



Elanor Investors Group
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**Elanor Retail Property Fund (Formerly Manning Mall Syndicate)
(ABN 26 193 797 917)**

**General Purpose Financial Report
for the year ended 30 June 2016**

ELANOR RETAIL PROPERTY FUND

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ELANOR RETAIL PROPERTY FUND

DIRECTORS' REPORT

The Directors of Elanor Funds Management Limited, the Trustee for the Elanor Retail Property Fund (the 'Fund'), formerly Manning Mall Syndicate, submit herewith the consolidated financial statements of the Elanor Retail Property Fund, for the financial year ended 30 June 2016 (the 'year').

The names of the Directors of the Trustee of the Fund are:

Paul Bedbrook
Glenn Willis
William Moss AO
Nigel Ampherlaw

The above named Directors held office during the financial year and since the end of the financial year, unless otherwise stated.

Principal activities

The Fund is an unregistered managed investment scheme domiciled in Australia and has its principal place of business at Manning Street, Taree, NSW, 2430.

Elanor Funds Management Limited, the Trustee of the Fund was incorporated on 19 June 2007 and is domiciled in Australia and has its registered office at Level 38, 259 George Street, Sydney, NSW, 2000.

The principal activity of the Fund is its investment in real estate property.

Elanor Retail Property Fund engaged KetPro Associates Pty Ltd and Burgess Rawson & Associates Pty Ltd as Manager / Operator of the Manning Mall and Glenorchy Plaza properties respectively, under Property Management Agreements

Distributions

Total distributions paid/payable in the year ended 30 June 2016 amounted to \$2,146,071 representing \$0.102 per unit. The distributions paid during the year to 30 June 2016 were \$1,570,364 (\$0.078 per unit). The distribution declared but not paid for the June 2016 quarter is \$575,707 (\$0.024 per unit), refer Note 2.

Review of operations

The Fund was renamed to Elanor Retail Property Fund on 22 December 2015. On this same day, it acquired Glenorchy Plaza Syndicate valued at \$18.5m and its principal place of business is at 350 Main Road, Glenorchy, Tasmania, 7010.

The net profit after tax for the year ended 30 June 2016 was \$6,575,114, see page 5.

	For the year ended 30 June 2016 \$'000	For the year ended 30 June 2015 \$'000
Total revenue and other income	11,784	8,333
Net profit for the period attributable to unitholders	6,767	4,544
Distributable income	2,146	1,996
Distributions paid and payable	2,146	4,096
Value of Fund's total assets	64,019	38,053
Net tangible asset backing per unit (\$)	1.17	0.97

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DIRECTORS' REPORT

Changes in state of affairs

In the opinion of the Directors, there were no other significant changes in the state of the affairs of the Fund that occurred during the year other than those matters stated in this report.

Subsequent events

Subsequent to year end, the Fund obtained draft external valuations for the Manning Mall and Glenorchy Plaza properties for a proposed transaction that would result in these two assets being included in a listed retail fund. As at the date of the signing of the Fund's financial report, the proposed transaction has not yet occurred and the external valuations have not been finalised.

The internal valuation assessment performed at 30 June 2016 resulted in a revaluation of investment properties of \$0.1m being recognised in the Statement of Profit or Loss and Other Comprehensive Income. This is in addition to the \$6.1m of revaluation increment recognised in December 2015 on establishment of the Fund, resulting in a total revaluation increment of \$6.2m being recognised for the year ended 30 June 2016.

There has not been any matter or circumstance occurring subsequent to the end of the year that has significantly, or may significantly, affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

Environmental regulations

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

Indemnifications of officers and auditors

No insurance premiums were paid out of the assets of the Fund for insurance cover provided to either the officers of the Trustee or the auditors of the Fund. Where the officers of the Trustee act in accordance with the Fund's Constitution, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund. The auditor of the Fund is not indemnified out of the assets of the Fund.

Rounding of amounts

The Fund has rounded off amounts to the nearest thousand dollars, unless stated otherwise.

Proceedings on behalf of the Fund

No proceedings have been brought, or intervened in, on behalf of the Fund.

Signed in accordance with a resolution of the Directors, dated 27 September 2016.



Glenn Willis
CEO and Managing Director

Sydney, 27 September 2016

ELANOR RETAIL PROPERTY FUND

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Note	For the year ended 30 June 2016 \$'000	For the year ended 30 June 2015 \$'000
Revenue			
Rental income		5,509	5,039
Interest revenue		2	5
Profit on sale of investment property		-	892
Net gain on change in fair value of investment properties		6,191	2,397
Unrealised gain on revaluation of derivatives		81	-
Total revenue		11,784	8,333
Expenses			
Administration and general costs		457	353
Sales and marketing costs		60	60
Rates, taxes and other outgoings		1,018	975
Amortisation		395	1
Bad debt expense		104	4
Borrowing costs		1,167	1,064
Professional fees		33	63
Performance fees		1,215	570
Management fees		568	387
Unrealised loss on revaluation of derivatives		-	312
Total expenses		5,017	3,789
Net profit for the year		6,767	4,544
Other comprehensive income for the year			
<i>Items that may not be reclassified to profit and loss</i>			
Net unrealised loss on revaluation of derivatives	9	(1,152)	-
Total comprehensive income for the year, net of tax		5,616	4,544

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	30 June 2016 \$'000	30 June 2015 \$'000
Assets			
Current assets			
Cash and cash equivalents		520	789
Receivables	3	288	293
Prepayments		95	130
Total current assets		903	1,212
Non-current assets			
Investment property	4	63,116	36,841
Total non-current assets		63,116	36,841
Total assets		64,019	38,053
Liabilities			
Current liabilities			
Amounts received in advance		22	-
Payables	5	497	862
Financial derivatives		338	296
Distribution payable	2	576	476
Total current liabilities		1,432	1,634
Non-current liabilities			
Interest bearing liabilities	6	33,756	18,378
Financial derivatives		813	572
Total non-current liabilities		34,569	18,950
Total liabilities		36,001	20,584
Net assets		28,017	17,469
Equity			
Unitholder equity	7	22,000	14,921
Retained earnings / (accumulated losses)	8	7,169	2,548
Reserves	9	(1,152)	-
Total equity		28,017	17,469

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

ELANOR RETAIL PROPERTY FUND

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

Attributable to the unitholders

	Note	Contributed Equity \$'000	Retained Earnings \$'000	Reserves \$'000	Total \$'000
Opening balance as at 30 June 2015		14,921	2,548	-	17,469
Net profit for the year		-	6,767	-	6,767
<i>Other comprehensive income for the year</i>					
Net unrealised loss on interest rate swap				(1,152)	(1,152)
Total comprehensive income		-	6,767	(1,152)	5,616
Transactions with unitholders in their capacity as unitholders:					
Unit redemptions		(5,337)	-	-	(5,337)
Unit applications		12,553	-	-	12,553
Capital raise costs		(137)	-	-	(137)
Distributions paid and payable	2	-	(2,146)	-	(2,146)
Total equity as at 30 June 2016		22,000	7,169	(1,152)	28,018

	Note	Contributed Equity \$'000	Retained Earnings \$'000	Reserves \$'000	Total \$'000
Balance as at 1 July 2014		17,021	-	-	17,021
Net profit for the year		-	4,544	-	4,544
<i>Other comprehensive income for the year</i>		-	-	-	-
Total comprehensive income		-	4,544	-	4,544

Transactions with unitholders in their capacity as unitholders:

Issue of units		-	-	-	-
Distributions paid and payable	2	(2,100)	(1,996)	-	(4,096)
Total equity as at 30 June 2015		14,921	2,548	-	17,469

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

ELANOR RETAIL PROPERTY FUND

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	Note	For the year ended 30 June 2016 \$'000	For the year ended 30 June 2015 \$'000
Cash flows from operating activities			
Rental and other property income received		6,089	4,986
Interest income received		2	5
Borrowing costs paid		(1,167)	(1,051)
Payments to suppliers and employees		(4,337)	(2,579)
Net cash flows from operating activities	16	588	1,361
Cash flows from investing activities			
Payments for additions to investment properties		(20,083)	(316)
Proceeds for sale of investment properties		-	1,893
Net cash flows (used in) / from investing activities		(20,083)	1,577
Cash flows from financing activities			
Proceeds from interest bearing liabilities		14,277	800
Payment for debt establishment costs		(84)	(16)
Distributions paid		(2,046)	(4,130)
Recapitalisation of Fund		7,079	-
Net cash flows from / (used in) financing activities		19,225	(3,346)
Net (decrease)/increase in cash and cash equivalents		(270)	(408)
Cash and cash equivalents at the beginning of the year		789	1,197
Cash and cash equivalents at the end of the year		520	789

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

ELANOR RETAIL PROPERTY FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

1. Significant Accounting Policies

1.1 Financial reporting framework

Elanor Retail Property Fund (the 'Fund'), is an unregistered managed investment scheme domiciled in Australia and has its principal place of business at Manning Street, Taree, NSW, 2430.

The financial report of Elanor Retail Property Fund comprises the consolidated financial report of Elanor Retail Property Fund and Glenorchy Plaza Syndicate.

The financial statements were approved by the Directors on 27 September, 2016.

1.2 Statement of compliance

The annual financial report is a General Purpose Financial Report prepared in accordance with the Fund Constitution, the Debt Facility Agreement and Australian Accounting Standards. In accordance with AASB 101 Presentation of Financial Statements, compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standards ('IFRS').

As the Fund prepared Special Purpose Financial Reports in the prior years, it meets the requirements of AASB 1 First-time Adoption of Australian Accounting Standards. The recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations were met in the prior years, and hence there has been no changes to any accounting policies or amounts previously recognised. Additional disclosures have been included in the current year to meet the disclosure requirements of all relevant Australian Accounting Standards and Interpretations.

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

1.3. Basis of preparation

The financial report has been prepared on the basis of historical cost, except for certain financial instruments, property, plant and equipment and investment properties that are measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Where deemed necessary, the comparatives have been reclassified to achieve consistency with the current financial year.

1.3.1 Going Concern

As at 30 June 2016, the Group is in a net current liability position of \$0.5 million. The Group has non-current assets of \$62.8 million and a net asset position of \$27.7 million. In accordance with AASB 101, an entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or cease trading, or has no realistic alternative but to do so. The financial report has been prepared on a going concern basis as the net current assets deficiency is due to the timing of distributions paid to unitholders, and management have made an assessment that the cash flow forecasted for the next 12 months will be sufficient to meet the Group's liabilities as and when they fall due.

ELANOR RETAIL PROPERTY FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

1. Significant Accounting Policies (continued)

1.4 Application of new and revised Standards and Interpretations

In the current year, the Fund has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting year. The adoption of these new accounting standards did not have any material impact.

The following standards, amendments to standards and interpretations have been identified as those which may impact the Fund in the period of initial application. They are available for early adoption at 30 June 2016 but have not been applied preparing these financial statements:

AASB 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2018);
AASB 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018);
and
AASB 16 Leases (effective for annual periods beginning on or after 1 January 2019).

The Fund has not yet made an assessment on the impact from adoption of these Standards.

The following significant accounting policies have been adopted in the preparation and presentation of this financial report:

1.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised. Where amounts do not meet the recognition criteria, they are deferred and recognised in the period in which the recognition criteria are met.

Revenues are recognised at the fair value of the consideration received for the sale of goods and services, net of the amount of goods and services tax, rebates and discounts.

1.5.1 Rental Revenue

Rental income is the income from leasing office space within the Fund's office premises. Rental income is recognised as revenue on a straight-line basis over the lease term.

1.5.2 Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

1.6 Expenditure

All expenses are recognised in the statement of profit or loss and other comprehensive income on an accruals basis.

Borrowing costs incurred on interest bearing liabilities are included in Note 1.8.

ELANOR RETAIL PROPERTY FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

1. Significant Accounting Policies (continued)

1.7 Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- a) where the amount of GST incurred is not recoverable from the Australian Taxation Office, it is recognised as part of the cost of acquisition of the asset or as part of an item of the expense; or
- b) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to the taxation authority is included as part of receivables or

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

1.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash at bank.

1.10 Receivables

Debtors are recognised at amortised cost, which in the case of the Fund is the original invoice amount less a provision for any uncollected debts. Collectability of debtors is reviewed on an ongoing basis and bad debts are written off when identified by reducing the amount of the receivable in the statement of financial position. A specific provision is made for any doubtful debts where objective evidence exists that the Fund will not be able to collect the amounts due according to the original terms of the receivables.

Indicators that debts may be uncollectible include default in payment (more than 30 days overdue), significant financial difficulties of the debtor and the probability that the debtor will be placed in administration. The debtor's circumstances relating to the default in payment are considered and in some cases alternative payment arrangements may apply. If the debtor defaults on the terms of these arrangements, the debt will be recognised as doubtful.

The amount of the doubtful debt provision is calculated as the difference between the original debt amount and the present value of the estimated future cash flows. The amount of the provision is recognised in the statement of profit or loss and other comprehensive income as a bad and doubtful debts expense.

Where a debtor for which a provision for doubtful debt had been recognised becomes uncollectible in a subsequent year, it is written off against the doubtful debt provision. Subsequent recoveries of amounts previously written off are credited against the bad and doubtful debts expense in the statement of profit or loss and other comprehensive income.

Normal commercial terms and conditions apply to receivables.

All receivables with maturities greater than 12 months after reporting date are classified as non-current assets.

ELANOR RETAIL PROPERTY FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

1. Significant Accounting Policies (continued)

1.11 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in the statement of profit or loss and other comprehensive income in the year in which they arise.

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

1.12 Financial liabilities and equity instruments issued by the Fund

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the net assets of an entity after deducting all of its liabilities. Equity instruments issued by the Fund are recognised at the proceeds received, net of direct issue costs.

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

ELANOR RETAIL PROPERTY FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

1. Significant Accounting Policies (continued)

1.13 Derivatives

The Fund enters into derivative financial instruments to manage its exposure to interest rate risk.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Hedge accounting

The Fund designates its hedging instruments, which include derivatives, as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Fund documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the Fund revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

1.14 Impairment of assets

All assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where an indicator of impairment or other objective evidence exists, an estimate of the asset's recoverable amount is made. An impairment loss is recognised in the statement of profit or loss and other comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

ELANOR RETAIL PROPERTY FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

1. Significant Accounting Policies (continued)

1.15 Payables

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

A distribution payable to unitholders of the Fund is recognised for the amount of any distribution approved on or before reporting date but not distributed at reporting date. In accordance with the Fund Constitutions, the Fund distributes income to unitholders on a quarterly basis.

