



17 February 2020

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

Dear Sir/Madam

Attached is the Elanor Investors Group (ASX:ENN) Interim Financial Report for the half year ended 31 December 2019.

Yours sincerely,

Symon Simmons
Company Secretary
Elanor Funds Management Limited

Authority and Contact Details

This announcement has been authorised for release by the Board of Directors of Elanor Funds Management Limited

For further information regarding this announcement please contact:

Symon Simmons
Company Secretary
Elanor Funds Management Limited
Phone: (02) 9239 8400

Appendix 4D

Half year report for the period ended 31 December 2019

Name of entity	Elanor Investors Group (Elanor) a stapled entity comprising Elanor Investors Limited, and Elanor Funds Management Limited as Responsible Entity of Elanor Investment Fund.
ARSN	Elanor Investment Fund 169 450 926
ABN	Elanor Investors Limited 33 169 308 187
ABN	Elanor Funds Management Limited 39 125 903 031
Reporting period	Six month period ended 31 December 2019
Previous corresponding period	Six month period ended 31 December 2018

This Half Year Report is given to the ASX in accordance with Listing Rule 4.2A. The Report should be read in conjunction with the attached Interim Financial Report for the half year ended 31 December 2019.

Results for announcement to the market

Financial Performance

		A \$'000
Revenue from ordinary activities	Up 1.5% to	37,750
Profit/(loss) from ordinary activities after tax attributable to security holders	Down 230.6% to	(12,386)
Net profit/(loss) for the period attributable to security holders	Down 230.6% to	(12,386)
Core Earnings ¹	Up 84.1% to	12,415

Distribution

Current Period	Amount per unit
Interim Distribution ²	9.51 cents
Previous Corresponding Period	
Interim Distribution	6.32 cents
Record date for determining entitlement to the Interim Distribution	
31 December 2019	
Date the Interim Distribution is payable:	
28 February 2020	
The taxable component of the interim distribution comprises:	
Unfranked Dividend:	0.00 cents
Trust Distribution:	9.51 cents

* Further information on tax components of the distribution will be provided to security holders with their half yearly distribution statement for the period ending 31 December 2019.

Net Tangible Assets

Current Period	Current Period
Net tangible asset backing per security	\$2.10
Previous Corresponding Period	
Net tangible asset backing per security	\$2.34

Notes:

- Core Earnings represents the Directors view of underlying earnings from ongoing operating activities for the period, being net profit / (loss) after tax, adjusting for one-off realised items (being formation or other transaction costs that occur infrequently or are outside the course of ongoing business activities), non-cash items (being fair value movements, lease straight-lining, depreciation charges on the buildings held by the Trust, amortisation of intangibles, borrowing costs and equity settled STI and LTI amounts), determined in accordance with ASIC RG230.
- The Interim Distribution is based on a payout ratio of 90% of Core Earnings.

Control Gained over Entities during the Period

- 100.00% equity investment in Elanor Luxury Hotel Fund

Control Lost over Entities during the Period.

- 100.00% equity investment in Elanor Wildlife Park Fund
- 100.00% equity investment in Auburn Office Syndicate

Details of any associates and Joint Venture entities required to be disclosed:

- 17.89% equity investment in Elanor Retail Property Fund (ASX: ERF)
- 15.00% equity investment in Elanor Commercial Property Fund (ASX: ECF)
- 2.08% equity investment in Belconnen Markets Syndicate
- 4.73% equity investment in Hunters Plaza Syndicate
- 19.64% equity investment in Waverley Gardens Fund
- 25.00% equity investment in 1834 Hospitality
- 27.32% equity investment in Elanor Wildlife Park Fund

Accounting standards used by foreign entities

International Financial Reporting Standards.

Audit

The accounts have been subject to a review, with an unqualified opinion. Refer attached Interim Financial Report.

Distribution Reinvestment Plan (DRP)

There is no DRP in operation for the interim distribution for the half year ended 31 December 2019.

For all other information required by Appendix 4D, please refer to the following documents:

- Directors' Report
- Interim Financial Report



Interim Financial Report

For the half year ended
31 December 2019

Elanor Investors Group

Comprising the stapling of units in Elanor Investment Fund (ARSN 169 450 926) and ordinary shares in Elanor Investors Limited (ABN 33 169 308 187)

Level 38, 259 George Street,
Sydney NSW 2000
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www.elanorinvestors.com

ELANOR INVESTORS GROUP

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ELANOR INVESTORS GROUP

DIRECTORS' REPORT

The Directors of Elanor Investors Limited (Company), and the Directors of Elanor Funds Management Limited (Responsible Entity or Manager), as responsible entity of the Elanor Investment Fund, present their report together with the consolidated financial report of Elanor Investors Group (Group, Consolidated Group or Elanor) and the consolidated financial report of the Elanor Investment Fund (EIF Group) for the half year ended 31 December 2019 (period).

The interim financial report of Elanor Investors Group comprises the Company and its controlled entities, including Elanor Investment Fund (Trust) and its controlled entities. The interim financial report of the EIF Group comprises Elanor Investment Fund and its controlled entities.

Elanor Investors Limited 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.

The Trust was registered as a managed investment scheme on 21 May 2014 and the Company was incorporated on 1 May 2014.

The units of the Trust and the shares of the Company are combined and issued as stapled securities in the Group. The Group's securities are traded on the Australian Securities Exchange (ASX: ENN). The units of the Trust and shares of the Company cannot be traded separately and can only be traded as stapled securities. Although there is no ownership interest between the Trust and the Company, the Company is deemed to be the parent entity of the Group under Australian Accounting Standards.

The Directors' report is a combined Directors' report that covers both the Company and the Trust. 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 and Company during the period and up to the date of this report:

Paul Bedbrook (Chairman)
Glenn Willis (Managing Director and Chief Executive Officer)
Nigel Ampherlaw
Lim Kin Song
Anthony Fehon (Appointed 20 August 2019)
William (Bill) Moss AO (Resigned 17 September 2019)

2. Principal activities

The principal activities of the Group are the management of investment funds and syndicates and the investment in, and operation of, a portfolio of investment assets and businesses.

3. Distributions

Distributions relating to the half year ended 31 December 2019 comprise:

Distribution	Half Year Ended 31 December 2019
Interim Distribution	
Amount payable (cents per stapled security)	9.51
Payment date	28 February 2020

A provision for the Interim Distribution has not been recognised in the consolidated financial statements for the year as the distribution had not been declared at the reporting date. The Interim Distribution of 9.51 cents compares to an Interim Distribution and Final Distribution for the financial year ended 30 June 2019 of 6.32 and 9.74 cents per stapled security respectively.

ELANOR INVESTORS GROUP

DIRECTORS' REPORT

4. Operating and financial review

OVERVIEW AND STRATEGY

The key strategic objective of Elanor is to invest in real estate backed assets that deliver strong returns for both Elanor's funds management capital partners and Elanor's security holders. Elanor's investment focus is on acquiring and unlocking value in assets that provide high quality income and strong capital growth potential. Elanor's highly active approach to asset management is underpinned with urgency and an acute focus on delivering investment performance. The Group seeks to co-invest with its funds management capital partners for both strategic and alignment purposes. The Group also originates and holds investments on balance sheet to provide opportunities for future co-investment by Elanor's capital partners.

Elanor's key investment sector focuses are the commercial office real estate, retail real estate and the accommodation hotels, tourism and leisure sectors.

During the six months to 31 December 2019, Elanor increased its assets under management from \$1,550.1 million to \$1,889.1 million. Co-investments of \$55.8 million were made in new managed funds and a further co-investment of \$30.0 million was made in the Elanor Commercial Property Fund on listing of the fund on 6 December 2019.

The growth in assets under management has been assisted by the introduction of a number of global and domestic institutional capital partners, directly reflecting the Group's increased focus in this area.

The Group completed the following funds management initiatives during the six month period:

- The establishment of the Elanor Wildlife Park Fund in November 2019 which acquired the Mogo Zoo in Mogo, NSW and Featherdale Wildlife Park in Sydney, NSW. The fund had a gross asset value of \$53.5 million as at 31 December 2019.
- The listing of the Elanor Commercial Property Fund (ASX: ECF) on the Australian Securities Exchange on 6 December 2019. In conjunction with the listing, the fund acquired the residual 48.5% equity interest in the WorkZone West property in Perth, WA for \$66.0 million, and the commercial property at 200 Adelaide Street in Brisbane, QLD for \$44.2 million.
- The acquisition by the Elanor Commercial Property Fund of the Garema Court property in Canberra, ACT for \$71.5 million, in December 2019.
- The divestment of the Auburn Office Syndicate on 18 December 2019 for \$4.7 million.
- The establishment of the Elanor Healthcare Real Estate Fund, to be seeded with two high quality healthcare properties, with a combined asset value of \$123.3 million. The seed assets are both multi-tenanted medical office and day surgeries at 55 Little Edward Street, Spring Hill, Brisbane, and Pacific Private, Southport, Gold Coast. Settlement of the fund will be completed in March 2020.

ENN's strong investment track record and investor base continues to be evidenced by the demand from wholesale and institutional investors for ENN's funds. Elanor has a well-resourced and scalable platform with substantial capacity for growth. Coupled with the Group's available capital, Elanor is well positioned to grow its funds management business.

ELANOR INVESTORS GROUP

DIRECTORS' REPORT

4. Operating and financial review (continued)

MANAGED FUNDS AND INVESTMENT PORTFOLIO

The following tables show the Group's managed funds and investment portfolio:

Managed Funds

Funds	Location	Type	Gross Asset Value \$'m
Auburn Office Syndicate	Auburn, NSW	Commercial office building	4.7
Belconnen Markets Syndicate	Canberra, ACT	Shopping centre	52.0
Bluewater Square Syndicate	Redcliffe, QLD	Neighbourhood shopping centre	48.8
Elanor Commercial Property Fund (ASX: ECF)	QLD (4), SA (1), WA (1), ACT (1)	Commercial office buildings	387.0
Elanor Luxury Hotel Fund	Adelaide, SA	Accommodation hotels	158.6
Elanor Metro and Prime Regional Hotel Fund	NSW (6), ACT (2), SA (2)	Accommodation hotels	165.0
Elanor Retail Property Fund (ASX: ERF)	Auburn, Taree and Tweed Heads, NSW, Bundaberg, Moranbah and Gladstone, QLD, and Glenorchy, TAS	Sub-regional and neighbourhood shopping centres	343.8
Fairfield Centre Syndicate	Fairfield, NSW	Sub-regional shopping centre	89.4
Hunters Plaza Syndicate	Auckland, NZ	Sub-regional shopping centre	50.8
Stirling Street Syndicate	Perth, WA	Commercial office building	24.7
Waverley Gardens Fund	Mulgrave, VIC	Sub-regional shopping centre	182.2
Additions since 30 June 2019			
Elanor Healthcare Real Estate Fund	Brisbane and Gold Coast, QLD	Commercial office buildings	123.3
Elanor Wildlife Park Fund	Sydney Mogo, NSW	Wildlife parks	53.5
Disposals since 30 June 2019			
Auburn Office Syndicate	Auburn, NSW	Commercial office building	(4.7)
Total Managed Funds			1,679.1

ELANOR INVESTORS GROUP

DIRECTORS' REPORT

4. Operating and financial review (continued)

MANAGED FUNDS AND INVESTMENT PORTFOLIO (CONTINUED)

Investment Portfolio

Asset	Location	Type	Note	Carrying Value \$'m
Featherdale Wildlife Park	Sydney, NSW	Wildlife park	1	39.0
Hotel Ibis Styles Albany	Albany, WA	Accommodation hotel	1	5.3
1834 Hospitality	Adelaide, SA	Hotel management		2.6

