

APPENDIX 4E

Annual Financial Report

Year ended 30 June 2024

Name of Entity: Ingenia Communities Group ("INA"), a stapled entity comprising Ingenia Communities Holdings Limited ACN 154 444 925, Ingenia Communities Fund ARSN 107 459 576, and Ingenia Communities Management Trust ARSN 122 928 410.

Current period:	1 July 2023 - 30 June 2024
Previous corresponding period:	1 July 2022 - 30 June 2023

Results for announcement to the market

	30 June 2024	30 June 2023	Change	Change
	\$'000	\$'000	\$'000	%
Revenue	472,292	394,468	77,824	20%
Net profit for the year attributable to members	14,020	64,368	(50,348)	(78%)
Underlying profit	94,766	83,114	11,652	14%
Net asset value per security (\$)	\$3.70	\$3.77	(\$0.07)	(2%)
Net tangible assets per security (\$)¹	\$3.69	\$3.52	\$0.17	5%
Distributions - (cents) Final Distribution (payable 19 September 2024) Interim Distribution (paid 21 March 2024) Total Distributions				
	6.1	5.8	0.3	5%
	5.2	5.2	-	-
	11.3	11.0	0.3	3%
FY24 Final distribution dates				
Ex-dividend date	23 August 2024			
Record date	5pm 26 August 2024			
Payment date	19 September 2024			
The Dividend and Distribution Reinvestment Plan is not operational for this distribution.				

Details of entities over which control has been gained or lost during the period

Control gained: None
Control lost: None

Details of any associates and joint venture entities required to be disclosed

The Group has a 50% interest in the following joint venture entities and their wholly owned subsidiaries:

- Sungenia LandCo Pty Ltd
- Sungenia Land Trust
- Sungenia OpCo Pty Ltd
- Sungenia Operations Trust
- Sungenia Development Pty Ltd

Refer to Note 15 in the 30 June 2024 Annual Financial Report for further detail.

¹ Net tangible asset per security includes right-of-use assets.

Other significant information and commentary on results

Please refer to the Group's separate results presentation and announcement.

Additional Appendix 4E disclosure requirements can be found in the Directors' Report and the 30 June 2024 Annual Financial Report.

Audit status

This report is based on the consolidated 30 June 2024 Annual Financial Report of Ingenia Communities, which has been audited by Ernst & Young. The Auditor's Independence Declaration provided by Ernst & Young is included in the 30 June 2024 Annual Financial Report.

For all other information required by Appendix 4E, including a results commentary, please refer to the following documents:

- Operating and financial review
- Financial Report
- Results presentation and media release



Charisse Nortje
Company Secretary
20 August 2024



INGENIA COMMUNITIES' HOLDINGS LIMITED
A.C.N. 154 444 925

FINANCIAL REPORT
YEAR ENDED 30 JUNE 2024

www.ingeniacommunities.com.au
Registered Office: Level 3, 88 Cumberland Street, The Rocks NSW 2000

Annual Report

Ingenia Communities Holdings Limited

For the year ended 30 June 2024

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Directors' Report

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

The Directors of Ingenia Communities Holdings Limited ("ICH" or the "Company") present their report together with the Company's financial report for the year ended 30 June 2024 (the "current period") and the Independent Auditor's Report thereon. The Company's financial report comprises the consolidated financial report of the Company and its controlled entities, including Ingenia Communities Fund ("ICF" or the "Fund") and Ingenia Communities Management Trust ("ICMT") (collectively, the "Trusts").

The shares of the Company are "stapled" with the units of the Trusts and trade on the Australian Securities Exchange ("ASX") as one security (ASX Code: INA). Ingenia Communities RE Limited ("ICRE" or "Responsible Entity"), a wholly owned subsidiary of the Company, is the responsible entity of the Trusts. In this report, the Company and the Trusts are referred to collectively as the Group.

In accordance with Accounting Standard AASB 3 *Business Combinations*, the stapling of the Company and the Trusts was regarded as a business combination. The Company has been identified as the parent for preparing consolidated financial reports.

DIRECTORS

The Directors of the Company at any time during or since the end of the current period were:

KMP	Position	Term
Non-Executive Directors (NEDs)		
Jim Hazel	Chairman	Full year
Robert Morrison	Deputy Chairman	Full year
Pippa Downes	Director	Full year
Sally Evans	Director	Full year
Lisa Scenna	Director	Appointed, effective 1 May 2024
Shane Gannon	Director	Appointed, effective 28 June 2024
Simon Shakesheff	Director	Appointed, effective 28 June 2024
John McLaren	Director	1 July 2023 to 2 November 2023
Amanda Heyworth	Director	1 July 2023 to 20 June 2024
Gregory Hayes	Director	Full year (resigned, effective 1 July 2024)
Executive Director		
John Carfi	Managing Director	Appointed, effective 13 August 2024
	Chief Executive Officer	Commenced 1 April 2024
Simon Owen	Managing Director	1 July 2023 to 21 February 2024
	Chief Executive Officer	1 July 2023 to 31 March 2024 ⁽¹⁾

(1) Mr Owen remained in service through to 30 June 2024.

Company Secretaries

Natalie Kwok (Chief Investment Officer and General Counsel (CIO and GC))
Charisse Nortje

Qualifications, experience and special responsibilities

Jim Hazel - Chair/Independent Non-Executive Director

Experience and expertise

Mr Hazel was appointed to the Board in March 2012. Mr Hazel has had an extensive corporate career in both the banking and retirement sectors. His retirement village operations experience includes being Managing Director of Primelife Corporation Limited (now part of Lend Lease).

Mr Hazel also serves as Deputy Chancellor of Adelaide University, as well as Chair of Barossa, Hills and Fleurieu Health Service, and is a director of COTA Australia, the peak policy development and advocacy organisation for older Australians.

Mr Hazel holds a Bachelor of Economics and is a Senior Fellow of the Financial Services Institute of Australasia and a Fellow of the Australian Institute of Company Directors.

In 2023 Mr Hazel was made a Life Member of the Retirement Living Council, and in 2024 a Member of the Hall of Fame of the Property Council of Australia, for his services to the Senior Housing sector.

Other current listed company directorships

Nil

Former listed company directorships in the last three years

Bendigo and Adelaide Bank Ltd (ASX:BEN) (October 2023)

Directors' Report (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

Special responsibilities as at 30 June 2024

Member of the Audit, Risk and Sustainability Committee

Robert Morrison – Independent Non-Executive Director and Deputy Chairman

Experience and expertise

Mr Morrison was appointed to the Board in February 2013. He brings to the Board extensive experience in property investments, property development, portfolio management and capital raisings as well as institutional funds management.

Mr Morrison is a Founding Partner and Executive Director of alternative investments firm, Barwon Investment Partners, which invests in healthcare real estate, property finance and private equity on behalf of institutional and wholesale investors.

Mr Morrison's investment experience includes senior portfolio management roles where he managed both listed and unlisted property funds on behalf of institutional investors. Prior executive positions include Head of Property for Asia Pacific and Director of Asian Investments at AMP Limited.

Mr Morrison was previously a Non-Executive Director of Mirvac Funds Management Limited, an Executive Director of AMP Capital Limited and a National Director of the Property Council of Australia.

Mr Morrison holds a Bachelor of Town and Regional Planning (Hons) and a Master of Commerce.

Other current listed company directorships

Nil

Former listed company directorships in the last three years

Nil

Special responsibilities as at 30 June 2024

Chair of the Investment Committee

Member of the Remuneration and Nomination Committee

Pippa Downes – Independent Non-Executive Director

Experience and expertise

Ms Downes was appointed to the Board on 4 December 2019. Ms Downes is a professional company director who has held executive and non-executive roles across listed, not-for-profit and government enterprises.

Ms Downes brings to the Board significant experience in international banking, finance and capital markets as well as broad industry knowledge across financial services, technology, infrastructure and property. Prior executive roles include Managing Director and Equity Partner at Goldman Sachs JB Were. Ms Downes currently serves on the boards of Australian Technology Innovators and Ms Downes is a member of the Australian Super Investment Committee as well as a member of the ASIC Consultative Panel.

Ms Downes was previously a Director of Zip Co Limited, ALE Property Group and Windlab Limited. Ms Downes was formerly a Panel Member of the ASX Appeals Tribunal and served as a Director of ASX Clearing and Settlement Companies. She was also a Director of Sydney Olympic Park Authority, The Pinnacle Foundation, Swimming Australia Limited and its Foundation and served as a Commissioner of Sport Australia.

Ms Downes holds a Masters in Applied Finance and a Bachelor of Science (Business Administration) and is a member of the Australian Institute of Company Directors, Chief Executive Women and Women Corporate Directors.

Other current listed company directorships

Nil

Former listed company directorships in the last three years

Zip Co Limited (ASX: ZIP) (June 2022)

ALE Property Group (ASX: LEP) (December 2021)

Special responsibilities as at 30 June 2024

Chair of the Audit, Risk and Sustainability Committee

Member of the Investment Committee

Directors' Report (continued)

Ingenia Communities Holdings Limited

For the year ended 30 June 2024

Gregory Hayes – Independent Non-Executive Director

Experience and expertise

Mr Hayes was appointed to the Board on 17 September 2020 and stepped down on 1 July 2024. Mr Hayes is an experienced executive and company director, with more than 30 years' experience across a range of industries including property, infrastructure, energy, and logistics in both listed and private entities.

Mr Hayes' prior roles include Chief Financial Officer and Executive Director of Brambles Limited, Chief Executive Officer & Group Managing Director of Tenix Pty Ltd, Chief Financial Officer and interim CEO of the Australian Gaslight Company (AGL), Chief Financial Officer Australia and New Zealand of Westfield Holdings, and Executive General Manager, Finance of Southcorp Limited. Mr Hayes brings to the Board skills and experience in the areas of strategy, finance, mergers and acquisitions, and strategic risk management, in particular in listed companies with global operations.

He currently serves on the boards of HMC Capital, HomeCo Daily Needs REIT, Aurrum Holdings Pty Ltd and High Resolves.

Mr Hayes holds a Master of Applied Finance, a Graduate Diploma in Accounting and a Bachelor of Arts and also completed an Advanced Management Programme (Harvard Business School, Massachusetts).

Other current listed company directorships

HMC Capital Limited (ASX: HMC)

HomeCo Daily Needs REIT (ASX: HDN)

Former listed company directorships in the last three years

Nil

Special responsibilities as at 30 June 2024

Member of the Investment Committee

Sally Evans – Independent Non-Executive Director

Experience and expertise

Ms Evans was appointed to the Board on 1 December 2020. Ms Evans is an experienced executive and company director, with expertise in health, aged care and financial services developed through roles with listed and private companies in New Zealand, the United Kingdom, Hong Kong, and Australia.

Ms Evans' prior roles include Head of Retirement at AMP, Investment Director at AMP Capital and Director, Westpac Institutional Bank. Prior director roles include Opal Specialist Aged Care, LifeCircle and Gateway Lifestyle, which delisted in November 2018.

Ms Evans brings to the Board skills and experience in the areas of retirement and ageing, the delivery of digital solutions, customer experience, strategy, and risk.

She currently serves on the boards of Healius Limited, Oceania Healthcare, Allianz Australia Life Holdings and Rest Superannuation, and is a member of the Aged Care Quality & Safety Commission Advisory Council. Ms Evans was previously also a member of the Australian Government's Aged Care Financing Authority.

Ms Evans holds a MSc in Business Leadership from the Compass Group, a Bachelor of Applied Science from the University of Otago, is a Fellow of the Australian Institute of Company Directors and a Graduate of the Australian Institute of Superannuation Trustees.

Other current listed company directorships

Healius Limited (ASX: HLS)

Oceania Healthcare (NZX: OCA)

Former listed company directorships in the last three years

Nil

Special responsibilities as at 30 June 2024

Chair of the Remuneration and Nomination Committee

Member of the Audit, Risk and Sustainability Committee

Directors' Report (continued)

Ingenia Communities Holdings Limited

For the year ended 30 June 2024

Lisa Scenna – Non-Executive Director

Experience and expertise

Ms Scenna was appointed to the Board on 1 May 2024. Ms Scenna brings a wealth of experience to the Group, spanning more than 30 years developing strategy and driving performance in property management, asset management and funds management within Australia and the United Kingdom, across listed and private entities. Ms Scenna's experience includes key executive and non-executive director roles with a focus on development, real estate and infrastructure.

Ms Scenna's previous executive roles include UK Joint Managing Director (Stockland), Head of Explore Investments Group (Laing O'Rourke) and Managing Director Morgan Sindall Investments (Morgan Sindall Group plc). She also currently serves as a non-executive director on the boards of Cromwell Property Group, Dexus Capital Funds Management and Investment Services, Harworth Group, Gore Street Energy Storage Fund and Genuit Group.

Ms Scenna holds a Bachelor of Commerce and is a Fellow of Chartered Accountants Australia and New Zealand, as well as a Member of the Australian Institute of Company Directors.

Other current listed company directorships

Cromwell Property Group (ASX:CMW)

Harworth Group (LSE:HWG)

Gore Street Energy Storage Fund (LSE:GSF)

Genuit Group (LSE:GEN)

Former listed company directorships in the last three years

Nil

Special responsibilities as at 30 June 2024

Member of the Audit, Risk and Sustainability Committee (16 May 2024 – present)

Member of the Remuneration and Nomination Committee (16 May 2024 – present)

Shane Gannon – Non-Executive Director, Chair-elect

Experience and expertise

Mr Gannon was appointed to the Board on 28 June 2024.

Mr Gannon is an experienced executive and company director, with more than 40 years' experience working with leading ASX listed entities across industries including real estate, mining services, FMCG, and financial services.

Mr Gannon's prior roles include Chief Financial Officer with Mirvac Limited, Endeavour Group, Goodman Fielder, CSR Limited and Dyno Nobel. He also spent ten years at Lendlease in a range of divisional CFO and executive roles including the retail, commercial and financial services divisions.

Mr Gannon brings to the board skills and experience in finance and real estate, equity and debt capital markets, commercial property transactions, corporate governance, and people management.

Mr Gannon currently serves on the Board of GPT Group. Mr Gannon was previously a Director of CSR Limited. Mr Gannon is Chair-elect and will step into the role of Chair of Ingenia Communities Group following the 2024 Annual General Meeting.

Mr Gannon holds a Bachelor of Business (Accounting) and is a Fellow of both the Australian Institute of Company Directors and CPA Australia.

Other current listed company directorships

GPT Group (ASX: GPT)

Former listed company directorships in the last three years

Nil

Directors' Report (continued)

Ingenia Communities Holdings Limited

For the year ended 30 June 2024

Simon Shakesheff – Non-Executive Director

Experience and expertise

Mr Shakesheff was appointed to the Board on 28 June 2024.

Mr Shakesheff is an experienced executive and company director with significant property and finance expertise covering strategy, debt and equity finance, and mergers and acquisitions developed through advisory and corporate executive roles.

Mr Shakesheff's prior roles include equities analyst covering listed real estate and retail companies at Macquarie Bank and JP Morgan, and corporate advisor to major real estate groups at UBS and Bank of America Merrill Lynch. He was formerly the Head of Strategy and Stakeholder Relations at Stockland Trust Group.

Mr Shakesheff is Chair of Kiwi Property Trust and is the Chair of HomeCo Daily Needs REIT. He is also a non-executive director of Cbus Property, SGCH (formerly St George Community Housing) and Assembly Funds Management.

Mr Shakesheff has a Master of Commerce degree in finance and accounting from UNSW.

Other current listed company directorships

HomeCo Daily Needs REIT (ASX: HDN)

Kiwi Property Trust (NZX: KPG)

Former listed company directorships in the last three years

Nil

John McLaren – Non-Executive Director

Experience and expertise

Mr McLaren was appointed to the Board on 6 December 2021 and stepped down on 2 November 2023. Mr McLaren previously acted as Alternate Director for Gary Shiffman (February 2019 – December 2021). Mr McLaren has over 30 years of experience in executive and non-executive roles in financial and real estate public companies listed on the New York Stock Exchange.

Formerly President and Chief Operating Officer, Mr McLaren is currently a Strategic Advisor for Sun Communities, Inc. (NYSE: SUI) and has been actively involved in the management, acquisition, construction and development of manufactured housing communities and recreational vehicle resorts as well as home sales and leasing operations within communities and resorts over the past twenty plus years.

Mr McLaren holds a Bachelor of Arts degree in Geology from the University of Colorado, Boulder and a Master of Business Administration degree from Regis University, Denver.

Other current listed company directorships

Nil

Former listed company directorships in the last three years

Nil

Special responsibilities as at 30 June 2024

Nil

Amanda Heyworth – Independent Non-Executive Director

Experience and expertise

Ms Heyworth was appointed to the Board in April 2012 and stepped down from the Board on 20 June 2024. She is a professional company director with broad experience in high growth companies, M&A transactions and venture capital investments with expertise in developing and executing growth strategies and digital transformation.

Ms Heyworth serves on the board of Heritage and People's Choice and chairs boards in the university and Government sectors. Previously, Ms Heyworth ran a venture capital fund and held roles in investment banking and the Federal Treasury. Ms Heyworth holds a BA (Accounting) with a major in finance, post graduate qualifications in accounting and finance and an MBA from the Australian Graduate School of Management. Ms Heyworth is also a Fellow of the Australian Institute of Company Directors.

Other current listed company directorships

Nil

Directors' Report (continued)

Ingenia Communities Holdings Limited

For the year ended 30 June 2024

Former listed company directorships in the last three years

Nil

Special responsibilities as at 30 June 2024

Member of the Audit, Risk and Sustainability Committee (until 20 June 2024)

Member of the Remuneration and Nomination Committee (until 20 June 2024)

Simon Owen – MD and CEO

Experience and expertise

Mr Owen joined the Group in November 2009 as the Managing Director and Chief Executive Officer. Mr Owen stepped down as MD on 21 February 2024.

He initiated the strategy to focus on developing and acquiring a leading portfolio of lifestyle and holiday communities which has seen the Group's market capitalisation grow from \$30 million to over \$1.7 billion.

Mr Owen brings to the Group in-depth sector experience. He is a past member of the Retirement Living Division Council (part of the Property Council of Australia) and a former National President of the Retirement Villages Association (now part of the Retirement Living Council), the peak industry advocacy group for the owners, operators, developers and managers of retirement communities in Australia. He is also a prior director of BIG4 Holiday Parks, Australia's leading holiday parks group.

Mr Owen has over 30 years' experience working in ASX listed groups with roles across finance, funds management, mergers and acquisitions, business development and sales and marketing. Prior to joining Ingenia Communities, he was the CEO of Aevum, a formerly listed seniors housing and aged care company.

Mr Owen is a qualified accountant (CPA) with a Bachelor of Business (Accounting) and post graduate diplomas in finance and investment and advanced accounting.

Other current listed company directorships

Nil

Former listed company directorships in the last three years

Nil

Special responsibilities as at 30 June 2024

Nil

Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director was as follows:

	Board		Audit, Risk & Sustainability Committee		Remuneration & Nomination Committee		Investment Committee	
	A	B	A	B	A	B	A	B
Jim Hazel	15	15	6	4	-	-	-	-
Robert Morrison	15	13	-	-	5	4	6	6
Pippa Downes	15	15	6	6	-	-	6	6
Gregory Hayes	15	13	-	-	-	-	6	4
Sally Evans	15	14	6	6	5	5	-	-
Lisa Scenna	2	2	1	1	-	-	-	-
John McLaren	5	2	-	-	-	-	-	-
Amanda Heyworth	15	15	6	6	5	5	-	-
Simon Owen	12	10	-	-	-	-	-	-
Shane Gannon	-	-	-	-	-	-	-	-
Simon Shakesheff	-	-	-	-	-	-	-	-

A: Meetings eligible to attend **B:** Meetings attended

Directors' Report (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

Interests of Directors

Securities in the Group held by directors or their associates as at 30 June 2024 were:

	Issued stapled securities	Rights
Jim Hazel	439,445	-
Robert Morrison	254,528	-
Pippa Downes	40,868	-
Gregory Hayes	32,000	-
Sally Evans	43,882	-
Lisa Senna	-	-
Shane Gannon	-	-
Simon Shakesheff	-	-

Company Secretaries

Natalie Kwok – CIO and GC

Ms Kwok joined Ingenia in 2012 and is responsible for the Group's capital transactions and corporate legal functions and is joint Company Secretary. She has responsibility for Ingenia's acquisitions program, which has seen the Group successfully build a portfolio of lifestyle and holiday communities and a growing development pipeline.

Ms Kwok has over 20 years' experience in corporate and commercial dealings, having worked at PwC, Challenger Financial Services and a commercial law firm. She chairs the Residential Land Lease Alliance and is the Group's representative on the Retirement Living Council and the Caravan & Camping Industry Association.

Ms Kwok holds a Bachelor of Law (Honours) and a Bachelor of Commerce and is both a Chartered Accountant and a Solicitor.

Charisse Nortje

Ms Nortje has extensive company secretarial and governance experience, in both listed and private entity environments. Ms Nortje has worked mainly in the property and financial services sector for over 10 years and previous experience includes spending almost 8 years in the UK working for listed and unlisted organisations in similar roles, across logistics and manufacturing.

Ms Nortje holds a Bachelor of Law as well as an MBA.

Ms Nortje is also a Fellow of the Governance Institute of Australia as well as the Chartered Governance Institute (FGIA/FCG).

OPERATING AND FINANCIAL REVIEW

ICH overview

The Group is an active owner, manager and developer of a diversified portfolio of lifestyle, rental and holiday communities along Australia's east coast. The Group's real estate assets at 30 June 2024 were valued at \$2.3 billion, comprising 38 lifestyle rental and 33 holiday communities and 19 seniors rental communities (Ingenia Gardens). The Group also manages and has a co-investment in 11 assets through its development joint venture (JV) and funds management platform and provides management and development services to these entities. The Group was first included in the S&P/ASX 200 in December 2019 and had a market capitalisation of approximately \$1.9 billion at 30 June 2024.

The Group's aim is to create Australia's best residential communities and holiday park accommodation, with a strong focus on customer satisfaction. The Board is committed to delivering long-term growth to security holders while providing a supportive community environment for residents and guests and creating communities that have a positive impact on our stakeholders and planet.

Directors' Report (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

At Ingenia we build belonging



Strategy

The Group is positioning for scale and long-term sector leadership while enhancing the operational performance of its investment properties and developing new sustainable communities.

The Group's focus is on accelerating the transition from an aggregator of land and assets to an operationally efficient developer and operator. The Group will continue to refine its operating model and development delivery through business simplification, a focus on efficiency and financial performance, a focus on land lease development as a driver of growth and accessing capital strategic partnerships to release capital from lower growth assets.

The immediate business priorities of the Group are:

- Continued focus on business simplification through changes in structure to drive productivity and accountability;
- Acceleration of the development pipeline in line with customer demand;
- Optimisation of returns from development projects, through changes to design and procurement;
- Select investment in all age rental and holidays communities to improve returns;
- Improve performance of existing communities through maintainable rental growth, active cost management and a focus on customer needs;
- Improve resident and guest experience by investing in our systems and processes;
- Enhance competitive advantage through recruiting, retaining and developing industry leading talent;
- Build on the Group's sustainability program through environmental, social and governance initiatives which include progressing the construction of three communities targeting a Green Star - Communities rating, delivering emissions reductions and expanding charitable giving; and
- Maintain focus on employee, resident and guest health and safety.

Portfolio Refinement, Integration and Development Pipeline Expansion

The Group is well positioned for further expansion through development with 16 land lease communities currently underway and 4 communities commencing development over FY25. The Group will also look to expand the portfolio where feasible.

During the year, in line with a focus on divesting assets and recycling capital into the Group's development pipeline, the Group divested:

- six Ingenia Gardens communities in WA;
- one greenfield development site in QLD that was considered surplus to the Group's needs;
- holiday parks in Lake Hume and Broulee, NSW; and
- two land parcels adjoining a NSW holiday park.

The Group completed the acquisition of sites adjoining its Ingenia Lifestyle Plantations (NSW) and Millers Glen (QLD) communities and continues to look for new sites; in December 2023 a leasehold holiday park at Old Bar Beach (NSW) was acquired, complementing the existing network of holiday parks.

Directors' Report (continued)

Ingenia Communities Holdings Limited

For the year ended 30 June 2024

FY24 financial results

The twelve months to 30 June 2024 delivered total revenue of \$472.3 million, up 20% on the prior year. The Group settled 370 turnkey homes (30 Jun 2023: 318 homes) delivering a gross new home development profit of \$89.4 million (30 Jun 2023: \$65.5 million). A further 88 homes were settled within the JV (30 Jun 2023: 46 homes), achieving a combined total of 458¹ turnkey home settlements during the year (30 Jun 2023: 364 homes). Holidays income grew by 7% to \$134.8 million (30 Jun 2023: \$126.4 million) mainly due to an increase in tourism rental income which increased by 8% to \$105.1 million (30 Jun 2023: \$97.3 million). Lifestyle Rental income increased by 13% to \$86.5 million (30 Jun 2023: \$76.8 million), driven by the growth in residential rental income which grew by 10% to \$68.3 million (30 Jun 2023: \$62.3 million).

Underlying profit of \$94.8 million, up \$11.7 million on the prior year, is primarily attributable to strong growth in the Lifestyle Development segment and the Joint Venture on account of an increase in home settlements and complemented by continued growth in the Lifestyle Rental and Ingenia Holidays operating segments. These results were partially offset by: a decline in Ingenia Gardens as a consequence of the sale of six communities in Western Australia; increases in the Group's cost base, including above inflation rate increases to council rates and taxes and utilities; increases in insurance, employment costs, development marketing, investment in IT infrastructure and support; net finance expense; income tax expense, and; costs associated with business restructuring.

Statutory profit of \$14.0 million was down 78% on the prior year. The statutory result reflects the combination of growth in underlying earnings from the operating segments and fair value movements on investment properties offset by the impairment of goodwill of \$96.6 million, relating to the Seachange acquisition in November 2021 and increased deferred income tax expense associated with the fair value gains on investment properties.

Operating cash flow for the period was \$82.2 million, consistent with the prior year reflecting the growth in cashflows from home settlements and the Lifestyle Rental and Ingenia Holidays operating segments, offset by investment in home inventory ahead of forecast settlements for FY25 and an increase in borrowing costs paid attributable to higher interest rates and additional borrowings.

The Group's net asset value (NAV) of \$3.70 per security was down by 2% (30 Jun 2023: \$3.77) and net tangible assets per security (NTA) increased 5% to \$3.69 (30 Jun 2023: \$3.52).

Key metrics

- More than 14,650 income generating sites across the Group as at 30 June 2024
- Statutory profit of \$14.0 million, down 78% on the prior year due to the full impairment of Seachange goodwill
- Underlying profit of \$94.8 million, up 14% on the prior year
- Basic earnings per security (Statutory) of 3.4 cps, down 78% on the prior year (30 Jun 2023: 15.8 cps)
- Basic earnings per security (Underlying) of 23.3 cps, up 14% on the prior year (30 Jun 2023: 20.4 cps)
- Operating cash flows of \$82.2 million, in line with the prior year (30 June 2023: \$82.5 million)
- Full year distribution of 11.3 cps, up 3% on prior year (30 Jun 2023: 11.0 cps)

¹ Excludes 4 (30 June 2023: 10) settlements at Ingenia Lifestyle Coastal Palms, part of the Funds Management business.

