in the ordinary course of business.

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

18. Events occurring after reporting date

On 28 June 2024, the Fund executed a credit approved term sheet for the extension of the maturity date of the debt facility to 31 August 2026 with an additional increase of two debt facilities by a total of $15.0 million. Subsequent to balance date, on 8 August 2024 the Fund executed an Amendment and Restatement Deed for the extension and increase of the debt facilities.

On 9 September 2024, the Fund announced a strategic partnership with Lederer Group. The Lederer Group has acquired Elanor Investors Group's (ASX: ENN) 12.6% interest in the Fund to become the largest securityholder in the Fund.

As part of the strategic partnership, the Lederer Group has committed $50 million in equity capital to support the Fund. The Lederer Group will have participation on a new investment committee (one of four positions alongside representatives of the Responsible Entity and the Manager). The new investment committee will oversee any material investment or divestment initiatives, including major capital expenditure, and will make non-binding recommendations to the Responsible Entity in relation to those matters having regard to the best interest of all ECF securityholders.

The Fund has committed to acquire at least its 49.9% pro-rata share of the Harris Street Fund Capital Notes, subject to sourcing suitable funding. Citigroup Global Markets Australia Pty Limited and MA Moelis Australia Advisory Pty Ltd are advising on the potential rights issue in ECF to fund both the commitment to the Harris Street Fund and to provide further capital for near term capital expenditure and incentives.

The Lederer Group's equity commitment of $50 million includes an offer to take up 100% of its entitlement and sub-underwrite any potential rights issue at an indicative offer price of 60 cents per security. The Responsible Entity will actively explore the rights issue, however, any equity raising is subject to market conditions, final Responsible Entity Board approval, regulatory approvals and securing suitable underwriting support for the rights issue.

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 ECF. 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.

18. Events occurring after reporting date (continued)

The Directors of the Responsible Entity are not aware of any other matter 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.

19. 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
Chairman

Tony Fehon
Managing Director

Sydney, 27 September 2024

Auditor's Independence Declaration

As lead auditor for the audit of Elanor Commercial Property Fund I and Elanor Commercial Property Fund II 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 Commercial Property Fund I and Elanor Commercial Property Fund II 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

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	ECPF II 30 June 2024 $'000	ECPF II 30 June 2023 $'000
Income					
Rental income	2	42,118	41,999	2,615	2,509
Outgoings reimbursements		8,560	8,245	460	161
Fair value gain on investment properties	6	–	–	98	–
Other income		142	70	37	61
Total income		**50,820**	**50,314**	**3,210**	**2,731**
Expenses					
Rates, taxes and other outgoings		11,274	10,778	1,011	729
Share of loss from equity accounted investments	7	13,236	10,031	–	–
Borrowing costs		8,576	5,283	691	385
Other expenses		2,829	2,949	398	342
Investment management fees		2,945	3,405	203	233
Fair value loss on investment properties	6	35,311	48,202	–	7,993
Fair value loss on derivatives		2,598	1,842	134	151
Transaction costs		755	–	125	–
Total expenses		**77,524**	**82,490**	**2,562**	**9,833**
Net (loss) / profit for the period		**(26,704)**	**(32,176)**	**648**	**(7,102)**
Attributable to security holders of:					
- Elanor Commercial Property Fund I		(27,352)	(25,074)	–	–
- Elanor Commercial Property Fund II (Non-controlling interest)		648	(7,102)	648	(7,102)
Net (loss) / profit attributable to security holders for the period		**(26,704)**	**(32,176)**	**648**	**(7,102)**
Basic (loss) / earnings per stapled security (cents)	4	(8.44)	(10.16)	0.20	(2.24)
Diluted (loss) / earnings per stapled security (cents)	4	(8.44)	(10.16)	0.20	(2.24)

The above Consolidated Statements of Profit or Loss should be read in conjunction with the accompanying notes

ELANOR COMMERCIAL PROPERTY 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	ECPF II 30 June 2024 $'000	ECPF II 30 June 2023 $'000
Net (loss) / profit for the period	**(26,704)**	**(32,176)**	**648**	**(7,102)**
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss				
Total comprehensive (loss) / income for the period	**(26,704)**	**(32,176)**	**648**	**(7,102)**
Attributable to security holders of:				
- Elanor Commercial Property Fund I	(27,352)	(25,074)	–	–
- Elanor Commercial Property Fund II (Non-controlling interest)	648	(7,102)	648	(7,102)
Total comprehensive (loss) / income for the period	**(26,704)**	**(32,176)**	**648**	**(7,102)**

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

ELANOR COMMERCIAL PROPERTY FUND

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	Consolidated Group 30 June 2024 $'000	Consolidated Group 30 June 2023 $'000	ECPF II 30 June 2024 $'000	ECPF II 30 June 2023 $'000
Current assets					
Cash and cash equivalents		7,675	7,988	191	590
Receivables		809	647	352	68
Prepayments		276	306	17	19
Other current assets		6	39	6	5
Derivative financial instruments	10	3,061	3,984	154	257
Total current assets		**11,827**	**12,964**	**720**	**939**
Non-current assets					
Investment property	6	443,700	475,617	30,500	29,595
Equity accounted investments	7	17,222	31,614	–	–
Interest bearing cross staple loan receivable		–	–	106	1,737
Derivative financial instruments	10	2,887	4,562	140	172
Total non-current assets		**463,809**	**511,793**	**30,746**	**31,504**
Total assets		**475,636**	**524,757**	**31,466**	**32,443**
Current liabilities					
Trade and other payables	8	6,135	5,000	234	164
Interest bearing liabilities	9	70,000	80,159	6,727	7,402
Manager contribution	8	927	929	–	–
Rent received in advance		1,043	1,468	133	102
Distribution payable	3	6,727	7,439	389	453
Total current liabilities		**84,832**	**94,995**	**7,483**	**8,121**
Non-current liabilities					
Interest bearing liabilities	9	124,855	109,274	7,395	6,710
Manager contribution	8	1,762	2,689	–	–
Total non-current liabilities		**126,617**	**111,963**	**7,395**	**6,710**
Total liabilities		**211,449**	**206,958**	**14,878**	**14,831**
Net assets		**264,187**	**317,799**	**16,588**	**17,612**
Equity					
Equity Holders of Parent Entity					
Contributed equity	11	343,515	343,515	25,978	25,978
Retained accumulated (losses) / profits		(95,916)	(43,328)	(9,390)	(8,366)
Parent entity interest		**247,599**	**300,187**	**16,588**	**17,612**
Equity Holders of Non-Controlling Interest					
Contributed equity	11	25,978	25,978	–	–
Retained accumulated (losses) / profits		(9,390)	(8,366)	–	–
Non-controlling interest		**16,588**	**17,612**	**–**	**–**
Total equity attributable to stapled security holders:					
- Elanor Commercial Property Fund I		247,599	300,187	–	–
- Elanor Commercial Property Fund II		16,588	17,612	16,588	17,612
Total equity attributable to stapled security holders		**264,187**	**317,799**	**16,588**	**17,612**

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

ELANOR COMMERCIAL PROPERTY FUND

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

	Note	Contributed equity $'000	Retained profits/ (accumulated losses) $'000	Parent Entity Total Equity $'000	Non-controlling interest $'000	Total Equity $'000
Consolidated Group						
Balance as at 1 July 2023		343,515	(43,328)	300,187	17,612	317,799
Net (loss)/profit for the period		–	(27,352)	(27,352)	648	(26,704)
Total comprehensive (expense)/income for the period		**–**	**(27,352)**	**(27,352)**	**648**	**(26,704)**
Transactions with securityholders in their capacity as securityholders:						
Distributions paid and payable	3	–	(25,236)	(25,236)	(1,672)	(26,908)
Total equity as at 30 June 2024		**343,515**	**(95,916)**	**247,599**	**16,588**	**264,187**