Managed Fund Co-Investments	Location	Type	Note	Equity accounted value \$'m
Auburn Office Syndicate	Auburn, NSW	Commercial office building		2.4
Belconnen Markets Syndicate	Canberra, ACT	Shopping centre	2	0.6
Bluewater Square Syndicate	Redcliffe, QLD	Neighbourhood shopping centre	3	7.1
Elanor Commercial Property Fund (ASX: ECF)	QLD (4), SA (1), WA (1), ACT (1)	Commercial office buildings	2	38.1
Elanor Metro and Prime Regional Hotel Fund	NSW (6), ACT (2), SA (2)	Accommodation hotels	3	48.9
Elanor Retail Property Fund (ASX: ERF)	Auburn, Taree and Tweed Heads, NSW, Bundaberg, Moranbah and Gladstone, QLD, and Glenorchy, TAS	Sub-regional and neighbourhood shopping centres	2	35.5
Fairfield Centre Syndicate	Fairfield, NSW	Sub-regional shopping centre	2	8.6
Hunters Plaza Syndicate	Auckland, NZ	Sub-regional shopping centre	2	1.3
Waverley Gardens Fund	Mulgrave, VIC	Sub-regional shopping centre	2	14.8

Additions since 30 June 2019

Elanor Luxury Hotel Fund	SA (2), TAS (1)	Accommodation hotels	1	48.7
Elanor Wildlife Park Fund	Sydney Mogo, NSW	Wildlife parks	1	7.1

Disposals since 30 June 2019

Auburn Office Syndicate	Auburn, NSW	Commercial office building		(2.4)
Fairfield Centre Syndicate	Fairfield, NSW	Sub-regional shopping centre	2	(8.6)
Featherdale Wildlife Park	Sydney, NSW	Wildlife park	1	(39.0)
Total Investment Portfolio				210.0

Total Managed Funds and Investment Portfolio				1,889.1
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Note 1: All owner-occupied properties in the Hotel, Tourism and Leisure business are held for use by the Group for the supply of services and are classified as land and buildings and stated at fair value.

Note 2: Managed Fund co-investments are associates and accounted for using the equity method.

Note 3: The co-investments in Elanor Metro and Prime Regional Hotel Fund (EMPR), Elanor Luxury Hotel Fund (ELHF) and the Bluewater Square Syndicate (Bluewater) have been consolidated in the financial statements. The amount shown assumes that the investments were accounted for using the equity method.

ELANOR INVESTORS GROUP

DIRECTORS' REPORT

4. Operating and financial review (continued)

REVIEW OF FINANCIAL RESULTS

The Group recorded a statutory loss after tax from continuing operations of \$12.4 million for the six months ended 31 December 2019.

At the balance date, Elanor held a 42.64% interest in the Elanor Metro and Prime Regional Hotel Fund (EMPR), a 100% interest in the Elanor Luxury Hotel Fund (ELHF) and a 42.27% interest in the Bluewater Square Syndicate (Bluewater). For accounting purposes, Elanor is deemed to have a controlling interest in EMPR, ELHF and Bluewater given its level of ownership and role as manager of the funds. This means that the financial results and financial position of EMPR, ELHF, and Bluewater are consolidated into the financial statements of the Group for the period ended 31 December 2019. Elanor held a 100% interest in Auburn Office Syndicate (Auburn Office) for the period to 18 December 2019, and hence the financial results of the fund have been consolidated into the financial results of the Group up until that date.

All other managed fund co-investments are accounted for using the equity method in the Group's consolidated financial statements.

Presenting the summary consolidated financial results of the Group on the basis that EMPR, ELHF, and Bluewater are accounted for using the equity method is important because Elanor considers that this gives the most appropriate presentation consistent with management and reporting of the Group, and to provide a comparable basis to the presentation of the results for prior periods.

Core or Distributable Earnings for the period were \$12.42 million or 10.57 cents per stapled security. An Interim Distribution of \$11.17 million or 9.51 cents per stapled security has been declared for the six months ended 31 December 2019 (90% pay-out ratio on Core Earnings). Core Earnings is considered the most appropriate estimate of the underlying recurring cash earnings of the Group and has been determined in accordance with ASIC Regulatory Guide 230.

A summary of the Group and EIF Group's results for the period is set out below:

	Group 31 December 2019	Group 31 December 2018	EIF Group 31 December 2019	EIF Group 31 December 2018
Statutory financial results				
Net profit / (loss) after tax from continuing operations (\$'000)	(12,386)	9,482	(5,244)	1,950
Net profit / (loss) after tax from continuing operations (\$'000) (EMPR, ELHF, Auburn Office and Bluewater equity accounted)	(8,469)	11,066	(2,403)	(2,045)
Core Earnings (\$'000)	12,415	6,745	12,415	6,199
Distributions payable to security holders (\$'000)	11,174	6,070	11,174	5,579
Core Earnings per stapled security (cents)	10.57	7.03	10.57	6.46
Core Earnings per weighted average stapled security (cents)	12.00	7.31	12.00	6.72
Distributions (cents per stapled security / unit)	9.51	6.32	9.51	5.81
Net tangible assets (\$ per stapled security)	2.10	2.34	1.85	1.96
Net tangible assets (\$ per stapled security) (EMPR, ELHF and Bluewater equity accounted)	1.50	1.54	0.88	1.04
Gearing (net debt / total assets less cash) (%)	45.1	39.2	38.5	27.8
Gearing (net debt / total assets less cash) (%) (EMPR, ELHF and Bluewater equity accounted)	24.4	26.1	10.5	0.7

ELANOR INVESTORS GROUP

DIRECTORS' REPORT

4. Operating and financial review (continued)

REVIEW OF FINANCIAL RESULTS (CONTINUED)

The table below provides a reconciliation from statutory profit / (loss) after tax to distributable Core Earnings:

	Group 31 December 2019 \$'000	Group 31 December 2018 \$'000	EIF Group 31 December 2019 \$'000	EIF Group 31 December 2018 \$'000
Statutory Net Profit / (Loss) After Tax	(12,386)	9,482	(5,244)	1,950
Adjustment to remove the impact of consolidation of EMPR, ELHF, Auburn Office and Bluewater	(3,538)	92	7,250	(2,119)
Adjustment to include the impact of accounting for EMPR, ELHF, Auburn Office and Bluewater using the equity method	7,455	1,492	(4,409)	(1,875)
Adjusted Net Profit / (Loss) After Tax	(8,469)	11,066	(2,403)	(2,044)
Adjustments for items included in statutory profit / (loss)				
Increase in equity accounted investments to reflect distributions received / receivable	2	9,415	6,055	7,327
Net (gain) / loss on disposals of equity accounted investments	3	38	(571)	38
Profit on Sale of Featherdale Wildlife Park	4	26,000	–	23,483
Profit on Sale of Featherdale Wildlife Park Retained	4	(20,000)	–	(20,000)
Profit on Sale of Cradle Mountain Lodge	5	4,178	–	4,178
Holdback of Merrylands net profit after tax	6	–	(10,452)	–
Building depreciation expense	7	17	17	17
Straight lining of rental expense		–	(1)	–
Fair value adjustments on investment property		–	–	(1,034)
Amortisation amounts	8	1,336	696	809
Tax adjustments		(100)	(64)	–
Core Earnings	1	12,415	6,745	12,415
		6,199		

Note 1: Core Earnings has been determined in accordance with ASIC RG 230 and represents the Directors view of underlying earnings from ongoing operating activities for the period, being net profit / (loss) after tax, adjusting for one-off realised items (being formation or other transaction costs that occur infrequently or are outside the course of ongoing business activities), non-cash items (being fair value movements, depreciation charges on the buildings held by the Trust, amortisation of intangibles, straight lining of rental expense, and amortisation of equity settled STI and LTI amounts), and restating share of profit from equity accounted investments to reflect distributions received / receivable in respect of those investments.

Note 2: Share of profit from equity accounted investments includes depreciation and amortisation and fair value adjustments on investment property that were added back in the determination of distributable earnings for those managed funds. The Group's share of those adjustments to distributable earnings in the relevant managed funds have been added back for the purposes of calculating Core Earnings so that the Group's Core Earnings reflects the distribution received / receivable by the Group from those investments in Elanor managed funds.

Note 3: Net (gain) / loss on disposals of equity accounted investments includes adjustments for realised non-cash accounting (gains) / losses on the sale of equity accounted investments during the period, so as to only include net cash profit for the purposes of calculating Core Earnings.

Note 4: During the period the Group sold Featherdale Wildlife Park to the Elanor Wildlife Park Fund for \$39.0 million. This asset was accounted for by the Group on a fair value basis whereby revaluation increases arising from changes in the fair value of land and buildings are recognised in other comprehensive income and accumulated within equity as opposed to being reflected in the consolidated profit and loss of the Group. Consequently, and consistent with the Group's policy, the profit on divestment of Featherdale Wildlife Park (\$26.0 million) has been included in Core Earnings for the period. Furthermore, an amount of \$20.0 million of this profit has been retained to assist in achieving the future growth plans of the Group.

Note 5: During the period the Group sold the Cradle Mountain Lodge asset from the Elanor Metro and Prime Regional Hotel Fund (EMPR) to the recently established Elanor Luxury Hotel Fund (ELHF) for \$55.0 million. Following the divestment, the EMPR Fund declared and paid a return of capital to its investors, incorporating the net proceeds from the sale. The Group has recognised its 42.6% share of profit on the sale and has included this amount in Core Earnings.

Note 6: As a result of the Group's adoption of the new Revenue accounting standard, AASB 15 Revenue from Contracts with Customers on 1 July 2018, the net profit on sale of the Merrylands Property, that was appropriately recognised in the Group's profit and loss for the period ended 30 June 2018, has also been recognised in the period ended 30 June 2019. This profit on the sale of the Merrylands Property was removed from Core Earnings. The net profit after tax on the sale of the Merrylands profit of \$10.45 million was included in the statutory net profit after tax for the year as a result of the Group's adoption of AASB 15.

ELANOR INVESTORS GROUP

DIRECTORS' REPORT

4. Operating and financial review (continued)

REVIEW OF FINANCIAL RESULTS (CONTINUED)

Note 7: During the period, the Group incurred total depreciation charges of \$0.92 million, however only the depreciation expense on buildings of \$0.02 million has been added back for the purposes of calculating Core Earnings.

Note 8: During the period, the Group incurred non-cash profit and loss charges in respect of the amortisation of certain amounts including the equity component of the Group's Short Term Incentive (STI), Long Term Incentive (LTI) amounts, intangibles and borrowing costs. These amounts have been added back for the purposes of calculating Core Earnings.

REVIEW OF OPERATIONAL RESULTS

The Group is organised into three divisions by business type.

Funds Management manages third party owned investment funds and syndicates.

Hotels, Tourism and Leisure has extensive investment management expertise in acquiring and operating real estate backed accommodation hotel and leisure investments. The current investment portfolio includes Ibis Styles Albany Hotel and 1834 Hospitality, along with co-investments in Elanor Metro and Prime Regional Hotel Fund (EMPR), Elanor Luxury Hotel Fund (ELHF), and the Elanor Wildlife Park Fund (EWPF).

The Real Estate division has proven management expertise in the retail and commercial office sectors. The division's focus is to identify and originate investments that provide superior investment returns through active asset management and the realisation of 'value-add' operational and strategic opportunities. The current investment portfolio comprises co-investments in Elanor Retail Property Fund (ASX: ERF), Elanor Commercial Property Fund (ASX: ECF), Hunters Plaza Syndicate, Bluewater Square Syndicate, Waverley Gardens Fund and the Belconnen Markets Syndicate.