All payables with maturities greater than 12 months after the reporting date are classified as non-current liabilities.

1.16 Distributions

In accordance with the Fund Constitutions, the Fund distributes income adjusted for unrealised and other amounts as determined by the Directors, to unitholders on a quarterly basis. Refer to note 1.15 for the accounting policy for the distribution payable to unitholders at reporting date.

1.17 Rounding of amounts

The Fund has rounded amounts in the financial report to the nearest thousand dollars, unless stated otherwise.

1.18 Critical accounting estimates and judgements

The preparation of the financial statements requires the Trustee to make judgements, estimates and assumptions that affect the amounts reported in the financial statements. The Trustee bases its judgements and estimates on historical experience and other various factors it believes to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which form the basis of the carrying values of assets and liabilities. As such, actual results could differ from those estimates.

The areas where a higher degree of judgment or complexity arise, or areas where assumptions and estimates are significant to the Fund's financial statements, are detailed below:

(i) Fair value of investment properties

Investment properties are carried at fair value with changes in fair value recognised in the statement of profit or loss and comprehensive income. Fair value is defined as the price at which an asset or liability could be exchanged in an arm's length transaction between knowledgeable, willing parties, other than in a forced or liquidation sale.

In reaching estimates of fair value, management judgment needs to be exercised. The level of management judgment required in establishing fair value of the investments for which there is no quoted price in an active market is reduced through the use of external valuations.

ELANOR RETAIL PROPERTY FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

2. Unitholders' distribution

Distributions paid and payable by the Fund during the year are:

	Note	30 June 2016 \$	30 June 2016 \$/unit	30 June 2015 \$	30 June 2015 \$/unit
Distributions paid - September quarter	(i)	477,026	0.027	506,250	0.028
Distributions paid - December quarter	(ii)	433,873	0.024	506,250	0.028
Distributions paid - March quarter	(iii)	659,465	0.028	506,250	0.028
Special Distribution		-	-	2,100,001	0.117
Distributions payable - June quarter	(iv)	575,707	0.024	476,877	0.026
Total distributions paid and payable		2,146,071	0.102	4,095,628	0.227

(i) The distribution for the September 2015 quarter was paid on 19/11/2015

(ii) The distribution for the December 2015 quarter was paid on 19/02/2016

(iii) The distribution for the March 2016 quarter was paid on 20/05/2016

(iv) The distribution for the June 2016 quarter was paid on 19/08/2016

3. Receivables

	30 June 2016 \$'000	30 June 2015 \$'000
Current		
Trade debtors	555	297
Less: allowance for doubtful debts	(267)	(4)
Total receivables	288	293

4. Investment Properties

	30 June 2016 \$'000	30 June 2015 \$'000
Non-current		
Investment properties held at fair value	63,116	36,841
Total investment properties held at fair value	63,116	36,841

	30 June 2016 \$'000	30 June 2015 \$'000
Non-current		
Balance at the beginning of the year	36,841	35,134
Acquisitions ⁽¹⁾	19,602	-
Capital improvements	482	312
Revaluations	6,191	2,397
Sale of investment property	-	(1,002)
Total investment properties	63,116	36,841

⁽¹⁾ On 22 December 2015, ERPF acquired Glenorchy Plaza for \$18.5m and acquisition costs of \$1.1m.

5. Payables

	30 June 2016 \$'000	30 June 2015 \$'000
Current		
Trade creditors	144	132
Accrued expenses	345	697
GST payable	8	33
Total current payables	497	862

ELANOR RETAIL PROPERTY FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

6. Interest bearing liabilities

	30 June 2016 \$'000	30 June 2015 \$'000
Non-current - secured		
Debt facility	33,825	18,500
Unamortised costs	(69)	(122)
Total interest bearing liabilities	33,756	18,378

Financial facilities

The Fund has the following facility available:

30-June-2016 \$'000				
Facility	Expiry	Drawn	Facility Limit	Undrawn Amount
Bank of Western Australia debt facility	21-Dec-18	33,825	36,075	2,250
		33,825	36,075	2,250

7. Contributed Equity

	No. of units 30 June 2016 '000	No. of units 30 June 2015 '000	30 June 2016 \$'000	30 June 2015 \$'000
Opening balance	18,000	18,000	14,921	17,021
Unit redemptions	(4,375)	-	(5,337)	-
Unit applications	10,289	-	12,553	-
Capital raise costs	-	-	(137)	-
Return of capital	-	-	-	(2,100)
Total contributed equity as at 30 June 2016	23,914	18,000	22,000	14,921

8. Retained earnings

	30 June 2016 \$'000	30 June 2015 \$'000
Opening balance	2,548	-
Net profit for the year	6,767	4,544
Distributions paid and payable	(2,146)	(1,996)
Total retained earnings	7,169	2,548

9. Reserves

	30 June 2016 \$'000	30 June 2015 \$'000
Opening balance	-	-
Cash flow hedge reserve	(1,152)	-
Total reserves	(1,152)	-

ELANOR RETAIL PROPERTY FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

10. Financial risk management

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

The Fund's activities are exposed to a variety of financial risks: market risk (including interest rate risk and equity price risk), credit risk and liquidity risk.

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

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

The Board has established Treasury Guidelines outlining principles for overall risk management and policies covering specific areas, such as mitigating foreign exchange, interest rate and liquidity risks.

The Fund's Treasury Guidelines provide a framework for managing the financial risks of the Fund with a key philosophy of risk mitigation. Derivatives are exclusively used for hedging purposes, not as trading or other speculative instruments. The Fund uses derivative financial instruments such as interest rate swaps where possible to hedge certain risk exposures.

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

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

a) Market risk

Market risk refers to the potential for changes in the value of the Fund's financial instruments or revenue streams from changes in market prices. There are various types of market risks to which the Fund is exposed including those associated with interest rates, currency rates and equity market price.

(i) Interest rate risk

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

As at reporting date, the Fund had the following interest bearing assets and liabilities:

	Floating interest rate	Fixed interest Maturity	Fixed interest Maturity	Fixed interest Maturity	Total
		< 1 yr	1 - 5 yrs	> 5 yrs	
30 June 2016	\$'000	\$'000	\$'000	\$'000	\$'000
Assets					
Cash and cash equivalents	520	-	-	-	520
Total Assets	520	-	-	-	520
Weighted average interest rate					1.50%
Liabilities					
Interest bearing liabilities	-	-	33,756	-	33,756
Financial derivatives	-	338	813	-	1,151
Total Liabilities	-	338	34,570	-	34,907
Weighted average interest rate					4.80%

ELANOR RETAIL PROPERTY FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

10. Financial risk management (continued)

As at 30 June 2015, the Fund had the following interest bearing assets and liabilities:

	Floating interest rate	Fixed interest Maturity < 1 yr	Fixed interest Maturity 1 - 5 yrs	Fixed interest Maturity > 5 yrs	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2015					
Assets					
Cash and cash equivalents	789	-	-	-	789
Total Assets	789	-	-	-	789
Weighted average interest rate					1.50%
Liabilities					
Interest bearing liabilities	-	-	18,378	-	18,378
Financial derivatives	-	296	572	-	868
Total Liabilities	-	296	18,950	-	19,246
Weighted average interest rate					5.53%

Interest Rate Sensitivity

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

	Carrying	Increase by 1% Profit	Equity	Decrease by 1% Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2016					
Cash and cash equivalents	520	5	-	(5)	-
Derivative financial instruments	1,151	-	(1,100)	-	1,100
Interest bearing loans	33,756	-	-	-	-
Total increase / (decrease)	35,428	5	(1,100)	(5)	1,100
	Carrying	Increase by 1% Profit	Equity	Decrease by 1% Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2015					
Cash and cash equivalents	789	8	-	(8)	-
Derivative financial instruments	868	-	(800)	-	800
Interest bearing loans	18,378	-	-	-	-
Total increase / (decrease)	20,035	8	(800)	(8)	800

b) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The Fund manages credit risk on receivables by performing credit reviews of prospective debtors, obtaining collateral where appropriate and performing detailed reviews on any debtor arrears. Credit risk on derivatives is managed through limiting transactions to investment grade counterparties.

Exposure to credit risk

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

	30 June 2016 \$'000	30 June 2015 \$'000
Cash and other cash equivalents	520	789
Trade and other receivables	288	293
Total	808	1,082

ELANOR RETAIL PROPERTY FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

10. Financial risk management (continued)

b) Credit risk (continued)

Where entities have a right of set-off and intend to settle on a net basis under netting arrangements, this set-off has been recognised in the consolidated financial statements on a net basis. Details of the Fund's contingent liabilities are disclosed in Note 15.

Trade and other receivables consist of trade and other receivables.

At balance date there were no other significant concentrations of credit risk.

No allowance has been recognised for the GST from the taxation authorities. Based on historical experience, there is no evidence of default from these counterparties which would indicate that an allowance was necessary.

Impairment losses

The ageing of trade and other receivables at reporting date is detailed below:

	30 June 2016 \$'000	30 June 2015 \$'000
Current	46	293
Past due 31-60 days	242	-
Past due 61+ days	-	-
Total	288	293

c) Liquidity risk

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

amount.

30 June 2016

	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	Contractual cash flows \$'000	Carrying amount \$'000
Derivative financial liabilities					
Derivatives	338	874	-	1,213	1,152
Non derivative financial liabilities					
Payables	497	-	-	497	497
Interest bearing loans	-	36,254	-	36,254	33,756
Total	835	37,128	-	37,963	35,405

30 June 2015

	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	Contractual cash flows \$'000	Carrying amount \$'000
Derivative financial liabilities					
Derivatives	296	595	-	891	868
Non derivative financial liabilities					
Payables	862	-	-	862	862
Interest bearing loans	-	19,442	-	19,442	19,442
Total	1,158	20,037	-	21,195	21,172

ELANOR RETAIL PROPERTY FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

10. Financial risk management (continued)

d) Capital risk management

The Fund maintains its capital structure with the objective to safeguard its ability to continue as a going concern, to increase the returns for unitholders and to maintain an optimal capital structure. The capital structure of the Fund consists of equity as listed in Note 7.

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

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

11. Fair value measurement

The Fund recognises the following assets and liabilities at fair value on a recurring basis:

- * Investment Properties
- * Derivatives carried at fair value through reserves

(a) Fair value hierarchy

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy.

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table presents the Fund's assets and liabilities measured and recognised at fair value at 30 June 2016 on a recurring basis:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
June 2016				
Assets measured at fair value				
Investment property	-	-	63,116	63,116
Total assets	-	-	63,116	63,116
Liabilities measured at fair value				
Derivatives	-	1,152	-	1,152
Total liabilities	-	1,152	-	1,152

The following table presents the Fund's assets and liabilities measured and recognised at fair value at 30 June 2015 on a recurring basis:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
June 2015				
Assets measured at fair value				
Investment property	-	-	36,841	36,841
Total assets	-	-	36,841	36,841
Liabilities measured at fair value				
Derivatives	-	868	-	868
Total liabilities	-	868	-	868

ELANOR RETAIL PROPERTY FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

11. Fair value measurement (continued)

(b) Reconciliation of movements in fair value of level 3 assets and liabilities for the period to 30 June 2016

	Investment property (Level 3) \$'000	Total \$'000
Opening balance	36,841	36,841
Acquisitions	19,602	19,602
Capital improvements	482	482
Revaluations	6,191	6,191
Sale of investment property	-	-
Closing balance	63,116	63,116

Reconciliation of movements in fair value of level 3 assets and liabilities for the period to 30 June 2015

	Investment Property (Level 3) \$'000	Total \$'000
Opening balance	35,134	35,134
Acquisitions	-	-
Capital improvements	312	312
Revaluations	2,397	2,397
Sale of investment property	(1,002)	(1,002)
Closing balance	36,841	36,841

The Fund did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2016.

(c) Valuation techniques used to derive Level 2 and Level 3 fair values

Financial Instruments

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

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is not applicable for the Fund.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves; and

All of the resulting fair value estimates of financial instruments are included in level 2. There are no level 3 financial instruments in the Fund.

ELANOR RETAIL PROPERTY FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

11. Fair value measurement (continued)

Property Assets

The aim of the valuation process is to ensure that assets are held at fair value and that the Fund is compliant with applicable Australian Accounting Standards, regulations, and the Trust's Constitution.

All properties are required to be internally valued every six months with the exception of those independently valued during that six month period. The internal valuations are performed by utilising the information from a combination of asset plans and forecasting tools prepared by the asset management team. Appropriate capitalisation rate, terminal yield and discount rates based on comparable market evidence and recent external valuation parameters are used to produce a capitalisation based valuation and a discounted cash flow valuation.

The internal valuations are reviewed by the Chief Operating Officer who recommends each property's valuation to the Board of the Trustee in accordance with the Fund's internal valuation protocol.

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

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

Valuation technique and inputs

The key inputs used to measure fair values of investment properties are disclosed below along with their sensitivity to an increase or decrease.

The investment properties fair values presented are based on market values, which are derived using the capitalisation and the discounted cashflow methods. The Fund's preferred or primary method is the capitalisation method.

Capitalisation method

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

Discounted cash flows (DCF)

Under the DCF method, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. The DCF method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate discount rate is applied to establish the present value of the income stream associated with the property. The discount rate is the rate of return used to convert a monetary sum, payable or receivable in the future, into present value. The rate is determined with regards to market evidence and the prior independent valuation.

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

ELANOR RETAIL PROPERTY FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

11. Fair value measurement (continued)

The significant unobservable inputs associated with the valuation of the Fund's investment properties are as follows:

	Book Value 30 June 2016 \$'000	Capitalisation Rate %	Discount Rate %
Assets measured at fair value			
Investment properties	63,116	7.25% - 7.75%	8.25% - 8.50%
Total assets	63,116		
	Book Value 30 June 2015 \$'000	Capitalisation Rate %	Discount Rate %
Assets measured at fair value			
Investment properties	36,841	8.50%	9.00%
Total assets	36,841		

Sensitivity Information

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

	Capitalisation Rate %	Discount Rate %
Fair value measurement sensitivity to increase in input	Decrease	Decrease
Fair value measurement sensitivity to decrease in input	Increase	Increase

Sensitivity Analysis

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

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

12. Related parties

12.1 Trustee

Elanor Funds Management Limited is the Trustee of the Fund, and is a key management personnel (KMP) of the Fund.