Directors' Report (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

Group results summary

Underlying profit for the financial year has been calculated as follows, with a reconciliation to statutory profit:

	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Operating profit before interest and tax	127,977	109,267
Less: contractual cash flows for ground lease and financial liabilities ⁽¹⁾	(2,273)	(1,843)
EBIT⁽¹⁾	125,704	107,424
Share of underlying joint venture profit	8,879	3,098
Net finance expense	(24,290)	(17,321)
Tax expense associated with underlying profit	(15,527)	(9,573)
Share of associate loss	-	(514)
Underlying profit⁽²⁾	94,766	83,114
Net gain/(loss) on change in fair value of:		
Investment properties ⁽¹⁾	57,346	6,125
Acquisition costs	(4,190)	(4,383)
Financial liabilities ⁽¹⁾	(2,185)	(2,099)
Investment and other financial instruments	(4,030)	1,388
Share of joint venture loss	(14,836)	(7,370)
Impairment of goodwill	(96,647)	-
Gain/(loss) on disposal of investment properties	4,694	(2,840)
Tax expense associated with items below underlying profit	(20,898)	(11,182)
Business combination transaction costs	-	1,615
Statutory profit	14,020	64,368

- (1) EBIT has been adjusted to include movements arising from the settlement of contractual cash flows for ground leases of \$1.5 million (30 June 2023: \$1.2 million) and financial liabilities of \$0.8 million (30 June 2023: \$0.6 million). This has been adjusted against the fair value gain/(loss) on investment properties and financial liabilities. Prior year comparatives have been updated to reflect this change.
- (2) Underlying Profit is a non-IFRS measure designed to present, in the opinion of the Directors, the results from the ongoing operating activities in a way that appropriately reflects underlying performance. Underlying Profit excludes items such as unrealised fair value gains/(losses) and adjustments arising from the effect of revaluing assets/liabilities (such as derivatives and investment properties). These items are required to be included in statutory profit in accordance with Australian Accounting Standards.

Segment performance and priorities

The Group has five reportable operating segments. During the year, a review of the operating segment results was conducted, and it was determined that support costs (People & Culture, Operational Finance, Technology and the costs associated with the Brisbane office) previously allocated to reportable operating segments would be adjusted. Only costs that can be directly attributed to a reportable operating segment are included in the reportable operating segment. Any indirect costs have now been reallocated and included in the Corporate and Other result. Historically, costs were allocated based on a proportion of segment revenue as a percentage of total revenue. There is no impact to Total EBIT. Comparative figures have been updated to be consistent with the current methodology.

Residential

Ingenia Lifestyle Development

Development is currently underway at 16 communities and the Group has a strong development pipeline of 5,311 potential new home sites across 28 projects within Ingenia and the JV (30 Jun 2023: 5,778).

The Group delivered 370² new turnkey settlements (30 Jun 2023: 318) with a further 88 (30 Jun 2023: 46) settlements in the JV as construction timeframes stabilised and builders became more readily available. New home settlements across the Group and the JV increased by 26% on FY23 and gross new home development profit increased by 36% to \$89.4 million.

² Includes 5 settlements at Ingenia Holidays.

Directors' Report (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

During the year, the Group has deployed significant operating cashflows in developing communities and building inventory ahead of home settlements in FY25. The Group is continuing to experience solid demand for its lifestyle offering from downsizers, with positive responses to new project releases having regard to both home product offerings and pricing.

The carrying value of investment property currently under development in Lifestyle Rental at 30 June 2024 is \$294.7 million (30 Jun 2023: \$251.7 million).

Performance

	30 Jun 2024	30 Jun 2023	Change %
Ingenia new home settlements (#)	370	318	16%
Gross new home development profit (\$m)	89.4	65.5	36%
Other income ⁽¹⁾ (\$m)	3.7	2.1	76%
EBIT contribution (\$m)	59.2	42.3	40%
EBIT margin (%)	28.7	29.9	(1%)

(1) Fee income generated by the Group from the Joint Venture relating to asset development and sales management.

Strategic priorities

The key strategic priorities for Ingenia Lifestyle Development include: accelerating activity with the launch of projects in existing and new markets; managing home inventory to meet market demand; securing development approvals for new homes in the current pipeline; enhancing home and clubhouse designs to improve efficiency and sustainability of future communities; delivering an outstanding experience for new residents; enhancing efficiency and productivity through changes to the delivery model and team structure; and improving returns through a focus on project optimisation, design and procurement to deliver targeted returns.

Ingenia Lifestyle Rental

At 30 June 2024, Ingenia Lifestyle Rental comprises 38 communities offering an attractive land lease community lifestyle for active downsizers as well as affordable all age rental accommodation. Ingenia Lifestyle Rental EBIT increased 14% to \$45.3 million.

During FY24, the Group continued to expand its rental assets through the settlement of 365 new homes from the development business and the installation of 54 new all age rental cabins, 27 of which were installed at the Brisbane North Rental Village.

Residential rental income grew by 10% on the prior year driven by new rental contracts from the settlement of new homes and investment in new rental cabins and contractual rent increases.

The carrying value of the Lifestyle Rental investment property at 30 June 2024 is \$956.1 million (30 Jun 2023: \$868.4 million).

Performance

	30 Jun 2024	30 Jun 2023	Change %
Permanent rental income (\$m)	68.3	62.3	10%
Tourism rental income (\$m)	3.3	2.6	27%
Other ⁽¹⁾ (\$m)	14.9	11.9	25%
EBIT contribution (\$m)	45.3	39.8	14%
EBIT margin (%)	52.3	51.8	1%
Stabilised EBIT margin ⁽²⁾ (%)	53.8	52.9	1%

(1) Income from resales, commissions, ancillary guest and resident services and deferred management fees (DMF).

(2) Excludes assets under development with less than 90% of homes sold prior to 1 July 2022.

Strategic priorities

The strategic priorities for Ingenia Lifestyle Rental are: increasing engagement and experience for new and current residents; maintaining high occupancy and sustainable rental growth; continued strategic investment in new rental homes.

Directors' Report (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

Ingenia Gardens

Ingenia Gardens comprises 19 seniors rental communities located across the eastern states of Australia. Collectively, these communities offer 1,020 rental units. The portfolio maintained high occupancy as a result of the continuing demand for affordable seniors rental accommodation.

Consistent with the Group's focus on divesting non-core assets and recycling capital, six communities located in Western Australia were divested in December 2023.

The result for the period was down 13% on prior year primarily as a result of the divestment of the 6 communities located in Western Australia in 1H24 and two communities in the prior year. On a comparative portfolio basis, rental growth was achieved at a rate aligned to growth in the aged pension. EBIT was impacted by higher staff costs driven by award wage increases.

The carrying value of Ingenia Gardens assets at 30 June 2024 is \$134.1 million (30 Jun 2023: \$168.0 million).

Performance

	30 Jun 2024	30 Jun 2023	Change %
Rental communities (#)	19	25	(24%)
Occupancy (%)	95.9	97.0	(1%)
Rental income (\$m)	21.6	24.8	(13%)
Catering income (\$m)	2.0	2.5	(20%)
EBIT contribution (\$m)	11.6	13.3	(13%)
EBIT margin (%)	49.1	48.6	1%

Strategic priorities

The strategic priorities of Ingenia Gardens are: maintaining high occupancy rates; maintaining sustainable rental income growth; maintaining and improving resident engagement, satisfaction and retention; and maintaining the wellbeing and safety of residents.

Tourism

Ingenia Holidays and Mixed Use

At 30 June 2024, the Ingenia Holidays portfolio comprises 33 holiday communities that offer holiday accommodation, annual sites, permanent and rental homes.

The Group continues to refine and consolidate the portfolio with the divestment of Ingenia Holidays Lake Hume and Ingenia Holidays Broulee NSW followed by the acquisition of Ingenia Holidays Old Bar Beach NSW shortly thereafter; and the installation of 52 new tourism cabins.

Tourism rental income increased 8% driven by continuing strong demand for domestic holiday destinations reflecting growth in both occupancy and rate and EBIT increased by 5% reflecting the growth in revenues offset in part by higher property expenses, employee expenses and costs associated with higher occupancy.

The carrying value of the Group's Holidays investment property at 30 June 2024 is \$865.8 million (30 Jun 2023: \$757.5 million).

Performance

	30 Jun 2024	30 Jun 2023	Change %
Tourism rental income (\$m)	105.1	97.3	8%
Permanent rental income (\$m)	11.6	11.2	4%
Annuals rental income (\$m)	11.0	10.6	4%
Other ⁽¹⁾ (\$m)	7.1	7.3	(3%)
EBIT contribution (\$m)	56.9	54.4	5%
EBIT margin (%)	42.2	43.1	(1%)

(1) Income from commissions, ancillary guest and resident services and commercial rent.

Directors' Report (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

Strategic priorities

The strategic priorities for Ingenia Holidays are: to maximise tourism revenue by leveraging marketing opportunities within the guest database of 1.8 million guests; direct marketing efforts to enhance the booking experience through the website; implementing targeted campaigns through the year; strategic use of channels to attract new customers; nurturing relationships with existing guests; invest in park densification to improve returns and cater to growing demand; and commit to delivering unique products and services that set Ingenia apart in the market.

Capital Partnerships

Capital partnerships through co-investment and shared funding enables the Group to leverage the existing business platform, generate fee income and extend the Group's asset base.

Development Joint Venture

The JV with Sun Communities (NYSE: SUI) leverages Ingenia's capability and platform to generate fees and expands its development opportunities via co-investment. Once homes are sold, Ingenia provides operational services to the land lease communities. At completion of development, and following a holding period of not less than 5 years, Ingenia has the right to acquire the communities at market value. As at 30 June 2024, the JV has invested in five projects with four under active development.

The JV delivered \$59.3 million (30 Jun 2023: \$25.8 million) of revenue from the settlement of 88 (30 Jun 2023: 46) new homes at three sites in NSW and QLD. Rental income increased by 65% on prior year to \$1.9 million in the current period, as a result of new home settlements.

Performance

	30 Jun 2024	30 Jun 2023	Change %
Greenfield properties (#)	5	5	-
Investment carrying value (\$m)	76.9	61.8	24%
New home settlements (#)	88	46	91%
Fee income ⁽¹⁾ (\$m)	0.4	1.1	(64%)
Joint venture revenue (\$m)	61.1	26.9	127%
Joint venture operating profit (\$m)	21.4	8.5	152%
Share of loss from joint venture ⁽²⁾ (\$m)	(6.0)	(4.3)	40%

(1) Asset management services and property services to the JV. Prior year fee income inclusive of origination fee.

(2) Inclusive of the Groups 50% share of changes in the fair value of investment properties \$14.8 million (30 Jun 2023: \$7.4 million). Refer to Note 15 for further detail.

Strategic priorities

The strategic priorities for the JV are to continue to assess greenfield sites in key metro and coastal markets and to develop its significant portfolio of new land lease communities.

Funds Management

The Group's funds and asset management business manages five funds that invest in lifestyle and holiday communities situated in NSW and QLD. The Group receives fees for the management and development of the assets and management of the funds.

The Group also co-invests into each of the five funds, to increase alignment with fund investors. The investment in the funds generates asset ownership and development revenue streams.

Performance

	30 Jun 2024	30 Jun 2023	Change %
Investment carrying value (\$m)	6.4	6.3	2%
Fee income (\$m)	1.6	1.6	-
Distribution income (\$m)	0.3	0.5	(40%)

Strategic priorities

The funds will reach the end of their contracted management terms in FY25. Management will seek to maximise investor returns through the wind up of the funds and asset sale process.

Directors' Report (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

Food, Fuel & Beverage

The Group's service station and food & beverage operations are adjoined to Ingenia Holidays communities, with the offering contributing to an enhanced guest experience and providing a service to the greater local community.

Performance

	30 Jun 2024	30 Jun 2023	Change %
Total revenue (\$m)	19.3	19.3	-
EBIT contribution (\$m)	1.7	1.4	21%
EBIT Margin (%)	8.9	7.2	2%

Capital management of the Group

At 30 June 2024, the Group had debt facilities with a combined limit of \$905.0 million (30 Jun 2023: \$780.0 million), with a weighted average term to maturity of 3 years, drawn to \$695.9 million. The Group was able to take advantage of strong support for the business and increase the debt facilities available to the Group by \$125.0 million, increase the tenor of selected facilities and negotiate improvements to selected covenants.

During the year, the JV increased its debt facilities and the Group contributed an additional \$21.0 million, to fund the development of the four projects currently underway.

Interest rate exposure is managed through a combination of fixed rate debt and interest rate derivatives on 46.7% of the drawn debt.

The Group's Loan to Value Ratio ("LVR") was 32.3% (covenant 55%).

Financial position

The following table provides a summary of the Group's financial position as at 30 June 2024:

	30 Jun 2024 \$'000	30 Jun 2023 \$'000	Change \$'000
Cash and cash equivalents	14,458	45,716	(31,258)
Inventories	86,467	54,147	32,320
Investment properties	2,250,687	2,045,630	205,057
Intangibles and goodwill	5,566	102,584	(97,018)
Other assets	117,900	105,864	12,036
Assets held for sale	-	24,190	(24,190)
Total assets	2,475,078	2,378,131	96,947
Borrowings	754,153	661,668	92,485
Other liabilities	121,700	126,397	(4,697)
Deferred tax liability	89,319	53,279	36,040
Total liabilities	965,172	841,344	123,828
Net assets/equity	1,509,906	1,536,787	(26,881)

Investment property book value increased by \$205.1 million from 30 June 2023 resulting from improved earnings and investment in capital works within communities under development and the addition of new greenfield sites adjoining existing communities offset in part by the realisation of value associated with the sale of homes in communities under development and the disposal of the Western Australia Ingenia Gardens portfolio (six communities) and land adjacent to Ingenia Holidays Avina.

Borrowings increased by \$92.5 million attributable to the Group investing in investment properties and home inventory, the acquisition of development sites and investment in additional all age rental and holiday cabins across the portfolio offset in part by the receipt of proceeds from the sale of the six Ingenia Gardens communities in Western Australia and other selected asset divestments.

Following a review of the cashflows of the Lifestyle Rental and Lifestyle Development operating segments and having regard for the discount rate appropriate for cashflows associated with these segments it was necessary to impair the carrying value of goodwill of \$96.6 million associated with the Seachange acquisition.

Directors' Report (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

Cash flow

	30 Jun 2024 \$'000	30 Jun 2023 \$'000	Change \$'000
Operating cash flow	82,195	82,497	(302)
Investing cash flow	(148,144)	(168,053)	19,909
Financing cash flow	34,691	116,786	(82,095)
Net change in cash and cash equivalents	(31,258)	31,230	(62,488)

Operating cash flow for the Group was flat year on year, \$82.2 million compared to \$82.5 million in prior year. Strong growth in cash flows from the settlement of homes and rental revenues was offset by continued investment in home inventory to support FY25 settlements, additional operating costs and additional borrowing costs attributable to higher interest rates and borrowings.

Cash outflows from investing activities decreased by \$19.9 million compared to the prior year due to lower acquisition activity in the current year, additional proceeds from the divestment of investment properties and one-off transaction costs settled in FY23, offset in part by additional expenditure on investment properties and contributions to the Joint Venture of \$21.0 million (30 Jun 2023: nil) to further the Joint Venture projects.

Distributions

The following distributions were made during or in respect of the year:

- On 20 February 2024, the Directors declared an interim distribution of 5.2 cps, amounting to \$21.2 million which was paid on 21 March 2024.
- On 20 August 2024, the Directors declared a final distribution of 6.1 cps amounting to \$24.9 million, to be paid on 19 September 2024.

FY25 outlook

The Group's residential communities remain well placed for ongoing expansion with the demand for quality, affordable residential accommodation continuing from an ageing population. Incoming residents are seeking quality community living and affordable rental accommodation in metro, coastal and regional markets which the Group is well placed to deliver. Investment in inventory and new sites will enable us to capitalise on this demand and enables the generation of long-term sustainable rental cash flows. Investing in new rental homes remains a key priority for the Group.

Ingenia will continue to grow its Lifestyle Rental business by building out its development pipeline, generating attractive returns, stable, resilient cashflows and increased scale.

The strong demand for domestic holiday accommodation is expected to continue with Ingenia to benefit via an extensive portfolio of properties located in attractive holiday destinations. The priority for Ingenia Holidays is to enhance the customer experience by refurbishing existing cabins and investing in new tourism cabins and amenities.

The Group's solid balance sheet and deal flow provides ongoing opportunity for growth. The Group will increase its asset base by accelerating development and select investment in densification to deliver targeted returns.

The Group will regularly assess market opportunities and the performance of existing assets, divesting and acquiring assets where superior longer-term returns are available.

Ingenia will continue to evolve the Group's ESG strategies and initiatives to align with the Group's strategic focus and portfolio growth. Over FY25, key initiatives include refinement of the Group's emissions reduction strategies to target portfolio specific outcomes, including the delivery of net zero emissions (Scope 1 and 2) for the Group's operations by 2035, the evolution of reporting and data collection in preparation for additional climate related financial disclosure obligations and finalisation of the Group's first Reconciliation Action Plan.

Directors' Report (continued)

Ingenia Communities Holdings Limited

For the year ended 30 June 2024

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Changes in the state of affairs during the financial year are set out in the various reports in this Financial Report. Refer to Note 11 for Australian investment properties acquired or disposed of during the period and Note 19 for details of debt facility.

EVENTS SUBSEQUENT TO REPORTING DATE

Final FY24 distribution

On 20 August 2024, the Directors declared a final distribution of 6.1 cps amounting to \$24.9 million, to be paid on 19 September 2024.

LIKELY DEVELOPMENTS

The Group will continue to pursue strategies aimed at the longer term growth of its cash earnings, profitability and market share within the lifestyle, rental and tourism sectors through:

- Developing greenfield sites in identified growth corridors and expanding existing lifestyle and rental communities;
- Continued transition from an acquirer to an efficient developer and operator in line with the Group strategy;
- Ongoing co-investment through the Group's Joint Venture to fund growth and leverage scale and capability; and
- Divesting non-core assets as needed to further support investment in growth and portfolio refinement.

Detailed information about operations of the Group is included in the various reports in this financial report.

ENVIRONMENTAL REGULATIONS

The Group has policies and procedures in place to ensure that, where operations are subject to any particular and significant environmental regulation under the laws of Australia, those obligations are identified and appropriately addressed. The Directors have determined that there has not been any material breach of those obligations during the financial year.

GROUP INDEMNITIES

The Group has purchased various insurance policies to cover a range of risks (subject to specified exclusions) for directors, officers and employees of the Group serving in their respective capacities. Key insurance policies include: directors and officers insurance, professional indemnity insurance and management liability insurance.

INDEMNIFICATION OF AUDITOR

To the extent permitted by law, the Company has agreed to indemnify its auditor, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the reporting period.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 34.

Directors' Report (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

NON-AUDIT SERVICES

During the year, non-audit services were provided by the Group's auditor, Ernst & Young. The directors are satisfied that the provision of the non-audit services is compatible with, and did not compromise, the independence for auditors imposed by the *Corporations Act 2001* for the following reasons:

- the non-audit services were for taxation, regulatory and assurance related work, and none of this work created any conflicts with the auditor's statutory responsibilities;
- the Audit, Risk and Sustainability Committee resolved that the provision of non-audit services during the financial year by Ernst & Young as auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001*;
- the Board's own review conducted in conjunction with the Audit, Risk and Sustainability Committee, having regard to the Board policy set out in this Report, concluded that it is satisfied the non-audit services did not impact the integrity and objectivity of the auditors; and
- the declaration of independence provided by Ernst & Young, as auditor of ICH.

Refer to Note 30 of the financial statements for details on the audit and non-audit fees.

ROUNDING AMOUNTS

ICH is an entity of the kind referred to in ASIC Instrument 2016/191, and in accordance with that Class Order, amounts in the financial report and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors of the Responsible Entity.



Jim Hazel
Chairman
Adelaide, 20 August 2024

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Directors' Report (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

On behalf of the Board and the Remuneration and Nomination Committee ("RNC"), I am pleased to present our Remuneration Report for the year ended 30 June 2024

Sally Evans
Chair, Remuneration and Nomination Committee

Ingenia has delivered a solid outcome for FY24 where we have continued to focus on driving value through the development business. The Group's result exceeded FY24 guidance, with EBIT up 17% and underlying profit up 14% on prior year. A material increase in new home settlements was achieved as development accelerated. Our residential communities are continuing to deliver stable recurring rental income as the portfolio benefits from ongoing demand and high occupancy levels. A large portion of the land lease rental base achieved CPI plus rent growth and occupancy remains high across all age rental communities and Ingenia Gardens (at 99% and 96% respectively). Ingenia has more than 9,000 rent generating sites with communities continuing to meet the growing demand for housing affordability and an ageing population.

The Group's Holiday Parks continue to experience strong demand with solid performance and forward bookings remaining elevated as families continue to be attracted to the ease and relative affordability of domestic drive travel. Outlook for the Holidays business remains robust with long-term fundamentals supporting ongoing growth across eastern seaboard locations.

This year has also seen significant evolution for the business from growth through acquisition to operational and development excellence. Furthermore, we welcomed our new CEO, John Carfi, to the business and farewelled founding CEO Simon Owen. Importantly we have continued to invest and develop our people, be a leader in diversity, operate in a safe and responsible manner and invest in technology to support scale.



SETTLEMENTS
462
(+24% over FY23)



EBIT
\$125.7M
(+17% over FY23)



DIVERSITY
WGEA Pay Gap
<5% & Top 3 of the
ASX 300 in gender
representation



SAFETY
Lost Time Injury
Frequency Rate (LTIFR)
1% better than industry
benchmark



PEOPLE
Engagement survey
results remained
consistent

Remuneration outcomes for FY24

No change to fixed remuneration, STI or LTI opportunity has been made for Mr Carfi and Mr Mitchell. Ms Kwok received a fixed pay increase from \$500,000 to \$550,000 per annum effective 28 August 2023.

STI outcomes consider both qualitative and quantitative metrics with the financial metrics being delivered above market guidance. Value driver goals are set across Strategy & Innovation and People and together with an overlay of Safety & Risk Management and delivery of our ESG initiatives are also considered in determining STI outcomes.

Given our performance, FY24 STIs were awarded to KMPs at 79% of maximum. The Board determined the profit sustainability threshold had been met to allow FY22 deferred STI Rights to vest in full.

As foreshadowed in last year's remuneration report, the FY21 LTI award did not meet performance threshold and therefore lapsed. The FY22 LTI award will be formally tested on 1 October 2024 and disclosed in the FY25 Remuneration Report, however indicative forecast suggests these will vest around 15% - 20%.

FY24 NED Board and committee fees increased on average by 3% to remain aligned with the benchmark peer group.

Directors' Report (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

Strike against the FY23 Remuneration Report

The Board acknowledges Ingenia Communities' first ever strike against our FY23 Remuneration Report and has given significant thought and consideration to the feedback received and is committed to addressing these matters. The Board engaged extensively with major securityholders and proxy advisors to understand key concerns with our remuneration framework and its application. Section 2 details the concerns raised and how we have responded.

We have also sought to enhance the readability of the 2024 Remuneration Report by changing its structure, to ensure we have responded clearly to concerns raised and provided transparent disclosure. We continue to engage with stakeholders and welcome further feedback on our FY24 Remuneration Report as we work to enhance our remuneration framework and disclosures.

Executive Changes

The FY24 period has seen significant change in our executive team which reflects our evolution and growth as we move from a period of accumulation and acquisition funded through new capital, to the next phase of our growth through execution of organic investment and asset recycling. Maintaining an engaged and focused executive team during a year of transition has been a priority for the Board.

In July 2023, Mr Justin Mitchell was appointed as Chief Financial Officer. Mr Mitchell brings to the role extensive financial, real estate, and operating experience, built over a career across property, corporate finance, and professional services.

In November 2023, founding Managing Director and Chief Executive Officer, Mr Simon Owen, advised the Board of his intention to step down after more than 14 years in the role. Mr Owen played a pivotal role in developing the land lease sector in Australia and guided Ingenia's growth from a market capitalisation of \$30 million to over \$1.7 billion. Mr Owen's entitlements on separation are set out in section 7 and are in accordance with his contractual terms and the normal operation of our incentive plans.

Given the departure of our long-standing founding CEO, the Board gave significant consideration to the preservation of well recognised executive talent through this period of transition and determined a one-off transition award of Rights was appropriate for Ms Kwok and Mr Mitchell, which are subject to minimum securityholding requirements. Details on the awards appear in section 7.

In January 2024, we were delighted to announce the appointment of Mr John Carfi as Chief Executive Officer, who brings significant large corporate leadership experience and extensive real estate expertise including at two of Australia's leading property companies, Lendlease Group and Mirvac.

As announced to the market, we have continued the process of Board renewal, ensuring an appropriate range of Director diversity, skills and expertise aligned to the evolution of the business.

Our People & Culture

The Committee recognise Ingenia's people and culture as a strong point of operational advantage in an increasingly competitive market segment. We take a holistic approach to driving people performance through investment in building capabilities, career development, and succession planning, in addition to ensuring we are remunerating our people responsibly. We are proud of our achievements in FY24 including: maintaining a solid employee engagement level through a significant leadership and operating transition period for the business; our position on gender diversity including our gender pay gap as measured by WGEA at less than 5%; and, for the seventh year, we awarded our people with Ingenia securities via the INVEST Plan. The INVEST Plan creates a strong connection between our people and business performance, with 99% of eligible team members holding INA securities.

Looking ahead

The RNC continues to review our people practices, remuneration framework and performance metrics to ensure we focus on delivery of value to all stakeholders. Our focus for the new year will include further refinement of our STI metrics and consideration of the LTI design aligned to our five-year plan.

Directors' Report (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED)

The Board is pleased to present the Remuneration Report for the Group for the year ended 30 June 2024, which forms part of the Directors' Report and has been prepared in accordance with section 300A of the Corporations Act 2001 (Cth) (Corporations Act). The data provided in the Remuneration Report was audited as required under section 308(3C) of the Corporations Act.

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1. KEY MANAGEMENT PERSONNEL

KMP of the Group for the year ended 30 June 2024 are as follows:

KMP	Position	Term
Non-Executive KMP		
Jim Hazel	Chairman	Full year
Robert Morrison	Deputy Chairman	Full year
Pippa Downes	Director	Full year
Gregory Hayes	Director	Full year
Sally Evans	Director	Full year
Lisa Scenna	Director	Appointed, effective 1 May 2024
Shane Gannon	Director	Appointed, effective 28 June 2024
Simon Shakesheff	Director	Appointed, effective 28 June 2024
John McLaren	Director	1 July 2023 to 2 November 2023
Amanda Heyworth	Director	1 July 2023 to 20 June 2024
Executive KMP		
John Carfi	Chief Executive Officer	Appointed, effective 1 April 2024
Justin Mitchell	Chief Financial Officer	Appointed, effective 10 July 2023
Natalie Kwok	CIO & General Counsel	Full year
Simon Owen	Chief Executive Officer ⁽¹⁾	1 July 2023 to 31 March 2024

(1) Mr Owen was Managing Director for the period 1 July 2023 to 21 February 2024 and CEO for the period 1 July 2023 to 31 March 2024, with the appointment of the new CEO effective 1 April 2024. Mr Owen remained in service through to 30 June 2024.