Set out below is an adjusted presentation of the statutory financial results by segment, on the basis that the Group's interest in EMPR, ELHF and Bluewater are accounted for using the equity method rather than on a consolidated basis. Elanor considers that presenting the operating performance of the Group on this adjusted basis gives the most appropriate presentation of the Group consistent with management and reporting of the Group and to provide a comparable basis to the presentation of prior period results. The results provided on this basis are presented as the 'ENN Group'.

ELANOR INVESTORS GROUP

DIRECTORS' REPORT

4. Operating and financial review (continued)

REVIEW OF OPERATIONAL RESULTS (CONTINUED)

The performance of the ENN Group for the period ended 31 December 2019, as represented by the aggregate results of its operations for the period, was as follows:

	ENN Group Segment Revenue 31 December 2019 \$'000	ENN Group Segment Revenue 31 December 2018 \$'000	ENN Group Segment EBITDA 31 December 2019 \$'000	ENN Group Segment EBITDA 31 December 2018 \$'000
ENN Group Revenue and EBITDA (adjusted to reflect EMPR, ELHF, Auburn Office and Bluewater accounted for using the equity method)				
Funds Management	8,325	7,507	6,730	6,206
Hotels, Tourism and Leisure	1,871	7,077	(3,108)	1,249
Real Estate	(909)	(2,087)	(2,606)	(3,060)
Sale of Merrylands property ¹	–	36,000	–	14,932
Total Segment Revenue and EBITDA	9,287	48,497	1,016	19,327
Unallocated corporate costs			(7,549)	(3,140)
Group EBITDA			(6,533)	16,187
Depreciation and amortisation			(905)	(493)
Group EBIT			(7,438)	15,694
Gain / (loss) on investments			(260)	2,235
Interest income			1,160	855
Borrowing costs			(3,101)	(2,363)
Group net profit / (loss) before income tax			(9,639)	16,421
Income tax (expense) / benefit			1,170	(5,355)
Group net profit / (loss) after income tax			(8,469)	11,066

Note 1: This result reflects the sale of the Merrylands property, previously recognised in the financial year ended 30 June 2018, as a result of the Group's adoption of AASB 15.

Group EBITDA shown above includes the equity accounted result of the Group's co-investments in funds managed by Elanor, including EMPR, ELHF, Auburn Office and Bluewater. The Group measures the performance of its co-investments based on distributions received / receivable from these co-investments, consistent with the treatment within Core Earnings. Group segment EBITDA, adjusted to show distributions received / receivable from co-investments rather than the equity accounted result is as follows:

Segment operating performance for period ended 31 December 2019	ENN Group EBITDA \$'000	Remove Equity Accounted Result \$'000	Add Distributions received / receivable \$'000	EBITDA Contribution to Core Earnings \$'000
Funds Management	6,730	–	–	6,730
Hotels, Tourism and Leisure	(3,108)	4,226	1,520	2,638
Real Estate	(2,606)	909	2,759	1,062
EBITDA	1,016	5,135	4,279	10,430

ELANOR INVESTORS GROUP

DIRECTORS' REPORT

4. Operating and financial review (continued)

REVIEW OF OPERATIONAL RESULTS (CONTINUED)

Funds Management

The performance of the Funds Management division for the period is summarised as follows:

Operating Performance	31 December	31 December
	2019	2018
	\$'000	\$'000
Total adjusted revenue	8,325	7,507
EBITDA Contribution to Core Earnings	6,730	6,206
Operating margin	80.8%	82.7%

Funds under Management	31 December	31 December
	2019	2018
	\$'m	\$'m
Opening funds under management (as at 30 June 2019)	1,387.0	1,082.6
Increase in value of funds under management	120.3	12.9
Disposals / decrease in value of funds under management	(4.7)	(159.5)
New funds	176.5	212.9
Total	1,679.1	1,148.9

The Group has added significant new funds under management since July 2019, with the Group establishing two new managed funds, being the Elanor Wildlife Park Fund and the Elanor Healthcare Real Estate Fund.

During the period the Group continued to strengthen its internal asset management and investment management capabilities, along with its asset origination resources. The Group also broadened its offshore and domestic institutional capital partner base to support the Group's strategic focus to deliver growth in funds under management and the performance of assets under management.

Hotels, Tourism and Leisure

The performance of the Hotels, Tourism and Leisure division for the period is summarised as follows:

Operating Performance	31 December	31 December
	2019	2018
	\$'000	\$'000
Total adjusted revenue ¹	7,617	8,992
EBITDA Contribution to Core Earnings	2,637	3,164
Operating margin	34.6%	35.2%

Note 1: Revenue has been adjusted to show distributions received / receivable from co-investments rather than the equity accounted result.

ELANOR INVESTORS GROUP

DIRECTORS' REPORT

4. Operating and financial review (continued)

REVIEW OF OPERATIONAL RESULTS (CONTINUED)

Hotels, Tourism and Leisure EBITDA contribution to Core Earnings includes the results of Featherdale Wildlife Park (until 29 November 2019 when it was sold into EWPF), and Ibis Styles Albany Hotel.

Hotels, Tourism and Leisure EBITDA contribution to Core Earnings also includes distributions received / receivable from the Group's co-investment in funds managed by the Group of \$1.52 million for the period ended 31 December 2019 (\$1.3 million for the comparative period).

The table below sets out the assessed value of each investment portfolio asset as at 31 December 2019.

Carrying Value of Investment Assets	31 December	31 December
	2019	2018
	\$'m	\$'m
Featherdale Wildlife Park	–	39.0
Ibis Styles Albany Hotel	5.3	5.2
1834 Hospitality	2.6	–
Total	7.9	44.2

The carrying value of the Group's Hotels, Tourism and Leisure co-investments as at 31 December 2019, using the equity method, is as follows:

Carrying Value of Co-Investments	31 December	31 December
	2019	2018
	\$'m	\$'m
Elanor Metro and Prime Regional Hotel Fund	48.9	36.7
Elanor Luxury Hotel Fund	48.7	–
Elanor Wildlife Park Fund	7.2	–
Total	104.8	36.7

Real Estate

Real Estate comprises distributions received / receivable from co-investments in funds managed by the Group as follows:

Operating Performance	31 December	31 December
	2019	2018
	\$'000	\$'000
Total adjusted revenue ¹	2,759	2,053
EBITDA Contribution to Core Earnings	1,063	1,080
Operating margin	38.5%	52.6%

Note 1: Revenue has been adjusted to show distributions received / receivable from co-investments rather than the equity accounted result.

Real Estate EBITDA contribution to Core Earnings comprises distributions received / receivable from the Group's co-investment in funds managed by the Group of \$2.76 million for the period ended 31 December 2019 (\$2.1 million for the comparative period).

ELANOR INVESTORS GROUP

DIRECTORS' REPORT

4. Operating and financial review (continued)

REVIEW OF OPERATIONAL RESULTS (CONTINUED)

The carrying value of these investments as at 31 December 2019, using the equity method, is as follows:

Carrying Value of Co-Investments	31 December 2019	31 December 2018
	\$'m	\$'m
Elanor Commercial Property Fund (ASX: ECF)	38.1	13.1
Elanor Retail Property Fund (ASX: ERF)	35.5	33.3
Auburn Office Syndicate	–	4.8
Belconnen Markets Syndicate	0.6	0.5
Bluewater Square Syndicate	7.1	9.9
Hunters Plaza Syndicate	1.3	1.2
Waverley Gardens Fund	14.8	14.7
WorkZone West Syndicate	–	0.1
Total	97.4	77.6

Summary and Outlook

The Group's key strategic objective will remain focused on growing funds under management and delivering strong returns for Elanor capital partners and security holders. The Group will look to increase income from managed funds, seed new managed funds with Group owned investments, and continue to co-invest with external capital partners.

Risks to the Group in the coming year primarily comprise the potential earnings variability associated with general economic and market conditions including inbound tourism (including the impact of recent global viruses) and domestic retail spending, the availability of capital for funds management opportunities, movement in property valuations, tightening debt capital markets, the general increase in cyber security risks and possible weather related events. The Group manages these risks through its active asset management approach across its investment portfolio, its continued focus on broadening the Group's capital partner base, insurance arrangements and through the active management of its capital structure.

The Group is committed to growing funds under management through the acquisition of high investment quality assets based on the Group's investment philosophy and criteria. The Group has an active pipeline of potential funds management opportunities across all sectors of focus. Furthermore, the Group is actively pursuing opportunities in new real estate sectors and continues to explore strategic opportunities to deliver its growth objectives.

5. Interests in the Group

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

	Consolidated Group 31 December 2019 '000	Consolidated Group 30 June 2019 '000
Stapled securities on issue at the beginning of the year	99,822	93,016
Stapled securities issued through Institutional Placement and Share Purchase Plan	17,348	3,500
Stapled securities issued under the short term incentive scheme	317	346
Stapled securities issued for 2014 LTI securities converted	–	2,960
Stapled securities on issue at the end of the period	117,487	99,822

ELANOR INVESTORS GROUP

DIRECTORS' REPORT

6. 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.

7. Events occurring after reporting date

Subsequent to the period end, a distribution of 9.51 cents per stapled security has been declared by the Board of Directors. The total distribution amount of \$11.2 million will be paid on or before 28 February 2020 in respect of the six months ended 31 December 2019.

Other than the events disclosed above, the directors are not aware of any other matter or circumstance not otherwise dealt with in the financial reports or the Directors' Report that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in the financial period subsequent to the half year ended 31 December 2019.

8. Rounding of amounts to the nearest thousand dollars

In accordance with Legislative Instrument 2016/191 issued by the Australian Securities and Investments Commission relating to the rounding off of amounts in the financial statements, amounts in the financial statements have been rounded to the nearest thousand dollars in accordance with that Legislative Instrument, unless otherwise indicated.

This report is made in accordance with a resolution of the Boards of Directors of Elanor Funds Management Limited and Elanor Investors Limited.

Signed in accordance with a resolution of the Directors pursuant to section 298(2) of the *Corporations Act 2001 (Cth)*.



Paul Bedbrook
Chairman



Glenn Willis
CEO and Managing Director

Sydney, 14 February 2020

The Directors
Elanor Investors Limited and
Elanor Funds Management Limited
(as responsible entity for Elanor Investment Fund)
Level 38, 259 George Street
Sydney NSW 2000

14 February 2020

Dear Directors,

**Auditor's Independence Declaration to
Elanor Investors Limited and Elanor Investment Fund**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Elanor Investors Limited and Elanor Funds Management Limited in its capacity as responsible entity for Elanor Investment Fund.