12.2 Details of Directors of the Trustee

The Directors of Elanor Funds Management Limited, the Trustee of the Fund, are:

Paul Bedbrook
Glenn Willis
William Moss AO
Nigel Ampherlaw

ELANOR RETAIL PROPERTY FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

12.3 Other Management Personnel

In addition to the Directors, the following persons were Management Personnel with the authority for the strategic direction and

Michael Baliva - Fund Manager	Elanor Operations Pty Limited
Symon Simmons - Chief Financial Officer	Elanor Operations Pty Limited
Paul Siviour - Chief Operating Officer	Elanor Operations Pty Limited

12.4 Remuneration of Management Personnel

Compensation is paid to the Trustee in the form of fees and is disclosed in note 12.5. No other amounts are paid by the Fund directly or indirectly to the Management Personnel for services provided to the Fund.

The Directors of the Trustee receive remuneration in their capacity as Directors of the Trustee. The Directors are employed by Elanor Operations Pty Limited, and in that capacity, part of their role is to act as a Director of the Trustee. Other Management Personnel are employed and paid by Elanor Operations Pty Limited.

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

12.5 Trustee fees

(i) Base fees and reimbursement of other costs

Over the year ended 30 June 2016, the total amounts paid and payable in relation to base fees were \$568,086.

(ii) Performance fees

As at 30 June 2016, the total amounts paid and payable in relation to performance fee were \$1,214,766.

(iii) Acquisition Fee and Reimbursement of Acquisition Costs

Over the period ended 30 June 2016, there were no acquisition fees or reimbursement of acquisition costs incurred on behalf of the Fund.

12.6 Related party unitholdings

Directors, employees and associates of Elanor Funds Management Limited and entities controlled by the Trustee may hold investments in the Fund. Such investments were purchased on normal commercial terms and were at arm's length. The number of units held by Directors of Elanor Funds Management Pty Limited (including entities controlled, jointly controlled or significantly influenced by them), employees and associates are as follows:

	30 June 2016 No. of fully paid units	30 June 2016 \$	30 June 2015 No. of fully paid units	30 June 2015 \$
Investment held by Elanor Investment Trust	5,835,198	6,836,310	-	-
Investment held by directors and employees	1,325,000	1,552,323	1,490,000	1,446,057
Total investment held by related parties	7,160,198	8,388,633	1,490,000	1,446,057

13. Auditor's remuneration

Amounts paid or payable to the auditor of the Fund, Deloitte Touche Tohmatsu:

	30 June 2016 \$	30 June 2015 \$
Audit services		
Audit of financial report	25,000	19,000
Total auditor's remuneration	25,000	19,000

ELANOR RETAIL PROPERTY FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

14. Events occurring after the reporting date

Subsequent to year end, the Fund obtained draft external valuations for the Manning Mall and Glenorchy Plaza properties for a proposed transaction that would result in these two assets being included in a listed retail fund. As at the date of the signing of the Fund's financial report, the proposed transaction has not yet occurred and the external valuations have not been finalised.

The internal valuation assessment performed at 30 June 2016 resulted in a revaluation of investment properties of \$0.1m being recognised in the Statement of Profit or Loss and Other Comprehensive Income. This is in addition to the \$6.1m of revaluation increment recognised in December 2015 on establishment of the Fund, resulting in a total revaluation increment of \$6.2m being recognised for the year ended 30 June 2016.

There has not been any matter or circumstance occurring subsequent to the end of the year that has significantly, or may significantly, affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

15. Commitments and contingencies

(a) Contingent liabilities

The Fund has no contingent liabilities as at 30 June 2016.

(b) Contingent assets

The Fund has no contingent assets as at 30 June 2016.

(c) Commitments

The Fund has no commitments as at 30 June 2016.

16. Reconciliation of profit for the year to net cash flows from operating activities

	30 June 2016 \$'000	30 June 2015 \$'000
Profit for the year	6,767	4,544
Net unrealised loss on revaluation of derivatives	(81)	312
Revaluation of investments	(6,191)	(2,397)
Amortisation	395	1
Profit from sale of assets	-	(892)
	891	1,568
Movement in working capital		
Increase in trade and other receivables	5	(54)
Decrease / (increase) in prepayments	35	(45)
Increase / (decrease) in trade and other payables	(343)	(108)
	(303)	(207)
Net cash generated by operating activities	588	1,361

ELANOR RETAIL PROPERTY FUND

DIRECTORS DECLARATION

In the opinion of the Directors of Elanor Funds Management Limited as Trustee for the Elanor Retail Property Fund:

- (a) the financial statements and notes set out on pages 5 to 25 are in accordance with the *Fund constitution and the Debt Facility Agreement*, 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 Fund's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Fund will be able to pay their debts as and when they become due and payable.
- (c) Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Signed in accordance with a resolution of the Directors of the Trustee, Elanor Funds Management Limited, dated 27 September 2016.

On behalf of the Directors



Glenn Willis
CEO and Managing Director

Sydney
27 September 2016

Independent Auditor's Report to the Unitholders of Elanor Retail Property Fund (formerly Manning Mall Syndicate)

Report on the Financial Report

We have audited the accompanying financial report of Elanor Retail Property Fund, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and director's declaration as set out on pages 5 to 26. The consolidated entity comprises Elanor Retail Property Fund and the entities it controlled at the year's end or from time to time during the year.

Directors' Responsibility for the Financial Report

The directors of Elanor Funds Management Limited, as Trustee of Elanor Retail Property Fund, are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Opinion

In our opinion, the financial report of Elanor Retail Property Fund presents fairly, in all material respects, the consolidated entity's financial position as at 30 June 2016 and its financial performance for the year then ended in accordance with Australian Accounting Standards.

DELOITTE TOUCHE TOHMATSU
DELOITTE TOUCHE TOHMATSU



AG Collinson
Partner
Chartered Accountants
Sydney, 27 September 2016

Manning Mall Syndicate
ABN 26 193 797 917

Special Purpose Financial Report for the period ended 30 June 2014

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Manning Mall Syndicate
ABN 26 193 797 917
Directors' Report

The directors of Elanor Funds Management Limited, the Trustee for Manning Mall Syndicate (the 'Syndicate'), submit herewith the annual report of the financial statements of Manning Mall Syndicate, for the period from 11 July 2013 to 30 June 2014 (the 'period'). The Trustee was Moss Capital Pty Limited during the period and changed to Elanor Funds Management Limited on the 11 July 2014. In order to comply with the provisions of the Debt Facility requirements, and the directors reporting requirements under the Syndicate Constitution, the directors report as follows:

The names of the directors of the Trustee since it became the trustee of the Syndicate are:

Name

1. Mr Paul Bedbrook
2. Mr Glenn Norman Willis
3. Mr William James Moss
4. Mr Nigel Ampherlaw

The above named directors held office since 13 June 2014.

Principal activities

The Manning Mall Syndicate (MM) is an unregistered managed investment scheme domiciled in Australia and has its principal place of business at Manning Street, Taree, NSW, 2430.

Elanor Funds Management Limited, the Trustee of Manning Mall Syndicate was incorporated on 19 June 2007 and is domiciled in Australia and has its registered office at Level 26, 135 King Street, Sydney, NSW, 2000.

The principal activity of Manning Mall Syndicate is its investment in real estate property. It acquired the property on 11 July 2013.

Manning Mall Syndicate engaged RetPro Associates Pty Ltd as Manager / Operator of the property under a Property Management Agreement.

Distributions

Total distributions paid/payable in the period since inception to 30 June 2014 amounted to \$1,963,972 representing \$0.109 per unit. The distributions paid during the period since inception to 30 June 2014 were \$1,457,507 (\$0.081 per unit). The distribution declared but not paid for the June 2014 quarter is \$506,465 (\$0.028 per unit), refer Note 3.

Review of operations

The net profit for the period from inception to 30 June 2014 was \$1,345,003, see page 9, which was fully distributed to the investors.

Manning Mall Syndicate
ABN 26 193 797 917
Directors' Report (continued)

	Note	11 July 13 to 30 June 14 \$'000
Total revenue and other income		4,676
Net profit/(loss) for the period attributable to unitholders		1,345
Distributable income		1,345
Distributions paid and payable		1,964
Value of Syndicate's total assets		36,655
Net tangible asset backing per unit (\$)		\$0.95

Capital Management

The Syndicate's principal debt covenants and corresponding results at 30 June 2014 are as follows:

	30 June 2014 Covenant	30 June 2014 Actual
Interest cover ratio (ICR)	> 2.00	3.25
Loan to valuation ratio (LVR)	< 60%	54%

Changes in state of affairs

In the opinion of the Directors, there were no other significant changes in the state of the affairs of the Syndicate that occurred during the period other than those matters stated in this report.

Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the period that has significantly, or may significantly, affect the operations of the Syndicate, the results of those operations, or the state of affairs of the Syndicate in future financial years.

Environmental regulations

The activities of the Syndicate are not significantly affected by any environmental regulations.

Indemnification of officers and auditors

No insurance premiums were paid out of the assets of the Syndicate for insurance cover provided to either the officers of the Trustee or the auditors of the Syndicate. Where the officers of the Trustee act in accordance with the Syndicate's Constitution, the officers remain indemnified out of the assets of the Syndicate against losses incurred while acting on behalf of the Syndicate. The auditor of the Syndicate is not indemnified out of the assets of the Syndicate.

Rounding of amounts

The Syndicate has rounded off amounts to the nearest thousand dollars, unless stated otherwise.

Auditor

Deloitte Touche Tohmatsu is the auditor of the Syndicate.

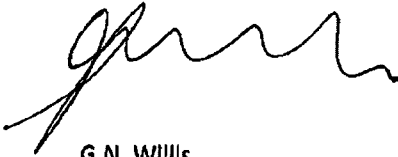
Proceedings on behalf of the Syndicate

No proceedings have been brought, or intervened in, on behalf of the Syndicate.

Manning Mall Syndicate
ABN 26 193 797 917
Directors' Report (continued)

Signed in accordance with a resolution of directors.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'G.N. Willis', with a stylized, cursive script.

G.N. Willis
Director

Sydney
29 September 2014

Independent Auditor's Report to the members of Manning Mall Syndicate

We have audited the accompanying financial report of Manning Mall Syndicate, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the period ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 8 to 25.

Directors' Responsibility for the Financial Report

The directors of Elanor Funds Management Limited, as the Trustee of Manning Mall Syndicate, are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Manning Mall Syndicate Constitution and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial report.

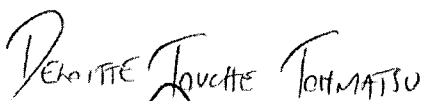
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

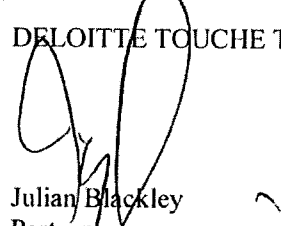
Opinion

In our opinion, the financial report gives a true and fair view of the financial position of Manning Mall Syndicate as at 30 June 2014 and its financial performance for the period then ended in accordance with the financial reporting requirements of the Manning Mall Syndicate Constitution as described in Note 1.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the directors of Elanor Funds Management Limited, as the Trustee of Manning Mall Syndicate, to meet the financial reporting requirements of the Manning Mall Syndicate Constitution. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members and should not be distributed to or used by parties other than the members.


DELOITTE TOUCHE TOHMATSU


Julian Blackley
Partner
Chartered Accountants
Sydney, 29 September 2014

Manning Mall Syndicate
ABN 26 193 797 917
Directors' Declaration

As stated in Note 1.1 to the financial statements, in the directors' opinion, the Syndicate is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared to meet the Debt Facility Agreement requirements and the directors reporting requirements under the Syndicate Constitution.

The financial report has been prepared in accordance with Australian Accounting Standards and mandatory professional reporting requirements to the extent described in Note 1.

In accordance with a resolution of the Directors of Elanor Funds Management Limited, the Trustee for the Manning Mall Syndicate, we declare that in the opinion of the Directors:

- (a) The financial statements and notes set out on pages 9 to 25 are in accordance with the Syndicate Constitution and the Debt Facility Agreement, including:
 - (i) complying with Australian Accounting Standards and other mandatory professional reporting requirements as detailed above; and
 - (ii) giving a true and fair view of the entity's financial position as at 30 June 2014 and of its performance for the period ended on that date; and
- (b) There are reasonable grounds to believe that the Syndicate will be able to pay its debts as and when they become due and payable.

Signed in accordance with the resolution of the Directors of the Trustee, Elanor Funds Management Limited.



G.N. Willis
Director

Sydney
29 September 2014

Manning Mall Syndicate
ABN 26 193 797 917
Statement of Profit or Loss and Other Comprehensive Income
for the period ended 30 June 2014

From 11 July 2013 - 30 June 2014

\$'000

Revenue	
Rental income	4,661
Interest revenue	15
Total revenue	4,676
Expenses	
Administration and general costs	336
Sales and marketing costs	30
Rates, taxes and other outgoings	901
Amortisation	1
Bad debts	37
Borrowing costs	1,038
Professional fees	67
Management fees	365
Net unrealised gain/loss on revaluation of derivatives	556
Total expenses	3,331
Net profit for the period	1,345
Other comprehensive income	-
Total comprehensive income for the period	1,345

This statement should be read in conjunction with the notes to the financial statements.

Manning Mall Syndicate
ABN 26 193 797 917
Statement of Financial Position
at 30 June 2014

	Note	30 June 2014 \$'000
Current assets		
Cash and cash equivalents		1,197
Receivables	4	239
Prepayments		85
Total current assets		1,521
Non-current assets		
Investment property	5	35,134
Total non-current assets		35,134
Total assets		36,655
Current liabilities		
Amounts received in advance		74
Payables		949
Distribution payable	3	510
Total current liabilities		1,533
Non-current liabilities		
Interest bearing liabilities	6	17,545
Financial derivatives		556
Total non-current liabilities		18,101
Total liabilities		19,634
Net assets		17,021
Equity		
Unitholder equity	7	17,021
Retained earnings		-
Total equity		17,021

This statement should be read in conjunction with the notes to the financial statements.

Manning Mall Syndicate
ABN 26 193 797 917
Statement of Changes in Equity
for the period ended 30 June 2014

	Note	Attributable to the unitholders			Total
		Contributed Equity	Retained Earnings	Reserves	
		\$'000	\$'000	\$'000	\$'000
Opening balance		-	-	-	-
Net profit for the period		-	1,345	-	1,345
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	1,345	-	1,345
Transactions with unitholders in their capacity as unitholders:					
Issue of units	7	18,000	-	-	18,000
Equity Raising Fee		(360)	-	-	(360)
Distributions paid and payable	3	(619)	(1,345)	-	(1,964)
Total equity as at 30 June 2014		17,021	-	-	17,021

This statement should be read in conjunction with the notes to the financial statements.