Directors' Report (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

2. RESPONSE TO STRIKE

At the November 2023 Annual General Meeting (AGM), some concerns were expressed regarding our executive remuneration arrangements, with 35% of votes cast against the FY23 Remuneration Report, constituting a first strike under the Corporations Act. The Board has an established engagement program which involves regular meetings with our largest securityholders. We value the feedback obtained through these meetings. As shared during this process we are committed to increasing transparency in our reporting.

The table below summarises the key concerns raised and outlines our response.

Feedback	Response
Disclosure on Short Term Incentives	
Lack of disclosure of STI performance targets and outcomes making results difficult to reconcile.	Whilst acknowledging some improvement to STI disclosure over the prior year, it was noted by stakeholders to be inadequate. As foreshadowed prior to our 2023 AGM, we have enhanced our disclosure of FY24 STI outcomes in this year's remuneration report. In section 4.2 of this report, disclosure of performance against the FY24 STI scorecard is provided including weightings, targets, outcomes, and commentary on achievements.
Use of Discretion	
Application of positive discretion for the CEO STI outcome was not considered aligned to securityholder outcomes.	Last year, Board discretion was used to adjust the weightings of the STI scorecard in-year, to ensure executives were focused on the appropriate matters, reflecting the changing market conditions. This discretion resulted in increased FY23 STI outcomes. In the Board's judgement, this use of in-year discretion had a positive impact on overall securityholder outcomes. However, it does accept the feedback that final STI outcomes were high relative to securityholders' experience. The Board will continue to consider the appropriateness of STI outcomes in the future, in line with its discretion framework.
Ex-gratia payment to former CFO	
Insufficient rationale for former CFO ex-gratia payment.	Mr Noble was a long-standing executive, and the ex-gratia recognised his commitment and successful tenure as CFO through a key growth phase of the business. We acknowledge the sentiment was not aligned with market expectations and not a practice we anticipate applying in the future.

Directors' Report (continued)

Ingenia Communities Holdings Limited
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3. REMUNERATION AT A GLANCE

Ingenia's remuneration framework is designed to deliver fair and responsible pay outcomes in delivery of strategic and operational objectives, to provide long-term value for securityholders. The components of the framework, and their link to Group performance, is outlined below:

Principles	Remuneration Component	Link to performance
Market competitive fixed remuneration is paid to attract, retain, and motivate high calibre executives that can execute Group strategy.	Total Fixed Remuneration (TFR) Annual salary, calculated on a total cost basis to include salary-packaged benefits grossed up for FBT, employer superannuation contributions, Fixed Remuneration Rights (FRR) and other non-cash benefits that may be agreed from time to time.	Competitive fixed remuneration is determined with support of external benchmarking and having regard for the complexity and scope of the role, and the responsibilities, skills, and performance that the executive brings.
A significant portion of remuneration should be 'at risk' and awarded to executives based on the achievement of agreed objectives and hurdles. Remuneration should be aligned to the interests of all securityholders and build ownership and alignment. The Board maintains sole discretion over the granting of equity rights as remuneration to employees.	Short-Term Incentive (STI) Subject to the performance against the prescribed objectives, any STI payable is delivered as follows: - CEO: one-third cash and two-thirds deferred equity rights. - CFO and CIO & GC: 50% cash and 50% deferred equity rights. STI equity rights are deferred for 12 months. The deferral element is rights to INA stapled securities. STI equity rights vest subject to a Board assessment and a malus provision during the deferral period where Rights may be forfeited if underlying earnings growth is not sustainable or circumstances set out in the Rights Plan Rules occur (such as fraud, dishonesty, a breach of obligations or material misstatement of Ingenia's financial position).	Entering each financial year, a scorecard of financial and value driver metrics is approved by the Board, with the intention of reflecting key objectives for that year. These measures typically reflect financial performance, innovation and strategy, customer, and people, and require performance above a threshold level to be achieved to trigger a payment. An assessment of safety and risk management, as well as performance against our ESG strategy, is considered as part of STI performance.
	Long-Term Incentive (LTI) The LTI is designed to encourage delivery of the strategy, and to provide alignment with long-term securityholder outcomes. The LTI is delivered in performance rights, and subject to performance measures assessed over a three-year period.	LTI performance conditions are four equally weighted measures as follows: - Relative Total Securityholder Return (TSR) measured over three financial years. - Return on Equity (ROE) performance measured in the third year following the LTI grant. - Underlying Earnings per Security (EPS) growth over three financial years. - Group settlements growth measured in the third year following the LTI grant.

Furthermore, the Board recognises the importance of aligning executives and directors' interests with the long-term interests of Ingenia's securityholders and have in place a minimum securityholding requirement. Executives and Non-Executive Directors are required to acquire, and thereafter maintain, a minimum securityholding level in Ingenia securities. The minimum securityholding level is 100% of their Fixed Pay or Base Fees.

While the RNC obtained independent advice from remuneration consultants in FY24, no remuneration recommendations (as defined in the Corporations Act 2001 (Cth)) were provided.

Directors' Report (continued)

Ingenia Communities Holdings Limited
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4. REMUNERATION OUTCOMES

4.1. Financial performance

The table below sets out further information about the Group's earnings and movement in security holder wealth and the level of remuneration awarded to KMP for the five years to 30 June 2024:

	FY20	FY21	FY22	FY23	FY24
Financial results					
Revenue (\$'000)	244,209	295,578	338,146	394,468	472,292
EBIT (\$'000) ⁽¹⁾	71,892	94,351	101,736	107,424	125,704
Underlying profit (\$'000) ⁽¹⁾	59,109	77,234	87,856	83,114	94,766
Statutory profit (\$'000)	31,452	62,639	95,798	64,368	14,020
Security based metrics					
Underlying (Basic) EPS ⁽¹⁾⁽²⁾ (cents)	22.1	23.6	23.3	20.4	23.3
Statutory (Basic) EPS ⁽²⁾ (cents)	11.8	19.2	25.4	15.8	3.4
Underlying ROE (%) ⁽¹⁾⁽³⁾	7.9	8.0	6.8	5.4	6.1
Statutory ROE (%)	4.2	6.5	7.4	4.2	0.9
Net asset value per security (\$)	2.90	3.00	3.72	3.77	3.70
Security price at 30 June (\$)	4.49	6.14	3.98	3.98	4.78
Distributions per security (cents)	10.0	10.5	11.0	11.0	11.3
Remuneration awards					
Average STI awarded to KMP (%)	66.3	76.9	79.3	68.3	79.0
Average LTI vested (%) ⁽⁴⁾	79.8	70.0	86.7	40.0	Nil

(1) EBIT, Underlying Profit and Underlying ROE for FY23 and FY24 has been adjusted to include movements arising from the settlement of contractual cash flows from ground leases and financial liabilities.

(2) Basic earnings per security is based on the weighted average number of securities on issue during the period.

(3) Underlying ROE is calculated as underlying profit divided by average net assets. The Underlying ROE performance hurdle for LTIPs is adjusted to remove the impact of investment property valuations on net assets over the vesting period.

(4) Average LTI vested relates to grants from previous years.

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Directors' Report (continued)

Ingenia Communities Holdings Limited
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4.2. Performance against FY24 STI Scorecard

METRIC	WEIGHT	THRESHOLD	STRETCH		OUTCOME
EBIT GROWTH Up 17% compared to FY23	25%	10%	17%	19%	79%
EPS Up 14% compared to FY23	25%	20.8 cps	23.3	23.8 cps	83%
SETTLEMENTS Up 24% compared to FY23	20%	409	462	475	80%
STRATEGY & INNOVATION	20%	The Group has continued to focus on capital recycling to fund growth in the land lease business. This included the divestment of the WA Garden Village portfolio. In addition, the Group increased its debt capacity by \$125 million and extended the maturity of existing facilities. During the year Ingenia strategically invested in the holidays and rentals businesses to enhance returns by undertaking conversions and increasing density.			65%
PEOPLE	10%	Our people and capability strategy has delivered exceptional outcomes with retention of our top talent at 93% and our internal promotion rates hitting well above our target range, signalling our investment in leadership and capability development is yielding value. Gender diversity remains a core strength with Ingenia ranking in the top companies for Women in Executive Roles (CEW Census). We have maintained the HESTA 40/40/20 gender targets at Director and Executive level and our overall gender pay gap, as measured by WGEA, is within the high performing range of less than 5%. Over a year of significant change our culture and engagement scores have held strong and remain consistent on the prior year.			90%
Percentage of Maximum STI Outcome:					79%
SAFETY & RISK MANAGEMENT					
We expect the executives to operate with strong due diligence, minimising risk and enhancing safety initiatives. Safety and Risk Management is modifier which reduces overall outcomes if standards are not achieved. After considering outcomes for FY24, no adjustment to STI outcomes is considered appropriate.					
ESG					
Our ESG Strategy seeks to address all material areas of sustainability performance recognising these matters are dynamic, complex and often interconnected. We have progressed with our initial Reconciliation Action Plan reflect statement; finalised sustainable development guidelines for new communities; progressed with our Green Star Community in VIC and invested in renewable energy rollout including solar, LED and geothermal heating. After considering outcomes for FY24, no adjustment to STI outcomes is considered appropriate.					

Name	FY24 STI - Cash Component	FY24 STI - Equity Component	% of Maximum STI forfeited
J. Carfi	\$79,000	\$158,000	21%
J. Mitchell	\$168,389	\$168,389	21%
N. Kwok	\$130,350	\$130,350	21%
S. Owen	\$289,667	\$579,333	21%

The equity component of the FY24 STI is deferred into rights to INA stapled securities, for a period of 12 months.

Directors' Report (continued)

Ingenia Communities Holdings Limited

For the year ended 30 June 2024

5. LONG-TERM INCENTIVES

5.1. Vesting

The FY21 LTIP was subject to two equally weighted performance metrics, Relative Total Securityholder Return and Underlying Return on Equity. These metrics were tested on 1 October 2023 and did not achieve threshold performance level to vest.

5.2. Long-Term Incentive Plan (LTIP)

The objective of the Group's LTIP is to align the 'at risk' compensation of executives with long-term securityholder returns whilst also acting as a mechanism to retain key talent.

FY24 LTIP Rights will vest subject to the following Performance Conditions, consistent with the grant of rights to Mr Owen approved by securityholders at the November 2023 Annual General Meeting.

Relative TSR Performance Condition (25%)

The relative TSR performance condition assesses INA's percentile performance ranking against the constituents of the S&P/ASX 200 A-REIT Index.

TSR is the growth in the security price plus distributions, assuming distributions are reinvested. To minimise the impact of any short-term volatility, Ingenia's TSR will be calculated using the volume-weighted average of the closing security price over the 30 days up to and including the trading day prior to the start and the 30 days up to and including the end trading day of the LTI Performance Period (being from 1 October 2023 to 30 September 2026). Performance will be measured relative to the TSR of companies comprising the S&P/ASX 200 A-REIT Index over 3 years.

	INA's TSR	% of LTIP Rights that vest
Below Threshold	Less than 50th percentile	Nil
At Threshold	At 50th Percentile	50%
Between Threshold and Maximum	Greater than 50th percentile but less than 75th percentile	50% plus an additional amount progressively vesting on a straight-line basis between Threshold and Maximum
Maximum	At 75th percentile or above	100%

ROE Performance Condition (25%)

The ROE Performance Condition is intended to focus executive KMP on improving medium to long-term return on investment.

ROE is defined as underlying profit (as disclosed in annual reports) divided by the weighted average net assets (excluding the impact of asset revaluations on net assets between the FY24 LTIP Rights issue date and the FY24 LTIP Rights vesting date). The Board has discretion to exclude the dilutive impact of acquisitions or capital raisings that are considered in the best interests of the company if these occur within the final 12 months of the performance period. Any discretion applied will be disclosed. For FY24, the relevant metric is ROE achieved for FY26 on the following basis:

	ROE	% of LTIP Rights that vest
At or below Threshold	Less than 6%	Nil
Between Threshold and Maximum	Between 6% and 9%	10% plus an additional amount progressively vesting on a straight-line basis between Threshold and Maximum
Maximum	Equal to or greater than 9%	100%

Directors' Report (continued)

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EPS Performance Condition (25%)

EPS is defined as underlying profit (as disclosed in annual reports) divided by the weighted average number of securities over the financial year. The Board has discretion to exclude the dilutive impact of acquisitions or capital raisings that are considered in the best interest of the company if these occur within the final 12 months of the performance period. Any discretion applied will be disclosed. The relevant metric is Compound Underlying EPS Growth for the period FY23 to FY26 with the FY23 base year Underlying EPS being 20.8 cents per security.

	Compound underlying EPS growth	% of LTIP Rights that vest
Below Threshold	Less than 5%	Nil
At Threshold	At 5%	30%
Between Threshold and Maximum	Between 5% and 9%	30% plus an additional amount progressively vesting on a straight-line basis between Threshold and Maximum
Maximum	Greater than 9%	100%

Group Settlements Growth Performance Condition (25%)

Group Settlements Growth focuses on growing sales revenue and the creation of new yielding rental contracts across the Group from INA and the Development Joint Venture with Sun Communities. The hurdle measures the average annual growth in settlements of INA and the Development Joint Venture being measured over a three-year period ending on 30 June 2026, with 364 settlements from the base year ended 30 June 2023.

	INA Group Settlements Growth	% of LTIP Rights that vest
At or below Threshold	5% average annual growth over 3 years from base year (the year ended 30 June 2023)	Nil
Between Threshold and Maximum	Between 5% and 10% average annual growth	10% plus an additional amount progressively vesting on a straight-line basis between Threshold and Maximum
Maximum	>10% average annual growth	100%

The number of LTIP Rights granted in FY24 was calculated by dividing the LTIP award by the 30 day VWAP (volume weighted average price) of Ingenia securities in the trading period ending on 1 October 2023.

Directors' Report (continued)

Ingenia Communities Holdings Limited
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5.3. General Terms

Particular events may affect the grant and vesting of equity awards (both deferred STI component and LTIP). The table below outlines how these grants may be treated; noting the Board, at all times, maintains an overriding discretion with respect to the incentive plans:

Cessation of employment	Where a participant holding unvested Rights ceases to be an employee of the Group, the participant may continue to hold those unvested Rights unless or until the Board exercises a discretion to determine that some or all Rights: • lapse; • are forfeited; • vest (immediately or subject to conditions); • are only exercisable for a specified period, and will otherwise lapse; or • are no longer subject to some of the restrictions (including vesting Conditions) that previously applied.
Clawback	Where, in the opinion of the Board, a Participant or former Participant acts fraudulently or dishonestly, or is in breach of his or her obligations to the Group or is knowingly involved in a material misstatement of financial statements, the Board may determine the conditions and/or period applying to the Rights should be altered or reset (as the case may be); • all or any Rights of the Participant that have not vested shall lapse; • all or any Rights of the Participant that have vested and have not been exercised shall lapse; • all or any Ingenia Securities held by the Participant following exercise of Rights are forfeited; and/or where Ingenia Securities that have been allocated to the Participant following vesting and exercise of Rights have been sold, that the Participant must repay all or part of the net proceeds of such a sale to Ingenia.
Change of Control	The Board may, in its absolute discretion, determine whether: • some or all unvested Rights vest or lapse (whether subject to Conditions or not); or • some or all of the unvested Rights remain subject to the applicable Conditions (or substitute Conditions), • having regard to any matter the Board considers relevant, including, without limitation, the circumstances of the Event, the extent to which the applicable Conditions have been satisfied and/or the proportion of the Period that has elapsed at that time. If an Event occurs after Rights vest, all vested Rights will be automatically exercised. If an Event occurs after Rights vest, all Ingenia Securities issued or transferred (as applicable) on exercise of the Rights that remain subject to a trading restriction under the Plan will be released from restriction.
Vesting	Upon the exercise of vested Rights, Ingenia will grant the relevant number of Ingenia securities to the participant. No amount is payable by the executive KMP for the grant of Ingenia securities.

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Directors' Report (continued)

Ingenia Communities Holdings Limited
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6. NON-EXECUTIVE DIRECTORS' REMUNERATION

The Group's remuneration policy for Non-Executive Directors aims to ensure that the Group attracts and retains suitably skilled and experienced individuals to serve on the Board and to remunerate them appropriately for their time, expertise and responsibilities and liabilities as public company directors.

The Remuneration & Nomination Committee is responsible for reviewing and recommending to the Board any changes to Board and Committee remuneration, considering the size and scope of the Group's activities and the responsibilities and liabilities of directors. In developing its recommendations, the Committee may take advice from external consultants.

NEDs are remunerated by way of cash and mandated superannuation. They do not participate in performance-based remuneration plans.

The Board has introduced a policy guideline for NEDs (and Executives) to hold the equivalent of one year's gross fees in Ingenia securities within a period of three years from the date of appointment. All independent NEDs have self-funded the purchase of Ingenia securities on market as shown below in section 6.2.

6.1. Non-Executive Directors' Fees

The maximum aggregate fee pool available to NEDs is \$1,600,000 as approved at the November 2022 AGM. The NED fees are reviewed annually with any changes effective 1 December. Annual NED fees, inclusive of superannuation, are detailed below:

	1 Dec 2023	1 Dec 2022
Chairman	\$260,500	\$252,000
Non-Executive Director	\$124,100	\$120,000
Deputy Chairman	\$23,750	\$23,000
Committee Chair	\$23,750	\$23,000
Committee Member	\$11,900	\$11,500

6.2. Non-Executive Directors' Remuneration

The following table outlines the remuneration provided to NEDs for FY24 and FY23, inclusive of superannuation. All Directors are compliant with the minimum securityholding policy. Total remuneration paid to Directors in FY24 was \$1,055,054.

	FY24 (\$)	FY23 (\$)
NEDs - Directors' fees		
Jim Hazel	256,958	247,000
Robert Morrison	181,000	172,500
Amanda Heyworth	142,161	140,083
Pippa Downes	157,563	149,917
Gregory Hayes	134,125	127,333
Sally Evans	157,563	143,875
Lisa Scenna	24,650	-
Shane Gannon	517	-
Simon Shakesheff	517	-
Total	1,055,054	980,708

In addition to the above fees, all NEDs receive reimbursement for reasonable travel, accommodation and other incidental expenses incurred while undertaking Ingenia business.

Directors' Report (continued)

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7. EXECUTIVE KMP EMPLOYMENT CONTRACTS

Contract terms

The CEO and other Executive KMP are on rolling contracts until notice of termination is given by either Ingenia Communities Group or the relevant Executive KMP. The notice period for the CEO and other Executive KMP is twelve and six months respectively. In appropriate circumstances, payment may be made in lieu of notice, which would include pro rata fixed remuneration and statutory entitlements.

Other contract terms are noted below:

	John Carfi	Justin Mitchell	Natalie Kwok
Fixed remuneration	Total fixed remuneration includes cash salary, superannuation, and other non-cash benefits.		
	\$1,200,000	\$725,000	\$550,000
Variable remuneration⁽¹⁾	- Eligible for STI of up to 100% for any one year of the fixed annual remuneration, of which two-thirds is in the form of deferred equity. - Eligible for LTI of up to 100% for any one year of fixed annual remuneration.	- Eligible for STI of up to 60% for any one year of fixed annual remuneration, of which 50% is in the form of deferred equity. - Eligible for LTI of up to 60% for any one year of fixed annual remuneration.	- Eligible for STI of up to 60% for any one year of fixed annual remuneration, of which 50% is in the form of deferred equity. - Eligible for LTI of up to 60% for any one year of fixed annual remuneration.
Notice period	12 months	6 months	6 months
Non-compete period	12 months	12 months	12 months
Non-solicitation period	12 months	12 months	12 months

(1) The Board may withdraw or vary the STI and LTI schemes at any time by written notice to the Executive, provided the scheme will not be varied or withdrawn part way through a financial year in respect of that same financial year.

7.1. Entitlement to former MD & CEO on separation

On 1 July 2024, Mr Owen, separated after serving seven of his twelve months' notice period. Mr Owen received his contractual entitlements which include:

- The balance of five months' notice period, being \$452,721 (gross).
- Accrued statutory annual leave and long-service leave entitlements.

FY23 deferred STI Rights, FY24 deferred STI Rights, and unvested LTI Rights will remain on foot, with no accelerated vesting outcomes. The maximum remaining expense for future years of \$1,043,856 has been accelerated and recognised in full during FY24 in accordance with accounting standards. There are no additional termination benefits being provided to Mr Owen.

7.2. Current CEO Commencement & KMP Transition arrangements

Mr Carfi commenced as CEO on 1 April 2024. A summary of his key employment arrangements was disclosed to the ASX on 16 January 2024. This included a grant of 236,995 Rights issued under the FY24 LTI Plan approved at the November 2023 AGM.

Recognising the risk associated with the departure of Mr Owen, and a focus on the need for business continuity, the Board considered it appropriate to issue a one-off incentive to Ms Kwok, being 104,278 Rights and to Mr Mitchell, being 137,458 Rights, of which vesting testing occurs at 50% in October 2025 and the balance in October 2027. The Rights vesting conditions include individual performance against KPIs and include a malus provision. These grants are subject to the minimum securityholding policy.

On commencement in July 2023, Mr Mitchell was granted 59,249 Rights in recognition of him forfeiting a cash incentive on joining Ingenia. These Rights vest in FY25 and are subject to individual performance against KPIs, include a malus provision and are subject to the minimum securityholding policy.

Directors' Report (continued)

Ingenia Communities Holdings Limited
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8. STATUTORY TABLES

8.1. Ingenia Communities Group equity held by key management personnel

The table below shows securities held indirectly or beneficially by each KMP, including their related parties (excluding unvested equity holdings where applicable – refer to section 8.2 and Note 31). This table highlights the direct exposure that each Director and executive KMP has to the Ingenia Communities security price.

	Balance 1 July 2023	Acquisitions	Exercise of Rights	Disposals	Balance 30 June 2024
Non-Executive KMP					
Jim Hazel	439,445	-	-	-	439,445
Robert Morrison	254,528	-	-	-	254,528
Pippa Downes	40,868	-	-	-	40,868
Gregory Hayes	20,000	12,000	-	-	32,000
Sally Evans	39,052	4,830	-	-	43,882
Amanda Heyworth ⁽¹⁾	224,736	-	-	-	224,736
John McLaren ⁽²⁾	41,779,555	-	-	(41,779,555)	-
Lisa Scenna ⁽³⁾	-	-	-	-	-
Shane Gannon ⁽⁴⁾	-	-	-	-	-
Simon Shakesheff ⁽⁴⁾	-	-	-	-	-
Executive KMP					
John Carfi	-	-	-	-	-
Justin Mitchell	-	-	-	-	-
Natalie Kwok	59,899	-	12,322	-	72,221
Simon Owen ⁽⁵⁾	1,392,976	6,400	-	-	1,399,376

(1) Ms Heyworth was a Director for the period 1 July 2023 to 20 June 2024. The movement disclosed is for the period up to 20 June 2024.

(2) Mr McLaren was a Director for the period 1 July 2023 to 2 November 2023. The movement disclosed is for the period up to 2 November 2023. The securities held by Mr McLaren were beneficially owned by Sun Communities.

(3) Ms Scenna was appointed as a Director, effective 1 May 2024. The movement disclosed is from the date of commencement.

(4) Mr Gannon and Mr Shakesheff were appointed as Directors, effective 28 June 2024. The movement disclosed is from the date of commencement.

(5) Mr Owen was deemed to be KMP for the period 1 July 2023 to 31 March 2024. The movement disclosed is for the period up to 31 March 2024.

8.2. Unvested Rights

The below table summarises the Rights granted to date and not vested at 30 June 2024.

Grant	Grant Date	Vesting date	Number of Rights	Fair value of Rights at grant	Maximum expense in future years
John Carfi					
FY24 LTIP	2-Apr-24	1-Oct-26	236,995	\$681,048	\$510,786
Justin Mitchell					
FY24 TRG	1-Oct-23	10-Jul-24	59,249	\$250,000	\$7,692
FY24 TRG - Tranche 1	1-Oct-23	1-Oct-25	68,729	\$289,637	\$181,023
FY24 TRG - Tranche 2	1-Oct-23	1-Oct-27	68,729	\$290,444	\$235,986
FY24 LTIP	1-Oct-23	1-Oct-26	103,093	\$232,923	\$174,692
Natalie Kwok					
FY23 STIP	1-Oct-23	1-Oct-24	26,662	\$112,500	\$12,500
FY24 TRG - Tranche 1	1-Oct-23	1-Oct-25	52,139	\$219,724	\$137,327
FY24 TRG - Tranche 2	1-Oct-23	1-Oct-27	52,139	\$220,336	\$179,023
FY22 LTIP	1-Oct-21	1-Oct-24	30,749	\$142,221	-
FY23 LTIP	1-Oct-22	1-Oct-25	70,828	\$189,656	\$79,023
FY24 LTIP	1-Oct-23	1-Oct-26	78,209	\$176,702	\$132,526
Simon Owen					
FY24 FRR	17-Nov-23	30-Jun-24	56,879	\$240,000	-
FY23 STIP	1-Oct-23	1-Oct-24	96,588	\$407,550	-
FY22 LTIP	11-Nov-21	1-Oct-24	116,805	\$540,248	-
FY23 LTIP	17-Nov-22	1-Oct-25	206,950	\$554,150	-
FY24 LTIP	17-Nov-23	1-Oct-26	260,695	\$589,001	-
Total			1,585,438	\$5,136,140	\$1,650,578

Directors' Report (continued)

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Upon his resignation, Mr Owen's unvested Rights remained on foot and are subject to the natural performance hurdles. The maximum remaining expense for future years of \$1,043,856 has been accelerated and recognised in full during FY24 in accordance with accounting standards.

8.3. Movement in unvested Rights

The movement in unvested Rights held by KMP during the year are set out in the table below.

	Balance 1 July 2023	Granted	Vested	Lapsed	Balance 30 June 2024
John Carfi	-	236,995	-	-	236,995
Justin Mitchell	-	299,800	-	-	299,800
Natalie Kwok	180,522	211,068	(45,308)	(35,556)	310,726
Simon Owen ⁽¹⁾	565,232	416,841	(95,267)	(148,889)	737,917
Total	745,754	1,164,704	(140,575)	(184,445)	1,585,438

(1) Mr Owen was deemed to be KMP for the period 1 July 2023 to 31 March 2024. The movement in unvested Rights disclosed in the above table is for 9 month period that he was KMP. Upon his resignation, Mr Owen's unvested Rights remained on foot and are subject to the natural performance hurdles.

In addition, Ms Kwok holds 75,499 vested Rights that she has not exercised. Vested rights expire 15 years from the grant date of the Rights.

Granted rights issued include both new issues and distribution entitlement factor on vested rights. Refer to Note 31 for a summary of all vested and unvested rights.

8.4. Executive Remuneration for FY24

The following statutory table outlines the remuneration provided to Executive KMP for FY23 and FY24 and has been calculated in accordance with the accounting standards, as such the information presented will differ from the information presented in the actual remuneration received table on page 33.