As lead audit partner for the review of the half year financial report of Elanor Investors Limited and Elanor Investment Fund for the half year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU



D Nell
Partner
Chartered Accountants

ELANOR INVESTORS GROUP

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

		Consolidated Group 31 December 2019 \$'000	Consolidated Group 31 December 2018 \$'000	EIF Group 31 December 2019 \$'000	EIF Group 31 December 2018 \$'000
Income					
Revenue from operating activities	2	37,750	37,199	–	–
Revenue from property inventory		–	36,000	–	–
Interest income		1,095	874	16	12
Rental income		2,202	2,490	8,406	8,661
Share of profit / (loss) from equity accounted investments		1,175	(2,944)	1,220	(2,966)
Realised (loss) / gain on disposal of investment		(260)	1,984	(260)	1,984
Fair value (loss) / gain on revaluation of assets / investment properties		(7,845)	592	(8,432)	568
Other income		418	239	216	203
Total income		34,535	76,434	1,166	8,462
Expenses					
Changes in inventories of finished goods		2,823	23,946	–	–
Salary and employee benefits		20,856	16,194	683	354
Property expenses		4,021	3,843	395	301
Operator management costs		3,676	2,330	1,403	1,303
Borrowing costs		5,100	4,573	3,182	2,810
Depreciation		5,520	4,491	–	–
Amortisation		537	403	233	131
Marketing and promotion		2,072	1,688	(1)	69
Repairs, maintenance and technology		714	746	58	87
Other expenses		2,929	3,680	458	1,457
Total expenses		48,248	61,894	6,411	6,512
Net (loss) / profit before income tax expense		(13,713)	14,540	(5,245)	1,950
Income tax (benefit) / expense	4	(1,327)	5,058	–	–
Net (loss) / profit for the period from continuing operations		(12,386)	9,482	(5,245)	1,950
Discontinued operations:					
Net profit / (loss) for the period from discontinued operations after tax	17	–	–	–	–
Net (loss) / profit for the period		(12,386)	9,482	(5,245)	1,950
Attributable to security holders of:					
- Parent Entity		(6,238)	9,282	(2,393)	733
- Non-controlling interest EIF		(2,393)	(1,854)	–	–
Net (loss) / profit attributable to ENN security holders		(8,631)	7,428	(2,393)	733
Attributable to security holders of:					
- External Non-controlling interest		(3,755)	2,054	(2,852)	1,217
Net (loss) / profit for the period		(12,386)	9,482	(5,245)	1,950
Net profit / (loss) attributable to equity holders of the parent entity relates to:					
(Loss) / profit from continuing operations		(6,238)	9,282	(2,393)	733
Profit / (loss) from discontinued operations		–	–	–	–
Net (loss) / profit for the period		(6,238)	9,282	(2,393)	733
Basic (loss) / earnings per stapled security from continuing operations (cents)		(11.97)	10.28		
Diluted (loss) / earnings per stapled security from continuing operations (cents)		(11.97)	10.28		
Basic (loss) / earnings of the parent entity from continuing operations (cents)		(6.03)	10.06		
Diluted (loss) / earnings of the parent entity from continuing operations (cents)		(6.03)	10.06		

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

ELANOR INVESTORS GROUP

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Consolidated Group 31 December 2019 \$'000	Consolidated Group 31 December 2018 \$'000	EIF Group 31 December 2019 \$'000	EIF Group 31 December 2018 \$'000
Net (loss) / profit for the period	(12,386)	9,482	(5,245)	1,950
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit and loss</i>				
Profit / (loss) on revaluation of cash flow hedge	438	(230)	438	(258)
<i>Items that may not be reclassified to profit and loss</i>				
Share of asset revaluation reserve from equity accounted investments	(3,490)	(42)	(3,528)	(42)
Gain on revaluation of property, plant and equipment	1,359	1,138	1,359	1,807
Income tax relating to these items	-	(13)	-	-
Other comprehensive income for the period, net of tax	(1,693)	853	(1,730)	1,507
Total comprehensive (loss) / income net of tax from continuing operations	(14,079)	10,335	(6,975)	3,457
Total comprehensive income / (loss) net of tax from discontinued operations	-	-	-	-
Total comprehensive (loss) / income for the period, net of tax	(14,079)	10,335	(6,975)	3,457
Attributable to security holders of:				
- Parent entity	(6,133)	9,286	(4,950)	1,238
- Non-controlling interest - EIF	(4,950)	(2,019)	-	-
Total comprehensive (loss) / income for the period, net of tax, of ENN security holders	(11,082)	7,267	(4,950)	1,238
Attributable to security holders of:				
- External non-controlling interest	(2,996)	3,068	(2,025)	2,219
Total comprehensive (loss) / income for the period, net of tax	(14,079)	10,335	(6,975)	3,457

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

ELANOR INVESTORS GROUP

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

		Consolidated Group 31 December 2019 \$'000	Consolidated Group 30 June 2019 \$'000	EIF Group 31 December 2019 \$'000	EIF Group 30 June 2019 \$'000
	Note				
Current assets					
Cash and cash equivalents		30,914	19,281	761	1,094
Receivables	11,19	17,855	14,735	11,261	15,681
Financial assets	9	7,859	45,034	–	–
Inventories		881	994	–	–
Other current assets		1,721	1,735	(17)	698
Current tax asset		7,007	4,674	–	–
Assets held for sale	17	207	714	–	–
Total current assets		66,444	87,167	12,005	17,473
Non-current assets					
Property, plant and equipment	5	303,146	237,286	–	–
Investment properties	6,19	48,224	58,859	319,943	270,747
Equity accounted investments	7,19	100,088	76,701	95,486	73,598
Goodwill and intangible assets		674	750	–	–
Deferred tax assets		7,437	8,061	–	–
Total non-current assets		459,569	381,657	415,429	344,345
Total assets		526,013	468,824	427,434	361,818
Current liabilities					
Payables	12,19	9,014	7,392	5,016	5,342
Derivative financial instruments		1,282	1,261	1,181	1,180
Interest bearing liabilities	8,19	65,817	–	31,363	1,600
Current provisions		2,742	2,076	–	–
Other current liabilities		721	310	19	10
Contract liabilities		1,206	692	9	19
Liabilities directly associated with discontinued operations	17	2,623	4,677	–	–
Total current liabilities		83,405	16,408	37,588	8,151
Non-current liabilities					
Derivative financial instruments		601	1,030	529	937
Interest bearing liabilities	8,19	187,837	198,241	134,950	114,166
Non-current provisions		289	747	–	–
Other non-current liabilities		30	366	–	300
Deferred tax liabilities		6,438	6,157	–	–
Loan from the Company	19	–	–	36,314	29,538
Total non-current liabilities		195,195	206,541	171,793	144,941
Total liabilities		278,599	222,949	209,381	153,092
Net assets		247,414	245,875	218,053	208,726

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

ELANOR INVESTORS GROUP

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

		Consolidated Group 31 December 2019 \$'000	Consolidated Group 30 June 2019 \$'000	EIF Group 31 December 2019 \$'000	EIF Group 30 June 2019 \$'000
Equity					
<i>Equity Holders of Parent Entity</i>					
Contributed equity	10	71,235	61,672	101,017	74,466
Treasury shares	10	(528)	(349)	(1,306)	(808)
Reserves		14,448	13,929	12,087	13,972
Retained accumulated profits / (losses)		(38,937)	(32,699)	32,707	45,503
Parent entity interest		46,218	42,553	144,505	133,133
<i>Equity Holders of Non Controlling Interest</i>					
Contributed equity - Elanor Investment Fund	10	101,017	74,466	-	-
Treasury shares	10	(1,306)	(808)	-	-
Reserves		12,467	40,550	-	-
Retained accumulated profits / (losses)		17,327	3,925	-	-
Non-controlling interest		129,505	118,133	-	-
<i>Equity Holders of Non Controlling Interest - External</i>					
Contributed equity - External		46,747	54,023	50,265	52,138
Reserves		20,441	19,682	6,616	5,879
Retained accumulated profits / (losses)		4,503	11,484	16,667	17,666
External Non-controlling interest		71,691	85,189	73,548	75,683
Total equity attributable to stapled security holders:					
- Parent Entity		46,218	42,553	144,505	133,133
- Non-controlling Interest - EIF		129,505	118,133	-	-
Total equity attributable to ENN security holders		175,723	160,686	144,505	133,133
Total equity attributable to stapled security holders:					
- Non-controlling interest - External		71,691	85,189	73,548	75,593
Total equity		247,414	245,875	218,053	208,726

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

ELANOR INVESTORS GROUP

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Note	Contributed equity	Treasury shares	Asset Revaluation Reserve	Cash flow Hedge Reserve	Security Based Payment (accumulated Reserve	Retained profits/ losses)	Parent Entity Total Equity	Non- controlling interest EIF	Total ENN Equity	External Non- controlling interest	Total Equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated Group												
Total equity at 1 July 2019		61,672	(349)	13,094	(15)	849	(32,699)	42,553	118,133	160,685	85,189	245,875
Profit / (loss) for the period		-	-	-	-	-	(6,238)	(6,238)	(2,393)	(8,631)	(3,755)	(12,386)
Other comprehensive income / (expense) for the period		-	-	38	-	68	-	106	(2,557)	(2,451)	759	(1,693)
Total comprehensive income / (expense) for the period		-	-	38	-	68	(6,238)	(6,133)	(4,950)	(11,082)	(2,996)	(14,079)
Transactions with owners in their capacity as owners:												
Contributions of equity, net of issue costs	10	9,563	(179)	-	-	-	-	9,384	26,053	35,437	-	35,437
Reserve transfer relating to disposed assets		-	-	-	-	-	-	-	-	-	-	-
Security-based payments	10	-	-	-	-	415	-	415	673	1,087	-	1,087
Distributions paid and payable		-	-	-	-	-	-	-	(10,403)	(10,403)	(10,501)	(20,905)
Total equity at 31 December 2019		71,235	(528)	13,132	(15)	1,332	(38,937)	46,219	129,505	175,723	71,691	247,414

	Note	Contributed equity	Treasury shares	Asset Revaluation Reserve	Cash flow Hedge Reserve	Security Based Payment (accumulated Reserve	Retained profits/ losses)	Parent Entity Total Equity	Non- controlling interest EIF	Total ENN Equity	External Non- controlling interest	Total Equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated Group												
Total equity at 1 July 2018		57,994	(179)	13,130	18	500	(33,729)	37,734	101,021	138,755	69,757	208,512
Profit / (loss) for the period		-	-	-	-	-	9,282	9,282	(1,854)	7,428	2,054	9,482
Other comprehensive income / (expense) for the period		-	-	(1)	5	-	-	4	(165)	(161)	1,014	853
Total comprehensive income / (expense) for the period		-	-	(1)	5	-	9,282	9,286	(2,019)	7,267	3,068	10,335
Transactions with owners in their capacity as owners:												
Contributions of equity, net of issue costs	10	1,761	-	-	-	-	-	1,761	1,923	3,684	12,286	15,970
Security-based payments	10	-	-	-	-	150	-	150	291	441	-	441
Distributions paid and payable		-	-	-	-	-	(3,228)	(3,228)	(5,445)	(8,673)	(1,259)	(9,932)
Total equity at 31 December 2018		59,755	(179)	13,129	23	650	(27,675)	45,703	95,771	141,474	83,852	225,326

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

ELANOR INVESTORS GROUP

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Note	Contributed equity	Treasury shares	Asset Revaluation Reserve	Cash flow Hedge Reserve	Security Based Payment Reserve	Retained profits/ (accumulated losses)	Parent Entity Total Equity	External Non- controlling interest	Total Equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
EIF Group										
Total equity at 1 July 2019		74,466	(808)	13,371	(764)	1,365	45,503	133,133	75,593	208,726
Profit / (loss) for the period		-	-	-	-	-	(2,393)	(2,393)	(2,852)	(5,245)
Other comprehensive income / (expense) for the period		-	-	-	204	-	-	204	234	438
Share of reserves of equity accounted investments		-	-	(2,761)	-	-	-	(2,761)	594	(2,167)
Total comprehensive income / (expense) for the period		-	-	(2,761)	204	-	(2,393)	(4,950)	(2,025)	(6,974)
Transactions with owners in their capacity as owners:										
Contributions of equity, net of issue costs	10	26,551	(498)	-	-	-	-	26,053	895	26,948
Reserve transfer relating to disposed assets		-	-	-	-	-	-	-	-	-
Security-based payments		-	-	-	-	673	-	673	-	673
Distributions paid and payable		-	-	-	-	-	(10,403)	(10,403)	(915)	(11,319)
Total equity at 31 December 2019		101,017	(1,306)	10,610	(560)	2,038	32,707	144,505	73,548	218,053