	Note	Contributed equity $'000	Retained profits/ (accumulated losses) $'000	Parent Entity Total Equity $'000	Non-controlling interest $'000	Total Equity $'000
Consolidated Group						
Balance as at 1 July 2022		343,518	10,006	353,524	26,210	379,734
Net (loss) for the period		–	(25,074)	(25,074)	(7,102)	(32,176)
Total comprehensive (expense) for the period		**–**	**(25,074)**	**(25,074)**	**(7,102)**	**(32,176)**
Transactions with securityholders in their capacity as securityholders:						
Contributions of equity, net of issue costs		(3)	–	(3)	–	(3)
Distributions paid and payable	3	–	(28,260)	(28,260)	(1,496)	(29,756)
Total equity as at 30 June 2023		**343,515**	**(43,328)**	**300,187**	**17,612**	**317,799**

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

ELANOR COMMERCIAL PROPERTY 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 Commercial Property Fund II				
Balance as at 1 July 2023		25,978	(8,366)	17,612
Net profit for the period		–	648	648
Total comprehensive income for the period		**–**	**648**	**648**
Transactions with securityholders in their capacity as securityholders:				
Distributions paid and payable	3	–	(1,672)	(1,672)
Total equity as at 30 June 2024		**25,978**	**(9,390)**	**16,588**

	Note	Contributed equity $'000	Retained profits/ (accumulated losses) $'000	Total Equity $'000
Elanor Commercial Property Fund II				
Balance as at 1 July 2022		25,978	232	26,210
Net (loss) for the period		–	(7,102)	(7,102)
Total comprehensive (expense) for the period		**–**	**(7,102)**	**(7,102)**
Transactions with securityholders in their capacity as securityholders:				
Distributions paid and payable	3	–	(1,496)	(1,496)
Total equity as at 30 June 2023		**25,978**	**(8,366)**	**17,612**

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

ELANOR COMMERCIAL PROPERTY 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	ECPF II 30 June 2024 $'000	ECPF II 30 June 2023 $'000
Cash flows from operating activities					
Rental and other property income received		55,007	55,257	3,077	3,049
Interest income received		114	–	37	–
Finance costs paid		(8,184)	(4,776)	(672)	(370)
Payments to suppliers and the Responsible Entity		(18,870)	(19,412)	(1,478)	(1,595)
Net cash flows from operating activities	5(a)	**28,067**	**31,069**	**964**	**1,084**
Cash flows from investing activities					
Payments for capital expenditure and investment properties		(5,727)	(8,072)	(1,125)	(835)
Payments for transaction costs		(370)	–	(125)	–
Distributions received from equity accounted investments		228	1,669	–	–
Net cash flows from investing activities		**(5,869)**	**(6,403)**	**(1,250)**	**(835)**
Cash flows from financing activities					
Proceeds from interest bearing liabilities	5(b)	5,329	4,891	–	661
Repayments of interest bearing liabilities and borrowing costs	5(b)	(221)	–	(8)	–
Transaction costs related to issue of shares		–	(3)	–	–
Distributions paid		(27,619)	(29,755)	(1,736)	(1,528)
Proceeds from interest bearing - cross staple loan	5(b)	–	–	1,631	774
Net cash flows from financing activities		**(22,511)**	**(24,867)**	**(113)**	**(93)**
Net (decrease) / increase in cash and cash equivalents		(313)	(201)	(399)	156
Cash and cash equivalents at the beginning of the period		7,988	8,189	590	434
Cash at the end of the period		**7,675**	**7,988**	**191**	**590**

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

About this Report

Elanor Commercial Property Fund (the Fund, Group or Consolidated Group) is a 'stapled' entity comprising Elanor Commercial Property Fund I (ECPF I) and its controlled entities, including Elanor Commercial Property Fund II (ECPF II). The units in ECPF I are stapled to units in ECPF II. The stapled securities cannot be traded or dealt with separately.

For the purposes of the consolidated financial report, ECPF I has been deemed the parent entity of ECPF II in the stapled structure. The Directors applied judgement in the determination of the parent entity of the Fund and considered various factors including asset size and capital structure. The financial report of the Fund comprises the consolidated financial report of Elanor Commercial Property Fund I and its controlled entities, including Elanor Commercial Property Fund II. 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 ECPF II.

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.

The accounting policies adopted in the preparation of the financial report are consistent with those of the previous financial year, and the adoption of new and amended standards as set out below.

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.

Basis of Consolidation

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

This consolidated financial report also includes a separate column representing the financial report of ECPF II, incorporating the assets and liabilities of ECPF II 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.

About this report (continued)

Going concern

As at 30 June 2024, the Fund has a net current asset deficiency of $73.0 million and net assets of $264.2 million. ECPF II has a net current asset deficiency of $6.8 million.

The net current asset deficiency of the Fund and ECFPII is attributable to a debt facility of $70.0 million (ECPF II: $6.7 million) maturing on 28 February 2025 and a current payable of $6.7 million (ECPF II: $0.4 million) for the Fund's June Quarter distribution. On 28 June 2024, the Fund executed a credit approved term sheet for the extension of the maturity date of the debt facility to 31 August 2026 with an additional increase of two debt facilities by a total of $15.0 million. Subsequent to balance date, on 8 August 2024 the Fund executed an Amendment and Restatement Deed for the extension and increase of the debt facilities.

Accordingly, as of the date of this report, the Directors believe the Fund will be able to continue to successfully meet its covenant obligations and to refinance its facilities to ensure the Fund's ability to realise its assets and discharge its liabilities in the ordinary course of business.

The Consolidated Financial Statements have been prepared on a going concern basis using historical cost conventions, except for investment properties, investment properties within the equity accounted investments, derivative financial instruments, and other financial assets or liabilities which are stated at their fair value.

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 ECF. 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.

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.

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.

The changing market conditions (high inflation pressure and increased cash rate by the Reserve Bank of Australia) result in a higher than usual degree of uncertainty associated with the preparation of the financial statements.

About this report (continued)

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 fair value - Note 6
- Equity Accounted Investments - assumptions underlying carrying value – Note 7
- Derivative financial instruments - assumptions underlying fair value – Note 10

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

OVERVIEW

The Fund only operates in one business segment, being the investment in commercial properties in Australia.

The table below provides a reconciliation from statutory net loss to Funds from Operations for the Consolidated Group and ECPFII.