Reported Remuneration - Statutory presentation

Name	Financial Year	Short-Term		Post-employment	Share-based payments			Total	Performance related	
		Salary ⁽¹⁾	STI Cash ⁽²⁾	Super-annuation Benefits	FRR	STI Deferred ⁽²⁾	LTI & TRG ⁽³⁾		STI, LTI & TRG	LTI & TRG
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(%)	(%)
J. Carfi ⁽⁴⁾	2024	315,700	79,000	6,850	-	71,111	170,262	642,923	50	26
	2023	-	-	-	-	-	-	-	-	-
J. Mitchell ⁽⁵⁾	2024	728,276	168,389	29,430	-	77,333	460,411	1,463,839	48	31
	2023	-	-	-	-	-	-	-	-	-
N. Kwok ⁽⁶⁾	2024	545,089	130,350	29,407	-	118,229	222,841	1,045,916	45	21
	2023	463,041	112,500	25,292	-	93,717	128,175	822,725	41	16
S. Owen ⁽⁷⁾	2024	892,812	289,667	31,117	240,000	483,705	331,967	2,269,268	49	15
	2023	739,708	203,775	25,292	225,000	393,005	326,452	1,913,232	48	17
Total	2024	2,481,877	667,406	96,804	240,000	750,378	1,185,481	5,421,946	48	22
Total	2023	1,202,749	316,275	50,584	225,000	486,722	454,627	2,735,957	46	17

(1) Inclusive of accrued leave movements.

(2) Cash STIs are accrued in the year ended 30 June 2024. Deferred STIs are evenly expensed over the respective performance period and deferral periods.

(3) Deferred LTIP and TRG Rights are expensed evenly over the performance and deferral periods.

(4) Mr Carfi commenced employment as CEO on 1 April 2024.

(5) Mr Mitchell commenced employment as CFO on 10 July 2023.

(6) Inclusive of accrued LSL movements \$17,071. Excludes future separation payments of \$381,901 and the accelerated Rights expense of \$540,399 recognised in the current period in accordance with accounting standards.

(7) Inclusive of gardening leave payments of \$304,220 and accrued LSL movements of \$42,201. Excludes the 5 month notice payment of \$452,721 and the accelerated Rights expense of \$1,043,856, recognised in the current period in accordance with accounting standards. Refer to section 7.1 for additional information.

Directors' Report (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

The following table outlines the actual remuneration received by Executive KMP during FY23 and FY24. The figures in the below table will differ from those shown on the statutory table on the previous page, which includes an accounting value for all unvested Rights during the year.

Reported remuneration - Actual amounts received or realised

Name	Financial Year	TFR (\$)	FRR (\$)	STI awarded and received as cash ⁽¹⁾ (\$)	Previous years' STI that vested ⁽²⁾ (\$)	Previous years' LTI & TRG that vested ⁽²⁾ (\$)	Total remuneration realised (\$)	Awards which lapsed or were forfeited ⁽³⁾ (\$)
J. Carfi ⁽⁴⁾	2024	300,000	-	79,000	-	-	379,000	-
	2023	-	-	-	-	-	-	-
J. Mitchell ⁽⁵⁾	2024	715,682	-	168,389	-	-	884,071	-
	2023	-	-	-	-	-	-	-
N. Kwok	2024	544,640	-	130,350	91,896	99,281	866,167	150,029
	2023	488,333	-	112,500	50,104	29,850	680,787	41,744
S. Owen ⁽⁶⁾	2024	1,081,140	240,000	289,667	401,979	-	2,012,786	628,237
	2023	765,000	225,000	203,775	174,290	254,784	1,622,849	356,325
Total	2024	2,641,462	240,000	667,406	493,875	99,281	4,142,024	778,266
Total	2023	1,253,333	225,000	316,275	224,394	284,634	2,303,636	398,069

(1) Represents the apportioned cash component of STI, in line with contractual employment terms outlined in Section 7.

(2) This represents the value of all prior years' deferred Rights that vested during FY24 based on the 30 day VWAP up to the 1 October 2023 vesting date of \$4.22 (1 October 2022: \$4.07).

(3) The value shown represents the value of any prior year Rights that lapsed or were forfeited during the financial year. The FY24 values are based on the 30 day VWAP up to the 1 October 2023 vesting date of \$4.22 (1 October 2022: \$4.07).

(4) Mr Carfi commenced employment as CEO on 1 April 2024.

(5) Mr Mitchell commenced employment as CFO on 10 July 2023.

(6) Excludes the 5 month notice payment of \$452,721 to Mr Owen. Refer to section 7.1 for additional information.

Signed in accordance with resolution of the Directors.



Sally Evans
Chair - Remuneration and Nomination Committee
Sydney, 20 August 2024

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working world**

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Auditor's Independence Declaration to the Directors of Ingenia Communities Holdings Limited

As lead auditor for the audit of the financial report of Ingenia Communities Holdings Limited for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Ingenia Communities Holdings Limited and the entities it controlled during the financial year.

Ernst & Young

Yvonne Barnikel
Partner
20 August 2024

Consolidated Statement of Comprehensive Income

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

	Note	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Land lease homes sales		202,090	139,261
Residential rental income		101,564	98,279
Tourism rental income		108,378	99,896
Annals rental income		11,032	10,647
Other revenue	5	49,228	46,385
Revenue		472,292	394,468
Cost of land lease homes sold		(112,714)	(73,757)
Employee expenses		(108,107)	(98,501)
Property expenses		(57,531)	(54,302)
Administrative expenses		(29,088)	(26,375)
Operational, marketing and selling expenses		(23,500)	(18,482)
Service station expenses		(9,037)	(9,371)
Depreciation and amortisation expense	12,13,14	(4,338)	(4,413)
Operating profit before interest and tax		127,977	109,267
Interest income		683	357
Finance expense	6	(24,973)	(17,678)
Operating profit before tax		103,687	91,946
Share of joint venture loss	15	(5,957)	(4,272)
Net gain/(loss) on change in fair value of:			
Investment properties	11(b)	55,890	4,906
Acquisition transaction costs	11(b)	(4,190)	(4,383)
Financial liabilities		(3,002)	(2,723)
Investments and other financial instruments		(4,030)	1,388
Impairment of goodwill	13	(96,647)	-
Gain/(loss) on disposal of investment properties		4,694	(2,840)
Business combination transaction costs		-	1,615
Share of associate loss		-	(514)
Profit before income tax		50,445	85,123
Income tax expense	7	(36,425)	(20,755)
Net profit for the year		14,020	64,368
Total comprehensive income for the year net of income tax		14,020	64,368
		30 Jun 2024 Cents	30 Jun 2023 Cents
Distributions per security paid⁽¹⁾		11.0	11.0
Earnings/(loss) per security:			
Basic earnings/(loss)			
Per security	4(a)	3.4	15.8
Per security attributable to parent	4(b)	(2.2)	(2.2)
Diluted earnings/(loss) per security			
Per security	4(a)	3.4	15.7
Per security attributable to parent	4(b)	(2.2)	(2.2)

(1) Distributions relate to the amount paid during the financial year. A final FY24 distribution of 6.1 cps was declared on 20 August 2024 (payment due on 19 September 2024) resulting in a total FY24 distribution of 11.3 cps.

Notes to the Consolidated Financial Statements are included on pages 39 to 80.

Consolidated Balance Sheet

Ingenia Communities Holdings Limited
As at 30 June 2024

	Note	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Current assets			
Cash and cash equivalents		14,458	45,716
Trade and other receivables	8	14,832	18,010
Inventories	9	86,467	54,147
Other financial assets	16	3,726	3,234
Tax receivable		2,030	29
Assets held for sale	10	-	24,190
Total current assets		121,513	145,326
Non-current assets			
Trade and other receivables	8	909	787
Investment properties	11	2,250,687	2,045,630
Investment in a joint venture	15	76,872	61,829
Other financial assets	16	6,357	10,207
Plant and equipment	12	10,597	9,199
Intangibles and goodwill	13	5,566	102,584
Right-of-use assets	14	2,577	2,569
Total non-current assets		2,353,565	2,232,805
Total assets		2,475,078	2,378,131
Current liabilities			
Trade and other payables	18	94,089	95,517
Borrowings	19	4,580	3,988
Employee liabilities		5,535	5,050
Other financial liabilities	20	795	659
Provision for income tax		-	333
Total current liabilities		104,999	105,547
Non-current liabilities			
Borrowings	19	749,573	657,680
Other financial liabilities	20	16,665	16,941
Employee liabilities		981	993
Other payables	18	3,635	6,904
Deferred tax liability	17	89,319	53,279
Total non-current liabilities		860,173	735,797
Total liabilities		965,172	841,344
Net assets		1,509,906	1,536,787
Equity			
Issued securities	21(a)	1,704,188	1,704,212
Reserves	22	1,458	(2,010)
Accumulated losses	23	(195,740)	(165,415)
Total equity		1,509,906	1,536,787
Net asset value per security (\$)		\$ 3.70	\$ 3.77

Notes to the Consolidated Financial Statements are included on pages 39 to 80.

Consolidated Cash Flow Statement

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

	Note	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Cash flows from operating activities			
Rental and other property income		268,476	259,216
Property and other expenses		(219,785)	(189,579)
Proceeds from sale of land lease homes		230,613	152,330
Purchase of land lease homes		(162,869)	(116,798)
Proceeds from sale of service station inventory		11,662	11,820
Purchase of service station inventory		(10,026)	(10,292)
Borrowing costs paid		(33,840)	(22,294)
Income tax paid		(2,719)	(2,277)
Interest received		683	371
	33	82,195	82,497
Cash flows from investing activities			
Payments for acquisition of investment properties		(39,941)	(62,889)
Additions to investment properties		(159,374)	(137,326)
Purchase and additions of plant and equipment		(4,615)	(4,407)
Proceeds from sale of investment properties		74,985	52,513
Net payments for acquisition of subsidiaries		-	(16,890)
Investment in joint venture		(21,000)	-
Other		1,801	946
		(148,144)	(168,053)
Cash flows from financing activities			
Payments for security issue costs		(24)	(18)
Distributions to security holders		(44,834)	(44,834)
Proceeds from borrowings		404,750	289,130
Repayment of borrowings		(318,030)	(120,000)
Payments for debt issue costs		(933)	(198)
Payment for securities under security plan		(725)	(150)
Other financial liabilities		(5,513)	(5,742)
Payments for derivatives and financial instruments		-	(1,402)
		34,691	116,786
Net (decrease)/increase in cash and cash equivalents		(31,258)	31,230
Cash and cash equivalents at the beginning of the year		45,716	14,486
Cash and cash equivalents at the end of the year		14,458	45,716

Notes to the Consolidated Financial Statements are included on pages 39 to 80.

Consolidated Statement of Changes in Equity

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

Note	Attributable to security holders					
	Ingenia Communities Holdings Limited				ICF & ICMT \$'000	Total Equity \$'000
	Issued Capital \$'000	Reserves \$'000	Retained Earnings \$'000	Total \$'000		
Carrying value 1 Jul 2023	91,958	(2,010)	48,319	138,267	1,398,520	1,536,787
Net (loss)/profit	-	-	(42,267)	(42,267)	56,287	14,020
Total comprehensive income for the year	-	-	(42,267)	(42,267)	56,287	14,020

Transactions with security holders in their capacity as security holders:

Issue of securities	21(a)	(2)	-	-	(2)	(22)	(24)
Share based payment transactions	22	-	4,682	-	4,682	-	4,682
Lapsed rights	22,23	-	(489)	489	-	-	-
Payment of distributions to security holders	23	-	-	-	(44,834)	(44,834)	
Payments to employee share trust	22	-	(725)	-	(725)	-	(725)
Carrying value 30 Jun 2024		91,956	1,458	6,541	99,955	1,409,951	1,509,906

Note	Attributable to security holders					
	Ingenia Communities Holdings Limited				ICF & ICMT \$'000	Total Equity \$'000
	Issued Capital \$'000	Reserves \$'000	Retained Earnings \$'000	Total \$'000		
Carrying value 1 Jul 2022	91,960	(4,312)	60,822	148,470	1,366,107	1,514,577
Net (loss)/profit	-	-	(12,895)	(12,895)	77,263	64,368
Total comprehensive income for the year	-	-	(12,895)	(12,895)	77,263	64,368

Transactions with security holders in their capacity as security holders:

Issue of securities	21(a)	(2)	-	-	(2)	(16)	(18)
Share based payment transactions	22	-	2,844	-	2,844	-	2,844
Lapsed rights	22,23	-	(392)	392	-	-	-
Payment of distributions to security holders	23	-	-	-	(44,834)	(44,834)	
Payments to employee share trust	22	-	(150)	-	(150)	-	(150)
Carrying value 30 Jun 2023		91,958	(2,010)	48,319	138,267	1,398,520	1,536,787

Notes to the Consolidated Financial Statements are included on pages 39 to 80.

Notes to the Financial Statements

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) The Group

The financial report of Ingenia Communities Holdings Limited (the “Company”) comprises the consolidated financial report of the Company and its controlled entities, including Ingenia Communities Fund (“ICF” or the “Fund”) and Ingenia Communities Management Trust (“ICMT”) (collectively, the “Trusts”). The shares of the Company are stapled with the units of the Trusts and trade on the Australian Securities Exchange (“ASX”) effectively as one security. Ingenia Communities RE Limited (“ICRE”), a wholly owned subsidiary of the Company, is the Responsible Entity of the Trusts. In this report, the Company and the Trusts are referred to collectively as the Group.

The constitutions of the Company and the Trusts require that, for as long as they remain jointly quoted on the ASX, the number of shares in the Company and of units in each trust shall remain equal and those security holders in the Company and unitholders in each trust shall be identical.

The stapling structure will cease to operate on the first to occur of:

- the Company or either of the Trusts resolving by special resolution in accordance with its constitution to terminate the stapling provisions; or
- the commencement of the winding up of the Company or either of the Trusts.

The financial report as at and for the year ended 30 June 2024 was authorised for issue by the Directors on 20 August 2024.

(b) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards, Australian Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (“AASB”) and the *Corporations Act 2001*.

The financial report complies with Australian Accounting Standards as issued by the AASB and International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

As permitted by Instrument 2015/838, issued by the Australian Securities and Investments Commission, the financial statements and accompanying notes of the Group have been presented in the attached combined financial report.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$’000), unless otherwise stated as permitted by Instrument 2016/191.

The financial report is prepared on a historical cost basis, except for investment properties, residents’ loans, derivative financial instruments, other financial assets and other financial liabilities, which are measured at fair value.

(c) Adoption of new and revised accounting standards

In the current period, the Group has adopted all the new and revised accounting standards, amendments to accounting standards, and interpretations that are relevant to its operations and effective for the current annual reporting period.

New accounting standards and interpretations have been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 30 June 2024. The Group is in the process of assessing the impact of the following:

Summary	Application date of standard	Application date for Group
AASB 2020-1 Amendment to Australian Accounting Standards - Classification of Liabilities as Current or Non-current and AASB 2022-6 Amendments to Australian Accounting standards - Non-current Liabilities with Covenants	1 January 2024	1 July 2024
AASB 18 Presentation and Disclosure in Financial Statements	1 January 2027	1 July 2027

(d) Principles of consolidation

The Group’s consolidated financial statements comprise the Company and its subsidiaries (including the Trusts). Subsidiaries are all those entities (including special purpose entities) over which the Company or the Trusts have the power to govern the financial and operating policies, so as to obtain benefits from their activities.

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited

For the year ended 30 June 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Principles of consolidation (continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies. Intercompany balances and transactions, including dividends and unrealised gains and losses from intragroup transactions, have been eliminated.

Subsidiaries are consolidated from the date on which the parent obtains control. They are deconsolidated from the date that control ceases.

Investments in subsidiaries are carried at cost in the parent's financial statements.

The Company was incorporated on 24 November 2011. In accordance with Accounting Standard AASB 3 *Business Combinations*, the stapling of the Company and the Trusts was regarded as a business combination. Under AASB 3, the stapling was accounted for as a reverse acquisition with ICF "acquiring" the Company and the Company subsequently being identified as the legal parent for preparing consolidated financial reports. The consolidated financial statements are a continuation of the financial statements of the Trusts, and include the results of the Company from the date of incorporation.

(e) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate consideration transferred and the amount recognised for non-controlling interest over the fair value of net identifiable assets acquired and liabilities assumed.

Goodwill is tested annually for impairment, or more frequently if changes in circumstances indicate that it might be impaired. An impairment loss is recognised when the carrying amount of the asset exceeds its recoverable amount, calculated as the higher of fair value less costs of disposal and the value in use. Impairment losses are recognised in the Consolidated Statement of Comprehensive Income.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which goodwill is monitored for management purposes and allocated to cash generating units ("CGU"). The assumptions used for determining the recoverable amount of the CGU are based on the expectation for the future, utilising both internal and external sources of data and relevant market trends.

(f) Assets held for sale

Components of the entity are classified as held for sale if their carrying value will be recovered principally through a sale transaction rather than through continuing use.

They are measured at the lower of their carrying value and fair value less costs to sell, except for assets such as investment property, which are carried at fair value.

(g) Dividends and distributions

A liability for any dividend or distribution declared on or before the end of the reporting period is recognised on the balance sheet, in the reporting period to which the dividend or distribution pertains.

(h) Foreign currency

Functional and presentation currencies

The presentation currency of the Group, and functional currency of the Company, is the Australian dollar.

Translation of foreign currency transactions

Transactions in foreign currency are initially recorded in the functional currency at the exchange rate prevailing at the date of the transaction. Monetary assets denominated in foreign currency are retranslated at the rate of exchange prevailing at the balance date.

(i) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets which are recognised as an expense on a straight-line basis over the lease term. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited

For the year ended 30 June 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Leases (continued)

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in Borrowings (Note 19).

Leases for investment property which apply the fair value model are classified as investment property per AASB 140 *Investment Properties*.

(j) Plant and equipment

Plant and equipment is stated at cost, net of accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing part of the property, plant and equipment, and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment require replacing at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, the cost is recognised in the carrying value of the plant and equipment as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

(k) Financial assets and liabilities

Current and non-current financial assets and liabilities within the scope of AASB 9 *Financial Instruments* are classified as; fair value through profit or loss; fair value through other comprehensive income; or amortised cost. The Group determines the classification of its financial assets and liabilities at initial recognition with the classification depending on the purpose for which the asset or liability was acquired or issued. Financial assets and liabilities are initially recognised at fair value plus directly attributable transaction costs, unless their classification is at fair value through profit or loss. They are subsequently measured at fair value or amortised cost using the effective interest method.

The fair value of financial instruments actively traded in organised financial markets are determined by reference to quoted market bid prices at close of business on balance sheet date. For those with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another substantially similar instruments; discounted cash flow analysis; option pricing models; making use of available and supportable market data and keeping judgemental inputs to a minimum.

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited

For the year ended 30 June 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) Impairment of non-financial assets

Assets other than investment property carried at fair value are tested for impairment whenever events or circumstance changes indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Non-financial assets excluding goodwill which have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(m) Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow statements comprise cash at bank, cash in hand, and short-term deposits that are readily convertible to known amounts of cash, and subject to an insignificant risk of changes in value.

(n) Trade and other receivables

Trade and other receivables are recognised initially at original invoice amount, and subsequently adjusted for ECL. An allowance is recognised by analysing the age of outstanding balances and applying historical default percentages. Historical loss rates are adjusted to reflect current and forward-looking observable data affecting the ability of customers to settle their debts.

(o) Inventories

The Group holds inventory in relation to the acquisition and development of land lease homes, as well as service station fuel and supplies.

Inventories are held at the lower of cost and net realisable value.

Costs of inventories comprise all acquisition costs, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventory includes work in progress and raw materials used in the production of land lease home units.

Net realisable value is determined based on an estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

(p) Derivative financial instruments

The Group uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date the contract is entered and are subsequently remeasured to fair value and included in the statement of comprehensive income in the period they arise, including the corresponding tax effect.

(q) Investment property

Land and buildings have the function of an investment and are regarded as composite assets. In accordance with applicable accounting standards, the buildings, including plant and equipment, are not depreciated.

Investment property includes property under construction, tourism cabins and associated amenities.

Investment properties are measured initially at cost, including transaction costs. Subsequently, investment properties are stated at fair value, reflecting market conditions at reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of comprehensive income in the period they arise, including the corresponding tax effect where applicable.

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at measurement date, in the principal market for the asset or liability, or the most advantageous market in its absence. In determining the fair value of certain assets, recent market offers have been taken into consideration.

It is the Group's policy to have all investment properties independently valued at intervals of not more than two years. It is the policy of the Group to review the fair value of each investment property every six months and revalue investment properties to fair value when their carrying value materially differs to their fair values.

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(q) Investment property (continued)

In determining fair values, the Group considers relevant information including the capitalisation of rental streams using market assessed capitalisation rates, expected net cash flows discounted to their present value using market determined risk-adjusted discount rates, and other available market data such as recent comparable transactions. The assessment of fair value of investment properties does not take into account potential capital gains tax assessable.

(r) Intangible assets

An intangible asset arising from software development expenditure is recognised only when the Group can demonstrate: the technical feasibility of completing the intangible asset so that it will be available for use; how the asset will generate future economic benefits; the availability of resources to complete the asset; and the ability to measure reliably the expenditure during its development. Costs capitalised include external direct costs of materials and service, direct payroll, and payroll related costs of employee time spent on projects.

Following the initial recognition of expenditure, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when the development is complete and the asset is available for use. Amortisation is over the period of expected future benefit.

The Group's policy applied to capitalised development costs is as follows.

Software and associated development to capitalised development costs (assets in use)

- Useful life: Finite amortisation method using seven years on a straight-line basis; and
- Impairment test: Amortisation method reviewed at each financial year-end; closing carrying value reviewed annually for indicators of impairment.

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed, as incurred. Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds, and the carrying value of the asset. They are recognised in profit or loss when the asset is derecognised.

Intangible assets acquired separately, are initially recognised at cost. The cost of intangible assets acquired in a business combination are their fair values as at the date of acquisition. Following initial recognition, acquired intangible assets are carried at cost less any accumulated amortisation and impairment losses.

(s) Trade and other payables

Trade and other payables are carried at amortised cost, and due to their short-term nature, are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are recognised when the Group becomes obliged to make future payments in respect of the purchase of the goods and services.

(t) Provisions, including employee benefits

General

Provisions are recognised when: the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of comprehensive income net of any reimbursement.

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within twelve months of the reporting date, are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited

For the year ended 30 June 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Provisions, including employee benefits (continued)

Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments made in respect of services provided by employees, up to the reporting date, using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employees departing, and period of service. Expected future payments are discounted using market yields on high quality corporate bonds at the reporting date, with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(u) Borrowings

Borrowings are initially recorded at the fair value of the consideration received, less directly attributable transaction costs associated with the borrowings. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest rate method. Under this method, fees, costs, discounts and premiums that are yield related are included as part of the carrying value of the borrowing, and amortised over its expected life.

Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer settlement to more than twelve months after reporting date.

Borrowing costs are expensed as incurred, except where they are directly attributable to the acquisition, construction or production of a qualifying asset. When this is the case, they are capitalised as part of the acquisition cost of that asset.

(v) Issued equity

Issued and paid up securities are recognised at the fair value of the consideration received by the Group. Any transaction costs arising on issue of ordinary securities are recognised directly in equity as a reduction of the security proceeds received.

(w) Revenue

Revenue from contracts with customers is recognised when performance obligations have been met and control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The following specific recognition criteria must also be met before revenue is recognised:

Rental income

Rental income from investment properties is recognised on a straight-line basis over the lease term. Fixed rental increases that do not represent direct compensation for underlying cost increases or capital expenditures are recognised on a straight-line basis until the next market review date. Rent paid in advance is recognised as unearned income.

Sale of homes

Revenue from the sale of land lease homes is recognised at the point in time when control of the land lease home is transferred to the customer, on settlement of the home.

Management and other fee income

Revenue from rendering of services is recognised in accordance with performance obligations under the terms and conditions of the service agreements. The Group recognises management and other fee income over time because the customer simultaneously receives and consumes the benefits provided to them.

Distribution income

Distribution income is recognised when the Group's right to receive the payment is established.

Interest income

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

Service station sales

Service station sales, food and beverage revenue represents the revenue earned from the provision of products and services to external parties. Sales revenue is only recognised at the point in time when control of the assets is transferred to the customer.

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited

For the year ended 30 June 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(x) Share-based payment transactions

Certain Group senior executives receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). The Group does not have any cash-settled share-based payment transactions in the financial year.

The cost of equity-settled transactions is recognised, together with a corresponding increase in reserves in equity, over the period the performance and service conditions are fulfilled. The cumulative expense recognised for these transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of comprehensive income expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee expenses.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and service conditions are satisfied.

When the terms of an equity-settled transaction are modified, the minimum expense recognised is the expense as if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the transaction, or is otherwise beneficial to the employee, as measured at the date of modification.

When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation. Any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding rights is reflected as additional share dilution in the computation of diluted earnings per share.

(y) Income tax

Current income tax

The Company, ICMT and their respective subsidiaries are subject to Australian income tax.

Under the current tax legislation, ICF and its subsidiaries are not liable to pay Australian income tax if their taxable income (including any assessable capital gains) is fully distributed to security holders each year. Tax allowances for building and fixtures depreciation are distributed to security holders via the tax-deferred component of distributions.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the current period's taxable income. The tax rates and laws used to compute the amount are those that are enacted, or substantively enacted at the reporting date.

The subsidiaries that previously held the Group's foreign properties may be subject to corporate income tax and withholding tax in the countries they operate. Under current Australian income tax legislation, security holders may be entitled to receive a foreign tax credit for this withholding tax.

ICF has entered the Attribution Managed Investment Trust (AMIT) regime. Under current Australian income tax legislation, ICF is not liable for income tax provided it satisfies certain legislative requirements, which were met in the current and previous financial years.

Deferred income tax

Deferred income tax represents tax (including withholding tax) expected to be payable or recoverable by taxable entities on differences between tax bases of assets and liabilities, and their carrying value for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised through continuing use, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at reporting date. Income taxes related to items recognised directly in equity are not recognised against income.

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited

For the year ended 30 June 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(y) Income tax (continued)

Tax consolidation

The Company, ICMT, and their respective subsidiaries have formed a tax consolidation group with the Company or ICMT being the head entity. The head and controlled entities in the tax consolidation group continue to account for their own current and deferred tax amounts. Each tax consolidated group has applied a group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to the members therein.

In addition to its own current and deferred tax amounts, the head entity of each tax consolidated group also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses, and unused tax credits assumed from entities in their respective tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from, or payable to, other entities in the Group.

(z) Goods and services tax ("GST")

Revenue, expenses and assets (with the exception of receivables) are recognised net of the amount of GST, to the extent that the GST is recoverable from the taxation authority. Where GST is not recoverable, it is recognised as part of the cost of the acquisition, or as an expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to the tax authority, is included in the balance sheet as an asset or liability.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the tax authorities, are classified as operating cash flows.

(aa) Investment in a joint venture

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

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investment in its joint venture with Sun Communities is accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying value of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying value of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the joint venture. Any change in other comprehensive income ("OCI") of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss within the statement of comprehensive income.