	Note	Contributed equity	Treasury shares	Asset Revaluation Reserve	Cash flow Hedge Reserve	Security Based Payment Reserve	Retained profits/ (accumulated losses)	Parent Entity Total Equity	External Non- controlling interest	Total Equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
EIF Group										
Total equity at 1 July 2018		67,338	(347)	7,903	(194)	644	30,114	105,457	69,667	175,124
Profit / (loss) for the period		-	-	-	-	-	732	732	1,218	1,950
Other comprehensive income / (expense) for the period		-	-	-	(96)	-	-	(96)	(161)	(258)
Share of reserves of equity accounted investments		-	-	602	-	-	1	603	1,162	1,765
Total comprehensive income / (expense) for the period		-	-	6,394	(90)	-	733	1,239	2,219	3,457
Transactions with owners in their capacity as owners:										
Contributions of equity, net of issues costs	10	1,923	-	-	-	-	-	1,923	13,959	15,883
Reserve transfer relating to disposed assets		-	-	(1,974)	-	-	1,974	-	-	-
Security-based payments		-	-	-	-	292	-	292	-	292
Distributions paid and payable		-	-	-	-	-	(5,445)	(5,445)	(1,259)	(6,704)
Total equity at 31 December 2018		69,261	(347)	6,531	(290)	936	27,376	103,466	84,586	188,052

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

ELANOR INVESTORS GROUP

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Consolidated Group	Consolidated Group	EIF Group	EIF Group
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Receipts from customers	45,376	43,597	–	–
Payments to suppliers and employees	(40,115)	(41,419)	(2,665)	(4,049)
Interest received	2,641	874	16	12
Finance costs paid	(4,931)	(4,595)	(3,148)	(2,814)
Rent receipts from the Company	–	–	10,513	7,065
Income tax paid	–	(637)	–	–
Net cash flows from operating activities	2,971	(2,180)	4,716	214
Cash flows from investing activities				
Payments for business and asset acquisitions	–	–	–	–
Receipts for business and asset disposals	43,650	5,400	41,385	–
Payments for property, plant and equipment / investment properties	(111,672)	(2,290)	(93,281)	(5,798)
Loans to associates	(4,871)	1,123	–	(748)
Proceeds from financial asset disposals	35,670	4,656	–	–
Payments for equity accounted investments	(48,887)	(29,703)	(45,325)	(29,403)
Receipts for equity accounted investments	12,921	15,838	12,921	15,838
Distributions received from equity accounted investments	2,657	1,710	2,657	1,710
Loans from Company	–	–	6,776	17,444
Net cash flows from investing activities	(70,533)	(3,266)	(74,867)	(957)
Cash flows from financing activities				
Net proceeds / (repayments) from borrowings	55,275	6,317	55,275	(64)
Proceeds from equity raisings	36,429	11,989	26,783	10,730
Costs associated with equity raisings	(1,058)	–	(788)	–
Distributions paid to security holders	(11,451)	(9,920)	(11,451)	(6,693)
Net cash flows from financing activities	79,195	8,386	69,819	3,973
Net increase / (decrease) in cash and cash equivalents	11,633	2,940	(333)	3,230
Cash and cash equivalents at the beginning of the period	19,281	17,355	1,094	2,883
Cash at the end of the period	30,914	20,295	761	6,113

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

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

About this Report

Elanor Investors Group (Group, Consolidated Group or Elanor) is a 'stapled' entity comprising Elanor Investors Limited (EIL or Company) and its controlled entities (EIL Group) and Elanor Investment Fund (Trust) and its controlled entities (EIF Group). The units in the Trust are stapled to shares in the Company. The stapled securities cannot be traded or dealt with separately. The stapled securities of the Group are listed on the Australian Securities Exchange (ASX: ENN). As permitted by ASIC Corporations Instrument 2015/838 issued by the Australian Securities and Investments Commission (ASIC), this report is a combined report that presents the consolidated financial statements and accompanying notes of both Elanor Investors Group and the Elanor Investment Fund (EIF Group).

The amounts in the consolidated financial statements have been rounded off to the nearest one thousand dollars, unless otherwise indicated, in accordance with ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191.

Basis of preparation

These interim financial reports do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2019 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The accounting policies adopted in the preparation of the interim financial report are consistent with those of the previous financial year except the adoption of AASB 16 *Leases* which became mandatory this financial period.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

Historical Cost Convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, property, plant and equipment and derivative financial instruments held at fair value.

Going concern

As at 31 December 2019, the Group's current liabilities exceeded its current assets by \$17.0 million and EIF Group's current liabilities exceeded its current assets by \$25.6 million due primarily to the maturity of debt facilities of \$66.3 million in October 2020. The Group is currently negotiating with the relevant banks in respect of a renewal of the facilities and the Group is confident the facilities will be renewed before the maturity date. In addition, the Group has access to facilities to enable the Group and EIF Group to continue as a concern and meets its financial obligations as and when they fall due, for at least 12 months from the date of signing of the Group's financial statements for the half year ended 31 December 2019.

Statement of Compliance

The interim financial report is a general purpose report prepared in accordance with the *Corporations Act 2001*, the Trust Constitution and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The interim financial report does not include notes of the type normally included in an annual financial report.

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

Basis of preparation (continued)

Accounting Estimates and Judgements

In applying the Group's accounting policies, management has made a number of judgements, estimates and assumptions regarding future events. The estimates and associated assumptions that are deemed to have a potential material impact on the financial statements relate to the following:

- Property, plant and equipment
- Investment properties
- Deferred tax assets
- Investment in equity accounted investments

New accounting standards and interpretations

Certain new Accounting Standards and Interpretations have been published that are mandatory for the half year ended 31 December 2019. The Group's assessment of the impact of these new standards and interpretation are set out below.

Reference	Description	Impact on the Group's financial statements
AASB 16 Leases (Applicable 1 January 2019)	AASB 16 introduces new requirements in relation to lease classification and recognition, measurement and presentation and disclosure of leases for lessees and lessors. For lessees a (right-of-use) asset and a lease liability will be recognised on the balance sheet in respect of all leases subject to limited exceptions. The accounting for lessors will not significantly change.	The Group is party to long-term non-cancellable property leases which are not expected to have a material impact when recognised in the statement of financial position. The Group has adopted the standard retrospectively from 1 July 2019, but has not restated comparatives, as permitted under the specific transition provisions in the standard. The Group recognised lease liabilities and right of use assets of \$0.99 million.
AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle (Effective for reporting periods after 1 January 2019).	Amendments made to the following accounting standards: AASB 3 <i>Business Combination</i> ; AASB 11 <i>Joint Arrangements</i> ; AASB 112 <i>Income Tax</i> ; and AASB 13 <i>Borrowing costs</i> .	The application of the amendments does not have a material impact on the Group's financial statement.

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

The notes to the consolidated Financial Statements have been organised into the following sections for reduced complexity and ease of navigation:

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ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

Results

This section focuses on the operating results and financial performance of the Group. It includes disclosures of segmental information, revenue, distributions and cash flow including the relevant accounting policies adopted in each area.

1. Segment information

OVERVIEW

Segment information is presented on the same basis as that used for internal reporting purposes. The segments are reported in a manner that is consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors of Elanor Investors Limited and the Responsible Entity.

The main income statement items used by management to assess each of the divisions are divisional revenue and divisional EBITDA. In addition, depreciation and amortisation are analysed by division. Each of these income statement items is reviewed after adjusting for transaction and establishment costs, amortisation of intangible assets and impairment of goodwill.

BUSINESS SEGMENTS

The Group is organised into the following divisions by business type:

Funds Management

The Funds Management division manages third party owned investment funds and syndicates. As at 31 December 2019, the Funds Management division has approximately \$1,680 million of external investments under management, being the managed investments.

Hotels, Tourism and Leisure

Hotels, Tourism and Leisure originates and manages investment and funds management assets. The current investment portfolio includes Ibis Styles Albany Hotel and 1834 Hospitality, along with co-investments in Elanor Metro and Prime Regional Fund ('EMPR'), Elanor Luxury Hotel Fund ('ELHF') and Elanor Wildlife Park Fund ('EWPF'). EMPR and ELHF are consolidated in the Financial Statements.

Real Estate

Real Estate originates and manages investment and funds management assets. The current investment portfolio comprises co-investments in Elanor Commercial Property Fund, Elanor Retail Property Fund, Bluewater Square Syndicate, Hunters Plaza Syndicate, Waverley Gardens Fund and the Belconnen Markets Syndicate. The Bluewater Square Syndicate is consolidated in the Financial Statements.

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

1. Segment information (continued)

The table below shows segment results from continuing operations:

Consolidated Group – 31 December 2019

	Funds Management	Hotels, Tourism & Leisure	Real Estate	Unallocated Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from trading activities	5,440	27,150	2,203	–	34,793
Revenue from wildlife parks	–	5,160	–	–	5,160
Share of profit of equity accounted investments	–	65	1,110	–	1,175
Operating expense	(853)	(24,224)	(2,607)	(11,274)	(38,958)
Divisional EBITDA	4,587	8,151	706	(11,274)	2,170
Depreciation and amortisation	(75)	(4,625)	–	(723)	(5,423)
Divisional EBIT from continuing operations	4,512	3,526	706	(11,997)	(3,253)
Fair value adjustment on revaluation of investment property	–	–	(5,542)	–	(5,542)
Realised gain / (loss) on disposal of investment	–	(1,680)	1,420	–	(260)
Unrealised loss	–	–	–	–	–
Acquisition costs	–	(190)	–	–	(190)
Interest income	85	(35)	–	1,044	1,094
Amortisation of borrowing costs	–	–	–	(462)	(462)
Borrowing costs	–	–	–	(5,100)	(5,100)
Net tax benefit / (expense)	–	–	–	1,327	1,327
Profit / (loss) for the year	4,597	1,621	(3,416)	(15,188)	(12,388)

Total segment assets

31 December 2019	11,916	238,497	48,884	226,716	526,013
30 June 2019	10,782	247,890	59,697	150,455	468,824

Total segment liabilities

31 December 2019	4,042	153,226	32,572	88,759	278,599
30 June 2019	3,935	113,802	34,889	70,323	222,949

Consolidated Group – 31 December 2018

	Funds Management	Hotels, Tourism & Leisure	Real Estate	Unallocated Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from trading activities	5,096	25,147	2,473	18	32,734
Revenue from wildlife parks	–	6,956	–	–	6,956
Revenue from sale of property inventory	–	–	–	36,000	36,000
Share of profit of equity accounted investments	–	(29)	(2,915)	–	(2,944)
Operating expense	(1,227)	(23,774)	(1,968)	(24,149)	(51,118)
Divisional EBITDA	3,869	8,300	(2,410)	11,869	21,628
Depreciation and amortisation	(75)	(4,260)	–	(231)	(4,566)
Divisional EBIT from continuing operations	3,794	4,040	(2,410)	11,638	17,062
Fair value gain on revaluation of investment properties	–	–	1,338	–	1,338
Realised gain on disposal of investment	–	564	1,420	–	1,984
Unrealised loss	–	(1,070)	–	–	(1,070)
Acquisition costs	–	(747)	–	–	(747)
Interest income	116	17	2	739	874
Amortisation of borrowing costs	–	–	–	(328)	(328)
Borrowing costs	–	–	–	(4,573)	(4,573)
Net tax benefit / (expense)	–	–	–	(5,058)	(5,058)
Profit / (loss) for the year	3,910	2,804	350	2,418	9,482

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

2. Revenue

OVERVIEW

This note provides a breakdown of revenue from operating activities by activity type.

Revenue from operating activities

	Consolidated Group 31 December 2019 \$'000	Consolidated Group 31 December 2018 \$'000
Revenue from hotels	27,150	25,147
Revenue from wildlife park	5,160	6,956
Revenue from funds management	5,440	5,096
Total revenue from continuing operations	37,750	37,199

ACCOUNTING POLICY

Revenue recognition

In accordance with the new accounting standard AASB 15 *Revenue from Contracts with Customers*, revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it can be readily measured and when it transfers control over a product or services for each of Elanor's activities as described below.