Funds from Operations (FFO)[1]	Consolidated Group 30 June 2024 $'000	ECPF II 30 June 2024 $'000
Statutory net (loss)/profit	**(26,704)**	**648**
Adjustments for items included in statutory loss:		
Fair value (gain)/loss included in share of profit from equity accounted investment[2]	13,236	–
Fair value (gain)/loss on investment property	35,311	(98)
Fair value (gain)/loss on derivatives	2,598	134
Straight lining of rental income[3]	231	53
Amortisation expense[4]	6,246	1,198
Transaction costs[5]	755	125
Adjustments for non profit / (loss) item:		
Share of FFO from equity accounted investments	1,470	–
Funds from Operations (FFO)[1]	**33,143**	**2,060**

Funds from Operations (FFO)[1]	Consolidated Group 30 June 2023 $'000	ECPF II 30 June 2023 $'000
Statutory net loss	**(32,176)**	**(7,102)**
Adjustments for items included in statutory profit:		
Fair value (gain)/loss included in share of profit from equity accounted investment	10,031	–
Fair value (gain)/loss on investment property	48,202	7,993
Fair value (gain)/loss on derivatives	1,842	151
Straight lining of rental income[3]	(245)	31
Amortisation expense[4]	5,135	671
Share of FFO from equity accounted investments	2,069	–
Funds from Operations (FFO)[1]	**34,858**	**1,744**

[1] Funds from Operations (FFO) has been determined in accordance with the Property Council Guidelines and adjusted for amortisation of borrowing cost and contribution from manager 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 and contribution from manager, gains/losses on sale of investment properties, straight-line rental adjustments, non-FFO tax expenses/benefits and other unrealised one-off items. This includes the group's proportional ownership of 19 Harris Street's FFO, which is held as an equity accounted investment.
[2] Fair value (gain)/loss included in share of profit from equity accounted investment includes amortisation of manager contribution of $0.93m.
[3] Straight lining of rental income is a non-cash accounting adjustment recognised in rental income in the Consolidated Statement of Profit or Loss.
[4] Amortisation expense includes the amortisation of capitalised leasing costs and rental abatements, and debt establishment costs recognised in the Consolidated Statement of Profit or Loss.
[5] Transaction costs incurred related to the proposed divestment of certain Fund assets.

2. Revenue

OVERVIEW

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

	Consolidated Group 30 June 2024 $'000	Consolidated Group 30 June 2023 $'000	ECPF II 30 June 2024 $'000	ECPF II 30 June 2023 $'000
WorkZone West	13,704	13,734	–	–
50 Cavill Avenue	7,713	7,871	–	–
Garema Court	7,614	7,187	–	–
Campus DXC	3,177	3,161	–	–
NEXUS Centre	2,443	2,484	–	–
200 Adelaide St	3,295	3,276	–	–
Limestone Centre	2,615	2,509	2,615	2,509
34 Corporate Drive	1,557	1,777	–	–
Total revenue from operating activities	**42,118**	**41,999**	**2,615**	**2,509**

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.

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 commencement date of the lease, it is reasonably certain that the tenant will exercise that option.

2. Revenue (continued)

Outgoings

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 the tenant. Should any adjustment be required based on actual costs incurred, this is accounting for on an monthly basis.

3. Distributions

OVERVIEW

In accordance with the Fund's Constitutions, the Fund determines distributions based on a number of factors, including forecast earnings and expected economic conditions.

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

Consolidated Group	Distribution FY24 cents per stapled security	Total FY24 amount $'000
Distribution paid: 1 July - 30 September 2023	2.125	6,727
Distribution paid: 1 October - 31 December 2023	2.125	6,727
Distribution paid: 1 January - 31 March 2024	2.125	6,727
Distribution payable: 1 April - 30 June 2024[1]	2.125	6,727
Total distribution relating to the year ended 30 June 2024	**8.50**	**26,908**

[1] The distribution of 2.13 cents per stapled security for the quarter ended 30 June 2024 has been paid on 30 August 2024. Please refer to the Director's Report for the calculation of FFO and the Distribution.

Consolidated Group	Distribution FY23 cents per stapled security	Total FY23 amount $'000
Distribution paid: 1 July - 30 September 2022	2.35	7,439
Distribution paid: 1 October - 31 December 2022	2.35	7,439
Distribution paid: 1 January - 31 March 2023	2.35	7,439
Distribution paid: 1 April - 30 June 2023	2.35	7,439
Total distribution relating to the year ended 30 June 2023	**9.40**	**29,756**

ECPF II

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

	Distribution FY24 cents per stapled security	Total FY24 amount $'000
Distribution paid: 1 July - 30 September 2023	0.15	486
Distribution paid: 1 October - 31 December 2023	0.14	439
Distribution paid: 1 January - 31 March 2024	0.11	358
Distribution payable: 1 April - 30 June 2024[1]	0.12	389
Total distribution relating to the year ended 30 June 2024	**0.52**	**1,672**

[1] The distribution of 0.12 cents per stapled security for the quarter ended 30 June 2024 has been paid on 30 August 2024. Please refer to the Director's Report for the calculation of FFO and the Distribution.

3. Distributions (continued)

	Distribution FY23 cents per stapled security	Total FY23 amount $'000
Distribution paid: 1 July - 30 September 2022	0.10	330
Distribution paid: 1 October - 31 December 2022	0.12	386
Distribution paid: 1 January - 31 March 2023	0.10	327
Distribution paid: 1 April - 30 June 2023	0.14	453
Total distribution relating to the year ended 30 June 2023	**0.46**	**1,496**

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 $'000	Consolidated Group 30 June 2023 $'000	ECPF II 30 June 2024 $'000	ECPF II 30 June 2023 $'000
The earnings per stapled security measures shown below is based upon the profit / (loss) attributable to securityholders:				
Basic earnings per stapled security (cents)	(8.44)	(10.16)	0.20	(2.24)
Diluted earnings per stapled security (cents)	(8.44)	(10.16)	0.20	(2.24)
(Loss) / profit attributable to securityholders used in calculating basic and diluted earnings per stapled security ($'000)	(26,704)	(32,176)	648	(7,102)
Weighted average number of stapled securities used as denominator in calculating basic earnings per stapled security	316,556,353	316,556,353	316,556,353	316,556,353
Weighted average number of stapled securities used as denominator in calculating diluted earnings per stapled security	316,556,353	316,556,353	316,556,353	316,556,353

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 (loss) / profit for the year to net cash flows from operating activities

	Consolidated Group 30 June 2024 $'000	Consolidated Group 30 June 2023 $'000	ECPF II 30 June 2024 $'000	ECPF II 30 June 2023 $'000
(Loss) / Profit for the year	**(26,704)**	**(32,176)**	**648**	**(7,102)**
Fair value adjustment on revaluation of derivatives	2,598	1,842	134	151
Fair value adjustment on revaluation of investment property	35,311	48,202	(98)	7,993
Share of loss / (profit) from equity accounted investment	13,236	10,031	–	–
Amortisation	6,983	5,722	1,276	758
Lease incentive	(4,567)	(4,306)	(992)	(528)
Transaction costs through profit and loss	370	–	125	–
Straight-lining of rental income and rental guarantee	231	(245)	53	31
Net cash provided by operating activities before changes in working capital	**27,458**	**29,070**	**1,146**	**1,303**
Movement in working capital:				
Decrease / (increase) in trade and other receivables	(161)	(220)	(283)	(11)
Decrease / (increase) in other current assets	33	21	(1)	34
Decrease / (increase) in prepayments	30	19	2	(1)
Increase / (decrease) in trade and other payables	1,132	1,214	70	(192)
Increase / (decrease) in amounts received in advance	(425)	965	31	(49)
Net cash from operating activities	**28,067**	**31,069**	**965**	**1,084**

5. Cash flow information (continued)

(b) Reconciliation of liabilities arising from financing activities

Consolidated Group

	30 June 2023 $'000	*Cash flows* Debt drawdowns/ (borrowing costs paid) $'000	*Non-cash items* Amortisation of borrowing costs $'000	30 June 2024 $'000
Interest bearing loans	189,433	5,108	314	194,855
Total liabilities from financing activities	**189,433**	**5,108**	**314**	**194,855**

	30 June 2022 $'000	*Cash flows* Debt drawdowns/ (borrowing costs paid) $'000	*Non-cash items* Amortisation of borrowing costs $'000	30 June 2023 $'000
Interest bearing loans	184,324	4,891	218	189,433
Total liabilities from financing activities	**184,324**	**4,891**	**218**	**189,433**

ECPF II

	30 June 2023 $'000	*Cash flows* Debt drawdowns/ (borrowing costs paid) $'000	*Non-cash items* Amortisation of borrowing costs $'000	30 June 2024 $'000
Interest bearing loans	14,112	(8)	19	14,123
Cross-staple loan / (receivable)	(1,737)	1,631	–	(106)
Total liabilities from financing activities	**12,375**	**1,623**	**19**	**14,017**

	30 June 2022 $'000	*Cash flows* Debt drawdowns/ (borrowing costs paid) $'000	*Non-cash items* Amortisation of borrowing costs $'000	30 June 2023 $'000
Interest bearing loans	13,436	661	15	14,112
Cross-staple loan / (receivable)	(2,511)	774	–	(1,737)
Total liabilities from financing activities	**10,925**	**1,435**	**15**	**12,375**

ACCOUNTING POLICY

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash balances.