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited

For the year ended 30 June 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(aa) Investment in a joint venture (continued)

Upon loss of joint control, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying value of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(bb) Fair value measurement

The Group measures financial instruments, such as derivatives, investment properties and certain non-financial assets and non-financial liabilities, at fair value at each balance sheet date. Refer to Note 29.

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions market participants use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its best use, or by selling it to another market participant that would use the asset in its best use.

The Group uses valuation techniques that are appropriate in the circumstances, and for which sufficient data are available to measure fair value - maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described below, based on the lowest level of input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing categorisation at the end of the reporting period. This is based on the lowest level input that is significant to the fair value measurement as a whole.

External valuers are involved for valuation of significant assets, such as properties and significant liabilities. Selection criteria include market knowledge, experience and qualifications; reputation; independence; and whether professional standards are maintained.

On a six month basis, management presents valuation results to the Investment Committee as well as the Audit, Risk and Sustainability Committee once approved. This includes a review of major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on nature, characteristics and risks of the asset or liability, and the level of the fair value hierarchy (see Note 29).

(cc) Earnings per share ("EPS")

Basic EPS is calculated as net profit attributable to members of the Group, divided by the weighted average number of ordinary securities, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to the Group, divided by the weighted average number of ordinary securities and dilutive potential ordinary securities, adjusted for any bonus element.

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited

For the year ended 30 June 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(dd) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised, or intended to be sold, or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents, unless restricted from being exchanged or used to settle a liability for at least twelve months after reporting period.

A liability is current when it is:

- Expected to be settled in the normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(ee) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense, it is recognised net of the related expense for which it is intended to compensate. There are no unfilled conditions or other contingencies attached to the grants.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the Group to exercise its judgement in the process of applying its accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, may not equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are discussed below.

i. Valuation of investment property, other financial assets and other financial liabilities

The Group has investment properties and assets held for sale which together represent the estimated fair value of the Group's investment property. Other financial assets represent the Groups investment in a number of unlisted property funds. Other financial liabilities relate to a profit share arrangement with a third-party which is carried at fair value.

The carrying value of these assets reflect certain assumptions about expected future rentals, rent-free periods, operating costs and appropriate discount and capitalisation rates. The valuation assumption for properties to be developed reflect sales prices for new homes, sales rates, new rental tariffs, estimates of capital expenditure, discount rates and projected property growth rates. The valuation assumptions for deferred management fee villages reflect average length of stay, unit market values, estimates of capital expenditure, contract terms with residents, discount rates and projected property growth rates.

In forming these assumptions, the Group considered information about recent sales activity, current market rents, discount rates, capitalisation rates for properties similar to those owned by the Group, as well as independent valuations of the Group's property.

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

2. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

ii. Valuation of inventories

The Group has inventory primarily in the form of land lease homes which it carries at the lower of cost or net realisable value. Estimates of net realisable value are based on the most reliable evidence available at the time of estimation, the amount the inventories are expected to realise and the estimated costs of completion. Key assumptions require the use of management judgement, and are continually reviewed.

iii. Fair value of derivatives

The fair value of derivative assets and liabilities is based on assumptions of future events, and involves significant estimates. Given the complex nature of these instruments, and various assumptions that are used in calculating mark-to-market values, the Group rely on counterparty valuations for derivative values. The counterparty valuations are usually based on mid-market rates, and calculates using the main variables of the forward market curve, time and volatility.

(b) Critical judgements in applying the entity's accounting policies

There were no judgements, apart from those involving estimations, that management has made in the process of applying the entity's accounting policies that had a significant effect on the amounts recognised in the financial report.

3. SEGMENT INFORMATION

(a) Description of segments

The Group has five reportable operating segments. During the year, a review of the operating segment results was conducted, and it was determined that support costs (People & Culture, Operational Finance, Technology and the costs associated with the Brisbane office) previously allocated to reportable operating segments would be adjusted. Only costs that can be directly attributed to a reportable operating segment are included in the reportable operating segment. Any indirect costs have now been reallocated and included in the Corporate and Other result. Historically, costs were allocated based on a proportion of segment revenue as a percentage of total revenue. There is no impact to Total EBIT. Comparative figures have been updated to be consistent with the current methodology.

The five reportable operating segments are as noted below:

- Lifestyle Development – comprising the development and sale of land lease homes and fees from the management of development and sales in the joint venture;
- Lifestyle Rental – comprising long-term accommodation within land lease and all age rental communities;
- Ingenia Gardens – seniors rental villages;
- Holidays & Mixed Use – comprising tourism and rental accommodation within holiday parks;
- Fuel, Food & Beverage Services – consisting of service station and food & beverage operations adjoined to Ingenia Holiday communities.

Corporate & Other comprises the Groups support and corporate office functions including funds and joint venture management.

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

3. SEGMENT INFORMATION (CONTINUED)

(b) 2024

(b) 2024	Residential						
	Lifestyle		Gardens	Tourism	Other		
	Lifestyle Development	Lifestyle Rental	Ingenia Gardens	Holidays & Mixed Use	Fuel, Food & Beverage	Corporate & Other	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Segment revenue							
Land lease home sales	202,090	-	-	-	-	-	202,090
Residential rental income	-	68,287	21,628	11,649	-	-	101,564
Tourism rental income	-	3,259	-	105,119	-	-	108,378
Annual rental income	-	43	-	10,989	-	-	11,032
Other revenue	3,718	14,906	2,044	7,078	19,261	2,221	49,228
Total revenue	205,808	86,495	23,672	134,835	19,261	2,221	472,292
Segment underlying profit							
External segment revenue	205,808	86,495	23,672	134,835	19,261	2,221	472,292
Cost of land lease homes sold	(112,714)	-	-	-	-	-	(112,714)
Employee expenses	(19,062)	(14,564)	(5,287)	(36,407)	(4,209)	(28,578)	(108,107)
Property expenses	(2,451)	(19,545)	(5,171)	(29,590)	(928)	(2,119)	(59,804)
Administrative expenses	(2,525)	(3,784)	(1,427)	(4,851)	(145)	(16,356)	(29,088)
Operational, marketing and selling expenses	(9,655)	(2,975)	(167)	(6,201)	(3,326)	(1,176)	(23,500)
Service station expenses	-	-	-	(137)	(8,900)	-	(9,037)
Depreciation and amortisation expense	(248)	(377)	(1)	(792)	(47)	(2,873)	(4,338)
Earnings before interest and tax	59,153	45,250	11,619	56,857	1,706	(48,881)	125,704
Share of profit of a joint venture							8,879
Interest income							683
Finance expense							(24,973)
Income tax expense							(15,527)
Total underlying profit							94,766
Net gain/(loss) on change in fair value of:							
Investment properties							57,346
Acquisition transaction costs							(4,190)
Financial liabilities							(2,185)
Investments and other financial instruments							(4,030)
Share of joint venture loss							(14,836)
Impairment of goodwill ⁽¹⁾							(96,647)
Gain on disposal of investment properties							4,694
Income tax expense							(20,898)
Profit after tax							14,020
Segment assets							
Segment assets	379,071	1,024,890	138,549	848,151	368	84,049	2,475,078
Total assets	379,071	1,024,890	138,549	848,151	368	84,049	2,475,078

(1) Comprising of goodwill impaired at the Rentals CGU (\$91.8 million) and Development CGU (\$4.8 million). Refer to Note 13 for further detail.

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

3. SEGMENT INFORMATION (CONTINUED)

(c) 2023

	Residential						Total \$'000
	Lifestyle		Gardens	Tourism	Other		
	Lifestyle Development \$'000	Lifestyle Rental \$'000	Ingenia Gardens \$'000	Holidays & Mixed Use \$'000	Fuel, Food & Beverage \$'000	Corporate & Other \$'000	
Segment revenue							
Land lease home sales	139,261	-	-	-	-	-	139,261
Residential rental income	-	62,258	24,846	11,175	-	-	98,279
Tourism rental income	-	2,593	-	97,303	-	-	99,896
Annual rental income	-	53	-	10,594	-	-	10,647
Other revenue	2,061	11,927	2,602	7,279	19,258	3,258	46,385
Total revenue	141,322	76,831	27,448	126,351	19,258	3,258	394,468
Segment underlying profit							
External segment revenue	141,322	76,831	27,448	126,351	19,258	3,258	394,468
Cost of land lease homes sold	(73,757)	-	-	-	-	-	(73,757)
Employee expenses	(15,772)	(13,620)	(5,586)	(34,869)	(4,254)	(24,400)	(98,501)
Property expenses	(1,782)	(18,286)	(6,429)	(26,573)	(895)	(2,180)	(56,145)
Administrative expenses	(1,052)	(3,331)	(1,232)	(4,378)	(135)	(16,247)	(26,375)
Operational, marketing and selling expenses	(6,215)	(1,457)	(863)	(5,294)	(3,258)	(1,395)	(18,482)
Service station expenses	-	-	-	(91)	(9,280)	-	(9,371)
Depreciation and amortisation expense	(475)	(365)	(1)	(750)	(47)	(2,775)	(4,413)
Earnings before interest and tax	42,269	39,772	13,337	54,396	1,389	(43,739)	107,424
Share of profit of a joint venture							3,098
Interest income							357
Finance expense							(17,678)
Income tax expense							(9,573)
Share of associate loss							(514)
Total underlying profit							83,114
Net gain/(loss) on change in fair value of:							
Investment properties							6,125
Acquisition transaction costs							(4,383)
Financial liabilities							(2,099)
Investments and other financial instruments							1,388
Share of joint venture loss							(7,370)
Business combination transaction costs							1,615
Loss on disposal of investment properties							(2,840)
Income tax expense							(11,182)
Profit after tax							64,368
Segment assets							
Segment assets	326,050	1,005,319	172,350	740,219	317	109,686	2,353,941
Assets held for sale	-	11,200	-	12,990	-	-	24,190
Total assets	326,050	1,016,519	172,350	753,209	317	109,686	2,378,131

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

4. EARNINGS PER SECURITY

	30 Jun 2024	30 Jun 2023
(a) Per security		
Profit attributable to security holders (\$'000)	14,020	64,368
Weighted average number of securities outstanding (thousands):		
Issued securities (thousands)	407,583	407,583
Dilutive securities (thousands):		
Long-term incentives	2,516	1,988
Short-term incentives	517	421
Talent Rights Grant	920	441
Fixed Remuneration Rights	137	89
Weighted average number of issued and dilutive potential securities outstanding (thousands)	411,673	410,522
Basic earnings per security (cents)	3.4	15.8
Dilutive earnings per security (cents)	3.4	15.7
	30 Jun 2024	30 Jun 2023
(b) Per security attributable to parent		
Loss attributable to security holders (\$'000)	(9,022)	(8,783)
Weighted average number of securities outstanding (thousands):		
Issued securities (thousands)	407,583	407,583
Dilutive securities (thousands):		
Long-term incentives	2,516	1,988
Short-term incentives	517	421
Talent Rights Grant	920	441
Fixed Remuneration Rights	137	89
Weighted average number of issued and dilutive potential securities outstanding (thousands)	411,673	410,522
Basic loss per security (cents)	(2.2)	(2.2)
Dilutive loss per security (cents)	(2.2)	(2.2)

5. OTHER REVENUE

	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Ancillary guest and resident income	15,327	15,286
Fuel, food and beverage sales	19,247	19,254
Fee income ⁽¹⁾	5,642	4,781
Refurbished home sales	4,122	2,887
Other ⁽²⁾	4,890	4,177
Total other revenue	49,228	46,385

(1) Fees from the provision of property management, asset development and sales management services to the funds and the Joint Venture.

(2) Other income includes distributions from investment in funds and deferred management fees.

6. FINANCE EXPENSE

	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Debt facility interest expense	34,183	24,733
Lease interest expense ⁽¹⁾	2,280	2,053
Capitalised interest	(11,490)	(9,108)
Finance expense	24,973	17,678

(1) Lease interest expense relates to lease of right-of-use assets and certain ground leases for investment properties that are long-term in nature.

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Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

7. INCOME TAX EXPENSE

	30 Jun 2024 \$'000	30 Jun 2023 \$'000
(a) Income tax expense		
Current tax expense	385	3,835
Increase in deferred tax liability	36,040	16,920
Income tax expense	36,425	20,755
(b) Reconciliation between tax expense and pre-tax profit		
Profit before income tax	(50,445)	(85,123)
Less amounts not subject to Australian income tax	51,520	21,829
	1,075	(63,294)
Income tax (benefit)/expense at 30% (30 Jun 2023: 30%)	(323)	18,989
Tax effect of amounts that are not deductible/(taxable) in calculating taxable income:		
Prior period income tax return true-ups	6,604	5,425
Goodwill impairment	27,544	1,450
Other	2,600	832
Recognition of previously unrecognised tax losses	-	(5,941)
Income tax expense	36,425	20,755

(c) Tax consolidation

Effective from 1 July 2011, ICH and its Australian domiciled wholly owned subsidiaries formed a tax consolidation group with ICH being the head entity. Under the tax funding agreement the funding of tax within the tax group is based on taxable income as if that entity was not a member of the tax group.

Effective from 1 July 2012, ICMT and its Australian domiciled owned subsidiaries formed a tax consolidation group with ICMT being the head entity. Under the tax funding agreement the funding of tax within the tax group is based on taxable income as if that entity was not a member of the tax group.

8. TRADE AND OTHER RECEIVABLES

	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Current		
Trade receivables	4,140	2,610
Prepayments	8,741	8,678
Deposits	370	4,106
Other receivables	1,581	2,616
Total current trade and other receivables	14,832	18,010
Non-current		
Other receivables	909	787

9. INVENTORIES

	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Land lease homes:		
Completed	42,004	19,756
Display homes	7,257	3,368
Under construction	36,817	30,711
Fuel, food and beverage supplies	389	312
Total inventories	86,467	54,147

The land lease home balance includes:

- 108 completed homes (30 Jun 2023: 65)
- 26 display homes (30 Jun 2023: 11)
- Land lease homes under construction includes 221 partially completed homes at different stages of development (30 Jun 2023: 208). It also includes demolition, site preparation costs, buybacks on future development sites and refurbished/renovated/annual homes.

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

10. ASSETS HELD FOR SALE

	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Investment properties held for sale:		
Broulee, Broulee, NSW	-	7,698
Lake Hume, Bowna, NSW	-	5,292
Seachange Hervey Bay, Urangan, QLD	-	11,200
Total assets held for sale	-	24,190

11. INVESTMENT PROPERTIES

(a) Summary of carrying value

	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Completed properties	1,930,893	1,770,328
Properties under development	319,794	275,302
Total carrying value	2,250,687	2,045,630

(b) Movements in carrying value

	Note	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Carrying value at the beginning of the year		2,045,630	1,937,888
Acquisitions		38,569	48,834
Expenditure capitalised		159,206	135,549
Net gain/(loss) on change in fair value:			
Investment properties		55,890	4,906
Acquisition transaction costs		(4,190)	(4,383)
Disposals		(44,418)	(52,974)
Transfer to assets held for sale	10	-	(24,190)
Carrying value at the end of the year		2,250,687	2,045,630

Fair value hierarchy disclosures for investment properties have been provided in Note 29(a).

(c) Reconciliation of fair value

	Ingenia Gardens \$'000	Lifestyle Rental \$'000	Holidays & Mixed use \$'000	Total \$'000
Carrying value at the beginning of the year	168,010	1,120,113	757,507	2,045,630
Acquisitions	-	31,021	7,548	38,569
Expenditure capitalised	2,397	134,868	21,941	159,206
Net gain/(loss) on change in fair value of:				
Investment properties	2,229	(31,297)	84,958	55,890
Acquisition transaction costs	-	(3,921)	(269)	(4,190)
Disposals	(38,576)	-	(5,842)	(44,418)
Carrying value at the end of the year	134,060	1,250,784	865,843	2,250,687

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

11. INVESTMENT PROPERTIES (CONTINUED)

(d) Individual property carrying value

Completed properties

	Carrying value	
	30 Jun 2024 \$'000	30 Jun 2023 \$'000
<i>Ingenia Gardens:</i>		
Brooklyn, Brookfield, VIC	6,460	5,450
Jefferis, Bundaberg North, QLD	5,560	5,170
Oxley, Port Macquarie, NSW	6,850	6,550
Townsend, St Albans Park, VIC	6,100	6,000
Goulburn, Goulburn, NSW	6,540	6,120
Coburns, Brookfield, VIC	6,720	5,540
Hertford, Sebastopol, VIC	4,990	5,000
St Albans Park, St Albans Park, VIC	6,750	6,900
Taloumbi, Coffs Harbour, NSW	7,850	7,000
Wheelers, Dubbo, NSW	6,960	6,900
Taree, Taree, NSW	6,550	6,480
Grovedale, Grovedale, VIC	6,680	6,350
Marsden, Marsden, QLD	16,470	15,600
Dubbo, Dubbo, NSW	6,600	6,450
Sovereign, Ballarat, VIC	6,140	5,890
Wagga, Wagga Wagga, NSW	5,860	5,950
Bathurst, Bathurst, NSW	6,350	6,100
Warrnambool, Warrnambool, VIC	5,650	5,400
Carrum Downs, Carrum Downs, VIC	8,980	10,740
Carey Park, Bunbury, WA	-	6,040
Yakamia, Yakamia, WA	-	5,770
Seascape, Erskine, WA	-	6,500
Seville Grove, Seville Grove, WA	-	5,400
Swan View, Swan View, WA	-	9,800
Ocean Grove, Mandurah, WA	-	4,910
	134,060	168,010

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Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

11. INVESTMENT PROPERTIES (CONTINUED)

Completed properties

	Carrying value	
	30 Jun 2024 \$'000	30 Jun 2023 \$'000
<i>Ingenia Lifestyle Rental:</i>		
The Grange, Morisset, NSW	34,199	33,859
Ettalong Beach, Ettalong Beach, NSW ⁽¹⁾	1,312	1,557
Stoney Creek, Marsden Park, NSW	28,150	29,695
Chambers Pines, Chambers Flat, QLD	91,646	72,146
Bethania, Bethania, QLD	45,800	50,179
Lara, Lara, VIC	48,725	47,573
Latitude One, Port Stephens, NSW ⁽²⁾	43,650	44,000
Blueys Beach, Blueys Beach, NSW	1,221	1,050
Durack, Durack, QLD	48,500	44,300
Eight Mile Plains, Eight Mile Plains, QLD	47,000	47,000
Plantations, Woolgoolga, NSW	31,000	28,250
Hervey Bay (Lifestyle), Hervey Bay, QLD	41,400	26,846
Brisbane North, Aspley, QLD	48,750	44,659
Bevington Shores, Halekulani, NSW	30,410	29,000
Taigum, Taigum, QLD	26,500	23,333
Sunnylake Shores, Halekulani, NSW	15,575	15,648
Redlands, Thornlands, QLD	7,750	7,000
Natures Edge, Buderim, QLD	43,650	29,894
Anna Bay, Anna Bay, NSW	1,821	4,331
Arundel, Arundel, QLD	70,600	69,639
Emerald Lakes, Carrara, QLD	22,300	23,119
Coomera, Upper Coomera, QLD	21,388	20,123
Toowoomba, Harristown, QLD	19,752	8,771
Carrum Downs (Rentals), Carrum Downs, VIC	26,150	25,920
Chelsea, Bonbeach, VIC	25,250	25,457
Frankston, Carrum Downs, VIC	27,000	25,606
Glenroy, Glenroy, VIC	32,866	31,461
Sunshine, Albion, VIC	23,500	23,911
Werribee, Werribee, VIC	34,735	30,868
Parkside, Ballarat, VIC	8,931	3,216
Drift, Bargara, QLD	424	-
Sanctuary, Victoria Point, QLD	4,465	-
Millers Glen, Beaudesert, QLD	1,670	-
	956,090	868,411

(1) Includes a land component that is leased from the local municipality and is recognised as investment property with an associated ground lease. The value of the capitalised lease carried within investment property is \$0.8 million (30 June 2023: \$1.0 million).

(2) The carrying value of Latitude One represents 100% of the property value. A profit share arrangement is in place with a third-party, the liability for which is carried at fair value and classified as a financial liability. Refer to Note 20 for further details.

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

11. INVESTMENT PROPERTIES (CONTINUED)

Completed properties

	Carrying value	
	30 Jun 2024 \$'000	30 Jun 2023 \$'000
<i>Ingenia Holidays and Mixed Use:</i>		
Nepean River, Emu Plains, NSW	17,300	13,500
Kingscliff, Kingscliff, NSW	14,647	14,000
One Mile Beach, One Mile, NSW ⁽¹⁾	48,220	33,335
Hunter Valley, Cessnock, NSW	10,900	11,500
White Albatross, Nambucca Heads, NSW	48,303	37,530
Noosa, Tewantin, QLD	32,804	27,500
Lake Macquarie (Holidays), Mannering Park, NSW	18,000	13,700
Sydney Hills, Dural, NSW	14,500	17,500
Conjola Lakeside, Lake Conjola, NSW	70,000	64,700
Soldiers Point, Port Stephens, NSW	37,416	23,244
South West Rocks, South West Rocks NSW ⁽¹⁾	36,747	31,919
Ocean Lake, Ocean Lake, NSW	15,300	13,700
Avina Van Village, Vineyard, NSW	21,000	17,000
Hervey Bay (Holidays), Hervey Bay, QLD	13,611	13,750
Cairns Coconut, Woree, QLD	84,761	77,600
Bonny Hills, Bonny Hills, NSW	22,150	17,600
Rivershore, Diddillibah, QLD	23,500	24,850
Byron Bay, Byron Bay, NSW ⁽¹⁾	31,662	25,380
Middle Rock, One Mile, NSW	29,000	22,500
Inverloch, Inverloch, VIC ⁽¹⁾	47,155	41,603
Townsville, Deeragun, QLD	10,039	9,700
Merry Beach, Kioloa, NSW ⁽¹⁾	36,557	32,870
Noosa North, Tewantin, QLD ⁽¹⁾	15,551	14,551
Eden, Eden, NSW ⁽¹⁾	9,876	10,268
Torquay, Torquay, VIC ⁽¹⁾	20,909	20,536
Phillip Island, Newhaven, VIC ⁽¹⁾	12,033	13,273
Cape Paterson, Cape Paterson, VIC ⁽¹⁾	8,412	8,161
Ulladulla, Ulladulla, NSW	12,500	13,000
Beacon, Queenscliff, VIC	31,850	30,877
Murray Bend, Koonoomoo, VIC	15,245	15,600
Swan Bay, Swan Bay, VIC	9,590	9,260
Big 4 Wagga, Wagga Wagga, NSW	14,000	13,400
Old Bar Beach, Old Bar, NSW ⁽¹⁾	7,205	-
	840,743	733,907
Total completed properties	1,930,893	1,770,328

(1) Includes a land component that is leased from the Crown, local municipalities or private lessors and are recognised as investment property with an associated ground lease. The value of the capitalised lease carried within investment property is \$57.4 million (30 June 2023: \$51.2 million).

The figures shown above are the fair values of the operating rental streams associated with each property and exclude any valuation attributed to the development component of the investment property. The values attributed to development properties are separately disclosed in the note below.

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

11. INVESTMENT PROPERTIES (CONTINUED)

Properties under development

	Carrying value	
	30 Jun 2024 \$'000	30 Jun 2023 \$'000
<i>Ingenia Lifestyle Rental:</i>		
Chambers Pines, Chambers Flat, QLD	4,720	10,405
Lara, Lara, VIC	14,858	15,451
Latitude One (Lot 25), Port Stephens, NSW	24,000	2,500
Blueys Beach, Blueys Beach, NSW	17,249	9,137
Hervey Bay (Lifestyle), Hervey Bay, QLD	12,677	21,191
Parkside, Ballarat, VIC	36,210	15,974
Redlands, Thornlands, QLD	1,000	2,100
Beveridge, Beveridge, VIC	25,635	19,994
Natures Edge, Buderim, QLD	1,588	11,943
Drift, Bargara, QLD	13,673	13,159
Rochedale, Rochedale, QLD	25,119	25,284
Coomera, Upper Coomera, QLD	2,400	2,662
Toowoomba, Harristown, QLD	5,403	11,802
Sanctuary, Victoria Point, QLD	34,115	40,348
Millers Glen, Beaudesert, QLD	18,433	8,459
Branyan, Branyan, QLD	6,551	5,860
Sunbury, Sunbury, VIC	12,280	12,500
Gordonvale, Cairns, QLD	19,504	19,674
Plantations, Woolgoolga, NSW	17,100	-
Anna Bay, Anna Bay, NSW	2,179	-
Bethania, Bethania, QLD	-	1,574
Sunnylake Shores, Halekulani, NSW	-	1,685
	294,694	251,702
<i>Ingenia Holidays and Mixed Use:</i>		
Avina, Vineyard, NSW	17,850	17,000
Cairns Coconut, Woree, QLD	2,400	2,400
Rivershore, Diddillibah, QLD	3,950	4,200
White Albatross, Nambucca Heads, NSW	900	-
	25,100	23,600
Total properties under development	319,794	275,302
Total investment properties	2,250,687	2,045,630

Investment properties are carried at fair value in accordance with the Group's accounting policy Note 1 (q).

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date in the principal market for the asset or liability, or in its absence, the most advantageous market.

In determining fair values, the Group considers relevant information including the capitalisation of rental streams using market assessed capitalisation rates. For investment properties under development, the Group assesses fair value based on the expected net development cashflows discounted to their present value using market determined risk-adjusted discount rates and other available market data such as recent comparable transactions. There are three primary cashflow components that determine the fair value: Present Value of Unsold Homes' net operating income ("NOI"); Present Value of future Home Sales Profits; and, Present Value of Remaining Underground CAPEX. The fair value of an investment property under development will vary depending on the movements of these three components, which are influenced by various factors including, but not limited to, the number of settlements realised, home sale profit margins and the status of the overall development.

Refer to Note 11(e) for inputs used in determining fair value.

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

11. INVESTMENT PROPERTIES (CONTINUED)

(e) Description of valuations techniques used and key inputs to valuation on investment properties

	Valuation technique	Significant unobservable inputs	Range and weighted average		Relationship of unobservable input to fair value
			30 Jun 2024	30 Jun 2023	
Ingenia Gardens	Capitalisation method	Stabilised occupancy	92% - 98% (96.0%)	88% - 99% (96.0%)	As costs are fixed in nature, occupancy has a direct correlation to valuation (i.e. the higher the occupancy, the greater the value).
		Capitalisation rate	7.80% - 9.00% (8.4%)	7.2% - 9.5% (8.9%)	Capitalisation has an inverse relationship to valuation.
Holidays & Mixed Use	Capitalisation method (for existing rental streams)	Short-term occupancy	20% - 80% for powered and camp sites; 30% - 80% for tourism and short term rental	20% - 80% for powered and camp sites; 30% - 80% for tourism and short term rental	The higher the occupancy, the greater the value.
		Residential occupancy	100%	100%	
		Operating profit margin	22% - 60% dependent upon short-term and residential accommodation mix	22% - 63% dependent upon short-term and residential accommodation mix	The higher the adopted operating margin, the greater the value.
		Capitalisation rate	6.75% - 11.78% (8.2%)	6.75% - 11.50% (7.6%)	Capitalisation has an inverse relationship to valuation.
Lifestyle Rental	Capitalisation method (for existing income streams)	Short-term occupancy	20% - 80% for powered and camp sites; 30% - 95% for tourism and short term rental	20% - 80% for powered and camp sites; 30% - 95% for tourism and short term rental	The higher the occupancy, the greater the value.
		Residential occupancy	100%	100%	
		Operating profit margin - Stabilised	41% - 74% dependent upon short-term and residential accommodation mix	39% - 75% dependent upon short-term and residential accommodation mix	The higher the adopted operating margin, the greater the value.
		Capitalisation rate	4.99% - 7.74% (5.5%)	4.90% - 7.27% (5.3%)	Capitalisation has an inverse relationship to valuation.
Lifestyle Development	Home Sales profit	Profit margin	23% - 49% (38%)	27% - 50% (36%)	The higher the margin, the greater the contribution to overall development value.
	Discounted cash flow	Discount rate	13.5% - 20.0% (16.9%)	6.5% - 22.5% (16.8%)	Discount rate has an inverse relationship to valuation.