Funds management fee revenue

Funds management fee revenue is recognised when the performance obligation is completed, in accordance with the Fund's constitution. The funds management and transaction related services are utilised when the Group has provided the services, and revenue is calculated and recognised in accordance with the Fund's constitution over time. Where fees are subject to meeting certain performance hurdles, they are recognised as income at the point in time when those conditions have been met.

Hotel and wildlife park revenue

Revenue from contracts with customers is recognised when control of the good or service is transferred to the customer.

If not received at balance date, revenue is reflected in the balance sheet as a receivable and carried at its recoverable value.

Rental income

The Group is the lessor in a number 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 lease asset and recognised as an expense over the term of the lease on the same basis as the lease income.

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

3. Distributions

OVERVIEW

The Group's aim is to provide investors with superior risk adjusted returns.

When determining distributions, the Group's board considers a number of factors, including forecast earnings and expected economic conditions. Elanor Investors Group aims to distribute 90% of Core Earnings, reflecting the Director's view of underlying earnings from ongoing operating activities for the period.

The following table summarises the distributions of the ENN Group either during the period or post balance date:

ENN Group

	Distribution cents per stapled security 31 December 2019	Distribution cents per stapled security 31 December 2018	Total Amount 31 December 2019 \$'000	Total Amount 31 December 2018 \$'000
Distribution for the half year ended 31 December 2019	9.51	6.32	11,173	6,070

*The interim distribution of 9.51 cents per stapled security for the period ended 31 December 2019 was not declared prior to 31 December 2019. The Distribution will be paid on 28 February 2020. Please refer to the Director's Report for the calculation of Core Earnings and the Distribution.

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

4. Income tax

OVERVIEW

This note provides detailed information about the Group's income tax items including a reconciliation of income tax expense if Australia's company income tax rate of 30% was applied to the Group's profit before income tax as shown in the income statement to the actual income tax expense / benefit.

Income Tax Expense

	Consolidated Group 31 December 2019 \$'000	Consolidated Group 31 December 2018 \$'000
Current tax expense	(2,284)	1,365
Deferred tax expense	957	3,693
Income tax (benefit) / expense	(1,327)	5,058

Reconciliation of income tax expense to prima facie tax expense

Profit / (loss) before income tax expense - continuing operations	(13,713)	14,540
Profit / (loss) before income tax expense - discontinued operations	-	-
Profit / (loss) before income tax expense	(13,713)	14,540
Less: Profit from the Trust (which is not taxable)	5,245	(1,950)
Prima facie profit / (loss)	(8,468)	12,590
Tax at the Australian tax rate of 30%	(2,540)	3,777
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Entertainment	15	13
Non-deductible depreciation and amortisation	1,098	479
Fair value adjustments to investment property in the Trust	(176)	(7)
Non-deductible expenses	48	35
Impact of consolidations	226	734
Insurance proceeds on plant and equipment	-	33
Other	2	(7)
Income tax (benefit) / expense	(1,327)	5,058

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

Operating Assets

This section includes information about the assets used by the Group to generate revenue and profits, specifically relating to its property, plant and equipment, and investments.

5. Property, plant and equipment

OVERVIEW

All owner-occupied investment properties held by the Group are deemed to be held for use by the Group for the supply of services, and are therefore classified as property, plant and equipment under Australian Accounting Standards.

Carrying value of property, plant and equipment

The carrying amount of property, plant and equipment at the beginning and end of the current period is set out below:

	Consolidated Group 31 December 2019 \$'000	Consolidated Group 30 June 2019 \$'000
Carrying amount at the beginning of the period for continuing operations	265,836	244,145
Acquisitions	101,383	–
Additions	9,998	6,135
Revaluation (decrements) / increments	(1,461)	17,482
Disposals	(39,000)	(1,926)
Carrying amount at the end of the period	336,756	265,836
Accumulated depreciation at the beginning of the period for continuing operations	(28,550)	(19,342)
Depreciation	(5,060)	(9,207)
Accumulated depreciation at the end of the period	(33,610)	(28,550)
Total carrying value at the end of the period	303,146	237,286

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

5. Property, plant and equipment (continued)

The following table represents the total fair value of property, plant and equipment at 31 December 2019:

Property	Valuation	Consolidated Group	Consolidated Group
		31 December 2019	30 June 2019
		\$'000	\$'000
Eaglehawk Hotel	Internal	21,500	21,500
Wollongong Hotel	Internal	13,800	13,800
Albany Hotel	Internal	5,250	5,250
Featherdale Wildlife Park	Internal	–	39,000
Port Macquarie Hotel	Internal	12,000	12,000
Tall Trees Hotel	Internal	14,250	14,250
Pavillion Wagga Wagga Hotel	Internal	7,250	7,250
Parklands Resort Mudgee	Internal	12,965	11,600
Narrabundah Hotel	Internal	31,000	31,000
Byron Bay Hotel	Internal	25,903	25,880
Adabco Boutique Hotel	Internal	13,000	–
Mayfair Hotel	Internal	86,000	–
Cradle Mountain Lodge	Internal	59,513	55,000
Other	Internal	715	756
Total		303,146	237,286

As at 31 December 2019, the Directors assessed the fair value of the properties above, supported by independent or internal valuation reports.

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

6. Investment properties

The carrying amount of investment properties at the beginning and end of the current period is set out below:

	Consolidated Group 31 December 2019 \$'000	Consolidated Group 30 June 2019 \$'000
Carrying amount at the beginning of the period	58,859	52,202
Total costs on acquisition	–	4,650
Additions	291	241
Revaluation (decrements) / increments	(6,276)	1,766
Disposals	(4,650)	–
Carrying amount at the end of the period	48,224	58,859

The following table represents the total fair value of investment properties at 31 December 2019.

Property	Valuation	Consolidated Group 31 December 2019 \$'000	Consolidated Group 30 June 2019 \$'000
Bluewater Square	Independent	48,224	54,209
Auburn Office	Internal	–	4,650
Total		48,224	58,859

As at 31 December 2019, the Directors assessed the fair value of the property above, supported by an independent or internal valuation report.

Investment properties are categorised as level 3 in the fair value hierarchy. There were no transfers between hierarchies during the period.

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

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. These include joint ventures where the Group has joint control over an investee together with one or more joint venture partners and investments in associates, which are entities over which the Group is presumed to have significant influence but not control or joint control.

The Group's equity accounted investments are as follows:

31 December 2019

	Principal activity	Percentage Ownership	Consolidated Group 31 December 2019 \$'000
Elanor Retail Property Fund (ASX: ERF)	Shopping Centres	17.89%	35,491
Elanor Commercial Property Fund (ASX: ECF)	Office Buildings	15.00%	38,124
Belconnen Markets Syndicate	Shopping Centre	2.08%	554
Hunters Plaza Syndicate	Shopping Centre	4.73%	1,284
Waverley Gardens Fund	Shopping Centre	19.64%	14,804
1834 Hospitality	Hotel Management	25.00%	2,636
Elanor Wildlife Park Fund	Wildlife Parks	27.32%	7,194
Total equity accounted investments			100,088

30 June 2019

	Principal activity	Percentage Ownership	Consolidated Group 30 June 2019 \$'000
Elanor Retail Property Fund (ASX: ERF)	Shopping Centres	17.89%	34,945
Elanor Commercial Property Fund	Office Buildings	13.27%	13,784
Belconnen Markets Syndicate	Shopping Centre	2.08%	536
Hunters Plaza Syndicate	Shopping Centre	4.73%	1,194
Workzone West Syndicate	Office Building	0.16%	104
Waverley Gardens Fund	Shopping Centre	20.27%	14,960
Fairfield Centre Syndicate	Shopping Centre	22.30%	8,611
1834 Hospitality	Hotel Management	25.00%	2,567
Total equity accounted investments			76,701

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

Finance and Capital Structure

This section provides further information on the Group's debt finance, financial assets and contributed equity.

8. Interest bearing liabilities

OVERVIEW

The Group borrows funds from financial institutions to partly fund the acquisition of income producing assets, such as investment properties, securities or the acquisition of businesses. The Group's borrowings are generally fixed, either directly or through the use of interest rate swaps, and have a fixed term. This note provides information about the Group's debt facilities, including the facilities of EMPR, ELHF and Bluewater Square Syndicate.

	Consolidated Group 31 December 2019 \$'000	Consolidated Group 30 June 2019 \$'000
Current		
Bank loan - term debt	66,300	–
Bank loan - borrowing costs less amortisation	(483)	–
Total current	65,817	–
Non-current		
Unsecured notes	60,000	60,000
Unsecured notes - borrowing costs less amortisation	(959)	(1,132)
Bank loan - term debt	129,857	140,901
Bank loan - borrowing costs less amortisation	(1,061)	(1,528)
Total non-current	187,837	198,241
Total interest bearing liabilities	253,654	198,241

The term debt is secured by registered mortgages over all freehold property and registered security interests over all present and after acquired property of key Group entities and companies. The terms of the debt also impose certain covenants on the Group including Loan to Value ratio and Interest Cover covenants. The Group is currently meeting all its covenants.

Unsecured Fixed Rate Notes

On 17 October 2017 and 18 December 2017, the Group issued \$40 million and \$20 million 7.1% unsecured 5-year fixed rate notes respectively. The total \$60 million unsecured fixed rate notes are due for repayment on 17 October 2022.

The unsecured notes include Loan to Value Ratio and Interest Cover Covenants. The Group is currently meeting all of its covenants.

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

8. Interest bearing liabilities (continued)

CREDIT FACILITIES

As at 31 December 2019, the Group had unrestricted access to the following credit facilities:

	Consolidated Group 31 December 2019 \$'000	Consolidated Group 30 June 2019 \$'000
ENN Group		
Facility - ENN	30,000	30,000
Total amount used	(29,500)	(25,500)
Total amount unused - ENN	500	4,500
EMPR Group		
Facility - EMPR	87,425	87,425
Total amount used	(87,425)	(83,325)
Total amount unused - EMPR	-	4,100
Bluewater Square Syndicate		
Facility - Bluewater	29,700	30,150
Total amount used	(29,700)	(29,700)
Total amount unused - Bluewater	-	450
Auburn Office Syndicate		
Facility - Auburn Office	-	2,325
Total amount used	-	(2,325)
Total amount unused - Auburn Office	-	-
Elanor Luxury Hotel Fund		
Facility - ELHF	49,500	-
Total amount used	(49,500)	-
Total amount unused - Elanor Luxury Hotel Fund	-	-
Total amount unused - Consolidated Group	500	9,050

The ENN Group has access to a \$30.0 million revolver facility, with a maturity date of 29 April 2022. The drawn amount at 31 December 2019 is \$29.5 million. At 31 December 2019 the amount of drawn facilities was not hedged.

The EMPR Group has access to a \$87.43 million facility, upon which both the company and trust can draw. The drawn amount at 31 December 2019 is \$87.43 million. Of the EMPR Group facility, \$36.6 million will mature on 31 October 2020, with the remaining \$46.7 million maturing on 31 October 2021. A renewal of the \$36.6 million facility is currently undergoing negotiation and is expected to be renewed before the maturity date. At 31 December 2019, the amount of drawn facilities was hedged to 100%.

At 31 December 2019, the ELHF Group had access to a \$49.5 million facility. The drawn amount at 31 December 2019 was \$49.5 million which will mature on 3 December 2022.

The Bluewater Square Syndicate has access to a \$29.7 million facility. The drawn amount at 31 December 2019 is \$29.7 million which will mature on 30 October 2020. A renewal of the \$29.7 million facility is currently undergoing negotiation and is expected to be renewed before the maturity date. At 31 December 2019, the amount of drawn facilities is hedged to 100%.