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

Investment Properties are held solely for the purpose of earning rental income and/or for capital appreciation. At balance date, the Fund's investment property portfolio comprised eight commercial properties in Australia. A range of independent and internal valuations were performed as at 30 June 2024.

(a) Carrying values of investment properties

Property	Valuation	Consolidated Group 30 June 2024 $'000	Consolidated Group 30 June 2023 $'000	ECPFII 30 June 2024 $'000	ECPFII 30 June 2023 $'000
50 Cavill Avenue	External	110,500	120,000	–	–
WorkZone West	External	111,000	118,000	–	–
Garema Court	External	57,700	66,000	–	–
200 Adelaide St	Internal	43,500	50,000	–	–
NEXUS Centre	External	33,500	35,022	–	–
Limestone Centre	External	30,500	29,595	30,500	29,595
Campus DXC	External	31,000	28,500	–	–
34 Corporate Drive	Internal	26,000	28,500	–	–
Total		**443,700**	**475,617**	**30,500**	**29,595**

All property investments are categorised as level 3 in the fair value hierarchy. There were no transfers between the hierarchies during the year.

(b) Movement in investment properties

	Consolidated Group 30 June 2024 $'000	Consolidated Group 30 June 2023 $'000	ECPFII 30 June 2024 $'000	ECPFII 30 June 2023 $'000
Opening Balance	475,617	516,700	29,596	37,000
Acquisitions	–	3	–	–
Capital expenditure	5,727	8,069	1,125	835
Straightlining of rental income	(231)	245	(53)	(31)
Amortisation	(6,669)	(5,504)	(1,258)	(744)
Movement in lease incentives and rental guarantee	4,567	4,306	992	528
Net fair value adjustments	(35,311)	(48,202)	98	(7,993)
Total investment properties	**443,700**	**475,617**	**30,500**	**29,595**

Highest and best use

For all investment properties, the current use equates to the highest and best use.

Fair value hierarchy and valuation techniques

The fair value measurement for investment properties has been categorised as Level 3 fair value based on the key inputs to the valuation techniques used below:

6. Investment properties (continued)

Valuation Techniques	Significant unobservable inputs	Range FY24	Range FY23	Weighted average FY24	Weighted average FY23
Discounted cash flows – involves the projection of a series of inflows and outflows to which a market-derived discount rate is applied to establish an indication of the present value of the income stream associated with the property.	Adopted discount rate[1]	7.50% - 8.25%	6.25% - 8.25%	7.89%	7.23%
	Adopted terminal yield[2]	7.25% - 9.00%	6.50% - 8.00%	8.00%	7.22%
	Net property income (per sqm)[3]	$418 - $936	$434 - $860	$651	$629
Capitalisation method – involves determining the net market income of the investment property. This net market income is then capitalised at the adopted capitalisation rate to derive a core value.	Adopted capitalisation rate[4]	7.25% - 8.75%	5.75% - 7.75%	7.78%	6.90%

[1] Adopted discount rate: The rate of return used to convert cash flows, payable or receivable in the future, into present value. It reflects the opportunity cost of capital, that is the rate of return the cash can earn if put to other uses having similar risk. The rate is determined with regard to market evidence.

[2] Adopted terminal yield: The capitalisation rate used to convert the future net market rental revenue into an indication of the anticipated value of the property at the end of the holding period when carrying out a discounted cash flow calculation. The rate is determined with regard to market evidence.

[3] Net property income (per sqm): The forecast annual net rental income per sqm reflecting leased occupancy and likely to be leased space based on commitments and estimates. Resulting WALE and occupancy rate from existing tenancies will impact the forecast cash flow from net property income. The rate is determined with regard to existing lease terms and other market evidence.

[4] Adopted capitalisation rate: The rate at which net market rental revenue is capitalised to determine the value of a property. The rate is determined with regard to market evidence.

ACCOUNTING POLICY

Recognition and measurement

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in the consolidated statement of profit or loss in the year in which they arise.

Fair value is defined as the price at which an asset or liability could be exchanged in an arm's length transaction between knowledgeable, willing parties, other than in a forced or liquidation sale.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the asset. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss in the year in which the property is derecognised.

Valuation process

In reaching estimates of fair value, management judgment needs to be exercised. The aim of the valuation process is to ensure that assets are held at fair value and that the Fund is compliant with applicable Australian Accounting Standards, regulations, and the Fund's Constitutions. All properties are required to be internally valued every six months with the exception of those independently valued during that six-month period.

6. Investment properties (continued)

The internal valuations are performed by utilising the information from a combination of asset plans and forecasting tools prepared by the asset management team. Appropriate capitalisation rate, terminal yield and discount rates based on comparable market evidence and recent external valuation parameters are used to produce a capitalisation-based valuation and a discounted cash flow valuation. Both valuations are considered to determine the final valuation.

The Fund's valuation policy requires that each property in the portfolio is valued by an independent valuer at least every three years. In practice, properties may be valued more frequently than every three years primarily where there may have been a material movement in the market and where there is a significant variation between the carrying value and the internal valuation.

Independent valuations are performed by independent and external valuers who hold a recognised relevant professional qualification and have specialised expertise and experience in the location and types of investment properties valued.

Valuation technique

Capitalisation method

Capitalisation rate is an approximation of the ratio between the net operating income produced by an investment property and its fair value. This excludes consideration of costs of acquisition or disposal. The net income is capitalised in perpetuity from the valuation date at an appropriate investment yield. The adopted percentage rate investment yield reflects the capitalisation rate and includes consideration of the property type, location and comparable sales.

Discounted cash flows (DCF)

Under the DCF method, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. The DCF method involves the projection of a series of cash flows on a real property interest. The cash flow projections reflect tenants currently in occupation or are contracted to meet lease commitments or are likely to be in occupation based on the market's general perception and relevant available market evidence. To this projected cash flow series, an appropriate discount rate is applied to establish the present value of the income stream associated with the property. The discount rate is the rate of return used to convert a monetary sum, payable or receivable in the future, into present value. The rate is determined based on market evidence.

All property investments are categorized as level 3 in the fair value hierarchy. There were no transfers between the hierarchies during the year.