Manning Mall Syndicate
ABN 26 193 797 917
Statement of Cash Flows
for the period ended 30 June 2014

	30 June 2014
	\$'000
Cash flows from operating activities	
Rental and other property income received	4,714
Interest income received	15
Interest paid	(801)
Payments to suppliers and employees	(1,290)
Net cash flows from operating activities	2,638
Cash flows from investing activities	
Payments for investments	(35,134)
Net cash flows (used in) investing activities	(35,134)
Cash flows from financing activities	
Proceeds from interest bearing liabilities	17,700
Payment for debt establishment costs	(193)
Distributions paid	(1,454)
Contribution of equity	17,640
Net cash flows from financing activities	33,693
Net increase in cash and cash equivalents held	1,197
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	1,197

This statement should be read in conjunction with the notes to the financial statements.

Manning Mall Syndicate
ABN 26 193 797 917
Notes to the Financial Report
for the period ended 30 June 2014

1. Significant Accounting Policies

1.1 Financial reporting framework

The Syndicate is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to satisfy the directors' reporting requirements under the debt facility with Bank of Western Australia and the Syndicate Constitution.

The financial statements were approved by the directors on 29 September, 2014.

1.2 Statement of compliance

These financial statements have been prepared in accordance with the Syndicate Constitution, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Error* and AASB 1054 *Australian Additional Disclosures*. The Syndicate is a for-profit entity for the purposes of preparing this financial report.

1.3 Basis of preparation

The financial report has been prepared on the basis of historical cost, except for certain financial instruments and investment properties that are measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Where deemed necessary, the comparatives have been reclassified to achieve consistency with the current financial year.

1.4 Going concern

As at 30 June 2014, the Syndicate is in a net current liability position of \$11,920. The Syndicate has non-current assets of \$35.1 million and a net asset position of \$17.0 million. In accordance with AASB 101, an entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or cease trading, or has no realistic alternative but to do so. The accounts of the Syndicate have been prepared on a going concern basis as the net current assets deficiency is due to the timing of distributions paid to unitholders, and management have made an assessment that the cash flow forecasted for the next 12 months will be sufficient to meet the Syndicate's liabilities as and when they fall due.

Manning Mall Syndicate
ABN 26 193 797 917
Notes to the Financial Report
for the period ended 30 June 2014

1. Significant Accounting Policies (continued)

1.4 Application of new and revised Standards and Interpretations

In the current year, the Syndicate has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. The adoption of these new accounting standards did not have any material impact.

The following standards, amendments to standards and interpretations have been identified as those which may impact the Syndicate in the period of initial application. They are available for early adoption at 30 June 2014 but have not been applied preparing these financial statements:

- AASB 9 'Financial Instruments', and the relevant amending standards: effective 1 January 2017; and
- AASB 2013.9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments: effective 1 January 2014.

The following significant accounting policies have been adopted in the preparation and presentation of this financial report:

1.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Syndicate and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised. Where amounts do not meet the recognition criteria, they are deferred and recognised in the period in which the recognition criteria are met.

Revenues are recognised at the fair value of the consideration received for the sale of goods and services, net of the amount of goods and services tax, rebates and discounts.

1.5.1 Rental revenue

Rental income is the income from leasing retail outlets within the Syndicate's commercial real estate premises. Rental income is recognised as revenue on a straight-line basis over the lease term.

1.5.2 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

Manning Mall Syndicate
ABN 26 193 797 917
Notes to the Financial Report
for the period ended 30 June 2014

1. Significant Accounting Policies (continued)

1.6 Expenditure

All expenses are recognised in the statement of profit or loss and other comprehensive income on an accruals basis.

Borrowing costs incurred on interest bearing liabilities are included in note 1.8.

1.7 Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- a) where the amount of GST incurred is not recoverable from the Australian Taxation Office, it is recognised as part of the cost of acquisition of the asset or as part of an item of the expense; or
- b) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to the taxation authority is included as part of receivables or payables.

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

1.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit or loss and other comprehensive income in the period in which they are incurred.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash at bank.

Manning Mall Syndicate
ABN 26 193 797 917
Notes to the Financial Report
for the period ended 30 June 2014

1. Significant Accounting Policies (continued)

1.10 Receivables

Debtors are recognised at amortised cost, which in the case of the Syndicate is the original invoice amount less a provision for any uncollected debts. Collectability of debtors is reviewed on an ongoing basis and bad debts are written off when identified by reducing the amount of the receivable in the statement of financial position. A specific provision is made for any doubtful debts where objective evidence exists that the Syndicate will not be able to collect the amounts due according to the original terms of the receivables.

Indicators that debts may be uncollectible include default in payment (more than 30 days overdue), significant financial difficulties of the debtor and the probability that the debtor will be placed in administration. The debtor's circumstances relating to the default in payment are considered and in some cases alternative payment arrangements may apply. If the debtor defaults on the terms of these arrangements, the debt will be recognised as doubtful.

The amount of the doubtful debt provision is calculated as the difference between the original debt amount and the present value of the estimated future cash flows. The amount of the provision is recognised in the statement of profit or loss and other comprehensive income as a bad and doubtful debts expense.

Where a debtor for which a provision for doubtful debt had been recognised becomes uncollectible in a subsequent period, it is written off against the doubtful debt provision. Subsequent recoveries of amounts previously written off are credited against the bad and doubtful debts expense in the statement of profit or loss and other comprehensive income.

Normal commercial terms and conditions apply to receivables.

All receivables with maturities greater than 12 months after reporting date are classified as non-current assets.

1.11 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

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

Manning Mall Syndicate
ABN 26 193 797 917
Notes to the Financial Report
for the period ended 30 June 2014

1. Significant Accounting Policies (continued)

1.12 Financial Assets

Financial assets are classified into the following categories: financial assets 'at fair value through profit and loss (FVTPL)', 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in the statement of profit or loss and other comprehensive income. The net gain or loss recognised in the statement of profit or loss and other comprehensive income incorporates any dividend or interest earned on the financial asset and is included in the "net unrealised gain/(loss) on revaluation of derivatives" line item in the statement of profit or loss and other comprehensive income.

1.13 Financial liabilities and equity instruments issued by the Syndicate

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the net assets of an entity after deducting all of its liabilities. Equity instruments issued by the Syndicate are recognised at the proceeds received, net of direct issue costs.

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Manning Mall Syndicate
ABN 26 193 797 917
Notes to the Financial Report
for the period ended 30 June 2014

1. Significant Accounting Policies (continued)

1.14 Derivatives

The Syndicate is exposed to changes in interest rates and uses derivatives including interest rate swaps to hedge these risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value at each reporting date. The gain or loss on re-measurement to fair value is recognised in the statement of profit or loss and other comprehensive income. Fair value at reporting date is calculated to be the present value of the estimated future cash flows of these instruments. The two key variables used in the valuation are the forward price curve and discount rates. Each instrument is discounted at the market interest rate appropriate to the instrument. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

There is a hedging program implemented by the Syndicate that is used to manage interest and exchange rate risk. Derivatives are not entered into for speculative purposes.

Interest rate swaps

The Syndicate enters into interest rate swap agreements that are used to convert certain variable interest rate borrowings to fixed interest rates or vice versa. The swaps are entered into with the objective of hedging the risk of adverse interest rate fluctuations. Gains or losses arising from changes in fair value in the derivatives are recognised immediately in the statement of profit or loss and other comprehensive income.

1.15 Impairment of assets

All assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where an indicator of impairment or other objective evidence exists, an estimate of the asset's recoverable amount is made. An impairment loss is recognised in the statement of profit or loss and other comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

1.16 Payables

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

A distribution payable to unitholders of the Syndicate is recognised for the amount of any distribution approved on or before reporting date but not distributed at reporting date. In accordance with the Syndicate Constitution, the Syndicate distributes income to unitholders on a quarterly basis.

All payables with maturities greater than 12 months after the reporting date are classified as non-current liabilities.

Manning Mall Syndicate
ABN 26 193 797 917
Notes to the Financial Report
for the period ended 30 June 2014

1. Significant Accounting Policies (continued)

1.17 Performance fees

The performance fee is calculated in accordance with the Syndicate Constitution. Refer to note 8.5 for further details on performance fees.

The nominal value of the liability is discounted to net present value using a discount rate equivalent to that at which the Syndicate could have obtained debt funding on the day the performance fee was discounted. The discount is subsequently unwound through the statement of profit or loss and other comprehensive income.

1.18 Interest bearing liabilities

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

Interest bearing liabilities are classified as current liabilities where the liability has been drawn under a financing facility which expires within one year. Amounts drawn under financial facilities which expire after one year are classified as non-current.

1.19 Borrowings costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs are expensed as incurred.

1.20 Distributions

In accordance with the Syndicate Constitution, the Syndicate distributes income adjusted for unrealised and other amounts as determined by the Directors, to unitholders on a quarterly basis. Refer to note 1.16 for the accounting policy for the distribution payable to unitholders at reporting date.

1.21 Rounding of amounts

The Syndicate has rounded amounts in the financial report to the nearest thousand dollars, unless stated otherwise.

Manning Mall Syndicate
ABN 26 193 797 917
Notes to the Financial Report
for the period ended 30 June 2014

1. Significant Accounting Policies (continued)

1.22 Critical accounting estimates and judgements

The preparation of the financial statements requires the Trustee to make judgements, estimates and assumptions that affect the amounts reported in the financial statements. The Trustee bases its judgements and estimates on historical experience and other various factors it believes to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which form the basis of the carrying values of assets and liabilities. As such, actual results could differ from those estimates.

The areas where a higher degree of judgment or complexity arise, or areas where assumptions and estimates are significant to the Syndicate's financial statements, are detailed below:

(i) Fair value of investment properties

Investment properties are carried at fair value with changes in fair value recognised in the statement of profit or loss and comprehensive income. Fair value is defined as the price at which an asset or liability could be exchanged in an arm's length transaction between knowledgeable, willing parties, other than in a forced or liquidation sale.

In reaching estimates of fair value, management judgment needs to be exercised. The level of management judgment required in establishing fair value of the investments for which there is no quoted price in an active market is reduced through the use of external valuations.

2. Operating results overview

The Trustee assesses the performance of the Syndicate based on distributable income and distribution per unit. Distributable income is an earnings measure which is based on profit under Australian Accounting Standards in accordance with the Syndicate's Constitution.

	11 July 13 to 30 June 14
	\$'000
Total revenue and other income	4,676
Net profit/(loss) for the period attributable to unitholders	1,345
Distributable income	1,345
Distributions paid and payable	1,964
Value of Syndicate's total assets	36,655
Net tangible asset backing per unit (\$)	0.95

Manning Mall Syndicate
ABN 26 193 797 917
Notes to the Financial Report
for the period ended 30 June 2014

3. Unitholders' distribution

Distributions paid and payable by the Syndicate during the period are:

	Note	30 June 2014 \$	\$/ unit
Distributions paid – September quarter	(i)	459,370	0.026
Distribution paid - December quarter	(ii)	540,051	0.030
Distribution paid - March quarter	(iii)	458,086	0.025
Distribution payable - June quarter	(iv)	506,466	0.028
Total distributions paid and payable		1,963,973	0.109

- (i) The distribution for the September 2013 quarter was paid on 08/11/2013.
(ii) The distribution for the December 2013 quarter was paid on 07/02/2014.
(iii) The distribution for the March 2014 quarter was paid on 09/05/2014.
(iv) The distribution for the June 2014 quarter was paid on 19/08/2014.

4. Receivables

	30 June 2014 \$'000
Current	
Trade debtors	239
less: Allowance for doubtful debts	-
Total receivables	239

5. Investment properties

	30 June 2014 \$'000
Non-current	
Investment properties held at fair value	35,134
Total investment properties held at fair value	35,134
Current	
Balance at the beginning of the period	-
Acquisitions	35,134
Total investment properties	35,134

Manning Mall Syndicate
ABN 26 193 797 917
Notes to the Financial Report
for the period ended 30 June 2014

6. Interest bearing liabilities

30 June 2014
\$'000

Current - secured	
Debt facility	-
Non-current - secured	
Debt facility	17,700
Unamortised costs	(155)
Total interest bearing liabilities	17,545

(a) Financing facilities

The Syndicate has the following facility available:

30 June 2014
\$'000

Facility	Expiry	Drawn	Facility Limit	Undrawn Amount
Bankwest debt facility	11 July 2018	17,700	18,200	500
		17,700	18,200	500

7. Contributed equity

	Note	No of units '000	30 June 2014 \$'000
Opening balance		-	-
New units issued		18,000	18,000
Equity raising fee		-	(360)
Return of equity		-	(619)
Total contributed equity		18,000	17,021

8. Related parties

8.1 Trustee and Manager

Elanor Funds Management Limited, the Trustee, has appointed Retpro Associates Pty Ltd as the Manager / Operator of the Property. Elanor Funds Management Limited is the Trustee and is considered to be a related party of the Syndicate.

Manning Mall Syndicate
ABN 26 193 797 917
Notes to the Financial Report
for the period ended 30 June 2014

8. Related parties (continued)

8.2 Details of Key Management Personnel

The Directors of Elanor Funds Management Limited, the Trustee of the Syndicate, are considered to be Key Management Personnel.

1. Mr Paul Bedbrook
2. Mr Glenn Norman Willis
3. Mr William James Moss
4. Mr Nigel Ampherlaw

8.3 Other Key Management Personnel

In addition to the Directors, the following persons were Key Management Personnel with the authority for the strategic direction and management of the Syndicate.

Name	Position	Employer
Michael Baliva	Syndicate Manager	Elanor Operations Pty Limited
Symon Simmons	Chief Financial Officer	Elanor Operations Pty Limited

8.4 Remuneration of Key Management Personnel

Compensation is paid to the Trustee in the form of fees and is disclosed in note 8.5. No other amounts are paid by the Syndicate directly or indirectly to the Key Management Personnel for services provided to the Syndicate.

The Directors of the Trustee receive remuneration in their capacity as Directors of the Trustee. The Directors are employed as executives of Elanor Operations Pty Limited, and in that capacity, part of their role is to act as a Director of the Trustee. Other Key Management Personnel are employed and paid by Elanor Operations Pty Limited.

Consequently, no compensation as defined in AASB 124 Related Party Disclosures is paid by the Syndicate to its Key Management Personnel, other than that paid to the Trustee.

8.5 Trustee fees

(i) Base fees

Over the period ended 30 June 2014, the total amounts paid and payable in relation to base fees were \$356,354.

(ii) Performance fees

As at 30 June 2014, there was no performance fee payable.