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Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

11. INVESTMENT PROPERTIES (CONTINUED)

Capitalisation method

Under the capitalisation method, fair value is estimated using assumptions regarding the expectation of future benefits. This method involves estimating a sustainable net operating income profile of a property and applying a capitalisation rate into perpetuity. The capitalisation rate is based on current market evidence. The sustainable net operating income profile of a property takes into account occupancy, rental income and operating expenses.

Discounted cash flow method

Under the discounted cash flow method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield normally reflects the exit value expected to be achieved upon selling the asset and is a function of the risk-adjusted returns of the asset and expected capitalisation rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment or refurbishment as well as the development of new units. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net underlying cash flows, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

12. PLANT AND EQUIPMENT

	30 Jun 2024 \$'000	30 Jun 2023 \$'000
(a) Summary of carrying value		
Plant and equipment	16,899	15,603
Less: accumulated depreciation	(6,302)	(6,404)
Total plant and equipment	10,597	9,199
(b) Movements in carrying value		
Carrying value at the beginning of the year	9,199	7,415
Additions	4,604	4,509
Disposals	(563)	(503)
Depreciation expense	(2,643)	(2,222)
Carrying value at the end of the year	10,597	9,199

13. INTANGIBLES AND GOODWILL

	30 Jun 2024 \$'000	30 Jun 2023 \$'000
(a) Summary of carrying value		
Software & development	4,917	5,025
Goodwill	4,672	101,319
Less: accumulated amortisation	(4,023)	(3,760)
Total intangibles and goodwill	5,566	102,584
(b) Movements in carrying value		
Carrying value at the beginning of the year	102,584	103,203
Additions	-	-
Disposals	(2)	-
Amortisation expense	(369)	(619)
Impairment of goodwill	(96,647)	-
Carrying value at the end of the year	5,566	102,584

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited

For the year ended 30 June 2024

13. INTANGIBLES AND GOODWILL (CONTINUED)

Goodwill is initially measured at cost, being the excess of the aggregate consideration transferred and the amount recognised for non-controlling interest over the fair value of net identifiable assets acquired and liabilities assumed.

Goodwill is tested annually for impairment, or more frequently if changes in circumstances indicate that it might be impaired. An impairment loss is recognised when the carrying amount of the asset exceeds its recoverable amount, calculated as the higher of fair value less costs of disposal and the value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which goodwill is monitored for management purposes and allocated to cash generating units (CGU). The assumptions used for determining the recoverable amount of the CGU are based on the expectation for the future, utilising both internal and external sources of data and relevant market trends.

Eighth Gate Funds CGU

The recoverable amount of the Eighth Gate Funds CGU has been determined based on a discounted cash flow basis. This method involves the projection of a series of cash flows of the funds management business. The projected cash flows have been updated to reflect an expected change in cash flows from the funds management business.

Rental CGU

The recoverable amount of the Lifestyle Rental business has been assessed on a discounted cash flow basis, involving the projection of a series of cash flows to the of the Lifestyle Rental business. As a result of this analysis, the goodwill allocated to the rental CGU was fully impaired at 30 June 2024. There was no further impairment to the underlying assets of the CGU which have a recoverable amount of \$906.6 million. The key determinant of the impairment was the higher discount rates applied to the future cash flows. For the year ended 30 June 2024, a discount rate of 8.6% (30 Jun 2023: 7%) was deemed appropriate, resulting in the full impairment of the rental CGU goodwill.

Development CGU

The recoverable amount of the development CGU has been determined based on a discounted cash flow basis. This method involves the projection of a series of cash flows of the Lifestyle Development business. To this projected cash flow series, a pre-tax market-derived discount rate of 41% (30 Jun 2023: 30%) was applied to establish the present value of the income stream associated with the CGU. Changes to the future cash outflows relating to the quantum and timing of construction costs, resulted in the full impairment of goodwill allocated to the development CGU at 30 June 2024. There was no further impairment to the underlying assets of the CGU which have a recoverable amount of \$242.3 million.

14. RIGHT-OF-USE ASSETS

	30 Jun 2024 \$'000	30 Jun 2023 \$'000
(a) Summary of carrying value		
Plant and equipment	1,154	1,154
Buildings	5,157	5,129
Less: accumulated amortisation	(3,734)	(3,714)
Total right-of-use asset	2,577	2,569
(b) Movements in carrying value		
Carrying value at the beginning of the year	2,569	4,153
Additions	1,334	-
Depreciation expense	(1,326)	(1,572)
Disposals	-	(12)
Carrying value at the end of the year	2,577	2,569

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

15. INVESTMENT IN A JOINT VENTURE

The Group holds a 50% interest in a joint venture with Sun Communities for the development of greenfield communities. The Group's interest in the joint venture is accounted for using the equity method in the consolidated financial statements. The valuation methodology of the Joint Venture's assets and liabilities are consistent with that of the Group.

The following table illustrates the summarised financial information of the Group's investment in the joint venture entities:

	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Balance Sheet		
Cash	12,610	7,769
Trade and other receivables	1,036	1,293
Inventory	34,412	16,942
Current assets	48,058	26,004
Investment property	162,746	139,568
Other non-current assets	815	500
Non-current assets	163,561	140,068
Trade and other payables	(17,845)	(7,670)
Current liabilities	(17,845)	(7,670)
Borrowings	(40,031)	(34,744)
Non-current liabilities	(40,031)	(34,744)
Net assets/equity	153,743	123,658
Group's share in equity – 50%	76,872	61,829
Group's carrying value in investment	76,872	61,829
Statement of Comprehensive Income		
Land lease home sales	59,250	25,807
Residential rental income	1,852	1,124
Cost of sales	(28,882)	(11,193)
Operating costs	(10,676)	(7,099)
Depreciation	(141)	(100)
Operating profit before interest and tax	21,403	8,539
Net finance expense	(2,141)	(811)
Net loss on change in fair value of investment property	(29,672)	(14,741)
Income tax expense	(1,504)	(1,531)
Net loss for the year	(11,914)	(8,544)
Total comprehensive loss for the year net of income tax	(11,914)	(8,544)
Group's share of loss for the year	(5,957)	(4,272)

16. OTHER FINANCIAL ASSETS

	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Current		
Derivatives	3,726	3,234
Total current	3,726	3,234
Non-current		
Unlisted property funds	6,357	6,340
Derivatives	-	3,867
Total non-current	6,357	10,207

Refer to Note 2 for valuation assumptions on the Group's investment in unlisted property funds.

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

17. DEFERRED TAX ASSETS AND LIABILITIES

	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Deferred tax assets		
Tax losses	25,346	24,994
Accruals	5,322	4,830
Other	4,591	4,238
Deferred tax liabilities		
DMF receivable	-	(5)
Investment properties	(119,566)	(81,156)
Other	(5,012)	(6,180)
Net deferred tax liabilities	(89,319)	(53,279)
Tax effected carried forward tax losses for which no deferred tax asset has been recognised	2,773	3,058

The tax effected carried forward tax losses for which no deferred tax asset has been recognised in the current year relates to capital losses of \$2.8 million (30 Jun 2023: \$3.1 million).

The availability of carried forward tax losses to the ICMT tax consolidated group is subject to recoupment rules at the time of recoupment. Further, the rate at which certain of the revenue losses can be utilised is determined by reference to market values at the time of tax consolidation and subsequent events. The carried forward capital losses can only be recouped from future capital gains.

The Group offsets tax assets and liabilities, if and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

18. TRADE AND OTHER PAYABLES

	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Current		
Trade payables and accruals	67,836	73,644
Deposits	23,950	19,598
Other	2,303	2,275
Total current	94,089	95,517
Non-current		
Other	3,635	6,904
Total non-current	3,635	6,904

19. BORROWINGS

	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Current		
Lease liabilities – Right-of-use assets	1,288	1,094
Lease liabilities – Ground leases	3,292	2,894
Total current	4,580	3,988
Non-current		
Bank debt	695,850	609,130
Prepaid borrowing costs	(2,759)	(3,015)
Lease liabilities – Right-of-use assets	1,530	1,672
Lease liabilities – Ground leases	54,952	49,893
Total non-current	749,573	657,680

The Group's available facilities as at 30 June 2024 was \$905.0 million (30 Jun 2023: \$780.0 million).

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Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

19. BORROWINGS (CONTINUED)

(a) Bank debt

As at 30 June 2024, the Group's debt balance, drawn from the facilities, was \$695.9 million (30 Jun 2023: \$609.1 million). The carrying value of investment properties and inventories at reporting date pledged as security is \$2,178.1 million (30 Jun 2023: \$1,912.5 million).

Maturity date	Amount
December 2025	\$74.5 million
September 2026	\$175.4 million
January 2027	\$200.0 million
February 2027	\$100.0 million
December 2027	\$55.0 million
February 2028	\$75.0 million
May 2028	\$100.1 million
May 2029	\$125.0 million

(b) Bank guarantees

The Group has the ability to utilise its bank facilities to provide bank guarantees, which at 30 June 2024 were \$21.7 million (30 Jun 2023: \$24.1 million).

20. OTHER FINANCIAL LIABILITIES

	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Current		
Financial liabilities	795	659
Total current	795	659
Non-current		
Financial liabilities	16,665	16,941
Total non-current	16,665	16,941

Other financial liabilities relate to a profit share arrangement with a third-party which is carried at fair value.

21. ISSUED SECURITIES

	30 Jun 2024 \$'000	30 Jun 2023 \$'000
(a) Carrying values		
Balance at beginning of the year	1,704,212	1,704,230
Issued during the year:		
Equity raising and distribution costs	(24)	(18)
Balance at end of the year	1,704,188	1,704,212

The closing balance is attributable to the security holders of:

Ingenia Communities Holding Limited	91,956	91,958
Ingenia Communities Fund	1,473,432	1,473,451
Ingenia Communities Management Trust	138,800	138,803
	1,704,188	1,704,212

	30 Jun 2024 '000	30 Jun 2023 '000
(b) Number of issued securities		
Balance at beginning of the year	407,583	407,583
Issued during the year:		
Distribution Reinvestment Plan ("DRP")	-	-
Balance at end of the year	407,583	407,583

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

21. ISSUED SECURITIES (CONTINUED)

(c) Term of securities

All securities are fully paid and rank equally with each other for all purposes. Each security entitles the holder to one vote, in person or by proxy, at a meeting of security holders.

22. RESERVES

		30 Jun 2024	30 Jun 2023
	Note	\$'000	\$'000
Balance at the beginning of year		(2,010)	(4,312)
Payments to employee share trust		(725)	(150)
Lapsed rights	23	(489)	(392)
Share-based payment expense		4,682	2,844
Balance at the end of year		1,458	(2,010)

The share-based payment reserve records the value of equity-settled share-based payment transactions provided to employees, including key management personnel, as part of their remuneration.

23. ACCUMULATED LOSSES

		30 Jun 2024	30 Jun 2023
	Note	\$'000	\$'000
Balance at beginning of the year		(165,415)	(185,341)
Net profit for the year		14,020	64,368
Distributions		(44,834)	(44,834)
Lapsed rights	22	489	392
Balance at end of the year		(195,740)	(165,415)
The closing balance is attributable to the security holders of:			
Ingenia Communities Holding Limited		6,541	48,319
Ingenia Communities Fund		(316,495)	(359,808)
Ingenia Communities Management Trust		114,214	146,074
		(195,740)	(165,415)

24. COMMITMENTS

There were commitments for capital expenditure on investment properties and inventories contracted but not provided for at reporting date of \$77.8 million (30 Jun 2023: \$79.3 million).

In FY23, Ingenia entered into an arrangement to acquire land adjoining Ingenia Lifestyle Plantations for a purchase price of \$18.8 million (inclusive of GST) on or before 30 April 2024. As at 30 June 2024, the acquisition was completed and the adjoining land is held in investment properties (refer Note 11).

25. CONTINGENT LIABILITIES

The Group has the following contingent liabilities:

- Bank guarantees totalling \$21.7 million provided for under the \$905.0 million bank facility. Bank guarantees primarily relate to the Responsible Entity's AFSL capital requirements (\$10.0 million).

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

26. SHARE BASED PAYMENT TRANSACTIONS

The Group's current Rights Plan provides for the issuance of rights to eligible employees, which upon a determination by the Board that the performance conditions attached to the rights have been met, result in the issue of stapled securities in the Group for each right. The Rights Plan was approved at the 17 November 2023 Annual General Meeting and contains the following:

(a) Short-Term Incentive Plan (STIP)

STIP performance rights are awarded to eligible employees whose achievements, behaviour, and focus meet the Group's business plan and individual Key Performance Indicators (KPIs) measured over the financial year. STIP rights are subject to a one year vesting deferral period from the issue date and allow for certain lapsing conditions within the deferral period, should certain conditions occur. Under the STI offer, 33.3% of the maximum STI for the CEO and 50.0% for the CFO and CIO & GC will be paid in cash, with the balance being a deferred equity element.

The deferred expense for conditional STIP rights recognised for the period is \$0.7 million (30 Jun 2023: \$0.6 million) and is based on an estimate of the Group's and individual employee's current period performance. The total value of STIP rights is subject to adjustment up until the final full-year audited result is known and KPIs reliably measured, being 1 October 2024.

(b) Long-Term Incentive Plan (LTIP)

LTIP performance rights are granted to individuals to align their focus to increase alignment with security holder's interests.

The FY24 LTIP Rights are subject to the following LTIP Performance Conditions:

- 25% based on Total Shareholder Return (TSR);
- 25% based on Return on Equity (ROE).
- 25% based on underlying Earnings Per Security (EPS); and
- 25% based on home settlements growth.

TSR is benchmarked against the constituents of the ASX 200 A-REIT Index whilst ROE, Underlying EPS and home settlements growth is benchmarked against internal targets. The number of LTIP rights that will vest will depend on the performance of each hurdle.

The fair value of LTIPs is recognised as an employee benefit expense with a corresponding increase in reserves. The fair value is expensed on a straight-line basis over the vesting period. The total LTIP expense recognised for the financial year was \$2.2 million (30 Jun 2023: \$1.1 million).

(c) Talent Rights Grant (TRG)

TRG are granted for the purpose of retaining and incentivising employees who have been identified as having a key role in the successful achievement of the Group's strategy. In order to vest, the TRG Rights are subject to the Group's Rights Plan, employees remaining in service and their satisfactory performance.

The fair value is expensed on a straight-line basis over the relevant vesting period. The total TRG expense recognised for the financial year was \$1.0 million (30 Jun 2023: \$0.6 million).

(d) Fixed Remuneration Rights (FRR)

Fixed Remuneration of executive KMP is reviewed annually, with any adjustments subject to Board approval. When an adjustment to Fixed Remuneration is approved by the Board, the delivery of all or part of any increase in Fixed Remuneration may, at the Board's discretion, be in the form of an annual grant of Rights to INA Securities. The Board considers that delivery in Rights, instead of cash, further aligns the interests of the executive with security holders. The total FRR expense recognised for the financial year was \$0.2 million (30 Jun 2023: \$0.2 million).

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

26. SHARE BASED PAYMENT TRANSACTIONS (CONTINUED)

One Right equates to one security in the Group. Movements in rights during the year were as follows:

	STIP Thousands	LTIP Thousands	TRG Thousands	FRR Thousands
(i) 30 June 2024				
Outstanding at beginning of year	440	2,132	501	101
Lapsed during the year	-	(484)	(70)	-
Granted during the year	127	1,135	669	57
Exercised during the year	(25)	(3)	(26)	-
Outstanding at end of year	542	2,780	1,074	158
Weighted average remaining life of outstanding rights (years)	0.3	1.3	1.5	-
(ii) 30 June 2023				
Outstanding at beginning of year	330	1,547	302	69
Lapsed during the year	-	(305)	(61)	(43)
Granted during the year	140	986	268	100
Exercised during the year	(30)	(96)	(8)	(25)
Outstanding at end of year	440	2,132	501	101
Weighted average remaining life of outstanding rights (years)	0.3	1.3	1.5	-

The fair value of STIP, LTIP and TRG Rights granted during the year was estimated using Monte Carlo and Binomial simulation models. Assumptions made in determining the fair value, and the results are:

STIP

Grant Date

	1 Oct 2023
Security price at grant date	\$4.17
30 day Volume Weighted Average Price (VWAP) at start of performance period	\$4.22
Expected remaining life at grant date (years)	1
Risk-free interest rate at grant date	4.26%
Share price volatility	30.0%
STIP fair value	\$4.18

LTIP

Grant Date

	1 Oct 2023	17 Nov 2023	2 Apr 2024
Security price at grant date	\$4.17	\$4.30	\$5.19
30 day Volume Weighted Average Price (VWAP) at start of performance period	\$4.22	\$4.22	\$4.22
Expected remaining life at grant date	3	2.9	2.54
Risk-free interest rate at grant date	3.87%	4.03%	3.24%
Distribution yield	2.89%	2.89%	2.57%
Share price volatility	30.0%	30.0%	30.0%
LTIP fair value	\$2.25	\$2.28	\$2.87

TRG

Grant Date

	1 Oct 2023	1 Oct 2023
Security price at grant date	\$4.17	\$4.17
30 day Volume Weighted Average Price (VWAP) at start of performance period	\$4.22	\$4.22
Expected remaining life at grant date	2.0	4.0
Risk-free interest rate at grant date	3.94%	3.91%
Share price volatility	30.0%	30.0%
TRG fair value	\$3.99	\$3.77

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited

For the year ended 30 June 2024

27. CAPITAL MANAGEMENT

The Group aims to meet its strategic objectives, operational needs and maximise returns to security holders through the appropriate use of debt and equity, taking account of the additional financial risks of higher debt levels.

In determining the optimal capital structure, the Group takes into account a number of factors, including the views of investors and the market in general, the capital needs of its portfolio, the relative cost of debt versus equity, the execution risk of raising equity or debt, and the additional financial risks of debt including increased volatility of earnings due to exposure to interest rate movements, the refinance risk of maturing debt facilities and the potential for acceleration prior to maturity.

In assessing this risk, the Group takes into account the relative stability of its income flows, the predictability of its expenses, its debt maturity profile, the degree of hedging and the overall level of debt as measured by gearing.

The actual capital structure at a point in time is the product of a number of factors, many of which are market driven and to various degrees outside of the control of the Group, particularly the impact of revaluations, the availability of new equity and the liquidity in real estate markets. While the Group periodically determines the optimal capital structure, the ability to achieve the optimal structure may be impacted by market conditions and the actual position may often differ from the optimal position.

One measure of the Group's capital position is through the Loan to Value Ratio (LVR) which is a key covenant (less than 55%) under the Group's common terms deed governing the debt facilities. LVR is calculated as the sum of bank debt, bank guarantees and interest rate swaps, less cash at bank, as a proportion of the investment properties, based on the most recent external valuation, and inventories pledged as security and expressed as a percentage. The Group's strategy is to maintain an LVR range of 30-40%. As at 30 June 2024, the LVR of 32.3% (30 June 2023: 31.4%).

In addition, the Group monitors Interest Cover Ratio (ICR) as defined under the common terms deed. At 30 June 2024, the Total Interest Cover Ratio was 4.26x (30 Jun 2023: 4.67x) and the Core Interest Cover Ratio was 3.97x (30 Jun 2023: 5.30x). The covenant for total ICR and Core ICR is greater than 2x.

28. FINANCIAL INSTRUMENTS

(a) Introduction

The Group's principal financial instruments comprise cash and short-term deposits, receivables, payables, interest bearing liabilities, other financial liabilities, and derivative financial instruments.

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, credit risk and liquidity risk. The Group manages its exposure to these risks primarily through its Investment, Derivatives, and Borrowing policy. The policy sets out various targets aimed at restricting the financial risk taken by the Group. Management reviews actual positions of the Group against these targets on a regular basis. If the target is not achieved, or the forecast is unlikely to be achieved, a plan of action is, where appropriate, put in place with the aim of meeting the target within an agreed timeframe.

Depending on the circumstances of the Group at a point in time, it may be that positions outside of the Investment, Derivatives, and Borrowing policy are accepted and no plan of action is put in place to meet the treasury targets, because, for example, the risks associated with bringing the Group into compliance outweigh the benefits. The adequacy of the Investment, Derivatives, and Borrowing policy in addressing the risks arising from the Group's financial instruments is reviewed on a regular basis.

While the Group aims to meet its Investment, Derivatives, and Borrowing policy targets, many factors influence its performance, and it is probable that at any one time it will not meet all its targets. For example, the Group may be unable to negotiate the extension of bank facilities sufficiently ahead of time, so that it fails to achieve its liquidity target. When refinancing loans it may be unable to achieve the desired maturity profile or the desired level of flexibility of financial covenants, because of the cost of such terms or their unavailability. Hedging instruments may not be available, or their cost may outweigh the benefit of risk reduction or they may introduce other risks such as mark to market valuation risk. Changes in market conditions may limit the Group's ability to raise capital through the issue of new securities or sale of properties.

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

28. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Interest rate risk

The Group's exposure to the risk of changes in market interest rates arises primarily from its use of borrowings. The main consequence of adverse changes in market interest rates is higher interest costs, reducing the Group's profit. In addition, one or more of the Group's loan agreements may include minimum interest cover covenants. Higher interest costs resulting from increases in market interest rates may result in these covenants being breached, providing the lender the right to call in the loan or to increase the interest rate applied to the loan.

The Group manages the risk of changes in market interest rates by maintaining an appropriate mix of fixed and floating rate borrowings. Fixed rate debt is achieved either through fixed rate debt funding or through derivative financial instruments permitted under the Investment, Derivatives, and Borrowing policy. At 30 June 2024, approximately 11% of the Group's borrowings are at a fixed rate (30 June 2023: 12%) with interest rate derivatives in place to provide further rate protection. Consequently, exposure to interest rates on 46.7% of the drawn debt has been managed (30 Jun 2023: 53%).

Exposure to changes in market interest rates also arises from financial assets such as cash deposits and loan receivables subject to floating interest rate terms. Changes in market interest rates will also change the fair value of any interest rate hedges.

(c) Interest rate risk exposure

The Group's exposure to interest rate risk and the effective interest rates on financial instruments at reporting date was:

30 Jun 2024 \$'000	Floating interest rate	Fixed interest maturing in:			Total
		Less than 1 year	1 to 5 years	More than 5 years	
Financial assets					
Cash at bank	14,458	-	-	-	14,458
Financial liabilities					
Bank debt	620,850	-	75,000	-	695,850
Interest rate derivatives	(250,000)	50,000	200,000	-	-

30 Jun 2023 \$'000	Floating interest rate	Fixed interest maturing in:			Total
		Less than 1 year	1 to 5 years	More than 5 years	
Financial assets					
Cash at bank	45,716	-	-	-	45,716
Financial liabilities					
Bank debt	534,130	-	75,000	-	609,130
Interest rate derivatives	(250,000)	-	250,000	-	-

Other financial instruments of the Group not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

28. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Interest rate sensitivity analysis

The impact of an increase or decrease in average interest rates of 1% (100 bps) at reporting date, with all other variables held constant, is illustrated in the tables below. This analysis is based on the interest rate risk exposures in existence at balance sheet date.

	Effect on profit before tax higher/(lower)	
	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Increase in average interest rates of 100 bps:		
Variable interest rate bank debt (AUD)	(6,209)	(5,341)
Fair value of interest rate derivatives (AUD)	2,674	216
Decrease in average interest rates of 100 bps:		
Variable interest rate bank debt (AUD)	6,209	5,341
Fair value of interest rate derivatives (AUD)	(2,161)	(154)

(e) Foreign exchange risk

The Group's exposure to foreign exchange risk is limited to foreign denominated cash balances. These amounts are unhedged.

(f) Net foreign currency exposure

The Group's net foreign currency monetary exposure as at reporting date is shown in the following table. The net foreign currency exposure reported is of foreign currencies held by entities whose functional currency is not the Australian dollar. It excludes assets and liabilities of entities, including equity accounted investments, whose functional currency is not the Australian dollar.

	Net foreign currency assets	
	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Net foreign currency exposure:		
United States dollars	1,552	1,530
New Zealand dollars	-	234

The impact of an increase or decrease in average foreign exchange rates of 10% at reporting date, with all other variables held constant, is considered to be limited based on the foreign exchange risk exposures in existence at balance sheet date.

The Group believes that the reporting date risk exposures are representative of the risk exposure inherent in its financial instruments.

(g) Credit risk

Credit risk refers to the risk that a counterparty defaults on its contractual obligations resulting in a financial loss to the Group.

The major credit risk for the Group is default by tenants, resulting in a loss of rental income while a replacement tenant is secured and further loss if the rent level agreed with the replacement tenant is below that previously paid by the defaulting tenant.

The Group assesses the credit risk of prospective tenants, the credit risk of in-place tenants when acquiring properties and the credit risk of existing tenants renewing upon expiry of their leases. Factors taken into account when assessing credit risk include the financial strength of the prospective tenant and any form of security, for example a rental bond, to be provided.

The decision to accept the credit risk associated with leasing space to a particular tenant is balanced against the risk of the potential financial loss of not leasing up vacant space.

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

28. FINANCIAL INSTRUMENTS (CONTINUED)

Rent receivable balances are monitored on an ongoing basis and arrears actively followed up in order to reduce, where possible, the extent of any losses should the tenant subsequently default. The Group believes that its receivables that are neither past due nor impaired do not give rise to any significant credit risk.

Credit risk also arises from deposits placed with financial institutions and derivatives contracts that may have a positive value to the Group. The Group's Investment, Derivatives, and Borrowing policy sets target limits for credit risk exposure with financial institutions and minimum counterparty credit ratings.

Counterparty exposure is measured as the aggregate of all obligations of any single legal entity or economic entity to the Group, after allowing for appropriate set offs which are legally enforceable.

The Group's maximum exposure to credit risk at reporting date in relation to each class of financial instrument is its carrying value as reported in the balance sheet.

(h) Liquidity risk

The main objective of liquidity risk management is to reduce the risk that the Group does not have the resources available to meet its financial obligations and working capital and committed capital expenditure requirements. The Group's Investment, Derivatives, and Borrowing policy sets a target for the level of cash and available undrawn debt facilities to cover future committed capital expenditure in the next year, loan maturities within the next year and an allowance for unforeseen events such as tenant default.