All of the facilities have a variable interest rate. The interest rates on the loans are partially fixed using interest rate swaps. The weighted average annual interest rates payable of the loans at 31 December 2019, including the impact of the interest rate swaps, is 4.54% per annum.

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

8. Interest bearing liabilities (continued)

ACCOUNTING POLICY

Interest bearing liabilities

Interest bearing liabilities are recognised initially at fair value, being the consideration received net of transaction costs associated with the borrowing. After initial recognition, interest bearing liabilities are stated 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 statement of profit or loss and other comprehensive income 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 12 months. Amounts drawn under financial facilities which expire after 12 months are classified as non-current.

9. Financial assets

OVERVIEW

The Group's financial assets consist of short term financing provided by the Group. The Group's financial assets as at 31 December 2019 are detailed below:

	Consolidated Group 31 December 2019 \$'000	Consolidated Group 30 June 2019 \$'000
Merrylands property vendor finance	5,830	30,152
Other financial assets and receivables	2,029	14,882
Total financial assets	7,859	45,034

ACCOUNTING POLICY

The Group measures its financial assets at amortised cost.

At initial recognition, the Group measures its financial assets at fair value and subsequently at amortised cost. The Group assessed that the credit risk of its financial asset has not significantly increased since initial recognition. Hence, the Group applies the simplified approach permitted by AASB 9 which requires expected lifetime losses to be recognised from initial recognition of receivables.

The expected credit losses in these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and general economic conditions where appropriate at reporting date.

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

10. Contributed equity

OVERVIEW

The shares of Elanor Investors Limited (Company) and the units of Elanor Investment Fund (EIF) are combined and issued as stapled securities. The shares of the Company and units of EIF cannot be traded separately and can only be traded as stapled securities.

Below is a summary of contributed equity of the Company and EIF separately and for Elanor's combined stapled securities. The basis of allocation of the issue price of stapled securities to Company shares and EIF units post stapling is determined by agreement between the Company and EIF as set out in the Stapling Deed.

Contributed equity for the period ended 31 December 2019

No. of securities/shares	Details	Date of income entitlement	Total Equity 31 December 2019 \$'000	Parent Entity 31 December 2019 \$'000	EIF 31 December 2019 \$'000
99,822,220	Opening balance	1 Jul 2019	136,138	61,672	74,466
14,973,333	Securities issued (Placement)	18 Nov 2019	30,493	8,075	22,418
2,373,857	Securities issued (Security Purchase Plan)	17 Dec 2019	4,944	1,309	3,635
317,165	2020 STI Securities granted	19 Dec 2019	677	179	498
117,486,575	Securities on issue	31 Dec 2019	172,252	71,235	101,017

A reconciliation of treasury securities on issue at the beginning and end of the period is set out below:

No. of securities/shares	Details	Date of income entitlement	Total Equity 31 December 2019 \$'000	Parent Entity 31 December 2019 \$'000	EIF 31 December 2019 \$'000
609,991	Opening balance	1 Jul 2019	1,157	349	808
317,165	2020 STI Securities granted	19 Dec 2019	677	179	498
927,156	Treasury securities on issue	31 Dec 2019	1,834	528	1,306

Contributed equity for the period ended 30 June 2019

No. of securities/shares	Details	Date of income entitlement	Total Equity 30 June 2019 \$'000	Parent Entity 30 June 2019 \$'000	EIF 30 June 2019 \$'000
93,015,503	Opening balance	1 Jul 2018	125,332	57,994	67,338
160,000	Securities issued	28 Sep 2018	200	96	104
2,800,000	Securities issued	26 Oct 2018	3,500	1,673	1,827
3,500,000	Securities issued	10 Apr 2019	6,475	1,739	4,736
346,717	2019 STI Securities granted	27 Jun 2019	631	170	461
99,822,220	Securities on issue	30 Jun 2019	136,138	61,672	74,466

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

10. Contributed equity (continued)

A reconciliation of treasury securities on issue at the beginning and end of the prior period is set out below:

No. of securities/ shares	Details	Date of income entitlement	Total Equity 30 June 2019 \$'000	Parent Entity 30 June 2019 \$'000	EIF 30 June 2019 \$'000
263,274	Opening balance	1 Jul 2018	526	179	347
346,717	2019 STI Securities issued	27 Jun 2019	631	170	461
609,991	Treasury securities on issue	30 Jun 2019	1,157	349	808

ACCOUNTING POLICY

Equity-settled security-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled security-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

Other Items

This section includes information that is not directly related to the specific line items in the consolidated financial statements, including information about related parties, events after the end of the reporting period and certain EIF Group disclosures.

11. Receivables

OVERVIEW

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

Receivables

	Consolidated Group 31 December 2019 \$'000	Consolidated Group 30 June 2019 \$'000
Current		
Trade receivables	4,421	6,173
Other receivables	13,434	8,562
Total receivables	17,855	14,735

12. Payables

OVERVIEW

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

Payables

	Consolidated Group 31 December 2019 \$'000	Consolidated Group 30 June 2019 \$'000
Trade creditors	2,638	1,290
Accrued expenses	5,380	5,156
GST payable	996	946
Total payables	9,014	7,392

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

13. Net tangible assets

OVERVIEW

This note sets out the net tangible assets of the Group.

	Consolidated Group 31 December 2019 \$'000	Consolidated Group 30 June 2019 \$'000
Net tangible assets are calculated as follows:		
Total assets	526,013	468,824
Less: Intangible assets	(675)	(750)
Less: Total liabilities	(278,599)	(222,949)
Net tangible assets	246,739	245,125
Total number of stapled securities on issue	117,487	99,822
Net tangible asset backing per stapled security	2.10	2.46

14. Commitments

OVERVIEW

This note sets out the material commitments of the Group.

Contingent liabilities and commitments

Unless otherwise disclosed in the financial statements, there are no material contingent liabilities and commitments.

Lease commitments: the Group as lessee

The Group has non-cancellable leases in respect of premises. From 1 July 2019, the Group has recognised the right of use assets for these leases.

	Consolidated Group 31 December 2019 \$'000	Consolidated Group 30 June 2019 \$'000
Within one year	556	946
Later than one year but not later than 5 years	–	80
Later than 5 years	–	–
Total lease commitments	556	1,026

Lease commitments: the Group as lessor

The Group has non-cancellable leases in respect of premises. The leases are for a duration of between 1 to 10 years and are classified as operating leases. The minimum lease commitments receivable are as follows:

	Consolidated Group 31 December 2019 \$'000	Consolidated Group 30 June 2019 \$'000
Within one year	3,443	3,827
Later than one year but not later than 5 years	11,575	10,934
Later than 5 years	3,302	6,486
Total lease commitments	18,320	21,247

In the opinion of the Directors, there were no other commitments at the end of the reporting period.

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

15. Related parties

OVERVIEW

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

Elanor Investors Group

Responsible Entity fees

Elanor Funds Management Limited (EFML) is the Responsible Entity of the Elanor Investment Fund (EIF) (a wholly owned subsidiary of Elanor Investors Limited).

In accordance with the Constitution of Elanor Investment Fund (EIF), EFML is entitled to receive a management fee equal to its reasonable costs in providing its services as Responsible Entity for which it is not otherwise reimbursed. For the six months ended 31 December 2019, this amount is \$65,000.

EFML makes payments for EIF from time to time. These payments are incurred by EFML in properly performing or exercising its powers or duties in relation to EIF. EFML has a right of indemnity from EIF for any liability incurred by EFML in properly performing or exercising any of its powers or duties in relation to EIF. The amount reimbursed for the half year ended 31 December 2019 was nil.

EFML acted as Trustee and Manager and/or Custodian of a number of registered and unregistered managed investment schemes, including schemes where the Group also held an investment. EFML is entitled to fee income, as set out in the Constitution of each scheme, including management fees, acquisition fees, equity raise fees and performance fees. EFML is also entitled to be reimbursed from each Scheme for costs incurred in properly performing or exercising any of its powers or duties in relation to each Scheme.

A summary of the income earned during the period from these managed investment schemes is provided below:

	Consolidated Group 31 December 2019 \$'000	Consolidated Group 31 December 2018 \$'000
Elanor Retail Property Fund	1,314	1,260
Elanor Commercial Property Fund	1,410	1,377
Hunters Plaza Syndicate	275	269
Belconnen Markets Syndicate	259	247
Workzone West Syndicate	596	497
Waverley Gardens Fund	385	865
Stirling Street Syndicate	134	580
Fairfield Centre Syndicate	7	–
Elanor Wildlife Park Fund	1,060	–
Total	5,440	5,096

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

16. Significant events

Establishment of Elanor Wildlife Park Fund

On 28 November 2019, the Group established Elanor Wildlife Park Fund (EWPF) which acquired Mogo Zoo in Mogo, NSW for \$9.7 million and Featherdale Wildlife Park in Doonside, NSW for \$39 million, which was previously owned by the Group.

Settlement of Elanor Luxury Hotel Fund acquisitions

On 5 December 2019, the Elanor Luxury Hotel Fund (ELHF) settled on the acquisitions of Mayfair Hotel and Adabco Boutique Hotel in Adelaide, SA, for \$99 million. Subsequent to balance date, the fund also settled on the acquisition of Peppers Cradle Mountain Lodge for \$55 million, purchased from another Group managed fund, Elanor Metro and Prime Regional Hotel Fund.

Initial Public Offering of Elanor Commercial Property Fund

The Group completed the Initial Public Offering ("IPO") of Elanor Commercial Property Fund (ASX: ECF) on 6 December 2019, offering 138.9 million securities at an offer price of \$1.25, raising \$173.6 million. ECF listed with an initial market capitalisation of \$255.5 million.

Elanor holds a 15.0% co-investment in ECF and is therefore strongly aligned with the Fund's investors.

ECF was an existing Elanor managed fund and acquired a new property, 200 Adelaide Street, at IPO. Existing investors in ECF provided overwhelming support for ECF, with 83.6% of existing investors electing to retain their investment. In addition, these investors elected to invest further significant funds in ECF.

At 31 December 2019, ECF had a portfolio of 6 commercial office buildings, valued at \$305.6 million.

Elanor Healthcare Real Estate Fund

The Group established the Elanor Healthcare Real Estate Fund in December 2019, to be seeded with medical offices in Brisbane and Gold Coast, QLD, with a combined asset value of \$123.3 million. Settlement of the fund is expected in March 2020.

Sale of Auburn Office

On 18 December 2019, the Group disposed of its investment in the Auburn Office Syndicate when the fund sold its commercial property for \$4.75 million and subsequently wound up the fund.

17. Discontinued operations

On 26 June 2018, following a strategic review of the deteriorating trading and financial performance of the John Cootes Furniture business, the Directors resolved to exit the business, either through a sale or a closure of the business. Following this decision, the John Cootes Furniture business has continued to be classified under accounting standards as a Discontinued Operation within these financial statements.

On 13 August 2018 ENN Group announced that following a sale campaign where no firm proposals were received at that stage, Elanor decided to commence an orderly closure of the business. The JCF stores were all closed during the 12 month period ended 30 June 2019.

The remaining Ashley branded Furniture Homestores (Ashley stores) owned by the business were sold on 4 February 2019. Settlement occurred in August 2019.

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

17. Discontinued operations (continued)

Analysis of Profit or Loss for the year from Discontinued Operations

The combined results of the discontinued operations included in the profit and loss for the period ended 31 December 2019 are set out below. The comparative profit and cash flows from discontinued operations have been presented to include those operations classified as discontinued in the current half year.

Profit or Loss for the period from Discontinued Operations

	Consolidated Group 31 December 2019 \$'000	Consolidated Group 31 December 2018 \$'000
John Cootes Furniture Business		
Revenue from sale of goods	–	16,709
Costs of goods sold	–	(11,267)
Expenses relating to discontinuing the operations ¹	–	(5,442)
(Loss) / Profit before Income Tax	–	–
Net tax benefit / (expense)	–	–
Profit / (loss) for the year from discontinued operations	–	–

Note 1: Includes the updated provision assumptions relating to the discontinued operations.