(iii) Acquisition Fee and Reimbursement of Acquisition Costs

Over the period ended 30 June 2014, the total amounts paid in relation to the acquisition fee and to reimbursement of other acquisition costs incurred on behalf of the Syndicate was \$706,045.

Manning Mall Syndicate
ABN 26 193 797 917
Notes to the Financial Report
for the period ended 30 June 2014

8. Related parties (continued)

8.6 Related party unitholdings

Directors, employees and associates of Elanor Funds Management Limited and entities controlled by the Trustee may hold investments in the Syndicate. Such investments were purchased on normal commercial terms and were at arm's length. The number of units held by Directors of Elanor Funds Management Limited (including entities controlled, jointly controlled or significantly influenced by them), employees and associates are as follows:

	30 June 2014 Number of fully paid units	30 June 2014 \$
Investment held by Directors and employees	1,490,000	1,438,763
Total investment held by Directors and employees	1,490,000	1,438,763

9. Auditor's remuneration

Amounts paid or payable to the auditor of the Syndicate, Deloitte Touche Tohmatsu:

	30 June 2014 \$
Audit services	
Audit of financial report	18,750
Total auditor's remuneration	18,750

10. Events occurring after the reporting date

There has not been any matter or circumstance occurring subsequent to the end of the period that has significantly, or may significantly, affect the operations of the Syndicate, the results of those operations, or the state of affairs of the Syndicate in future financial years.

Manning Mall Syndicate
ABN 26 193 797 917
Notes to the Financial Report
for the period ended 30 June 2014

11. Commitments and contingencies

(a) Contingent liabilities

The Syndicate has no contingent liabilities as at 30 June 2014.

(b) Contingent assets

The Syndicate has no contingent assets as at 30 June 2014.

(c) Commitments

The Syndicate has no commitments as at 30 June 2014.

12. Reconciliation of profit for the year to net cash flows from operating activities

	30 June 2014
	\$'000
Profit for the year	1,345
Net unrealised loss on revaluation of derivatives	556
Amortisation	38
	1,939
Movement in working capital	
(Increase) in trade and other receivables	(165)
(Increase) in prepayments	(85)
Increase in trade and other payables	949
	699
Net cash generated by operating activities	2,638



Elanor Investors Group
elanorinvestors.com

Manning Mall Syndicate
(ABN 26 193 797 917)

Special Purpose Financial Report
for the year ended 30 June 2015

MANNING MALL SYNDICATE
ABN 26 193 797 917

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MANNING MALL SYNDICATE

ABN 26 193 797 917

DIRECTORS' REPORT

The Directors of Elanor Funds Management Limited, the Trustee for Manning Mall Syndicate (the 'Syndicate'), submit herewith the annual report of the financial statements of Manning Mall Syndicate, for the year ended 30 June 2015. The Trustee was Moss Capital Pty Limited and changed to Elanor Funds Management Limited on the 11 July 2014. In order to comply with the provisions of the Debt Facility requirements, and the Directors reporting requirements under the Syndicate Constitution, the Directors report as follows:

The names of the Directors of the Trustee since it became the trustee of the Syndicate are:

Paul Bedbrook
Glenn Willis
William Moss
Nigel Ampherlaw

The above named Directors held office during the financial year and since the end of the financial year, unless otherwise stated.

Principal activities

The Manning Mall Syndicate (MM) is an unregistered managed investment scheme domiciled in Australia and has its principal place of business at Manning Street, Taree, NSW, 2430.

Elanor Funds Management Limited, the Trustee of Manning Mall Syndicate was incorporated on 19 June 2007 and is domiciled in Australia and has its registered office at Level 38, 259 George Street, Sydney, NSW, 2000.

The principal activity of Manning Mall Syndicate is its investment in real estate property. It acquired the property on 11 July 2013.

Manning Mall Syndicate engaged RetPro Associates Pty Ltd as Manager / Operator of the property under a Property Management Agreement.

Distributions

Total distributions paid/payable in the year ended 30 June 2015 amounted to \$4,095,628 (including a special distribution of \$2,100,001) representing \$0.23 per unit. The distributions paid during the year ended 30 June 2015 were \$3,618,751 (\$0.20 per unit). The distribution declared but not paid for the June 2015 quarter is \$476,877 (\$0.03 per unit), refer Note 2.

Review of operations

The net profit for the year ended 30 June 2015 was \$4,543,529, see page 5, which was fully distributed to the investors.

	30 June 2015 \$'000	30 June 2014 \$'000
Total revenue and other income	8,333	4,676
Net Profit for the period attributable to unitholders	4,544	1,345
Distributable income	1,996	1,345
Distributions paid and payable	4,096	1,964
Value of Syndicate's total assets	38,053	36,655
Net tangible asset backing per unit (\$)	\$0.97	\$0.95

Capital Management

The Syndicate's principal debt covenants and corresponding results at 30 June 2015 are as follows:

	30 June 2015 Covenant	30 June 2015 Actual
Interest Cover Ratio (ICR)	>2.00	3.38
Loan to valuation ratio (LVR)	<60%	50%

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DIRECTORS' REPORT

Changes in state of affairs

In the opinion of the Directors, there were no other significant changes in the state of the affairs of the Syndicate that occurred during the year other than those matters stated in this report.

Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the year that has significantly, or may significantly, affect the operations of the Syndicate, the results of those operations, or the state of affairs of the Syndicate in future financial years.

Environmental regulations

The activities of the Syndicate are not significantly affected by any environmental regulations.

Indemnifications of officers and auditors

No insurance premiums were paid out of the assets of the Syndicate for insurance cover provided to either the officers of the Trustee or the auditors of the Syndicate. Where the officers of the Trustee act in accordance with the Syndicate's Constitution, the officers remain indemnified out of the assets of the Syndicate against losses incurred while acting on behalf of the Syndicate. The auditor of the Syndicate is not indemnified out of the assets of the Syndicate.

Rounding of amounts

The Syndicate has rounded off amounts to the nearest thousand dollars, unless stated otherwise.

Auditor

Deloitte Touche Tohmatsu is the auditor of the Syndicate.

Proceedings on behalf of the Syndicate

No proceedings have been brought, or intervened in, on behalf of the Syndicate.

Signed in accordance with a resolution of Directors of the Trustee, Elanor Funds Management Limited.



Glenn Willis
CEO and Managing Director

Sydney, 5 November 2015

MANNING MALL SYNDICATE
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	30 June 2015 \$'000	30 June 2014 \$'000
Revenue			
Rental Income		5,039	4,661
Interest revenue		5	15
Profit on Sale of Investment Property		892	-
Net gain on change in fair value of Investment Properties	4	2,397	-
Total revenue		8,333	4,676
Expenses			
Administration and general costs		353	336
Sales and marketing costs		60	30
Rates, taxes and other outgoings		975	901
Amortisation		1	1
Bad debt expense		4	37
Borrowing costs		1,064	1,038
Professional fees		63	67
Performance Fees		570	-
Management fees		387	365
Net unrealised loss on revaluation of derivatives		312	556
Total expenses		3,789	3,331
Net profit for the period		4,544	1,345
Other comprehensive income		-	-
Total comprehensive income for the year		4,544	1,345

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	30 June 2015 \$'000	30 June 2014 \$'000
Assets			
Current Assets			
Cash and cash equivalents		789	1,197
Receivables	3	293	239
Prepayments		130	85
Total current assets		1,212	1,521
Non-current assets			
Investment property	4	36,841	35,134
Total non-current assets		36,841	35,134
Total assets		38,053	36,655
Liabilities			
Current Liabilities			
Amounts received in advance		-	74
Payables	5	862	949
Financial derivatives		296	-
Distribution payable	2	476	510
Total current liabilities		1,634	1,533
Non-current liabilities			
Interest bearing liabilities	6	18,378	17,545
Financial derivatives		572	556
Total non-current liabilities		18,950	18,101
Total liabilities		20,584	19,634
Net assets		17,469	17,021
Equity			
Unitholder equity	7	14,921	17,021
Retained earnings	8	2,548	-
Total equity		17,469	17,021

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Attributable to the unitholders			Total \$'000
		Contributed Equity \$'000	Retained Earnings \$'000	Reserves \$'000	
Opening balance as at 11 July 2013		-	-	-	-
Net profit for the period		-	1,345	-	1,345
Other comprehensive income for the period		-	-	-	-
Total comprehensive income		-	1,345	-	1,345
Transactions with unitholders in their capacity as unitholders:					
Issue of units	7	18,000	-	-	18,000
Equity Raising Fee		(360)	-	-	(360)
Distributions paid and payable	2	(619)	(1,345)	-	(1,964)
Total equity as at 30 June 2014		17,021	-	-	17,021
Balance as at 1 July 2014		17,021	-	-	17,021
Net profit for the period		-	4,544	-	4,544
Other comprehensive income for the year		-	-	-	-
Total comprehensive income		17,021	4,544	-	21,565
Transactions with unitholders in their capacity as unitholders:					
Distributions paid and payable	2	(2,100)	(1,996)	-	(4,096)
Total equity as at 30 June 2015		14,921	2,548	-	17,469

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

MANNING MALL SYNDICATE
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	30 June 2015 \$'000	30 June 2014 \$'000
Cash flows from operating activities			
Rental and other property income received		4,986	4,714
Interest income received		5	15
Interest paid		(1,051)	(801)
Payments to suppliers and employees		(2,579)	(1,290)
Net cash flows from operating activities	13	1,361	2,638
Cash flows from investing activities			
Payments for additions to investment properties		(316)	(35,134)
Proceeds for sale of investment properties		1,893	-
Net cash flows paid/(used in) from investing activities		1,577	(35,134)
Cash flows from financing activities			
Proceeds from interest bearing liabilities		800	17,700
Payment for debt establishment costs		(16)	(193)
Distributions paid		(4,130)	(1,454)
Contribution of equity		-	17,640
Net cash flows (used in)/ from financing activities		(3,346)	33,693
Net (decrease)/increase in cash and cash equivalents		(408)	1,197
Cash and cash equivalents at the beginning of the period		1,197	-
Cash and cash equivalents at the end of the year		789	1,197

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

MANNING MALL SYNDICATE
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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

1. Significant Accounting Policies

1.1 Financial reporting framework

The Syndicate is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to satisfy the directors' reporting requirements under the debt facility with Bank of Western Australia and the Syndicate Constitution.

The financial statements were approved by the Directors on 5 November, 2015.

1.2 Statement of compliance

These financial statements have been prepared in accordance with the Syndicate Constitution, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Error* and AASB 1054 *Australian Additional Disclosures*. The Syndicate is a for-profit entity for the purposes of preparing this financial report.

1.3. Basis of preparation

The financial report has been prepared on the basis of historical cost, except for certain financial instruments and investment properties that are measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Where deemed necessary, the comparatives have been reclassified to achieve consistency with the current financial year.

1.4 Going concern

As at 30 June 2015, the Syndicate is in a net current liability position of \$422,652. The Syndicate has non-current assets of \$36.9 million and a net asset position of \$17.4 million. In accordance with AASB 101, an entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or cease trading, or has no realistic alternative but to do so. The accounts of the Syndicate have been prepared on a going concern basis as the net current assets deficiency is due to the timing of distributions paid to unitholders, and management have made an assessment that the cash flow forecasted for the next 12 months will be sufficient to meet the Syndicate's liabilities as and when they fall due.

1.5 Application of new and revised Standards and Interpretations

In the current year, the Syndicate has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. The adoption of these new accounting standards did not have any material impact.

The following standards, amendments to standards and interpretations have been identified as those which may impact the Syndicate in the period of initial application. They are available for early adoption at 30 June 2015 but have not been applied preparing these financial statements:

AASB 15 Revenue from Contracts with Customers; AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15; AASB 9 Financial Instruments; AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014); and AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010).

AASB 15 establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. AASB 15 and AASB 2014-5 apply to annual reporting periods beginning on or after 1 January 2017. Early application is permitted for annual reporting periods beginning on or after 1 January 2015 but before 1 January 2017. The Syndicate is yet to assess its full impact. The Syndicate does not intend to adopt AASB 15 before its operative date, which means it would be first applied in the annual reporting period ending 30 June 2018.

AASB 9 Financial Instruments addresses the classification and measurement of financial assets and may affect the Syndicate's accounting for its financial assets. The standard is not applicable until periods beginning on or after 1 January 2018 but is available for early adoption. The Syndicate is yet to assess its full impact. The Syndicate does not intend to adopt AASB 9 before its operative date, which means it would be first applied in the annual reporting period ending 30 June 2019.

The following significant accounting policies have been adopted in the preparation and presentation of this financial report:

MANNING MALL SYNDICATE
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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

1. Significant Accounting Policies (continued)

1.6 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Syndicate and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised. Where amounts do not meet the recognition criteria, they are deferred and recognised in the period in which the recognition criteria are met.

Revenues are recognised at the fair value of the consideration received for the sale of goods and services, net of the amount of goods and services tax, rebates and discounts.

1.6.1 Rental Revenue

Rental income is the income from leasing retail outlets within the Syndicate's commercial real estate premises. Rental income is recognised as revenue on a straight-line basis over the lease term.

1.6.2 Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

1.7 Expenditure

All expenses are recognised in the statement of profit or loss and other comprehensive income on an accruals basis.

Borrowing costs incurred on interest bearing liabilities are included in Note 1.9.

1.8 Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- a) where the amount of GST incurred is not recoverable from the Australian Taxation Office, it is recognised as part of the cost of acquisition of the asset or as part of an item of the expense; or
- b) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to the taxation authority is included as part of receivables or payables.

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

1.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash at bank.

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

1. Significant Accounting Policies (continued)

1.11 Receivables

Debtors are recognised at amortised cost, which in the case of the Syndicate is the original invoice amount less a provision for any uncollected debts. Collectability of debtors is reviewed on an ongoing basis and bad debts are written off when identified by reducing the amount of the receivable in the statement of financial position. A specific provision is made for any doubtful debts where objective evidence exists that the Syndicate will not be able to collect the amounts due according to the original terms of the receivables.

Indicators that debts may be uncollectible include default in payment (more than 30 days overdue), significant financial difficulties of the debtor and the probability that the debtor will be placed in administration. The debtor's circumstances relating to the default in payment are considered and in some cases alternative payment arrangements may apply. If the debtor defaults on the terms of these arrangements, the debt will be recognised as doubtful.

The amount of the doubtful debt provision is calculated as the difference between the original debt amount and the present value of the estimated future cash flows. The amount of the provision is recognised in the statement of profit or loss and other comprehensive income as a bad and doubtful debts expense.