The Group may also be exposed to contingent liquidity risk under its term loan facilities, where term loan facilities include covenants which if breached give the lender the right to call in the loan, thereby accelerating a cash flow which otherwise was scheduled for the loan maturity. The Group monitors adherence to loan covenants on a regular basis, and the Investment, Derivatives, and Borrowing policy sets targets based on the ability to withstand adverse market movements and remain within loan covenant limits.

In addition, the Group ensures resilience against breaking its covenants on its primary debt facilities by assessing the following sensitivities:

- 10% reduction in value of assets for LVR covenants; and
- 2% nominal increase in interest rates combined with a 5% fall in income for ICR covenants.

The contractual maturities of the Group's non-derivative financial liabilities at reporting date are reflected in the following table. It shows the undiscounted contractual cash flows required to discharge the liabilities at market rates.

	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	Total \$'000
30 Jun 2024				
Trade and other payables	94,089	3,635	-	97,724
Borrowings ⁽¹⁾	40,308	791,619	-	831,927
Other financial liabilities	795	16,665	-	17,460
Right-of-use asset leases ⁽¹⁾	1,374	1,614	-	2,988
Ground leases (excluding perpetual leases)	3,354	13,159	64,016	80,529
Ground leases (perpetual leases) ⁽²⁾	420	1,680	-	2,100
	140,340	828,372	64,016	1,032,728
30 Jun 2023				
Trade and other payables	95,517	6,904	-	102,421
Borrowings ⁽¹⁾	15,435	717,824	-	733,259
Other financial liabilities	659	16,941	-	17,600
Right-of-use asset leases ⁽¹⁾	1,159	1,715	-	2,874
Ground leases (excluding perpetual leases)	2,948	11,846	57,261	72,055
Ground leases (perpetual leases) ⁽²⁾	260	1,041	-	1,301
	115,978	756,271	57,261	929,510

(1) The balance above will not agree to the balance sheet as it includes the implied interest component.

(2) For the purpose of the table above, lease payments for five years are included for perpetual leases.

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited

For the year ended 30 June 2024

28. FINANCIAL INSTRUMENTS (CONTINUED)

(i) Other Financial Instrument Risk

The Group carries Residents' loans at fair value with resulting fair value adjustments recognised in the statement of comprehensive income. The fair value of these loans is dependent on market prices for the related retirement village units. The impact of an increase or decrease in these market prices of 10% at reporting date, with all other variables held constant, is shown in the table below. This analysis is based on the residents' loans in existence at reporting date.

	Effect on profit after tax higher/(lower)	
	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Increase in market prices of investment properties of 10%	-	(8)
Decrease in market prices of investment properties of 10%	-	8

These effects are largely offset by corresponding changes in the fair value of the Group's investment properties. The effect on equity would be the same as the effect on profit.

(j) Fair Value

The Group uses the following fair value measurement hierarchy:

- Level 1:** Fair value is calculated using quoted prices in active markets for identical assets or liabilities;
- Level 2:** Fair value is calculated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3:** Fair value is calculated using inputs for the asset or liability that are not based on observable market data.

Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs.

The following table presents the Group's financial instruments that were measured and recognised at fair value at reporting date:

Financial assets/ financial liabilities	Valuation technique(s) and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Interest rate derivatives	Net present value of future cash flows discounted at market rates adjusted for the Group's credit risk.	N/A	N/A
Unlisted property funds	Capitalisation method for existing rental streams and discounted cash flow for properties in development. Refer to Note 11.	Capitalisation rate adopted normalised operating profit and discount rate. Refer Note 11.	The higher the capitalisation rate and discount rate, the lower the value. The higher the adopted normalised operating profit, the higher the value.
Other financial liabilities	Capitalisation method for existing rental streams. Refer to Note 11.	Capitalisation rate adopted normalised operating profit and discount rate. Refer Note 11.	The higher the capitalisation rate and discount rate, the lower the value. The higher the adopted normalised operating profit, the higher the value.

Valuation of unlisted property funds is linked to the underlying investment property value. Other financial liabilities relate to ongoing obligations for the Latitude One investment property and is linked to the underlying property value. The associated financial liability will move in line with the fair value of the property.

There has been no movement from Level 3 to Level 2 during the year.

The carrying value of the Group's other financial instruments approximate their fair values.

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

29. FAIR VALUE MEASUREMENT

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

(a) Assets measured at fair value

	Date of valuation	Fair value measurement using:			Total \$'000
		Quoted prices in active markets (Level 1) \$'000	Significant observable inputs (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	
30 Jun 2024					
Investment properties	30-Jun-24 Note 11	-	-	2,250,687	2,250,687
Assets held for sale - investment property	30-Jun-24 Note 10	-	-	-	-
Other financial assets	30-Jun-24 Note 16	-	3,726	6,357	10,083
30 Jun 2023					
Investment properties	30-Jun-23 Note 11	-	-	2,045,630	2,045,630
Assets held for sale - investment property	30-Jun-23 Note 10	-	-	24,190	24,190
Other financial assets	30-Jun-23 Note 16	-	7,101	6,340	13,441

(b) Liabilities measured at fair value

	Date of valuation	Fair value measurement using:			Total \$'000
		Quoted prices in active markets (Level 1) \$'000	Significant observable inputs (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	
30 Jun 2024					
Resident loans	30-Jun-24	-	-	-	-
Other financial liabilities	30-Jun-24 Note 20	-	-	17,460	17,460
30 Jun 2023					
Resident loans	30-Jun-23	-	-	59	59
Other financial liabilities	30-Jun-23 Note 20	-	-	17,600	17,600

There have been no transfers between Level 1 and Level 2 during the year.

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
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30. AUDITOR'S REMUNERATION

	30 Jun 2024 \$	30 Jun 2023 \$
Fees for auditing the statutory financial report	917,300	825,197
Fees for assurance services that are required by legislation:		
Australian Financial Services Licence	48,375	45,759
Fees for other services ⁽¹⁾ :		
Agreed upon procedures	-	14,025
Other	63,200	6,965
Total fees to Ernst & Young	1,028,875	891,946

(1) Fees for other assurance services and agreed upon procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or other firm.

31. RELATED PARTIES

(a) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Responsible Entity.

The names of the directors and KMP of ICRE, and their dates of appointment or resignation if they were not directors for all of the financial year, are:

KMP	Position	Term
Non-Executive KMP		
Jim Hazel	Chairman	Full year
Robert Morrison	Deputy Chairman	Full year
Pippa Downes	Director	Full year
Gregory Hayes	Director	Full year
Sally Evans	Director	Full year
Lisa Scenna	Director	Appointed, effective 1 May 2024
Shane Gannon	Director	Appointed, effective 28 June 2024
Simon Shakesheff	Director	Appointed, effective 28 June 2024
John McLaren	Director	1 July 2023 to 2 November 2023
Amanda Heyworth	Director	1 July 2023 to 20 June 2024
Executive KMP		
John Carfi	Chief Executive Officer	Appointed, effective 1 April 2024
Justin Mitchell	Chief Financial Officer	Appointed, effective 10 July 2023
Natalie Kwok	CIO & General Counsel	Full year
Simon Owen	Chief Executive Officer ⁽¹⁾	1 July 2023 to 31 March 2024

(1) Mr Owen was Managing Director for the period 1 July 2023 to 21 February 2024 and CEO for the period 1 July 2023 to 31 March 2024, with the appointment of the new CEO effective 1 April 2024. Mr Owen remained in service through to 30 June 2024.

The aggregate compensation paid to Key Management Personnel ("KMP") of the Group is as follows:

	30 Jun 2024 \$	30 Jun 2023 \$
Directors fees	1,055,054	980,708
Salaries and other short-term benefits	2,481,877	1,433,780
Short-term incentives (payable in cash)	667,406	413,775
Superannuation benefits	96,804	69,553
Share-based payments	2,175,859	1,549,363
	6,477,000	4,447,179

The amounts in the table exclude KMP termination benefits of \$2,418,877 (30 Jun 2023: \$630,678).

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Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

31. RELATED PARTIES (CONTINUED)

The aggregate rights outstanding of the Group held directly by KMP and other eligible staff are as follows:

Issue date	Right Type	Vesting date	Number outstanding	
			30 Jun 2024	30 Jun 2023
FY17 ⁽¹⁾	LTIP	FY20	1,923	1,923
FY17 ⁽¹⁾	STIP	FY19	2,437	2,437
FY18 ⁽¹⁾	LTIP	FY21	170,367	170,367
FY18 ⁽¹⁾	STIP	FY20	34,300	34,300
FY19 ⁽¹⁾	LTIP	FY22	219,717	219,717
FY19 ⁽¹⁾	STIP	FY21	111,020	111,020
FY20 ⁽¹⁾	LTIP	FY23	113,747	116,326
FY20 ⁽¹⁾	STIP	FY22	111,092	111,092
FY21 ⁽¹⁾	FRR	FY22	7,778	7,778
FY21 ⁽¹⁾	LTIP	FY24	-	332,563
FY21 ⁽¹⁾	TRG	FY23	83,952	83,952
FY21 ⁽¹⁾	TRG	FY24	92,610	121,212
FY21 ⁽¹⁾	STIP	FY23	42,863	42,863
FY22 ⁽¹⁾	FRR	FY22	37,121	37,121
FY22 ⁽¹⁾	LTIP	FY25	366,149	377,213
FY22	TRG	FY25	44,605	44,605
FY22	TRG	FY26	47,072	47,072
FY22 ⁽¹⁾	STIP	FY24	117,046	138,240
FY23 ⁽¹⁾	FRR	FY23	56,980	56,980
FY23	LTIP	FY26	824,183	915,280
FY23	TRG	FY26	71,320	102,062
FY23	TRG	FY28	71,320	102,061
FY23	STIP	FY25	123,250	-
FY24 ⁽¹⁾	FRR	FY24	56,879	-
FY24	LTIP	FY27	1,086,151	-
FY24	TRG	FY25	59,249	-
FY24	TRG	FY26	301,996	-
FY24	TRG	FY28	301,997	-
			4,557,124	3,176,184

(1) Rights are fully vested but not exercised. All other rights are still subject to vesting conditions.

(b) Fee income

During the year, the Group generated fee income from the joint venture with Sun Communities and the management of funds.

	Note	Amounts owed by related parties	
		Fee income \$	\$
30 Jun 2024			
Joint venture		4,089,969	2,545,961
Funds management		1,551,632	469,884
	5	5,641,601	3,015,845
30 Jun 2023			
Joint venture		3,136,545	999,110
Funds management		1,644,436	464,827
	5	4,780,981	1,463,937

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

32. COMPANY FINANCIAL INFORMATION

Summary financial information about the Company is:

	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Current assets	6,819	4,387
Total assets	67,727	72,564
Current liabilities	(3,391)	(3,161)
Total liabilities	(3,391)	(3,161)
Net assets	64,336	69,403
Security holders' equity:		
Issued securities	91,956	91,958
Reserves	1,458	(2,010)
Accumulated losses	(29,078)	(20,545)
Total security holders' equity	64,336	69,403
Loss from continuing operations	(9,022)	(8,783)
Net loss attributable to security holders	(9,022)	(8,783)
Total comprehensive loss	(9,022)	(8,783)

Closed Group disclosures

The Company, INA Development Pty Ltd and INA Latitude One Development Pty Limited (collectively the "Closed Group"), entered into a deed of cross guarantee on 18 June 2020. Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, relief was granted to INA Development Pty Ltd and INA Latitude One Development Pty Limited from the Corporations Act 2001 requirements for the preparation, audit and lodgement of their financial report. On 27 September 2022, INA Latitude One Development Pty resolved to revoke the deed.

As at 30 June 2023 and 30 June 2024 the Closed Group comprises the Company and INA Development Pty Limited only. The effect of the deed is that the Company has guaranteed to pay any deficiency in the event of winding up of an entity subject to the deed of cross guarantee if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. The controlled entities have also given a similar guarantee in the event that the Company is wound up or if it does not meet its obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

The consolidated results of the entities that are members of the Closed Group are as follows:

	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Current assets	8,061	2,341
Total assets	112,074	68,567
Current liabilities	(3,405)	(3,505)
Total liabilities	(47,610)	(3,505)
Net assets	64,464	65,062
Security holders' equity:		
Issued securities	91,956	91,958
Reserves	1,458	(2,010)
Accumulated losses	(28,950)	(24,886)
Total security holders' equity	64,464	65,062
Revenue	12,217	9,786
Operating expenses	(27,349)	(15,354)
Loss from continuing operations	(15,132)	(5,568)
Total comprehensive loss	(15,132)	(5,568)

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

33. NOTES TO CASHFLOW STATEMENT

Reconciliation of profit to net cash flow from operating activities:

	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Net profit for the year	14,020	64,368
Adjustments for:		
Share of joint venture profit	5,957	4,272
Share of associate profit	-	514
Impairment of goodwill	96,647	-
Net (gain)/loss on change in fair value of:		
Investment properties	(55,890)	(4,906)
Acquisition transaction costs	4,190	4,383
Financial liabilities	3,002	2,723
Investments and other financial instruments	4,030	(1,388)
Income tax expense	36,425	20,755
(Gain)/loss on disposal of investment properties	(4,694)	2,840
Business combination transaction costs	-	(1,615)
Operating profit before tax	103,687	91,946
Depreciation and amortisation	4,338	4,413
Share-based payments expense	4,682	2,844
Finance costs	(8,867)	(4,602)
Operating cash flow before changes in working capital	103,840	94,601
Changes in working capital:		
Increase in receivables	(2,178)	(8,517)
Increase in inventory	(32,320)	(34,612)
Increase in other payables and provisions	12,853	31,025
Net cash provided by operating activities	82,195	82,497

34. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(d):

	Ownership interest		
	Country of residence	30 Jun 2024 %	30 Jun 2023 %
Bridge Street Trust	Australia	100	100
Browns Plains Road Trust	Australia	100	100
Casuarina Road Trust	Australia	100	100
Edinburgh Drive Trust	Australia	100	100
Garden Villages Management Trust	Australia	100	100
INA Community Living Lynbrook Trust	Australia	100	100
INA Community Living Subsidiary Trust	Australia	100	100
INA Garden Villages Pty Ltd	Australia	100	100
INA Kiwi Communities Pty Ltd	Australia	100	100
INA Kiwi Communities Subsidiary Trust No. 1	Australia	100	100
INA Management Pty Ltd	Australia	100	100
INA Settlers Co Pty Limited	Australia	100	100
INA Sunny Communities Pty Ltd	Australia	100	100
INA Sunny Trust	Australia	100	100
Ingenia Communities RE Limited	Australia	100	100
Jefferis Street Trust	Australia	100	100
Lovett Street Trust	Australia	100	100
Settlers Operations Trust	Australia	100	100
Settlers Subsidiary Trust	Australia	100	100
SunnyCove Gladstone Unit Trust	Australia	100	100
SunnyCove Rockhampton Unit Trust	Australia	100	100
Ridge Estate Trust	Australia	100	100

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

34. SUBSIDIARIES (CONTINUED)

	Country of residence	Ownership interest	
		30 Jun 2024 %	30 Jun 2023 %
Taylor Street (2) Trust	Australia	100	100
INA Subsidiary Trust No.1	Australia	100	100
INA Subsidiary Trust No.3	Australia	100	100
INA Operations Pty Ltd	Australia	100	100
INA Operations Trust No.1	Australia	100	100
INA Operations Trust No.2	Australia	100	100
INA Operations Trust No.3	Australia	100	100
INA Operations Trust No.4	Australia	100	100
INA Operations Trust No.6	Australia	100	100
INA Operations Trust No.7	Australia	100	100
INA Operations Trust No.8	Australia	100	100
INA Operations Trust No.9	Australia	100	100
INA Operations Trust No.10	Australia	100	100
INA Operations Trust No.11	Australia	100	100
INA DMF Management Pty Ltd	Australia	100	100
INA Latitude One Pty Ltd	Australia	100	100
INA Latitude One Development Pty Ltd	Australia	100	100
INA Soldiers Point Pty Ltd	Australia	100	100
INA Operations No.3 Pty Limited	Australia	100	100
INA Community Living Subsidiary Trust No. 2	Australia	100	100
INA Development Pty Limited	Australia	100	100
INA Development Management Pty Limited	Australia	100	100
INA Plantations Development Pty Limited	Australia	100	100
INA Hervey Bay Development Pty Limited	Australia	100	100
INA Natures Edge Development Pty Limited	Australia	100	100
INA Bargara Development Pty Limited	Australia	100	100
INA Beveridge Development Pty Limited	Australia	100	100
INA Ballarat Development Pty Limited	Australia	100	100
INA Development No.3 Pty Limited	Australia	100	100
INA Lara Development Pty Limited	Australia	100	100
INA Lifestyle Operations Pty Limited	Australia	100	100
INA Lifestyle Landowner Pty Limited	Australia	100	100
INA Subsidiary Trust No.4	Australia	100	100
INA Subsidiary Trust No.5	Australia	100	100
INA Subsidiary Trust No.6	Australia	100	100
INA Subsidiary Trust No.7	Australia	100	100
INA Subsidiary Trust No.8	Australia	100	100
INA Lifestyle Landowner Trust	Australia	100	100
INA Lifestyle Operations Trust	Australia	100	100
INA Operations Management Trust	Australia	100	100
Emmetlow Pty Ltd	Australia	100	100
Park Trust	Australia	100	100
Eighth Gate Capital Management Pty Ltd	Australia	100	100
Eighth Gate Pty Ltd	Australia	100	100
Eighth Gate Capital Management No. 3 Pty Ltd	Australia	100	100
Eighth Gate Capital Management No. 4 Pty Ltd	Australia	100	100
Eighth Gate Capital Management No. 5 Pty Ltd	Australia	100	100
Eighth Gate Capital Management No. 6 Pty Ltd	Australia	100	100
Eighth Gate Capital Management No. 7 Pty Ltd	Australia	100	100
Eighth Gate Capital Management No. 8 Pty Ltd	Australia	100	100
Allswell Communities Pty Ltd	Australia	100	100
IDCF Land Trust No. 1	Australia	100	100
IDCF Management Company No 1 Pty Ltd	Australia	100	100
Ingenia Diversified Communities Head Company Pty Limited	Australia	100	100
Ingenia Diversified Communities Trust	Australia	100	100
INA Development No. 6 Pty Ltd	Australia	100	100

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

34. SUBSIDIARIES (CONTINUED)

	Country of residence	Ownership interest	
		30 Jun 2024 %	30 Jun 2023 %
INA Millers Glen Development Pty Limited (formerly INA Development No. 7 Pty Ltd)	Australia	100	100
INA Development No. 8 Pty Ltd	Australia	100	100
INA Development No. 9 Pty Ltd	Australia	100	100
INA Operations Trust No.12	Australia	100	100
INA Operations Trust No.13	Australia	100	100
INA Rochedale Development Pty Ltd	Australia	100	100
INA Coomera Development Pty Ltd	Australia	100	100
INA Toowoomba Development Pty Ltd	Australia	100	100
Seachange (Land) Pty Ltd	Australia	100	100
The Seachange (Land) Unit Trust	Australia	100	100
PPV Coomera Land Pty Ltd	Australia	100	100
PPV Coomera Land Unit Trust	Australia	100	100
PPV Hervey Bay Land Pty Ltd	Australia	100	100
PPV Hervey Bay Land Unit Trust	Australia	100	100
PPV Inlet Land Pty Ltd	Australia	100	100
PPV Inlet Land Unit Trust	Australia	100	100
PPV Toowoomba Land Pty Ltd	Australia	100	100
PPV Toowoomba Land Unit Trust	Australia	100	100
PPV Victoria Point Land Pty Ltd	Australia	100	100
PPV Victoria Point Land Unit Trust	Australia	100	100
Eighth Gate Federation Village Park Trust	Australia	100	100
Eighth Gate Residences Fund No. 6	Australia	100	100
Residences Fund No. 6 Pty Ltd	Australia	100	100
Ingenia Holiday Parks Company No. 1 Pty Limited	Australia	100	100
Ingenia Holiday Parks Trust No 1	Australia	100	100
INA Development No. 10 Pty Ltd	Australia	100	100
INA Development No. 11 Pty Ltd	Australia	100	100
INA Development No. 12 Pty Ltd	Australia	100	100
INA Community Living LLC	USA	-	100

Financial information of ICF and ICMT and their controlled entities are provided below:

	ICF		ICMT	
	30 Jun 2024 \$'000	30 Jun 2023 \$'000	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Current assets	6,757	53,082	32,310	45,816
Non-current assets	1,897,360	1,719,709	1,462,522	1,373,810
Total assets	1,904,117	1,772,791	1,494,832	1,419,626
Current liabilities	10,392	10,324	81,782	92,650
Non-current liabilities	725,749	637,785	1,160,036	1,042,799
Total liabilities	736,141	648,109	1,241,818	1,135,449
Net assets/equity	1,167,976	1,124,682	253,014	284,177
Revenue	96,765	57,874	329,022	281,638
Expenses	(8,618)	(18,831)	(360,882)	(243,417)
Profit/(loss) after tax	88,147	39,043	(31,860)	38,220
Total comprehensive income/(loss)	88,147	39,043	(31,860)	38,220

Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

35. SUBSEQUENT EVENTS

Final FY24 distribution

On 20 August 2024, the Directors declared a final distribution of 6.1 cps amounting to \$24.9 million, to be paid on 19 September 2024.

Consolidated entity disclosure statement

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

In accordance with subsection 295(3A) of the *Corporations Act 2001*, the Consolidated Entity Disclosure Statement provides information about entities that were part of the consolidated Group as at 30 June 2024.

Entity Name	Entity Type	Trustee/ Partnership/ JV	Body Corporate country of incorporation ⁽¹⁾	Body Corporate % of share capital held ^{(1),(2)}	Country of tax residence ⁽³⁾
Ingenia Communities Holdings Limited ⁽²⁾	Body Corporate	N/A	Australia	N/A	Australia
Ingenia Communities Fund ⁽²⁾	Trust	N/A	N/A	N/A	Australia
Ingenia Communities Management Trust ⁽²⁾	Trust	N/A	N/A	N/A	Australia
Bridge Street Trust	Trust	N/A	N/A	N/A	Australia
Browns Plains Road Trust	Trust	N/A	N/A	N/A	Australia
Casuarina Road Trust	Trust	N/A	N/A	N/A	Australia
Edinburgh Drive Trust	Trust	N/A	N/A	N/A	Australia
Garden Villages Management Trust	Trust	N/A	N/A	N/A	Australia
INA Community Living Lynbrook Trust	Trust	N/A	N/A	N/A	Australia
INA Community Living Subsidiary Trust	Trust	N/A	N/A	N/A	Australia
INA Garden Villages Pty Ltd	Body Corporate	Trustee	Australia	100	Australia
INA Kiwi Communities Pty Ltd	Body Corporate	Trustee	Australia	100	Australia
INA Kiwi Communities Subsidiary Trust No.1	Trust	N/A	N/A	N/A	Australia
INA Management Pty Ltd	Body Corporate	Trustee	Australia	100	Australia
INA Settlers Co Pty Limited	Body Corporate	Trustee	Australia	100	Australia
INA Sunny Communities Pty Ltd	Body Corporate	Trustee	Australia	100	Australia
INA Sunny Trust	Trust	N/A	N/A	N/A	Australia
Ingenia Communities RE Limited	Body Corporate	Trustee	Australia	100	Australia
Jefferis Street Trust	Trust	N/A	N/A	N/A	Australia
Lovett Street Trust	Trust	N/A	N/A	N/A	Australia
Settlers Operations Trust	Trust	N/A	N/A	N/A	Australia
Settlers Subsidiary Trust	Trust	N/A	N/A	N/A	Australia
SunnyCove Gladstone Unit Trust	Trust	N/A	N/A	N/A	Australia
SunnyCove Rockhampton Unit Trust	Trust	N/A	N/A	N/A	Australia
Ridge Estate Trust	Trust	N/A	N/A	N/A	Australia
Taylor Street (2) Trust	Trust	N/A	N/A	N/A	Australia
INA Subsidiary Trust No.1	Trust	N/A	N/A	N/A	Australia
INA Subsidiary Trust No.3	Trust	N/A	N/A	N/A	Australia
INA Operations Pty Ltd	Body Corporate	Trustee	Australia	100	Australia
INA Operations Trust No.1	Trust	N/A	N/A	N/A	Australia
INA Operations Trust No.2	Trust	N/A	N/A	N/A	Australia
INA Operations Trust No.3	Trust	N/A	N/A	N/A	Australia
INA Operations Trust No.4	Trust	N/A	N/A	N/A	Australia
INA Operations Trust No.6	Trust	N/A	N/A	N/A	Australia
INA Operations Trust No.7	Trust	N/A	N/A	N/A	Australia
INA Operations Trust No.8	Trust	N/A	N/A	N/A	Australia
INA Operations Trust No.9	Trust	N/A	N/A	N/A	Australia
INA Operations Trust No.10	Trust	N/A	N/A	N/A	Australia
INA Operations Trust No.11	Trust	N/A	N/A	N/A	Australia
INA DMF Management Pty Ltd	Body Corporate	N/A	Australia	100	Australia
INA Latitude One Pty Ltd	Body Corporate	N/A	Australia	100	Australia
INA Latitude One Development Pty Ltd	Body Corporate	N/A	Australia	100	Australia
INA Soldiers Point Pty Ltd	Body Corporate	N/A	Australia	100	Australia
INA Operations No.3 Pty Limited	Body Corporate	N/A	Australia	100	Australia

(1) Place of incorporation and percentage of share capital held only applicable to Body Corporate entities.

(2) The Group consists of three stapled entities (ICH, ICF and ICMT), as such the percentage of share capital held may refer to the percentage of share capital held by any of the stapled entities.

(3) Australian income tax laws do not provide a test for determining the tax residency of a trust entity. The country of tax residence disclosed for trusts is based on the residence of the responsible entity or trustee.