Cash flows from / (used in) discontinued operations

	Consolidated Group 31 December 2019 \$'000	Consolidated Group 31 December 2018 \$'000
John Cootes Furniture Business		
Net cash outflow from operating activities	(1,701)	(1,937)
Net cash inflow / (outflow) from investing activities	–	–
Net cash outflow / (inflow) from financing activities	–	(36)
	(1,701)	(1,973)

Assets held for sale

Assets relating to the Ashley stores held for sale are included in the following table:

	Consolidated Group 31 December 2019 \$'000	Consolidated Group 30 June 2019 \$'000
John Cootes Furniture Business		
Cash & cash equivalent	–	–
Property, plant and equipment	–	–
Inventory	–	–
Other assets	207	714
Total assets classified as held for sale	207	714

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

17. Discontinued operations (continued)

Total liabilities directly associated with discontinued operations

	Consolidated Group 31 December 2019 \$'000	Consolidated Group 30 June 2019 \$'000
John Cootes Furniture Business		
Liabilities directly associated with assets held for sale	–	–
Provisions for onerous leases relating to the JCF business	2,623	4,677
Other costs associated with the close down of the JCF business	–	–
Total liabilities directly associated with discontinued operations	2,623	4,677

ACCOUNTING POLICY

Discontinued Operations

A discontinued operation is a component of the Group that represents a separate major line of business that is part of a disposal plan. The results of discontinued operations are presented separately in the Consolidated Statement of Profit or Loss.

Critical Accounting Estimates

The estimates and judgements of impairment of the John Cootes Furniture business assets and associated costs, that involve a high degree of complexity and have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within subsequent periods, are incorporated above. Any changes to carrying values in subsequent periods due to revisions to estimates or assumptions or as a result of the final realisation of the business assets and liabilities upon exit of the business will be recognised in the Group's profit or loss as part of discontinued operations up to the cessation of the John Cootes Furniture business.

18. Events occurring after reporting date

Subsequent to the period end, a distribution of 9.51 cents per stapled security has been declared by the Board of Directors. The total distribution amount of \$11.2 million will be paid on or before 28 February 2020 in respect of the six months ended 31 December 2019.

Other than the events disclosed above, the directors are not aware of any other matter or circumstance not otherwise dealt with in the financial reports or the Directors' Report that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in the financial period subsequent to the half year ended 31 December 2019.

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

19. Non-Parent disclosure

OVERVIEW

This note provides information relating to the non-parent EIF Group only. The accounting policies are consistent with the Group, except as otherwise disclosed.

Segment information

Chief operating decisions are based on the segment information as reported by the consolidated Group and therefore EIF is deemed to have only one segment.

Distributions

The following table summarises the distributions of the EIF Group in respect of the period:

	Distribution cents per stapled security 31 December 2019	Distribution cents per stapled security 31 December 2018	Total Amount 31 December 2019 \$'000	Total Amount 31 December 2018 \$'000
Distribution for the half year ended 31 December 2019	9.51	5.81	11,173	5,579

1. The interim distribution of 9.51 cents per stapled security for the period ended 31 December 2019 was not declared prior to 31 December 2019. The distribution will be paid on 28 February 2020.

Taxation of the Trust

Under current Australian income tax legislation, the Trust and its sub-trusts are not liable for income tax on their taxable income (including assessable realised capital gains) provided that the unitholders are presently entitled to the income of the Trust. Accordingly, the Group only pays tax on Company taxable earnings and there is no separate tax disclosure for the Trust.

Investment Properties

Movement in investment properties

The carrying value of investment properties at the beginning and end of the current period is set out below:

	EIF Group 31 December 2019 \$'000	EIF Group 30 June 2019 \$'000
Carrying amount at the beginning of the period	270,747	248,291
Total costs on acquisition	89,306	4,650
Additions	5,896	324
Revaluation (decrements) / increments	(9,076)	17,482
Disposals	(36,930)	–
Carrying amount at the end of the period	319,943	270,747

Refer to Note 5 Property, plant and equipment and Note 6 Investment properties for further details.

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

19. Non-Parent disclosure (continued)

The following table represents the total fair value of Investment Properties at 31 December 2019:

	EIF Group 31 December 2019 \$'000	EIF Group 30 June 2019 \$'000
Cradle Mountain Lodge	50,686	50,534
Albany Hotel	4,893	4,882
Featherdale Wildlife Park	–	32,280
Eaglehawk Hotel	25,858	23,805
Wollongong Hotel	13,405	13,343
Port Macquarie Hotel	10,903	10,959
Tall Trees Hotel	10,322	10,369
Pavilion Wagga Wagga Hotel	5,096	5,024
Parklands Resort	8,138	8,190
Narrabundah Hotel	27,354	26,829
Byron Bay Hotel	25,759	25,673
Bluewater Square	48,224	54,209
Auburn Office Syndicate	–	4,650
Adabco Boutique Hotel	10,442	–
Mayfair Hotel	78,864	–
Total	319,943	270,747

The Trust's equity accounted investments are as follows:

31 December 2019

	Principal activity	Percentage Ownership	EIF Group 31 December 2019 \$'000
Elanor Retail Property Fund (ASX: ERF)	Shopping Centres	17.89%	35,491
Elanor Commercial Property Fund	Office Buildings	15.00%	38,124
Hunters Plaza Syndicate	Shopping Centre	4.73%	1,284
Waverley Gardens Fund	Shopping Centre	19.64%	14,868
Elanor Wildlife Park Fund	Wildlife Parks	27.32%	5,718
Total equity accounted investments			95,486

30 June 2019

	Principal activity	Percentage Ownership	EIF Group 30 June 2019 \$'000
Elanor Retail Property Fund (ASX: ERF)	Shopping Centres	17.89%	34,945
Elanor Commercial Property Fund	Office Buildings	13.27%	13,784
Hunters Plaza Syndicate	Shopping Centre	4.73%	1,194
Workzone West Syndicate	Office Building	0.16%	104
Waverley Gardens Fund	Office Buildings	20.27%	14,960
Fairfield Centre Syndicate	Shopping Centre	22.30%	8,611
Total equity accounted investments			73,598

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

19. Non-Parent disclosure (continued)

Interest bearing liabilities

	EIF Group 31 December 2019 \$'000	EIF Group 30 June 2019 \$'000
Current		
Bank loan - term debt	68,064	1,600
Borrowing costs less amortisation	(483)	–
Total current	67,581	1,600
Non-current		
Bank loan - term debt	99,512	115,388
Bank loan - borrowing costs less amortisation	(780)	(1,223)
Loan from the company	36,314	29,538
Total non-current	135,047	143,703
Total interest bearing liabilities	202,627	145,303

As part of the internal funding of the Fund, EIF entered into a long term interest-bearing loan with EIL at arm's length terms, maturing in July 2024. As at 31 December 2019, the outstanding payable to the Company was \$36.3 million.

Credit facilities

As at 30 June 2019, the EIF Group had unrestricted access to the following credit facilities:

	EIF Group 31 December 2019 \$'000	EIF Group 30 June 2019 \$'000
EIF		
Facility - EIF	30,000	30,000
Total amount used	(29,500)	(25,500)
Total amount unused - EIF	500	4,500
EMPR Group		
Facility - EMPR	87,425	87,425
Total amount used	(87,425)	(83,325)
Total amount unused - EMPR	–	4,100
Bluewater Square Syndicate		
Facility - Bluewater	29,700	30,150
Total amount used	(29,700)	(29,700)
Total amount unused - Bluewater	–	450
Auburn Office Syndicate		
Facility - Auburn Office	–	2,325
Total amount used	–	(2,325)
Total amount unused - Auburn Office	–	–
Elanor Luxury Hotel Fund		
Facility - ELHF	49,500	–
Total amount used	(49,500)	–
Total amount unused - Auburn Office	–	–
Total amount unused - EIF Group	500	9,050

The ENN Group has access to a \$30.0 million revolver facility, with a maturity date of 29 April 2022. The drawn amount at 31 December 2019 is \$29.5 million. At 31 December 2019 the amount of drawn facilities was not hedged.

ELANOR INVESTORS GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

19. Non-Parent disclosure (continued)

The EMPR Group has access to a \$87.4 million facility, upon which Trust can draw. The drawn amount at 31 December 2019 is \$87.4 million out of which \$36.6 million will mature on 31 October 2020, with the remaining \$46.7 million maturing on 31 October 2021. At 31 December 2019, the amount of drawn facilities is hedged to 100%.

Bluewater has access to a \$29.7 million facility. The drawn amount at 31 December 2019 is \$29.7 million which will mature on 30 October 2020. At 31 December 2019, the amount of drawn facilities is hedged to 100%.

The ELHF Group has access to a \$49.5 million facility. The drawn amount at 31 December 2019 is \$49.5 million which will mature on 3 December 2022.

Other financial assets and liabilities

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

Trade and Other Receivables

	EIF Group 31 December 2019 \$'000	EIF Group 30 June 2019 \$'000
Current		
Trade receivables	10,996	15,415
Other receivables	265	266
Total receivables	11,261	15,681

Payables

	EIF Group 31 December 2019 \$'000	EIF Group 30 June 2019 \$'000
Trade creditors	4,396	2,987
Accrued expenses	420	2,050
GST payable	200	305
Total payables	5,016	5,342

ELANOR INVESTORS GROUP

DIRECTORS' DECLARATION TO STAPLED SECURITY HOLDERS

In the opinion of the Directors of Elanor Investors Limited and Elanor Funds Management Limited as responsible entity for the Elanor Investment Fund:

- a) the financial statements and notes set out on pages 16-49 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 Group's and EIF's financial position as at 30 December 2019 and of their performance, for the financial year ended on that date; and
- b) there are reasonable grounds to believe that the Group and EIF will be able to pay their debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Boards of Directors in accordance with Section 303(5) of the *Corporations Act 2001 (Cth)*.



Glenn Willis
CEO and Managing Director

Sydney
14 February 2020

Independent Auditor's Review Report to the Stapled Security Holders of Elanor Investors Group and the Unitholders of Elanor Investors Fund Group

We have reviewed the accompanying half-year financial report which comprises:

- The consolidated statements of financial position as at 31 December 2019, the consolidated statements of profit or loss and comprehensive income, the consolidated statements of cash flows and the consolidated statements of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of Elanor Investors Group, being the consolidated stapled entity ("Elanor Investors Group"). The consolidated stapled entity, as disclosed in the notes to the financial report, comprises Elanor Investors Limited and the entities it controlled at the end of the half-year or from time to time during the half-year, including Elanor Investment Fund and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 16 to 50; and
- The consolidated statements of financial position as at 31 December 2019, the consolidated statements of profit or loss and comprehensive income, the consolidated statements of cash flows and the consolidated statements of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity Elanor Investors Fund, being the consolidated entity ("EIF Group"). The consolidated entity comprises Elanor Investment Fund and the entities it controlled at the half-year's end or from time to time during the half-year as set out on pages 16 to 50.

Directors' Responsibility for the Half-Year Financial Report

The directors of Elanor Investors Limited and Elanor Funds Management Limited, as responsible entity of Elanor Investment Fund, are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial reports that give a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial reports based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial reports are not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entities' financial position as at 31 December 2019 and their performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Elanor Investors Limited and Elanor Investment Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Elanor Investors Limited and Elanor Funds Management Limited, as responsible entity of EIF Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Elanor Investors Group and EIF Group are not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Elanor Investors Group and EIF Group's financial positions as at 31 December 2019 and of their performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU



D Nell
Partner
Chartered Accountants
Sydney, 14 February 2020