Where a debtor for which a provision for doubtful debt had been recognised becomes uncollectible in a subsequent period, it is written off against the doubtful debt provision. Subsequent recoveries of amounts previously written off are credited against the bad and doubtful debts expense in the statement of profit or loss and other comprehensive income.

Normal commercial terms and conditions apply to receivables.

All receivables with maturities greater than 12 months after reporting date are classified as non-current assets.

1.12 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

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

1.13 Financial Assets

Financial assets are classified into the following categories: financial assets 'at fair value through profit and loss (FVTPL)', 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit taking; or
- it is derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in the statement of profit or loss and other comprehensive income. The net gain or loss recognised in the statement of profit or loss and other comprehensive income incorporates any dividend or interest earned on the financial asset and is included in the "net unrealised gain/(loss) on revaluation of derivatives" line item in the statement of profit or loss and other comprehensive income.

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

1. Significant Accounting Policies (continued)

1.14 Financial liabilities and equity instruments issued by the Syndicate

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the net assets of an entity after deducting all of its liabilities. Equity instruments issued by the Syndicate are recognised at the proceeds received, net of direct issue costs.

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

1.15 Derivatives

The Syndicate is exposed to changes in interest rates and uses derivatives including interest rate swaps to hedge these risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value at each reporting date. The gain or loss on re-measurement to fair value is recognised in the statement of profit or loss and other comprehensive income. Fair value at reporting date is calculated to be the present value of the estimated future cash flows of these instruments. The two key variables used in the valuation are the forward price curve and discount rates. Each instrument is discounted at the market interest rate appropriate to the instrument. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

There is an economic hedging program implemented by the Syndicate that is used to manage interest and exchange rate risk. Derivatives are not entered into for speculative purposes. Derivatives are not hedge accounted.

Interest rate swaps

The Syndicate enters into interest rate swap agreements that are used to convert certain variable interest rate borrowings to fixed interest rates or vice versa. The swaps are entered into with the objective of economically hedging the risk of adverse interest rate fluctuations. Gains or losses arising from changes in fair value in the derivatives are recognised immediately in the statement of profit or loss and other comprehensive income.

1.16 Impairment of assets

All assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where an indicator of impairment or other objective evidence exists, an estimate of the asset's recoverable amount is made. An impairment loss is recognised in the statement of profit or loss and other comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

1.17 Payables

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

A distribution payable to unitholders of the Syndicate is recognised for the amount of any distribution approved on or before reporting date but not distributed at reporting date. In accordance with the Syndicate Constitution, the Syndicate distributes income to unitholders on a quarterly basis.

All payables with maturities greater than 12 months after the reporting date are classified as non-current liabilities.

1.18 Performance fees

The performance fee is calculated in accordance with the Syndicate Constitution. Refer to note 9.5 for further details on performance fees.

The nominal value of the liability is discounted to net present value using a discount rate equivalent to that at which the Syndicate could have obtained debt funding on the day the performance fee was discounted. The discount is subsequently unwound through the statement of profit or loss and other comprehensive income.

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

1. Significant Accounting Policies (continued)

1.19 Interest bearing liabilities

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

Interest bearing liabilities are classified as current liabilities where the liability has been drawn under a financing facility which expires within one year. Amounts drawn under financial facilities which expire after one year are classified as non-current.

1.20 Distributions

In accordance with the Syndicate Constitution, the Syndicate distributes income adjusted for unrealised and other amounts as determined by the Directors, to unitholders on a quarterly basis. Refer to note 1.17 for the accounting policy for the distribution payable to unitholders at reporting date.

1.21 Rounding of amounts

The Syndicate has rounded amounts in the financial report to the nearest thousand dollars, unless stated otherwise.

1.22 Critical accounting estimates and judgements

The preparation of the financial statements requires the Trustee to make judgements, estimates and assumptions that affect the amounts reported in the financial statements. The Trustee bases its judgements and estimates on historical experience and other various factors it believes to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which form the basis of the carrying values of assets and liabilities. As such, actual results could differ from those estimates.

The areas where a higher degree of judgment or complexity arise, or areas where assumptions and estimates are significant to the Syndicate's financial statements, are detailed below:

1.22.1 Fair value of investment properties

Investment properties are carried at fair value with changes in fair value recognised in the statement of profit or loss and comprehensive income. Fair value is defined as the price at which an asset or liability could be exchanged in an arm's length transaction between knowledgeable, willing parties, other than in a forced or liquidation sale.

In reaching estimates of fair value, management judgment needs to be exercised. The level of management judgment required in establishing fair value of the investments for which there is no quoted price in an active market is reduced through the use of external valuations.

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

2. Unitholders' distribution

Distributions paid and payable by the Syndicate are:

	Note	30 June 2015 \$	30 June 2015 \$/unit	30 June 2014 \$	30 June 2014 \$/unit
Distributions paid - September quarter	(i)	506,250	0.028	459,370	0.026
Distributions paid - December quarter	(ii)	506,250	0.028	540,051	0.030
Distributions paid - March quarter	(iii)	506,250	0.028	458,086	0.025
Special Distribution	(iv)	2,100,001	0.117	-	-
Distributions payable - June quarter	(v)	476,877	0.026	506,466	0.028
Total distributions paid and payable		4,095,628	0.227	1,963,973	0.109

- (i) The distribution for the September 2014 quarter was paid on 14/11/2014
(ii) The distribution for the December 2014 quarter was paid on 24/02/2015
(iii) The distribution for the March 2015 quarter was paid on 19/05/2015
(iv) A special distribution was paid on 21/04/2015
(v) The distribution for the June 2015 quarter was paid on 19/08/2015

3. Receivables

	30 June 2015 \$'000	30 June 2014 \$'000
Current		
Trade debtors	297	239
Less: Allowance for doubtful debts	(4)	-
Total receivables	293	239

4. Investment Properties

	30 June 2015 \$'000	30 June 2014 \$'000
Non-current		
Investment properties held at fair value	36,841	35,134
Total investment properties held at fair value	36,841	35,134

	30 June 2015 \$'000	30 June 2014 \$'000
Non-current		
Balance at the beginning of the year	35,134	-
Acquisitions	-	35,134
Capital improvements	312	-
Revaluations	2,397	-
Sale of Investment Property	(1,002)	-
Total Investment properties	36,841	35,134

5. Payables

	30 June 2015 \$'000	30 June 2014 \$'000
Current		
Trade Creditors	132	44
Accrued Expenses	697	825
GST Payable	33	80
Total payables	862	949

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

6. Interest bearing liabilities

	30 June 2015 \$'000	30 June 2014 \$'000
Non-current - secured		
Debt facility	18,500	17,700
Unamortised costs	(122)	(155)
Total interest bearing liabilities	18,378	17,545

Financial facilities

The Syndicate has the following facility available:

Facility	Expiry	30-June-2015 \$'000		
		Drawn	Facility Limit	Undrawn Amount
Bankwest debt facility	11-Jul-18	18,500	20,700	2,200
		18,500	20,700	2,200

7. Contributed equity

	No. of units '000	30 June 2015 \$'000
Units issued	18,000	18,000
Equity raising fee	-	(360)
Return of equity	-	(619)
Total contributed equity as at 30 June 2014	18,000	17,021
Balance as at 1 July 2014		17,021
Distributions paid and payable		(2,100)
Total contributed equity as at 30 June 2015	18,000	14,921

8. Retained earnings

	30 June 2015 \$'000
Opening balance	-
Total retained earnings as at 30 June 2014	-
Balance as at 1 July 2014	-
Net profit for the year	4,544
Distributions paid and payable	(1,996)
Total retained earnings as at 30 June 2015	2,548

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

9. Related parties

9.1 Trustee and Manager

Elanor Funds Management Limited, the Trustee, has appointed Retpro Associates Pty Ltd as the Manager / Operator of the Property. Elanor Funds Management Limited is the Trustee and is considered to be a related party of the Syndicate.

9.2 Details of Key Management Personnel

The Directors of Elanor Funds Management Limited, the Trustee of the Syndicate, are considered to be Key Management Personnel.

1. Paul Bedbrook
2. Glenn Willis
3. William Moss
4. Nigel Ampherlaw

9.3 Other Key Management Personnel

In addition to the Directors, the following persons were Key Management Personnel with the authority for the strategic direction and management of the Syndicate.

Michael Baliva - Fund Manager	Elanor Operations Pty Limited
Symon Simmons - Chief Financial Officer	Elanor Operations Pty Limited
Paul Siviour - Chief Operations Officer	Elanor Operations Pty Limited

9.4 Remuneration of Key Management Personnel

Compensation is paid to the Trustee in the form of fees and is disclosed in note 9.5. No other amounts are paid by the Syndicate directly or indirectly to the Key Management Personnel for services provided to the Syndicate.

The Directors of the Trustee receive remuneration in their capacity as Directors of the Trustee. The Directors are employed as executives of Elanor Operations Pty Limited, and in that capacity, part of their role is to act as a Director of the Trustee. Other Key Management Personnel are employed and paid by Elanor Operations Pty Limited.

Consequently, no compensation as defined in AASB 124 Related Party Disclosures is paid by the Syndicate to its Key Management Personnel, other than that paid to the Trustee.

9.5 Trustee fees

(i) Base fees

Over the year ended 30 June 2015, the total amounts paid and payable in relation to base fees were \$387,883.

(ii) Performance fees

Over the year ended 30 June 2015, the total amounts paid and payable in relation to performance fees were \$570,000.

(iii) Acquisition Fee and Reimbursement of Acquisition Costs

Over the period ended 30 June 2015, there were no acquisition fees or reimbursement of acquisition costs incurred on behalf of the Syndicate.

9.6 Related party unitholdings

Directors, employees and associates of Elanor Funds Management Limited and entities controlled by the Trustee may hold investments in the Syndicate. Such investments were purchased on normal commercial terms and were at arm's length. The number of units held by Directors of Elanor Funds Management Pty Limited (including entities controlled, jointly controlled or significantly influenced by them), employees and associates are as follows:

	30 June 2015	30 June 2015
	No. of fully paid units	\$'000
Investment held by Directors and employees	1,490,000	1,446,057
Total investment held by Directors and employees	1,490,000	1,446,057

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

10. Auditor's remuneration

Amounts paid or payable to the auditor of the Syndicate, Deloitte Touche Tohmatsu:

	30 June 2015 \$	30 June 2014 \$
Audit services		
Audit of financial report	19,000	19,000
Total auditor's remuneration	19,000	19,000

11. Events occurring after the reporting date

There has not been any matter or circumstance occurring subsequent to the end of the year that has significantly, or may significantly, affect the operations of the Syndicate, the results of those operations, or the state of affairs of the Syndicate in future financial years.

12. Commitments and contingencies

(a) Contingent liabilities

The Syndicate has no contingent liabilities as at 30 June 2015.

(b) Contingent assets

The Syndicate has no contingent assets as at 30 June 2015.

(c) Commitments

The Syndicate has no commitments as at 30 June 2015

13. Reconciliation of profit for the year to net cash flows from operating activities

	30 June 2015 \$'000	30 June 2014 \$'000
Profit for the year	4,544	1,345
Net unrealised loss on revaluation of derivatives	312	556
Revaluation of investments	(2,397)	-
Amortisation	1	38
Profit from sale of assets	(892)	-
	1,568	1,939
Movement in working capital		
Decrease / (increase) in trade and other receivables	(54)	(165)
Decrease / (Increase) in prepayments	(45)	(85)
(Decrease) / Increase in trade and other payables	(108)	949
	(207)	699
Net cash generated by operating activities	1,361	2,638

MANNING MALL SYNDICATE
ABN 26 193 797 917

DIRECTORS DECLARATION

As stated in Note 1.1 to the financial statements, in the directors' opinion, the Syndicate is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared to meet the Debt Facility Agreement requirements and the directors reporting requirements under the Syndicate Constitution.

The financial report has been prepared in accordance with Australian Accounting Standards and mandatory professional reporting requirements to the extent described in Note 1.

In accordance with a resolution of the Directors of Elanor Funds Management Limited, the Trustee for the Manning Mail Syndicate, we declare that in the opinion of the Directors:

- (a) The financial statements and notes set out on pages 5 to 17 are in accordance with the Syndicate Constitution and the Debt Facility Agreement, including:
 - (i) complying with Australian Accounting Standards and other mandatory professional reporting requirements as detailed above; and
 - (ii) giving a true and fair view of the entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (b) There are reasonable grounds to believe that the Syndicate will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors of the Trustee, Elanor Funds Management Limited.

On behalf of the Directors



Glenn Willis
CEO and Managing Director

Sydney
5 November 2015

Independent Auditor's Report to the members of Manning Mall Syndicate

We have audited the accompanying financial report of Manning Mall Syndicate, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended at that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 5 to 18.

Directors' Responsibility for the Financial Report

The directors of Elanor Funds Management Limited, as the Trustee of Manning Mall Syndicate, are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Manning Mall Syndicate Constitution and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial report.

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

Opinion

In our opinion, the financial report gives a true and fair view of the financial position of Manning Mall Syndicate as at 30 June 2015 and its financial performance for the year then ended in accordance with the financial reporting requirements of the Manning Mall Syndicate Constitution as described in Note 1.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the directors of Elanor Funds Management Limited, as the Trustee of Manning Mall Syndicate, to meet the financial reporting requirements of the Manning Mall Syndicate Constitution. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members and should not be distributed to or used by parties other than the members.

DELOITTE TOUCHE TOHMATSU
DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read 'AG' followed by a stylized circular flourish.

AG Collinson
Partner
Chartered Accountants
Sydney, 5 November 2015



Elanor Investors Group
elanorinvestors.com

Auburn Central Syndicate
(ABN 62 345 350 591)

General Purpose Financial Report
for the period from 22 May 2015 to 30 June 2016

Auburn Central Syndicate
ABN 62 345 350 591

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Auburn Central Syndicate
ABN 62 345 350 591

DIRECTORS' REPORT

The Directors of Elanor Funds Management Limited, the Trustee for Auburn Central Syndicate (the "Syndicate"), submit herewith the annual report of the financial statements of Auburn Central Syndicate, for the financial period from 22 May 2015 to 30 June 2016 (the "period"). In order to comply with the Debt Facility requirements, and the Directors' reporting requirements under the Syndicate Constitution, the Directors present their report as follows:

The names of the Directors of the Trustee since it became the Trustee of the Syndicate are:

Paul Bedbrook
Glenn Willis
William Moss AO
Nigel Ampherlaw

The above named Directors held office during the financial period and since the end of the financial period, unless otherwise stated.