Sensitivity Information

The key unobservable inputs to measure the fair value of investment properties are disclosed below along with sensitivity to a significant increase or decrease set out in the following table:

	Fair value measurement sensitivity to increase in input	Fair value measurement sensitivity to decrease in input
Discount rate (%)	Decrease	Increase
Terminal yield (%)	Decrease	Increase
Capitalisation rate (%)	Decrease	Increase

6. Investment properties (continued)

Sensitivity Analysis

When calculating the income capitalisation approach, the net property income has a strong inter-relationship with the adopted capitalisation rate given the methodology involves assessing the total income receivable from the property and capitalising this in perpetuity to derive a capital value. In theory, an increase in the income and an increase (softening) in the adopted capitalisation rate could potentially offset the impact to the fair value. The same can be said for a decrease in the income and a decrease (tightening) in the adopted capitalisation rate. A directionally opposite change in the income and the adopted capitalisation rate could potentially magnify the impact to the fair value.

When assessing a discounted cash flow, the adopted discount rate and adopted terminal yield have a strong interrelationship in deriving a fair value given the discount rate will determine the rate at which the terminal value is discounted to the present value. The impact on the fair value of an increase (softening) in the adopted discount rate could potentially offset the impact of a decrease (tightening) in the adopted terminal yield. The same can be said for a decrease (tightening) in the adopted discount rate and an increase (softening) in the adopted terminal yield. A directionally similar change in the adopted discount rate and adopted terminal yield could potentially magnify the impact to the fair value.

The adopted forecast net property income in the discounted cash flow is reflective of existing lease terms and other market data. Assets with higher WALE and occupancy rates improve net property income resulting in higher cash flow forecasts. The increased forecasted cash flow increases the fair value of the property.

	Fair value measurement sensitivity			
	Increase by 0.25% $'000	Decrease by 0.25% $'000	Increase by 0.25% %	Decrease by 0.25% %
Discount rate (%)	(7,960)	8,135	(1.8)	1.8
Terminal yield (%)	(7,710)	8,152	(1.7)	1.8
Capitalisation rate (%)	(15,326)	16,402	(3.5)	3.7

7. Equity accounted investments

OVERVIEW

This note provides an overview and detailed financial information of the Group's investments that are accounted for using the equity method of accounting.

(a) Interest in associate

	Principal activity	Percentage Ownership	Consolidated Group 30 June 2024 $'000
Harris Property Trust	Commercial office building	49.90%	17,222
Total equity accounted investment			**17,222**

	Principal activity	Percentage Ownership	Consolidated Group 30 June 2023 $'000
Harris Property Trust	Commercial office building	49.90%	31,614
Total equity accounted investment			**31,614**

The carrying amount of equity investments at the beginning and end of the current year is set out below:

	Consolidated Group 30 June 2024 $'000	Consolidated Group 30 June 2023 $'000
Carrying amount at the beginning of the period	31,614	44,014
Share of (loss) / profit from equity accounted investment[1]	(14,164)	(10,958)
Distribution received	(228)	(1,442)
Total carrying value at the end of the period	**17,222**	**31,614**

[1] Share of loss from equity accounted investment of $13.2 million ($10.0 million in 2023) on the face of the Consolidated Statement of Profit or Loss includes amortisation from the Manager Contribution of $0.93 million in addition to the figure above.

7. Equity accounted investments (continued)

(b) Summarised financial information for individually material associate

	Harris Property Trust	
	30 June 2024	30 June 2023
Financial position	$'000	$'000
Current assets	4,170	6,634
Non-current assets	138,000	165,606
Total Assets	**142,170**	**172,240**
Current liabilities	107,658	4,824
Non-current liabilities	–	104,060
Total Liabilities	**107,658**	**108,884**
Contributed equity	87,100	87,100
(Accumulated losses) / Retained profits	(52,588)	(23,744)
Total Equity	**34,512**	**63,356**

	Harris Property Trust	
	30 June 2024	30 June 2023
Financial performance	$'000	$'000
Revenue	10,010	9,924
(Loss) / Profit for the period	(28,388)	(21,959)
Other comprehensive income for the period	–	–
Total comprehensive (loss) / income for the period	**(28,388)**	**(21,959)**

There are no capital commitments (30 June 2023: nil) at 30 June 2024 for Harris Property Trust.

There are no contingent liabilities (30 June 2023: nil) at 30 June 2024 for Harris Property Trust.

Reconciliation of the above summarised financial information to carrying amount of the interest in the material associate recognised in the consolidated financial statements:

	Harris Property Trust	
	30 June 2024	30 June 2023
	$'000	$'000
Net assets of the associate	34,512	63,356
Proportion of the Group's ownership interest	49.90%	49.90%
Group's share of net assets of the associates	17,222	31,614
Carrying amount of the Group's interest	**17,222**	**31,614**

The Harris Property Trust asset was independently valued 30 June 2024 at a value of $141.0 million. Subsequently, in September 2024, the asset was independently valued again at a value of $138.0 million as part of the proposed capital note raise process, which is considered to be an indicator of the carrying value of the equity accounted investment.

The net assets of the Harris Property Trust and ECF's carrying amount of the net assets as shown above, reflects the September 2024 independent valuation.

At reporting date, if the valuation of Harris Property Trust asset were to be 5% or 10% lower, the impact on the carrying amount of the equity accounted investment would be $3.4 million (-20%) lower or $6.9 million (-39%) lower respectively.

7. Equity accounted investments (continued)

On 20 August 2024, Harris Property Trust executed a credit approved term sheet with its financier to extend and vary the existing debt facility from 23 May 2025 to 30 June 2027. The revised terms include a requirement to reduce the debt facility from $101.75 million to $77.0 million prior to 30 November 2024. The Harris Street Trust intends to undertake a capital note raise to meet this requirement.

On 9 September 2024, the Fund announced a strategic partnership with Lederer Group including:

- ECF commitment to acquire at least its 49.9% pro-rata share of the Harris Street Fund Capital Notes, subject to sourcing suitable funding.
- Citigroup Global Markets Australia Pty Limited and MA Moelis Australia Advisory Pty Ltd are advising on the potential rights issue in ECF to fund both ECF’s commitment to the Harris Street Fund and to provide further capital to fund near term capex and incentives.
- Lederer Group’s equity commitment of $50 million includes an offer to take up 100% of its entitlement and sub-underwrite any potential rights issue at an indicative offer price of 60 cents per ECF security.

The ASX announcement made by Elanor Investors Group (which incorporates the trustee of the Harris Property Trust) on 23 August 2024 may create a material uncertainty as to the ability to complete the Harris Street Fund capital note raise within the required timeframe. To mitigate the risk of not completing the capital raising within the required timeframe, the trustee of the Harris Property Trust can undertake alternative options including reducing the size of the raise, seeking further accommodation from the financier, undertaking a refinancing of the existing debt or an orderly sale of the Harris Street property asset.

ACCOUNTING POLICY

Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policy decisions.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Management of the Group reviewed and assessed the classification of the Group's investment in the associated entities in accordance with AASB 128 on the basis that the Group has significant influence over the financial and operating policy decisions of the investee.

The results, and assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

7. Equity accounted investments (continued)

Investments in associates and joint ventures are assessed for impairment when indicators of impairment are present. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

An assessment has been performed for Harris Property Trust to ensure the underlying property asset has been recognised at fair value, in accordance with the Group's accounting policy and methodology for fair value measurement of Investment Properties as described in Note 6 above.

Furthermore, the forecast cash flows of the underlying asset have been assessed. The recoverability risks have been assessed through detailed tenant specific reviews of the financial position of certain tenants in addition to maintaining active tenant engagement and observation of relevant market conditions and factored into the cash flow forecast of this associate.

At balance date, no impairment loss has been recognised with respect to the Group's associate.