Principal activities

The Auburn Central Syndicate is an unregistered managed investment scheme domiciled in Australia and has its principal place of business at Auburn Central Shopping Centre, Queen Street, Auburn.

Elanor Funds Management Limited, the Trustee of Auburn Central Syndicate was incorporated on 19 June 2007 and is domiciled in Australia and has its registered office at Level 38, 259 George Street, Sydney, NSW, 2000.

The principal activity of Auburn Central Syndicate is its investment in real estate property. It acquired the property on 22 May 2015.

Auburn Central Syndicate engaged Colliers International (NSW) Pty Limited as Manager / Operator of the property under a Property Management Agreement.

Distributions

Total distributions paid/payable for the period from 22 May 2015 to 30 June 2016 amounted to \$3,218,281 representing \$0.0971 per unit. The distributions paid during the period from 22 May 2015 to 30 June 2016 were \$2,493,125 (\$0.0752 per unit). The distribution declared but not paid for the June 2016 quarter is \$725,156 (\$0.0219 per unit), refer Note 2.

Review of operations

The net profit for the period from 22 May 2015 to 30 June 2016 was \$14,930,541, see page 7.

	30 June 2016 \$'000
Total revenue and other income	20,489
Net profit for the period attributable to unitholders	14,931
Distributable income	14,931
Distributions paid and payable	3,218
Value of Syndicate's total assets	86,545
Net tangible asset backing per unit (\$)	1.32

Auburn Central Syndicate
ABN 62 345 350 591

DIRECTORS' REPORT

Changes in state of affairs

In the opinion of the Directors, there were no other significant changes in the state of the affairs of the Syndicate that occurred during the period other than those matters stated in this report.

Subsequent events

Subsequent to year end, the Syndicate obtained a draft external valuation for the Auburn Central property for a proposed transaction that would result in this asset being included in a listed retail fund. As at the date of the signing of the Syndicate's financial report, the proposed transaction has not yet occurred and the external valuation has not been finalised. The internal valuation assessment performed at 30 June 2016 resulted in a revaluation of investment properties of \$11.7m being recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the period that has significantly, or may significantly, affect the operations of the Syndicate, the results of those operations, or the state of affairs of the Syndicate in future financial years.

Environmental regulations

The activities of the Syndicate are not significantly affected by any environmental regulations.

Indemnifications of officers and auditors

No insurance premiums were paid out of the assets of the Syndicate for insurance cover provided to either the officers of the Trustee or the auditors of the Syndicate. Where the officers of the Trustee act in accordance with the Syndicate's Constitution, the officers remain indemnified out of the assets of the Syndicate against losses incurred while acting on behalf of the Syndicate. The auditor of the Syndicate is not indemnified out of the assets of the Syndicate.

Rounding of amounts

The Syndicate has rounded off amounts to the nearest thousand dollars, unless stated otherwise.

Auditor

YCG Audit Services Pty Ltd is the auditor of the Syndicate.

Proceedings on behalf of the Syndicate

No proceedings have been brought, or intervened in, on behalf of the Syndicate.

Signed in accordance with a resolution of Directors, dated 27 September 2016.



Glenn Willis
CEO and Managing Director

Sydney, 27 September 2016



Audit Services

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Sydney NSW 2000

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE AUBURN CENTRAL SYNDICATE

We have audited the accompanying financial report of the Auburn Central Syndicate, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the period ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Trustee of the Auburn Central Syndicate are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Auburn Central Syndicate and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to the audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation in the financial report, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial report.

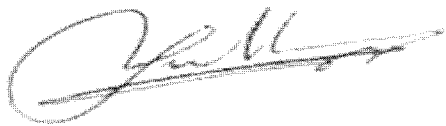
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial report gives a true and fair view of the financial position of the Auburn Central as at 30 June 2016 and its financial performance for the period then ended in accordance with the financial reporting requirements of the Auburn Central as described in Note 1.

A handwritten signature in cursive script that reads "YCG Audit Services".

YCG Audit Services Pty Ltd

A handwritten signature in cursive script, likely belonging to Jonathan Rudman.

Jonathan Rudman
Director
Sydney
27 September 2016

Auburn Central Syndicate
ABN 62 345 350 591

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM 22 MAY 2015 TO 30 JUNE 2016

	22 May 2015 to 30 June 2016 \$'000
Revenue	
Rental income	8,932
Outgoings reimbursements	133
Interest revenue	36
Net unrealised gain from revaluation of investment properties	11,389
Total revenue	20,489
Expenses	
Rates, taxes and other outgoings	2,512
Bad debt expense	183
Borrowing costs	1,962
Professional fees	21
Administration and general costs	48
Management fees	832
Total expenses	5,558
Net profit for the period	14,931
Other comprehensive income	
<i>Items that may be reclassified to profit and loss</i>	
Loss on revaluation of cash flow hedge	(818)
Total comprehensive income for the period	14,113

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Auburn Central Syndicate
ABN 62 345 350 591

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	30 June 2016 \$'000
Assets		
Current Assets		
Cash and cash equivalents		774
Receivables	3	452
Work in progress		57
Prepayments		72
Total current assets		1,355
Non-current assets		
Investment property	4	85,190
Total non-current assets		85,190
Total assets		86,545
Liabilities		
Current Liabilities		
Payables		840
Amounts received in advance		92
Distribution payable	2	725
Total current liabilities		1,657
Non-current liabilities		
Interest bearing liabilities	5	40,357
Financial derivatives		818
Total non-current liabilities		41,175
Total liabilities		42,832
Net assets		43,713
Equity		
Unitholder equity	6	32,819
Reserves		(818)
Retained earnings		11,713
Total equity		43,713

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Auburn Central Syndicate
ABN 62 345 350 591

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 22 MAY 2015 TO 30 JUNE 2016

Attributable to the unitholders

	Note	Contributed Equity \$'000	Retained Earnings \$'000	Reserves \$'000	Total \$'000
Opening balance		-	-	-	-
Net profit for the period		-	14,931	-	14,931
Other comprehensive income for the period		-	-	-	-
Unrealised loss on revaluation of interest rate swap		-	-	(818)	(818)
Total comprehensive income		-	14,931	(818)	14,113
Transactions with unitholders in their capacity as unitholders:					
Units on issue	6	33,150	-	-	33,150
Capital raise cost		(332)	-	-	(332)
Distributions paid and payable	2	-	(3,218)	-	(3,218)
Total equity as at 30 June 2016		32,819	11,713	(818)	43,713

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Auburn Central Syndicate
ABN 62 345 350 591

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 22 MAY 2015 TO 30 JUNE 2016

	Note	22 May 2015 to 30 June 2016 \$'000
Cash flows from operating activities		
Rental and other property income received		9,009
Interest income received		36
Interest paid		(1,921)
Payments to suppliers and employees		(3,520)
Net cash flows from operating activities	13	3,605
Cash flows from investing activities		
Payments for investment property		(73,469)
Net cash flows used in investing activities		(73,469)
Cash flows from financing activities		
Proceeds from interest bearing liabilities		40,500
Payment for debt establishment costs		(184)
Contribution of equity		33,150
Payment for capital raising costs		(335)
Distributions paid		(2,493)
Net cash flows from financing activities		70,638
Net increase in cash and cash equivalents		774
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		774

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

Auburn Central Syndicate
ABN 62 345 350 591

NOTES TO THE FINANCIAL REPORT
FOR THE PERIOD FROM 22 MAY 2015 TO 30 JUNE 2016

1. Significant Accounting Policies

1.1 Financial reporting framework

The Auburn Central Syndicate is an unregistered managed investment scheme domiciled in Australia and has its principal place of business at Auburn Central Shopping Centre, Queen Street, Auburn.

The financial statements were approved by the Directors on 27 September 2016.

1.2 Statement of compliance

These general purpose financial statements have been prepared in accordance with the Fund Constitution, the Debt Facility Agreement and Australian Accounting Standards. Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standards ('IFRS').

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

1.3. Basis of preparation

The financial report has been prepared on the basis of historical cost, except for certain financial instruments and investment properties that are measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Where deemed necessary, the comparatives have been reclassified to achieve consistency with the current financial period.

1.4 Going concern

As at 30 June 2016, the Syndicate is in a net current liability position of \$0.3 million. The Syndicate has non-current assets of \$85.2 million and a net asset position of \$43.7 million. In accordance with AASB 101, an entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or cease trading, or has no realistic alternative but to do so. The accounts of the Syndicate have been prepared on a going concern basis as the net current assets deficiency is due to the timing of distributions paid to unitholders, and management have made an assessment that the cash flow forecasted for the next 12 months will be sufficient to meet the Syndicate's liabilities as and when they fall due.

1.5 Application of new and revised Standards and Interpretations

The following standards, amendments to standards and interpretations have been identified as those which may impact the Syndicate in the period of initial application. They are available for early adoption at 30 June 2016 but have not been applied preparing these financial statements:

AASB 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018); and AASB 16 Leases (effective for annual periods beginning on or after 1 January 2019).

The Syndicate has not yet made an assessment on the impact from adoption of these Standards.

1.6 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Syndicate and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised. Where amounts do not meet the recognition criteria, they are deferred and recognised in the period in which the recognition criteria are met.

Revenues are recognised at the fair value of the consideration received for the sale of goods and services, net of the amount of goods and services tax, rebates and discounts.

Auburn Central Syndicate
ABN 62 345 350 591

NOTES TO THE FINANCIAL REPORT
FOR THE PERIOD FROM 22 MAY 2015 TO 30 JUNE 2016

1. Significant Accounting Policies (continued)

1.6.1 Rental Revenue

Rental income is the income from leasing retail outlets within the Syndicate's commercial real estate premises. Rental income is recognised as revenue on a straight-line basis over the lease term.

1.6.2 Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Syndicate and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

1.7 Expenditure

All expenses are recognised in the statement of profit or loss and other comprehensive income on an accruals basis.

Borrowing costs incurred on interest bearing liabilities are included in Note 1.9.

1.8 Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- a) where the amount of GST incurred is not recoverable from the Australian Taxation Office, it is recognised as part of the cost of acquisition of the asset or as part of an item of the expense; or
- b) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to the taxation authority is included as part of receivables or payables.

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

1.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit or loss and other comprehensive income in the period in which they are incurred.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash at bank.

Auburn Central Syndicate
ABN 62 345 350 591

NOTES TO THE FINANCIAL REPORT
FOR THE PERIOD FROM 22 MAY 2015 TO 30 JUNE 2016

1. Significant Accounting Policies (continued)

1.11 Receivables

Debtors are recognised at amortised cost, which in the case of the Syndicate is the original invoice amount less a provision for any uncollected debts. Collectability of debtors is reviewed on an ongoing basis and bad debts are written off when identified by reducing the amount of the receivable in the statement of financial position. A specific provision is made for any doubtful debts where objective evidence exists that the Syndicate will not be able to collect the amounts due according to the original terms of the receivables.

Indicators that debts may be uncollectible include default in payment (more than 30 days overdue), significant financial difficulties of the debtor and the probability that the debtor will be placed in administration. The debtor's circumstances relating to the default in payment are considered and in some cases alternative payment arrangements may apply. If the debtor defaults on the terms of these arrangements, the debt will be recognised as doubtful.

The amount of the doubtful debt provision is calculated as the difference between the original debt amount and the present value of the estimated future cash flows. The amount of the provision is recognised in the statement of profit or loss and other comprehensive income as a bad and doubtful debts expense.

Where a debtor for which a provision for doubtful debt had been recognised becomes uncollectible in a subsequent period, it is written off against the doubtful debt provision. Subsequent recoveries of amounts previously written off are credited against the bad and doubtful debts expense in the statement of profit or loss and other comprehensive income.

Normal commercial terms and conditions apply to receivables.

All receivables with maturities greater than 12 months after reporting date are classified as non-current assets.

1.12 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

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

1.13 Financial Assets

Financial assets are classified into the following categories: financial assets 'at fair value through profit and loss (FVTPL)', 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Syndicate manages together and has a recent actual pattern of short-term profit taking; or
- it is derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in the statement of profit or loss and other comprehensive income. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "net unrealised gain/(loss) on revaluation of derivatives" line item in the statement of profit or loss and other comprehensive income.

Auburn Central Syndicate
ABN 62 345 350 591

NOTES TO THE FINANCIAL REPORT
FOR THE PERIOD FROM 22 MAY 2015 TO 30 JUNE 2016

1. Significant Accounting Policies (continued)

1.14 Financial liabilities and equity instruments issued by the Syndicate

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the net assets of an entity after deducting all of its liabilities. Equity instruments issued by the Syndicate are recognised at the proceeds received, net of direct issue costs.

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

1.15 Derivatives

The Syndicate enters into derivative financial instruments to manage its exposure to interest rate risk.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit or loss and comprehensive income immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Hedge accounting

The Syndicate designates its hedging instruments, which include derivatives, as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Syndicate documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit or loss and other comprehensive income, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to the statement of profit or loss and other comprehensive income in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the Syndicate revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit or loss and other comprehensive income. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit or loss and other comprehensive income.

Auburn Central Syndicate
ABN 62 345 350 591

NOTES TO THE FINANCIAL REPORT
FOR THE PERIOD FROM 22 MAY 2015 TO 30 JUNE 2016

1. Significant Accounting Policies (continued)

1.16 Impairment of assets

All assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where an indicator of impairment or other objective evidence exists, an estimate of the asset's recoverable amount is made. An impairment loss is recognised in the statement of profit or loss and other comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

1.17 Payables

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

A distribution payable to unitholders of the Syndicate is recognised for the amount of any distribution approved on or before reporting date but not distributed at reporting date. In accordance with the Syndicate Constitution, the Syndicate distributes income to unitholders on a quarterly basis.

All payables with maturities greater than 12 months after the reporting date are classified as non-current liabilities.

1.18 Interest bearing liabilities

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

Interest bearing liabilities are classified as current liabilities where the liability has been drawn under a financing facility which expires within one year. Amounts drawn under financial facilities which expire after one year are classified as non-current.

1.19 Distributions

In accordance with the Syndicate Constitution, the Syndicate distributes income adjusted for unrealised and other amounts as determined by the Directors, to unitholders on a quarterly basis. Refer to note 1.17 for the accounting policy for the distribution payable to unitholders at reporting date.

1.20 Rounding of amounts

The Syndicate has rounded amounts in the financial report to the nearest thousand dollars, unless stated otherwise.

1.21 Critical accounting estimates and judgements

The preparation of the financial statements requires the Trustee to make judgements, estimates and assumptions that affect the amounts reported in the financial statements. The Trustee bases its judgements and estimates on historical experience and other various factors it believes to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which form the basis of the carrying values of assets and liabilities. As such, actual results could differ from those estimates.

The areas where a higher degree of judgment or complexity arise, or areas where assumptions and estimates are significant to the Syndicate's financial statements, are detailed below:

(i) Fair value of investment properties

Investment properties are carried at fair value with changes in fair value recognised in the statement of profit or loss and comprehensive income. Fair value is defined as the price at which an asset or liability could be exchanged in an arm's length transaction between knowledgeable, willing parties, other than in a forced or liquidation sale.

In reaching estimates of fair value, management judgment needs to be exercised. The level of management judgment required in establishing fair value of the investments for which there is no quoted price in an active market is reduced through the use of external valuations.

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2 Unitholders' distribution

Distributions paid and payable by the Syndicate during the period are:

	Note	30 June 2016 \$	\$/unit
Distributions paid - June 2015 quarter	(i)	317,657	0.0096
Distributions paid - September 2015 quarter	(ii)	725,156	0.0219
Distributions paid - December 2015 quarter	(iii)	725,156	0.0219
Distributions paid - March 2016 quarter	(iv)	725,156	0.0219
Distributions payable - June 2016 quarter	(v)	725,156	0.0219
Total distributions paid and payable		3,218,281	0.0971

- (i) The distribution for the June 2015 quarter was paid on 19/08/2015
(ii) The distribution for the September 2015 quarter was paid on 20/11/2015
(iii) The distribution for the December 2015 quarter was paid on 19/02/2016
(iv) The distribution for the March 2016 quarter was paid on 20/05/2016
(v) The distribution for the June 2016 quarter was paid on 19/08/2016

3. Receivables

	30 June 2016 \$'000
Current	452
Trade debtors	452
Total receivables	

4. Investment Properties

	30 June 2016 \$'000
Non-current	
Investment properties held at fair value	85,190
Total investment properties held at fair value	85,190

	30 June 2016 \$'000
Non-current	
Balance at the beginning of the period	73,801
Acquisitions	11,389
Net unrealised gain from revaluation of investment properties (1)	85,190
Total investment properties	

(1) Based on Knight Frank draft valuation report obtained for the Auburn Central property of \$85.2m.

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5. Interest bearing liabilities

	30 June 2016 \$'000
Non-current - secured	
Debt facility	
Unamortised costs	40,500
Total interest bearing liabilities	(143)
	40,357

Financial facilities

The Syndicate has the following facility available:

Facility	Expiry	30-June-2016 \$'000		
		Drawn	Facility Limit	Undrawn Amount
BankWest debt facility	12-May-20	40,500	41,700	1,200
		40,500	41,700	1,200

6. Contributed equity

	No. of units '000	30 June 2016 \$'000
Opening balance		
New units issued		
Equity raising fee	33,150	33,150
Return of equity	-	(332)
Total contributed equity	33,150	32,819

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7. Financial risk management

The Syndicate's principal financial instruments comprise cash, receivables, interest bearing loans, derivatives, payables and distributions payable.

The Syndicate's activities are exposed to a variety of financial risks: market risk (including interest rate risk and equity price risk), credit risk and liquidity risk.

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

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

The Board has established Treasury Guidelines outlining principles for overall risk management and policies covering specific areas, such as mitigating foreign exchange, interest rate and liquidity risks.

The Syndicate's Treasury Guidelines provide a framework for managing the financial risks of the Syndicate with a key philosophy of risk mitigation. Derivatives are exclusively used for hedging purposes, not as trading or other speculative instruments. The Syndicate uses derivative financial instruments such as interest rate swaps where possible to hedge certain risk exposures.

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

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

a) Market risk

Market risk refers to the potential for changes in the value of the Syndicate's financial instruments or revenue streams from changes in market prices. There are various types of market risks to which the Syndicate is exposed including those associated with interest rates, currency rates and equity market price.

(i) Interest rate risk

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

As at reporting date, the Syndicate had the following interest bearing assets and liabilities:

	Floating interest rate	Fixed interest Maturity < 1 yr	Fixed interest Maturity 1 - 5 yrs	Fixed interest Maturity > 5 yrs	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2016					
Assets					
Cash and cash equivalents	774	-	-	-	774
Total Assets	774	-	-	-	774
Weighted average interest rate					1.50%
Liabilities					
Interest bearing liabilities	-	-	40,357	-	40,357
Financial derivatives	-	-	818	-	818
Total Liabilities	-	-	41,175	-	41,175
Weighted average interest rate					4.24%

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7. Financial risk management (continued)

Interest Rate Sensitivity

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

	Amount	Increase by 1% Profit	Equity	Decrease by 1% Profit	Equity
30 June 2016					
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	774	8	-	(8)	-
Derivative financial instruments	818	-	(205)	-	205
Interest bearing loans	40,357	-	-	-	-
Total increase / (decrease)	41,949	8	(205)	(8)	205

b) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The Syndicate manages credit risk on receivables by performing credit reviews of prospective debtors, obtaining collateral where appropriate and performing detailed reviews on any debtor arrears. Credit risk on derivatives is managed through limiting transactions to investment grade counterparties.

Exposure to credit risk

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

	30 June 2016 \$'000
Cash and other cash equivalents	774
Trade and other receivables	452
Total	1,225

Where entities have a right of set-off and intend to settle on a net basis under netting arrangements, this set-off has been recognised in the consolidated financial statements on a net basis. Details of the Syndicate's contingent liabilities are disclosed in Note 12.

Trade and other receivables consist of GST, distributions and other receivables. At balance date 46% of the Syndicate's receivables were due from Australian tax authorities in respect of GST.

At balance date there were no other significant concentrations of credit risk.

No allowance has been recognised for the GST from the taxation authorities. Based on historical experience, there is no evidence of default from these counterparties which would indicate that an allowance was necessary.

Impairment losses

The ageing of trade and other receivables at reporting date is detailed below:

	30 June 2016 \$'000
Current	189
Past due 31-60 days	130
Past due 61+ days	133
Total	452

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7. Financial risk management (continued)

c) Liquidity risk

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

The following are the undiscounted contractual cash flows of derivatives and non derivative financial liabilities shown at their nominal

30 June 2016	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	Contractual cash flows \$'000	Carrying amount \$'000
Derivative financial liabilities					
Derivatives	273	612	-	885	818
Non derivative financial liabilities					
Payables	840	-	-	840	840
Interest bearing loans	1,921	42,278	-	44,199	40,357
Total	3,034	42,890	-	45,924	42,015

d) Capital risk management

The Syndicate maintains its capital structure with the objective to safeguard its ability to continue as a going concern, to increase the returns for unitholders and to maintain an optimal capital structure. The capital structure of the Syndicate consists of equity as listed in Note 6.

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

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

8. Fair value measurement

The Syndicate recognises the following assets and liabilities at fair value on a recurring basis:

- * Investment Properties
- * Derivatives carried at fair value through reserves

(a) Fair value hierarchy

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy.

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2);
- and
- c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table presents the Syndicate's assets and liabilities measured and recognised at fair value at 30 June 2016 on a recurring basis:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
June 2016				
Assets measured at fair value				
Investment property	-	-	85,190	85,190
Total assets	-	-	85,190	85,190
Liabilities measured at fair value				
Derivatives	-	818	-	818
Total liabilities	-	818	-	818

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8. Fair value measurement (continued)

(b) Reconciliation of movements in fair value of level 3 assets and liabilities for the period to 30 June 2016

	Investment property (Level 3) \$'000	Total \$'000
Opening balance	-	-
Acquisitions	-	-
Revaluations	73,801	73,801
	11,389	11,389
Closing balance	85,190	85,190

The Syndicate did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2016.

(c) Valuation techniques used to derive Level 2 and Level 3 fair values

Financial Instruments

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

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is not applicable for the Syndicate.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments;
 - The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- and

All of the resulting fair value estimates of financial instruments are included in level 2. There are no level 3 financial instruments in the Syndicate.

Property Assets

The aim of the valuation process is to ensure that assets are held at fair value and that the Syndicate is compliant with applicable Australian Accounting Standards, regulations, and the Trust's Constitution.

All properties are required to be internally valued every six months with the exception of those independently valued during that six month period. The internal valuations are performed by utilising the information from a combination of asset plans and forecasting tools prepared by the asset management team. Appropriate capitalisation rate, terminal yield and discount rates based on comparable market evidence and recent external valuation parameters are used to produce a capitalisation based valuation and a discounted cash flow valuation.

The internal valuations are reviewed by the Chief Operating Officer who recommends each property's valuation to the Board of the Trustee in accordance with the Syndicate's internal valuation protocol.

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

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

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8. Fair value measurement (continued)

Valuation technique and inputs

The key inputs used to measure fair values of investment properties are disclosed below along with their sensitivity to an increase or

The investment properties fair values presented are based on market values, which are derived using the capitalisation and the discounted cashflow methods. The Syndicate's preferred or primary method is the capitalisation method.

Capitalisation method

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

Discounted cash flows (DCF)

Under the DCF method, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. The DCF method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate discount rate is applied to establish the present value of the income stream associated with the property. The discount rate is the rate of return used to convert a monetary sum, payable or receivable in the future, into present value. The rate is determined with regards to market evidence and the prior independent valuation.

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

The significant unobservable inputs associated with the valuation of the Syndicate's investment properties are as follows:

	Book Value 30 June 2016 \$'000	Capitalisation Rate %	Discount Rate %
Assets measured at fair value			
Investment properties	85,190	7.00%	8.25%
Total assets	85,190		

Sensitivity Information

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

	Capitalisation Rate %	Discount Rate %
Fair value measurement sensitivity to significant increase in input	Decrease	Decrease
Fair value measurement sensitivity to significant decrease in input	Increase	Increase

Sensitivity Analysis

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

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

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9. Related parties

9.1 Trustee and Manager

Elanor Funds Management Limited, the Trustee, has appointed Colliers International (NSW) Pty Limited as the Manager / Operator of the Property. Elanor Funds Management Limited is the Trustee and is considered to be a related party of the Syndicate.

9.2 Details of Key Management Personnel

The Directors of Elanor Funds Management Limited, the Trustee of the Syndicate, are considered to be Key Management Personnel.

Paul Bedbrook
Glenn Willis
William Moss AO
Nigel Ampherlaw

9.3 Other Key Management Personnel

In addition to the Directors, the following persons were Key Management Personnel with the authority for the strategic direction and management of the Syndicate.

Michael Baliva - Fund Manager	Elanor Operations Pty Limited
Symon Simmons - Chief Financial Officer	Elanor Operations Pty Limited
Paul Siviour - Chief Operating Officer	Elanor Operations Pty Limited

9.4 Remuneration of Key Management Personnel

Compensation is paid to the Trustee in the form of fees and is disclosed in Note 9.5. No other amounts are paid by the Syndicate directly or indirectly to the Key Management Personnel for services provided to the Syndicate.

The Directors of the Trustee receive remuneration in their capacity as Directors of the Trustee. The Directors are employed by Elanor Operations Pty Limited, and in that capacity, part of their role is to act as a Director of the Trustee. Other Key Management Personnel are employed and paid by Elanor Operations Pty Limited.

Consequently, no compensation as defined in AASB 124 Related Party Disclosures is paid by the Syndicate to its Key Management Personnel, other than that paid to the Trustee.

9.5 Trustee fees

(i) Base fees

For the period from 22 May 2015 to 30 June 2016, the total amounts paid and payable in relation to base fees were \$831,762.

(ii) Cost recoveries

For the period from 22 May 2015 to 30 June 2016, the total amounts paid and payable in relation to cost recoveries were \$43,977.

9.6 Related party unitholdings

Directors, employees and associates of Elanor Funds Management Limited and entities controlled by the Trustee may hold investments in the Syndicate. Such investments were purchased on normal commercial terms and were at arm's length. The number of units held by Directors of Elanor Funds Management Pty Limited (including entities controlled, jointly controlled or significantly influenced by them), employees and associates are as follows:

	30 June 2016 No. of fully paid units	30 June 2016 \$
Investment held by Elanor Investment Trust	614,000	607,860
Investment held by Directors and employees	1,140,000	1,128,600
Total investment held by Directors and employees	1,754,000	1,736,460

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10. Auditor's remuneration

YCG Audit Services Pty Ltd is the auditor of the Syndicate. Amounts paid or payable to the auditors of the Syndicate:

	30 June 2016 \$
Audit services	17,500
Audit of financial report	17,500
Total auditor's remuneration	17,500

11. Events occurring after the reporting date

Subsequent to year end, the Syndicate obtained a draft external valuation for the Auburn Central property for a proposed transaction that would result in this asset being included in a listed retail fund. As at the date of the signing of the Syndicate's financial report, the proposed transaction has not yet occurred and the external valuation has not been finalised. The internal valuation assessment performed at 30 June 2016 resulted in a revaluation of investment properties of \$11.7m being recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the period that has significantly, or may significantly, affect the operations of the Syndicate, the results of those operations, or the state of affairs of the Syndicate in future

12. Commitments and contingencies

(a) Contingent liabilities

The Syndicate has no contingent liabilities as at 30 June 2016.

(b) Contingent assets

The Syndicate has no contingent assets as at 30 June 2016.

(c) Commitments

The Syndicate has no commitments as at 30 June 2016.

13. Reconciliation of profit for the period to net cash flows from operating activities

	30 June 2016 \$'000
Profit for the period	14,933
Net unrealised gain from revaluation of investment properties	(11,389)
Rental income straight-lining	(332)
Amortisation of borrowing costs	41
	3,253
Movement in working capital	(452)
Increase in trade and other receivables	(57)
Increase in WIP	(72)
Increase in prepayments	840
Increase in trade and other payables	92
Increase in amounts received in advance	352
	3,605
Net cash generated by operating activities	3,605

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DIRECTORS' DECLARATION

In the opinion of the Directors of Elanor Funds Management Limited as Trustee for Auburn Central Syndicate, we declare that in the opinion of the Directors:

- (a) The financial statements and notes set out on pages 7 to 24 are in accordance with the Syndicate Constitution and the Debt Facility Agreement, including:
 - (i) complying with Australian Accounting Standards and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the entity's financial position as at 30 June 2016 and of its performance for the period ended on that date; and
- (b) There are reasonable grounds to believe that the Syndicate will be able to pay its debts as and when they become due and payable.
- (c) Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Signed in accordance with a resolution of the Directors of the Trustee, Elanor Funds Management Limited, dated 27 September 2016.

On behalf of the Directors



Glenn Willis
CEO and Managing Director

Sydney
27 September 2016