When an entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

8. 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	ECPF II 30 June 2024 $'000	ECPF II 30 June 2023 $'000
Trade creditors	744	601	5	67
Accrued expenses	4,514	3,727	222	61
GST payable	877	672	7	36
Total payables	**6,135**	**5,000**	**234**	**164**

(b) Non-current other liabilities

	Consolidated Group 30 June 2024 $'000	Consolidated Group 30 June 2023 $'000	ECPF II 30 June 2024 $'000	ECPF II 30 June 2023 $'000
Current liabilities				
Contribution from manager[1]	927	929	–	–
Total other current liability	**927**	**929**	**–**	**–**
Non-current liabilities				
Contribution from manager[1]	1,762	2,689	–	–
Total other non-current liability	**1,762**	**2,689**	**–**	**–**

[1] On 24 May 2022, the Elanor Investors Group made an $8.4m contribution to the Fund as part of the 19 Harris Street acquisition. Under the Australian Accounting Standards, this contribution was recognised as a contract liability upon initial recognition and $3.8m of the liability was utilised to offset transaction costs. The remaining balance is released to Consolidated Statement of Profit or Loss over a 5-year period.

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.

9. Interest bearing liabilities

OVERVIEW

The Fund has access to debt facilities totalling $199.7 million, which comprise of two secured debt facilities ($80.0 million and $39.7 million), and a $10.0 million capex facility, which will all mature on 31 August 2026.The Fund has also a secured debt facility of $70.0 million which will mature on 28 February 2025.

The total drawn amount at 30 June 2024 is $195.2 million. The weighted average debt facility maturity at year end is 2.17 years with an average all-in cost of debt of 4.44% p.a. At 30 June 2024, the interest rate risk of drawn facilities is hedged to 76.7%. The fair value of the debt facilities is $196.0 million which is calculated by discounted cash flows using each facility's current borrowing rate.

	Consolidated Group 30 June 2024 $'000	Consolidated Group 30 June 2023 $'000	ECPF II 30 June 2024 $'000	ECPF II 30 June 2023 $'000
Current				
Bank loan - term debt	70,000	80,159	6,727	7,402
Total current	**70,000**	**80,159**	**6,727**	**7,402**
Non-current				
Bank loan - term debt	125,214	109,725	7,403	6,729
Bank loan - borrowing costs less amortisation	(359)	(451)	(8)	(19)
Total non-current	**124,855**	**109,274**	**7,395**	**6,710**
Total interest bearing liabilities	**194,855**	**189,433**	**14,122**	**14,112**

During the year, the Fund has complied with all debt covenants as required by its loan agreements.

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.

10. 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	ECPF II 30 June 2024 $'000	ECPF II 30 June 2023 $'000
Current assets				
Interest rate swaps	3,061	3,984	154	257
Non-current assets				
Interest rate swaps	2,887	4,562	140	172
Total derivative financial instruments	**5,948**	**8,546**	**294**	**429**

(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 76.7% of the variable loan principal outstanding. The fixed interest rate of the swaps range between 0.76% to 3.04% (2023: 0.76% to 0.87%) and variable rates of the loans range between 4.00% to 4.42% (2023: 4.00% to 4.01%) in addition to a fixed line fee of 1.45%.

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

As 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.

11. Contributed equity

OVERVIEW

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

(a) Parent entity

	No. of securities 30 June 2024 '000	No. of securities 30 June 2023 '000	Parent Entity 30 June 2024 $'000	Parent Entity 30 June 2023 $'000
Opening balance	316,556	316,556	343,515	343,518
Capital raising cost	–	–	–	(3)
Total contributed equity	**316,556**	**316,556**	**343,515**	**343,515**

(b) ECPF II

	No. of securities 30 June 2024 '000	No. of securities 30 June 2023 '000	ECPF II 30 June 2024 $'000	ECPF II 30 June 2023 $'000
Opening balance	316,556	316,556	25,978	25,978
Total contributed equity	**316,556**	**316,556**	**25,978**	**25,978**

12. Financial Risk Management

OVERVIEW

The Fund's principal financial instruments comprise cash, receivables, interest bearing loans, derivatives, payables and distribution payables. 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 consolidated 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.

12. Financial Risk Management (continued)

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 Group’s financial instruments ore revenue streams from changes in market prices. There are various types of market risks to which the Group is exposed including those associated with interest rates, currency rates and equity market price.

(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:

12. 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	7,675	–	–	7,675
Derivative financial instruments	3,061	2,887	–	5,948
Total assets	**10,736**	**2,887**	**–**	**13,623**
Weighted average interest rate				**1.94%**
Liabilities				
Interest bearing loans	78,745	135,444	–	214,189
Derivative financial instruments	–	–	–	–
Total liabilities	**78,745**	**135,444**	**–**	**214,189**
Weighted average interest rate				**5.93%**

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	7,988	–	–	7,988
Derivative financial instruments	3,984	4,562	–	8,546
Total assets	**11,972**	**4,562**	**–**	**16,534**
Weighted average interest rate				**3.21%**
Liabilities				
Interest bearing loans	85,565	112,748	–	198,313
Derivative financial instruments	–	–	–	–
Total liabilities	**85,565**	**112,748**	**–**	**198,313**
Weighted average interest rate				**5.49%**

12. Financial Risk Management (continued)

(b) Interest rate risk (continued)

ECPF II 30 June 2024	Maturity < 1 yr $'000	Maturity 1 - 5 yrs $'000	Maturity > 5 yrs $'000	Total $'000
Assets				
Cash and cash equivalents	191	–	–	191
Derivative financial instruments	154	140	–	294
Total assets	**345**	**140**	**–**	**485**
Weighted average interest rate				**1.36%**
Liabilities				
Interest bearing loans	7,435	8,230	–	15,665
Derivative financial instruments	–	–	–	–
Total liabilities	**7,435**	**8,230**	**–**	**15,665**
Weighted average interest rate				**5.95%**

ECPF II 30 June 2023	Maturity < 1 yr $'000	Maturity 1 - 5 yrs $'000	Maturity > 5 yrs $'000	Total $'000
Assets				
Cash and cash equivalents	590	–	–	590
Derivative financial instruments	257	172	–	429
Total assets	**847**	**172**	**–**	**1,019**
Weighted average interest rate				**3.24%**
Liabilities				
Interest bearing loans	7,821	6,826	–	14,647
Derivative financial instruments	–	–	–	–
Total liabilities	**7,821**	**6,826**	**–**	**14,647**
Weighted average interest rate				**5.46%**

12. Financial Risk Management (continued)

(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	**Amount**	**Profit/ (loss)**	**Equity**	**Profit/ (loss)**	**Equity**
30 June 2024	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cash and cash equivalents	7,675	77	–	(77)	–
Derivative financial instruments	5,948	1,497	–	(1,497)	–
Interest bearing loans	194,855	(1,949)	–	1,949	–
Total increase / (decrease)		**(375)**	**–**	**375**	**–**

		Increase by 1%		Decrease by 1%	
Consolidated Group	**Amount**	**Profit/ (loss)**	**Equity**	**Profit/ (loss)**	**Equity**
30 June 2023	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cash and cash equivalents	7,988	80	–	(80)	–
Derivative financial instruments	8,546	1,097	–	(1,097)	–
Interest bearing loans	189,433	(1,898)	–	1,898	–
Total increase / (decrease)		**(721)**	**–**	**721**	**–**

Of the $195.2 million floating rate interest bearing loans, $149.7 million or 76.7% of this amount was hedged using interest rate swap agreements. 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%	
ECPF II	**Amount**	**Profit/ (loss)**	**Equity**	**Profit/ (loss)**	**Equity**
30 June 2024	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cash and cash equivalents	191	2	–	(2)	–
Derivative financial instruments	294	106	–	(106)	–
Interest bearing loans	14,123	(141)	–	141	–
Total increase / (decrease)		**(33)**	**–**	**33**	**–**

		Increase by 1%		Decrease by 1%	
ECPF II	**Amount**	**Profit/ (loss)**	**Equity**	**Profit/ (loss)**	**Equity**
30 June 2023	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cash and cash equivalents	590	6	–	(6)	–
Derivative financial instruments	429	67	–	(67)	–
Interest bearing loans	14,112	(141)	–	141	–
Total increase / (decrease)		**(68)**	**–**	**68**	**–**

Of the $14.1 million floating rate interest bearing loans, $10.6 million or 75.0% of this amount was hedged using interest rate swap agreements. These agreements are in place to swap the floating interest rate payable to a fixed rate to minimise the interest rate risk.

12. Financial Risk Management (continued)

(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 $0.13 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	ECPF II 30 June 2024 $'000	ECPF II 30 June 2023 $'000
Cash and cash equivalents	7,675	7,988	191	590
Receivables	808	647	352	68
Total	**8,483**	**8,635**	**543**	**658**

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 15.

12. 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 receivables balance as at 30 June 2024 is as follows:

	Consolidated Group 30 June 2024 $'000	Consolidated Group 30 June 2023 $'000	ECPF II 30 June 2024 $'000	ECPF II 30 June 2023 $'000
Current	592	512	76	60
Past due 31-61 days	229	108	51	7
Past due 61+ days	116	149	138	1
Total	**937**	**769**	**265**	**68**
Provision for expected credit losses	(128)	(122)	–	–
Net trade and other receivables	**809**	**647**	**265**	**68**

(e) Capital risk management

The Fund maintains its capital structure with the objective to safeguard its ability to continue as a going concern, to increase the returns for securityholders and to maintain an optimal capital structure. The capital structure of the Fund consists of equity as listed in Note 11.

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).

12. 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
Non derivative financial liabilities						
Payables	6,135	–	–	–	6,135	6,135
Distribution payable	6,727	–	–	–	6,727	6,727
Interest bearing loans	78,745	8,745	126,699	–	214,189	214,189
Total	**91,607**	**8,745**	**126,699**	**–**	**227,051**	**227,051**

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
Non derivative financial liabilities						
Payables	5,000	–	–	–	5,000	5,000
Distribution payable	7,439	–	–	–	7,439	7,439
Interest bearing loans	85,565	71,947	40,801	–	198,313	198,313
Total	**98,004**	**71,947**	**40,801**	**–**	**210,752**	**210,752**

ECPF II 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	234	–	–	–	234	234
Distribution payable	389	–	–	–	389	389
Interest bearing loans	7,435	707	7,523	–	15,665	15,665
Total	**8,058**	**707**	**7,523**	**–**	**16,288**	**16,288**

ECPF II 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	164	–	–	–	164	164
Distribution payable	453	–	–	–	453	453
Interest bearing loans	7,821	6,826	–	–	14,647	14,647
Total	**8,438**	**6,826**	**–**	**–**	**15,264**	**15,264**

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.

13. 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)

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:

- David Burgess – Fund Manager
- Symon Simmons – Chief Financial Officer
- Paul Siviour – Chief Operating Officer (resigned 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.

Related party disclosure

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 $	ECPF II 30 June 2024 $	ECPF II 30 June 2023 $
Group management fees	3,344,277	3,899,203	202,502	233,195
Cost recoveries[1]	1,366,974	977,000	102,122	97,125
Other	620,789	472,530	134,457	48,464
Total	**5,332,040**	**5,348,733**	**439,081**	**378,784**
Outstanding balances arising from Fees paid to Elanor Investors Group and its controlled entities:				
Accounts payable	1,312,124	303,158	27,947	8,936
Total	**1,312,124**	**303,158**	**27,947**	**8,936**

[1] Includes cost recoveries for the management of debt facility renewals and the management of transaction related activities.

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	39,755,650
Investment held by Directors and Other Management Personnel	405,711
Total	**40,161,361**

	30 June 2023 No. of fully paid units
Investment held by Elanor Investment Trust	39,755,650
Investment held by Directors and Other Management Personnel	605,711
Total	**40,361,361**

Cross-Staple Loan

The Fund has applied the ECL model under AASB 9 *Financial Instruments* to its unsecured intercompany loan receivable with ECPF II. An impairment provision as the 12-month ECL has been assessed at balance date. Despite the current economic environment, there has been no history of defaults and management has determined that there has not been a significant increase in credit risk on the intercompany loan since its inception as ECPF I. ECPF I maintains a strong capital position and forecasts sufficient cash flows to repay the loan to ECPF II on expiry. There is no impact on the Fund as this loan eliminates on consolidation.

14. Non-cancellable operating lease receivables

OVERVIEW

This note sets out the non-cancellable operating lease receivables of the Fund and the ECPF II.

	Consolidated Group 30 June 2024 $'000	Consolidated Group 30 June 2023 $'000	ECPF II 30 June 2024 $'000	ECPF II 30 June 2023 $'000
Within 1 year	44,613	40,152	2,884	2,834
Between 1 and 2 years	26,788	36,917	2,132	1,764
Between 2 and 3 years	13,405	20,146	1,947	1,232
Between 3 and 4 years	11,648	8,766	1,577	1,107
Later than 5 years	21,684	26,662	558	1,362
Total	**118,138**	**132,643**	**9,098**	**8,299**

15. 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 has commitments of $2.24 million as at 30 June 2024 (30 June 2023: nil) in respect of capital expenditures contracted as of 30 June 2024.

16. Parent entity

OVERVIEW

The financial information below reflects Elanor Commercial Property Fund's parent entity, ECPF I, as a stand-alone entity.

(a) Summarised financial information

Financial position	ECPF I 30 June 2024 $'000	ECPF I 30 June 2023 $'000
Current assets	13,139	43,679
Non-current assets	365,234	367,712
Total Assets	**378,373**	**411,391**
Current liabilities	74,725	81,540
Non-current liabilities	120,149	105,253
Total Liabilities	**194,874**	**186,793**
Contributed equity	344,195	344,195
Retained profits / (accumulated losses)	(160,696)	(119,597)
Total Equity	**183,499**	**224,598**

Financial performance	ECPF I 30 June 2024 $'000	ECPF I 30 June 2023 $'000
(Loss) / profit for the period	(15,864)	(10,217)
Total comprehensive (loss) / income for the period	**(15,864)**	**(10,217)**

(b) Commitments

ECPF I has commitments of $1.91 million as at 30 June 2024 (2023: nil) in relation to capital expenditure contracted for but not recognised as liabilities.

(c) Guarantees provided

ECPF I has no outstanding guarantees as at 30 June 2024 (2023: nil).

(d) Contingent liabilities

ECPF I has no contingent liabilities as at 30 June 2024 (2023: nil).

ACCOUNTING POLICY

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

17. Auditor's remuneration

OVERVIEW

PricewaterhouseCoopers are the independent auditors of the Fund and have provided audit and other assurance related services as well as other non-assurance 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	231,196	226,800
Total services provided by PwC	**231,196**	**226,800**

18. Subsequent events

On 28 June 2024, the Fund executed a credit approved term sheet for the extension of the maturity date of the debt facility to 31 August 2026 with an additional increase of two debt facilities by a total of $15.0 million. Subsequent to balance date, on 8 August 2024 the Fund executed an Amendment and Restatement Deed for the extension and increase of the debt facilities.

On 9 September 2024, the Fund announced a strategic partnership with Lederer Group. The Lederer Group has acquired Elanor Investors Group's (ASX: ENN) 12.6% interest in the Fund to become the largest securityholder in the Fund.

As part of the strategic partnership, the Lederer Group has committed $50 million in equity capital to support the Fund. The Lederer Group will have participation on a new investment committee (one of four positions alongside representatives of the Responsible Entity and the Manager). The new investment committee will oversee any material investment or divestment initiatives, including major capital expenditure, and will make non-binding recommendations to the Responsible Entity in relation to those matters having regard to the best interest of all ECF securityholders.

The Fund has committed to acquire at least its 49.9% pro-rata share of the Harris Street Fund Capital Notes, subject to sourcing suitable funding. Citigroup Global Markets Australia Pty Limited and MA Moelis Australia Advisory Pty Ltd are advising on the potential rights issue in ECF to fund both the commitment to the Harris Street Fund and to provide further capital for near term capital expenditure and incentives.

The Lederer Group's equity commitment of $50 million includes an offer to take up 100% of its entitlement and sub-underwrite any potential rights issue at an indicative offer price of 60 cents per security. The Responsible Entity will actively explore the rights issue, however, any equity raising is subject to market conditions, final Responsible Entity Board approval, regulatory approvals and securing suitable underwriting support for the rights issue.

18. Subsequent events (continued)

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 ECF. 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 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.

19. 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 COMMERCIAL PROPERTY FUND

DIRECTORS' DECLARATION TO STAPLED SECURITYHOLDERS

In accordance with a resolution of the Directors of Elanor Funds Management Limited, the responsible entity for Elanor Commercial Property Fund, we declare that in the opinion of the Directors:

a) the financial statements and notes set out on pages 20 to 60 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 entity's financial position as at 30 June 2024 and of its performance, for the year ended 30 June 2024; and

b) there are reasonable grounds to believe that the Consolidated Group and the ECPF II will be able to pay their debts as and when they become due and payable.

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 Commercial Property Fund

Report on the audit of the financial report

Our opinion

In our opinion:

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

(a) giving a true and fair view of the Consolidated Group's and ECPF II'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 ECPF II's financial report comprises:

- the consolidated statement of financial position as at 30 June 2024
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of profit or loss for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement 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 ECPF II 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.

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Emphasis of matter - subsequent event regarding the Responsible Entity

We draw attention to Note 18 in the financial report which outlines an event subsequent to balance date that may cast uncertainty about the ability of the Responsible Entity of ECF to continue to act as the Responsible Entity of the Fund. Our opinion is not modified in respect of this matter.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Consolidated Group, its accounting processes and controls and the industry in which it operates.

Audit scope	***Key audit matters***
• The principal activity of the Consolidated Group and ECPF II is the investment in Australian commercial properties, located in major metropolitan areas of established commercial precincts. • Our audit focused on where the Consolidated Group and ECPF II made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.	• Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: – Valuation of investment properties – Carrying value of equity accounted investments – Net current asset deficiency • These are further described in the *Key audit matters* section of our report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	***How our audit addressed the key audit matter***
Valuation of investment properties *(Refer to note 6)* *Consolidated Group: $443,700,000* *ECPF II: $30,500,000* The Consolidated Group's and ECPF II's property portfolio consisted of commercial office investment properties at 30 June 2024.	We assessed the design and implementation of relevant controls over the investment property valuation process. We evaluated the appropriateness of the valuation methodologies used against the requirements of Australian Accounting Standards.

Key audit matter	How our audit addressed the key audit matter
This was a key audit matter because of the: • relative size of the investment property portfolio to net assets and related valuation movements, and • inherent subjectivity of the key assumptions that underpin the valuations.	We agreed the adopted fair values of properties to the independent valuation report or internal valuation model (together the 'valuations') and assessed the competency, capability and objectivity of the relevant independent or internal valuer. We met with management to discuss the specifics of the property portfolio including, amongst other things, any significant leasing activity, capital expenditure and vacancies impacting the portfolio. We assessed the appropriateness of significant assumptions used in the valuations with reference to evidence in independent valuation reports and external market data where available. For a sample of valuations, we traced the rental income used in the valuation to the tenancy schedule and in turn agreed the tenancy schedule to the underlying lease agreements. We considered the reasonableness of the disclosures made in relation to the significant assumptions in light of the requirements of Australian Accounting Standards.
Carrying value of equity accounted investments *(Refer to note 7)* *Consolidated Group: $17,222,000* *ECPF II: n/a* The Consolidated Group accounts for its investment in the Harris Property Trust using the equity method of accounting. The Consolidated Group identified indicators of impairment as the Harris Property Trust was in a net current asset deficiency as at 30 June 2024. Management performed an impairment assessment and concluded there was no impairment during the period. This was a key audit matter because of the uncertainty regarding the financial position of the Harris Property Trust which could materially impact the recoverable amount of the Consolidated Group's equity accounted	We evaluated the Consolidated Group's assessment that there were indicators of impairment at 30 June 2024. We evaluated the Consolidated Group's methodologies and the basis for significant assumptions used in its impairment assessment, including assumptions regarding Harris Property Trust's plans to meet the requirements of the credit approved term sheet executed subsequent to balance date as detailed in Note 8. We examined the credit approved term sheet to obtain an understanding of the revised terms and conditions associated with the debt facility. We inquired with management and management of the Harris Property Trust regarding their plans to meet the requirements of the credit approved term sheet. We evaluated whether the disclosures were consistent with the requirements of Australian Accounting

Key audit matter	How our audit addressed the key audit matter
investment.	Standards.
Net current asset deficiency *(Refer to the 'Going Concern' paragraph of the 'About this report' section in the financial report)* *Consolidated Group: $73,005,000* *ECPF II: $6,763,000* The Consolidated Group had a net current asset deficiency of $73,005,000 (ECPF II: $6,763,000) as at 30 June 2024. The net current asset deficiency was attributable to a debt facility of $70,000,000 (ECPF II: $6,727,000) maturing on 28 February 2025 (ECPF II: 28 February 2025) and a distribution payable of $6,727,000 (ECPF II: $389,000). Subsequently, the Consolidated Group and ECPF II executed an Amendment and Restatement Deed which extended the maturity date of the debt facility to 31 August 2026 and increased the Consolidated Group's and ECPF II's total debt facilities by $15,000,000. The consolidated financial statements have been prepared on a going concern basis as the Directors believe the Consolidated Group and ECPF II will each be able to realise their assets and discharge their liabilities in the ordinary course of business. This was a key audit matter due to the significant of the basis of preparation to the consolidated financial statements.	We inquired with management regarding their plans for realising the assets and discharging the liabilities of the Consolidated Group and ECPF II in the ordinary course of business and the feasibility of these plans, which included executing the Amendment and Restatement Deed to extend and increase the debt facilities. We examined the Amended and Restated Deed to obtain an understanding of the revised terms and conditions associated with the Consolidated Group's and ECPF II's debt facilities. We evaluated managements going concern assessment. We evaluated whether the disclosures were consistent with the requirements of Australian Accounting Standards.

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

In preparing the financial report, the directors of the Responsible Entity are responsible for assessing the ability of the Consolidated Group and ECPF II 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 Consolidated Group and ECPF II 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:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

CJ Cummins
Partner

Sydney
27 September 2024