Consolidated entity disclosure statement (continued)

Ingenia Communities Holdings Limited

For the year ended 30 June 2024

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Entity Name	Entity Type	Trustee/ Partnership/ JV	Body Corporate country of incorporation ⁽¹⁾	Body Corporate % of share capital held ^{(1),(2)}	Country of tax residence ⁽³⁾
INA Community Living Subsidiary Trust No.2	Trust	N/A	N/A	N/A	Australia
INA Development Pty Limited	Body Corporate	N/A	Australia	100	Australia
INA Development Management Pty Limited	Body Corporate	N/A	Australia	100	Australia
INA Plantations Development Pty Limited	Body Corporate	N/A	Australia	100	Australia
INA Hervey Bay Development Pty Limited	Body Corporate	N/A	Australia	100	Australia
INA Natures Edge Development Pty Limited	Body Corporate	N/A	Australia	100	Australia
INA Bargara Development Pty Limited	Body Corporate	N/A	Australia	100	Australia
INA Beveridge Development Pty Limited	Body Corporate	N/A	Australia	100	Australia
INA Ballarat Development Pty Limited	Body Corporate	N/A	Australia	100	Australia
INA Development No.3 Pty Limited	Body Corporate	N/A	Australia	100	Australia
INA Lara Development Pty Limited	Body Corporate	N/A	Australia	100	Australia
INA Lifestyle Operations Pty Limited	Body Corporate	Trustee	Australia	100	Australia
INA Lifestyle Landowner Pty Limited	Body Corporate	Trustee	Australia	100	Australia
INA Subsidiary Trust No.4	Trust	N/A	N/A	N/A	Australia
INA Subsidiary Trust No.5	Trust	N/A	N/A	N/A	Australia
INA Subsidiary Trust No.6	Trust	N/A	N/A	N/A	Australia
INA Subsidiary Trust No.7	Trust	N/A	N/A	N/A	Australia
INA Subsidiary Trust No.8	Trust	N/A	N/A	N/A	Australia
INA Lifestyle Landowner Trust	Trust	N/A	N/A	N/A	Australia
INA Lifestyle Operations Trust	Trust	N/A	N/A	N/A	Australia
INA Operations Management Trust	Trust	N/A	N/A	N/A	Australia
Emmetlow Pty Ltd	Body Corporate	Trustee	Australia	100	Australia
Park Trust	Trust	N/A	N/A	N/A	Australia
Eighth Gate Capital Management Pty Ltd	Body Corporate	N/A	Australia	100	Australia
Eighth Gate Pty Ltd	Body Corporate	Trustee	Australia	100	Australia
Eighth Gate Capital Management No. 3 Pty Ltd	Body Corporate	Trustee	Australia	100	Australia
Eighth Gate Capital Management No. 4 Pty Ltd	Body Corporate	Trustee	Australia	100	Australia
Eighth Gate Capital Management No. 5 Pty Ltd	Body Corporate	Trustee	Australia	100	Australia
Eighth Gate Capital Management No. 6 Pty Ltd	Body Corporate	Trustee	Australia	100	Australia
Eighth Gate Capital Management No. 7 Pty Ltd	Body Corporate	Trustee	Australia	100	Australia
Eighth Gate Capital Management No. 8 Pty Ltd	Body Corporate	Trustee	Australia	100	Australia
Allswell Communities Pty Ltd	Body Corporate	N/A	Australia	100	Australia
IDCF Land Trust No. 1	Trust	N/A	N/A	N/A	Australia
IDCF Management Company No 1 Pty Ltd	Body Corporate	Trustee	Australia	100	Australia
Ingenia Diversified Communities Head Company Pty Limited	Body Corporate	N/A	Australia	100	Australia
Ingenia Diversified Communities Trust	Trust	N/A	N/A	N/A	Australia
INA Development No. 6 Pty Ltd	Body Corporate	N/A	Australia	100	Australia
INA Millers Glen Development Pty Limited (formerly INA Development No. 7 Pty Ltd)	Body Corporate	N/A	Australia	100	Australia

(1) Place of incorporation and percentage of share capital held only applicable to Body Corporate entities.

(2) The Group consists of three stapled entities (ICH, ICF and ICMT), as such the percentage of share capital held may refer to the percentage of share capital held by any of the stapled entities.

(3) Australian income tax laws do not provide a test for determining the tax residency of a trust entity. The country of tax residence disclosed for trusts is based on the residence of the responsible entity or trustee.

Consolidated entity disclosure statement (continued)

Ingenia Communities Holdings Limited
For the year ended 30 June 2024

Entity Name	Entity Type	Trustee/ Partnership/ JV	Body Corporate country of incorporation ⁽¹⁾	Body Corporate % of share capital held ^{(1),(2)}	Country of tax residence ⁽³⁾
INA Development No. 8 Pty Ltd	Body Corporate	N/A	Australia	100	Australia
INA Development No. 9 Pty Ltd	Body Corporate	N/A	Australia	100	Australia
INA Operations Trust No.12	Trust	N/A	N/A	N/A	Australia
INA Operations Trust No.13	Trust	N/A	N/A	N/A	Australia
INA Rochedale Development Pty Ltd	Body Corporate	N/A	Australia	100	Australia
INA Coomera Development Pty Ltd	Body Corporate	N/A	Australia	100	Australia
INA Toowoomba Development Pty Ltd	Body Corporate	N/A	Australia	100	Australia
Seachange (Land) Pty Ltd	Body Corporate	Trustee	Australia	100	Australia
The Seachange (Land) Unit Trust	Trust	N/A	N/A	N/A	Australia
PPV Coomera Land Pty Ltd	Body Corporate	Trustee	Australia	100	Australia
PPV Coomera Land Unit Trust	Trust	N/A	N/A	N/A	Australia
PPV Hervey Bay Land Pty Ltd	Body Corporate	Trustee	Australia	100	Australia
PPV Hervey Bay Land Unit Trust	Trust	N/A	N/A	N/A	Australia
PPV Inlet Land Pty Ltd	Body Corporate	Trustee	Australia	100	Australia
PPV Inlet Land Unit Trust	Trust	N/A	N/A	N/A	Australia
PPV Toowoomba Land Pty Ltd	Body Corporate	Trustee	Australia	100	Australia
PPV Toowoomba Land Unit Trust	Trust	N/A	N/A	N/A	Australia
PPV Victoria Point Land Pty Ltd	Body Corporate	Trustee	Australia	100	Australia
PPV Victoria Point Land Unit Trust	Trust	N/A	N/A	N/A	Australia
Eighth Gate Federation Village Park Trust	Trust	N/A	N/A	N/A	Australia
Eighth Gate Residences Fund No.6	Trust	N/A	N/A	N/A	Australia
Residences Fund No. 6 Pty Ltd	Body Corporate	N/A	Australia	100	Australia
Ingenia Holiday Parks Company No. 1 Pty Limited	Body Corporate	N/A	Australia	100	Australia
Ingenia Holiday Parks Trust No.1	Trust	N/A	N/A	N/A	Australia
INA Development No. 10 Pty Ltd	Body Corporate	N/A	Australia	100	Australia
INA Development No. 11 Pty Ltd	Body Corporate	N/A	Australia	100	Australia
INA Development No. 12 Pty Ltd	Body Corporate	N/A	Australia	100	Australia
Ingenia Communities Employee Security Trust ⁽⁴⁾	Trust	N/A	N/A	N/A	Australia

(1) Place of incorporation and percentage of share capital held only applicable to Body Corporate entities.

(2) The Group consists of three stapled entities (ICH, ICF and ICMT), as such the percentage of share capital held may refer to the percentage of share capital held by any of the stapled entities.

(3) Australian income tax laws do not provide a test for determining the tax residency of a trust entity. The country of tax residence disclosed for trusts is based on the residence of the responsible entity or trustee.

(4) The Ingenia Communities Employee Security Trust ("EST") was established to meet the Groups obligations for its employee security schemes. The Trustee is an external entity which is neither owned nor controlled by the Group.

Directors' Declaration

Ingenia Communities Holdings Limited

For the year ended 30 June 2024

In accordance with a resolution of the directors of Ingenia Communities Holdings Limited, I state that:

1. In the opinion of the directors:
 - a) The financial statements and notes of Ingenia Communities Holdings Limited for the financial year ended 30 June 2024 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of its financial position as at 30 June 2024 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards (including Australian Accounting Interpretations) and *Corporations Regulations 2001*; and
 - b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(b).
 - c) the consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act 2001* is true and correct.
 - d) there are reasonable grounds to believe that Ingenia Communities Holdings Limited will be able to pay its debts as and when they become due and payable.
 - e) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed Group identified in Note 32 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 32.
2. This declaration has been made after receiving the declarations required to be made to the directors from the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2024.

On-behalf of the Board



Jim Hazel
Chairman

Adelaide, 20 August 2024

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Independent auditor's report to the Members of Ingenia Communities Holdings Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Ingenia Communities Holdings Limited (the "Company") and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Valuation of Investment Property

Why significant	How our audit addressed the key audit matter
As at 30 June 2024 Investment properties (both those recorded as investment properties and those included within equity accounted investments) comprise 90.9% of the Group's total assets. These assets are carried at fair value, which was assessed by the directors with reference to either external independent valuations or internal valuations based on market conditions existing at reporting date. The Group has three categories of investment properties as disclosed in Note 11 of the financial report. ▶ The Garden Villages portfolio consists of investment properties earning revenue predominantly from longer term rental agreements and the key valuation judgements include capitalisation rates, market and contractual rents and forecast occupancy levels. ▶ The Lifestyle portfolio consists of investment properties earning revenue from a mix of longer-term land rental agreements and short-term accommodation rental. ▶ The Tourism portfolio consists of 'Holidays and Mixed Use' investment properties earning revenue from short-term residential and tourism rentals. The valuation of investment properties is inherently subjective given that there are alternative assumptions and valuation methods that may result in a range of values. The key judgements in the valuations include assumptions related to the long and short-term rental income, capitalisation rates, discount rates, market and contractual rents, forecast short-term and residential occupancy levels, historical transactions and remaining development potential for vacant land. In assessing the development potential, additional key judgements include future new homes sales prices, estimated capital expenditure and allocation of costs between investment property and inventory, discount rates, projected property growth rates and operating profit margins. Accordingly, the valuation of investment properties was considered a key audit matter.	Our audit procedures included the following: ▶ Assessed the Group's controls in place relevant to the valuation process; ▶ Evaluated the suitability of the valuation methodology used across the portfolio and tested on a sample basis the valuation reports for mathematical accuracy; ▶ Assessed the qualifications, competence and objectivity of the independent valuation experts used by the Group; ▶ Assessed the Group's internal valuation methodology and tested the mathematical accuracy of the valuation models. We also assessed the competence, qualifications and objectivity of the internal valuer; ▶ On a sample basis, we compared the property related data used as input for both the external and internal valuations against actual and budgeted property performance; ▶ On a sample basis, we assessed the key inputs and assumptions used in the valuations by comparing this information to external market data; ▶ Our real estate valuation specialists reviewed a sample of internal and independent valuations to assess whether the key judgements and methodology used were reasonable. ▶ Assessed the appropriateness of the allocation of capital expenditure between investment property and inventory assets. We also assessed the adequacy and appropriateness of the disclosures included in the Notes to the financial report.

2. Goodwill impairment testing

Why significant	How our audit addressed the key audit matter
As at 30 June 2024, the Group's consolidated balance sheet includes goodwill with a carrying value of \$4.7 million, representing 0.2% of total assets. As disclosed in Note 13 of the financial report, the Group have assessed goodwill for impairment at 30 June 2024. As a result of this assessment, the Group recorded an impairment loss of \$96.6m. The assessment involved a value-in-use model, based upon discounted cash flow forecasts being used to calculate the recoverable amount of each of the Group's cash generating units (CGUs). The assessment is a judgmental process which requires estimates concerning the forecast future cash flows associated with the CGUs, the discount rates and the growth	Our audit procedures included the following: ▶ Assessed the Group's determination of the CGUs used in the impairment model, based on our understanding of the nature of the Group's business and the economic environment in which the segments operate. We also considered internal reporting of the Group's results to assess how earnings and goodwill are monitored and reported; ▶ Evaluated whether the methodology met the requirements of Australian Accounting Standards; ▶ Assessed the mathematical accuracy of the value-in-use cash flow models prepared by the Group to determine recoverable amount;

Why significant	How our audit addressed the key audit matter
rate of revenue and costs to be applied in determining the value in use or fair value less cost of disposal. The estimates and assumptions relate to future performance, market and economic conditions. Significant assumptions used in the impairment testing referred to above are inherently subjective and in times of economic uncertainty the degree of subjectivity is higher than it might otherwise be. Changes in certain assumptions can lead to significant changes in the recoverable amount of these assets. The disclosures in the financial report provide important information about the assumptions made in the impairment testing and the market conditions at 30 June 2024. Accordingly, we considered the impairment testing of goodwill and related disclosures in the financial report to be a key audit matter.	▸ Assessed the underlying assumptions regarding future cash flows and agreed the forecast used in the models to the Board approved business plans taking into consideration the historical accuracy of the Group's cash flow forecasting; ▸ Assessed the key assumptions such as the discount rates and growth rates (including terminal growth rates) applied in the models, with reference to external industry and market data and involvement from our valuation specialists; ▸ Performed sensitivity analysis on key assumptions including discount rates, net operating income and development profit forecasts for relevant CGUs; and ▸ We also evaluated the adequacy and appropriateness of the disclosures included in the Notes to the financial report including those made with respect to judgments and estimates.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2024 annual report other than the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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

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

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 33 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Ingenia Communities Holdings Limited for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Ernst & Young



Yvonne Barnikel
Partner
Sydney
20 August 2024



**INGENIA COMMUNITIES FUND
AND
INGENIA COMMUNITIES MANAGEMENT TRUST**

**FINANCIAL REPORT
YEAR ENDED 30 JUNE 2024**

www.ingeniacommunities.com.au
Registered Office: Level 3, 88 Cumberland Street, The Rocks NSW 2000

Annual Report

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

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Directors' Report

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

Ingenia Communities Fund ("ICF" or the "Fund") (ARSN 107 459 576) and Ingenia Communities Management Trust ("ICMT") (ARSN 122 928 410) (together the "Trusts") are Australian registered schemes. Ingenia Communities RE Limited (ACN 154 464 990; Australian Financial Services Licence number 415862), the Responsible Entity of the Trusts, is incorporated and domiciled in Australia.

The parent company of Ingenia Communities RE Limited ("ICRE" or the "Responsible Entity") is Ingenia Communities Holdings Limited ("ICH" or the "Company"). The shares of the Company are "stapled" with the units of the Trusts and trade on the Australian Securities Exchange ("ASX") as one security (ASX Code: INA). The Company and the Trusts along with their subsidiaries are collectively referred to as the Group in this report.

The Directors' Report is a combined Directors' Report that covers the Trusts for the year ended 30 June 2024 (the "current period").

DIRECTORS

The Directors of the Responsible Entity at any time during or since the end of the current period were:

KMP	Position	Term
Non-Executive Directors (NEDs)		
Jim Hazel	Chairman	Full year
Robert Morrison	Deputy Chairman	Full year
Pippa Downes	Director	Full year
Sally Evans	Director	Full year
Lisa Scenna	Director	Appointed, effective 1 May 2024
Shane Gannon	Director	Appointed, effective 28 June 2024
Simon Shakesheff	Director	Appointed, effective 28 June 2024
John McLaren	Director	1 July 2023 to 2 November 2023
Amanda Heyworth	Director	1 July 2023 to 20 June 2024
Gregory Hayes	Director	Full year (resigned, effective 1 July 2024)
Executive Director		
John Carfi	Managing Director	Appointed, effective 13 August 2024
	Chief Executive Officer	Commenced 1 April 2024
Simon Owen	Managing Director	1 July 2023 to 21 February 2024
	Chief Executive Officer	1 July 2023 to 31 March 2024 ⁽¹⁾

(1) Mr Owen remained in service through to 30 June 2024.

Company Secretaries

Natalie Kwok (Chief Investment Officer and General Counsel (CIO and GC))
Charisse Nortje

OPERATING AND FINANCIAL REVIEW

ICF and ICMT Overview

ICF and ICMT are two of the entities forming part of ICH, which is a triple staple structure traded on the ASX.

The Group is an active owner, manager and developer of a diversified portfolio of lifestyle, rental and holiday communities along Australia's east coast. The Group's real estate assets at 30 June 2024 were valued at \$2.3 billion, comprising 38 lifestyle rental and 33 holiday communities and 19 seniors rental communities (Ingenia Gardens). The Group also manages and has a co-investment in 11 assets through its development joint venture (JV) and funds management platform and provides management and development services to these entities. The Group was first included in the S&P/ASX 200 in December 2019 and had a market capitalisation of approximately \$1.9 billion at 30 June 2024.

The Group's aim is to create Australia's best residential communities and holiday park accommodation, with a strong focus on customer satisfaction. The Board is committed to delivering long-term growth to security holders while providing a supportive community environment for residents and guests and creating communities that have a positive impact on our stakeholders and planet.

Directors' Report (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

At Ingenia we build belonging



Strategy

The Group is positioning for scale and long-term sector leadership while enhancing the operational performance of its investment properties and developing new sustainable communities.

The Group's focus is on accelerating the transition from an aggregator of land and assets to an operationally efficient developer and operator. The Group will continue to refine its operating model and development delivery through business simplification, a focus on efficiency and financial performance, a focus on land lease development as a driver of growth and accessing capital strategic partnerships to release capital from lower growth assets.

The immediate business priorities of the Group are:

- Continued focus on business simplification through changes in structure to drive productivity and accountability;
- Acceleration of the development pipeline in line with customer demand;
- Optimisation of returns from development projects, through changes to design and procurement;
- Select investment in all age rental and holidays communities to improve returns;
- Improve performance of existing communities through maintainable rental growth, active cost management and a focus on customer needs;
- Improve resident and guest experience by investing in our systems and processes;
- Enhance competitive advantage through recruiting, retaining and developing industry leading talent;
- Build on the Group's sustainability program through environmental, social and governance initiatives which include progressing the construction of three communities targeting a Green Star - Communities rating, delivering emissions reductions and expanding charitable giving; and
- Maintain focus on employee, resident and guest health and safety.

Portfolio Refinement, Integration and Development Pipeline Expansion

The Group is well positioned for further expansion through development with 16 land lease communities currently underway and 4 communities commencing development over FY25. The Group will also look to expand the portfolio where feasible.

During the year, in line with a focus on divesting assets and recycling capital into the Group's development pipeline, the Group divested:

- six Ingenia Gardens communities in WA;
- one greenfield development site in QLD that was considered surplus to the Group's needs;
- holiday parks in Lake Hume and Broulee, NSW; and
- two land parcels adjoining a NSW holiday park.

The Group completed the acquisition of sites adjoining its Ingenia Lifestyle Plantations (NSW) and Millers Glen (QLD) communities and continues to look for new sites; in December 2023 a leasehold holiday park at Old Bar Beach (NSW) was acquired, complementing the existing network of holiday parks.

Directors' Report (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

FY24 financial results

The twelve months to 30 June 2024 delivered total revenue of \$472.3 million, up 20% on the prior year. The Group settled 370 turnkey homes (30 Jun 2023: 318 homes) delivering a gross new home development profit of \$89.4 million (30 Jun 2023: \$65.5 million). A further 88 homes were settled within the JV (30 Jun 2023: 46 homes), achieving a combined total of 458¹ turnkey home settlements during the year (30 Jun 2023: 364 homes). Holidays income grew by 7% to \$134.8 million (30 Jun 2023: \$126.4 million) mainly due to an increase in tourism rental income which increased by 8% to \$105.1 million (30 Jun 2023: \$97.3 million). Lifestyle Rental income increased by 13% to \$86.5 million (30 Jun 2023: \$76.8 million), driven by the growth in residential rental income which grew by 10% to \$68.3 million (30 Jun 2023: \$62.3 million).

Underlying profit of \$94.8 million, up \$11.7 million on the prior year, is primarily attributable to strong growth in the Lifestyle Development segment and the Joint Venture on account of an increase in home settlements and complemented by continued growth in the Lifestyle Rental and Ingenia Holidays operating segments. These results were partially offset by: a decline in Ingenia Gardens as a consequence of the sale of six communities in Western Australia; increases in the Group's cost base, including above inflation rate increases to council rates and taxes and utilities; increases in insurance, employment costs, development marketing, investment in IT infrastructure and support; net finance expense; income tax expense, and; costs associated with business restructuring.

Statutory profit of \$14.0 million was down 78% on the prior year. The statutory result reflects the combination of growth in underlying earnings from the operating segments and fair value movements on investment properties offset by the impairment of goodwill of \$96.6 million, relating to the Seachange acquisition in November 2021 and increased deferred income tax expense associated with the fair value gains on investment properties.

Operating cash flow for the period was \$82.2 million, consistent with the prior year reflecting the growth in cashflows from home settlements and the Lifestyle Rental and Ingenia Holidays operating segments, offset by investment in home inventory ahead of forecast settlements for FY25 and an increase in borrowing costs paid attributable to higher interest rates and additional borrowings.

The Group's net asset value (NAV) of \$3.70 per security was down by 2% (30 Jun 2023: \$3.77) and net tangible assets per security (NTA) increased 5% to \$3.69 (30 Jun 2023: \$3.52).

Key metrics

- Net profit for the year for ICF \$88.1 million (30 Jun 2023: \$39.0 million)
- Net loss for the year for ICMT of \$31.9 million (30 Jun 2023: \$38.2 million profit)
- Full year distributions of 11.3 cents per unit by ICF, nil from ICMT.

Segment performance and priorities

Capital Partnerships

Capital partnerships through co-investment and shared funding enables the Group to leverage the existing business platform, generate fee income and extend the Group's asset base.

Development Joint Venture

The JV with Sun Communities (NYSE: SUI) leverages Ingenia's capability and platform to generate fees and expands its development opportunities via co-investment. Once homes are sold, Ingenia provides operational services to the land lease communities. At completion of development, and following a holding period of not less than 5 years, Ingenia has the right to acquire the communities at market value. As at 30 June 2024, the JV has invested in five projects with four under active development.

The JV delivered \$59.3 million (30 Jun 2023: \$25.8 million) of revenue from the settlement of 88 (30 Jun 2023: 46) new homes at three sites in NSW and QLD. Rental income increased by 65% on prior year to \$1.9 million in the current period, as a result of new home settlements.

¹ Excludes 4 (30 June 2023: 10) settlements at Ingenia Lifestyle Coastal Palms, part of the Funds Management business.

Directors' Report (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

Performance

	30 Jun 2024	30 Jun 2023	Change %
Greenfield properties (#)	5	5	-
Investment carrying value (\$m)	76.9	61.8	24%
New home settlements (#)	88	46	91%
Fee income ⁽¹⁾ (\$m)	0.4	1.1	(64%)
Joint venture revenue (\$m)	61.1	26.9	127%
Joint venture operating profit (\$m)	21.4	8.5	152%
Share of loss from joint venture ⁽²⁾ (\$m)	(6.0)	(4.3)	40%

(1) Asset management services and property services to the JV. Prior year fee income inclusive of origination fee.

(2) Inclusive of the Groups 50% share of changes in the fair value of investment properties \$14.8 million (30 Jun 2023: \$7.4 million). Refer to Note 13 for further detail.

Strategic priorities

The strategic priorities for the JV are to continue to assess greenfield sites in key metro and coastal markets and to develop its significant portfolio of new land lease communities.

Funds Management

The Group's funds and asset management business manages five funds that invest in lifestyle and holiday communities situated in NSW and QLD. The Group receives fees for the management and development of the assets and management of the funds.

The Group also co-invests into each of the five funds, to increase alignment with fund investors. The investment in the funds generates asset ownership and development revenue streams.

	30 Jun 2024	30 Jun 2023	Change %
Investment carrying value (\$m)	6.4	6.3	2%
Fee income (\$m)	1.6	1.6	-
Distribution income (\$m)	0.3	0.5	(40%)

Strategic priorities

The funds will reach the end of their contracted management terms in FY25. Management will seek to maximise investor returns through the wind up of the funds and asset sale process.

Capital management of the Group

At 30 June 2024, the Group had debt facilities with a combined limit of \$905.0 million (30 Jun 2023: \$780.0 million), with a weighted average term to maturity of 3 years, drawn to \$695.9 million. The Group was able to take advantage of strong support for the business and increase the debt facilities available to the Group by \$125.0 million, increase the tenor of selected facilities and negotiate improvements to selected covenants.

During the year, the JV increased its debt facilities and the Group contributed an additional \$21.0 million, to fund the development of the four projects currently underway.

Interest rate exposure is managed through a combination of fixed rate debt and interest rate derivatives on 46.7% of the drawn debt.

The Group's Loan to Value Ratio ("LVR") was 32.3% (covenant 55%).

Distributions

The following distributions were made during or in respect of the year:

- On 20 February 2024, the Directors declared an interim distribution of 5.2 cps, amounting to \$21.2 million which was paid on 21 March 2024.
- On 20 August 2024, the Directors declared a final distribution of 6.1 cps amounting to \$24.9 million, to be paid on 19 September 2024.

Directors' Report (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

FY25 outlook

The Group's residential communities remain well placed for ongoing expansion with the demand for quality, affordable residential accommodation continuing from an ageing population. Incoming residents are seeking quality community living and affordable rental accommodation in metro, coastal and regional markets which the Group is well placed to deliver. Investment in inventory and new sites will enable us to capitalise on this demand and enables the generation of long-term sustainable rental cash flows. Investing in new rental homes remains a key priority for the Group.

Ingenia will continue to grow its Lifestyle Rental business by building out its development pipeline, generating attractive returns, stable, resilient cashflows and increased scale.

The strong demand for domestic holiday accommodation is expected to continue with Ingenia to benefit via an extensive portfolio of properties located in attractive holiday destinations. The priority for Ingenia Holidays is to enhance the customer experience by refurbishing existing cabins and investing in new tourism cabins and amenities.

The Group's solid balance sheet and deal flow provides ongoing opportunity for growth. The Group will increase its asset base by accelerating development and select investment in densification to deliver targeted returns.

The Group will regularly assess market opportunities and the performance of existing assets, divesting and acquiring assets where superior longer-term returns are available.

Ingenia will continue to evolve the Group's ESG strategies and initiatives to align with the Group's strategic focus and portfolio growth. Over FY25, key initiatives include refinement of the Group's emissions reduction strategies to target portfolio specific outcomes, including the delivery of net zero emissions (Scope 1 and 2) for the Group's operations by 2035, the evolution of reporting and data collection in preparation for additional climate related financial disclosure obligations and finalisation of the Group's first Reconciliation Action Plan.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Changes in the state of affairs during the current period are set out in the various reports in this Financial report. Refer to Note 9 for investment properties acquired or disposed of during the period and Note 17 for details of debt facility.

EVENTS SUBSEQUENT TO REPORTING DATE

Final FY24 distribution

On 20 August 2024, the Directors declared a final distribution of 6.1 cps amounting to \$24.9 million, to be paid on 19 September 2024.

LIKELY DEVELOPMENTS

The Trusts will continue to pursue strategies aimed at the longer term growth of its cash earnings, profitability and market share within the lifestyle, rental and tourism sectors through:

- Developing greenfield sites in identified growth corridors and expanding existing lifestyle and rental communities;
- Continued transition from an acquirer to an efficient developer and operator in line with the Group strategy;
- Ongoing co-investment through the Group's Joint Venture to fund growth and leverage scale and capability; and
- Divesting non-core assets as needed to further support investment in growth and portfolio refinement.

Detailed information about operations of the Group is included in the various reports in this financial report.

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Directors' Report (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

ENVIRONMENTAL REGULATION

The Trusts have policies and procedures in place to ensure that, where operations are subject to any particular and significant environmental regulation under the laws of Australia, those obligations are identified and appropriately addressed. The Directors have determined that there has not been any material breach of those obligations during the financial year.

GROUP INDEMNITIES

The Group has purchased various insurance policies to cover a range of risks (subject to specified exclusions) for directors, officers and employees of the Group serving in their respective capacities. Key insurance policies include: directors and officers insurance, professional indemnity insurance and management liability insurance.

INDEMNIFICATION OF AUDITOR

To the extent permitted by law, the Company has agreed to indemnify its auditor, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the reporting period.

INTERESTS OF DIRECTORS OF THE RESPONSIBLE ENTITY

Securities of the Group held by directors of the Responsible Entity or associates of the directors as at 30 June 2024 were:

	Issued stapled securities	Rights
Jim Hazel	439,445	-
Robert Morrison	254,528	-
Pippa Downes	40,868	-
Gregory Hayes	32,000	-
Sally Evans	43,882	-
Lisa Scenna	-	-
Shane Gannon	-	-
Simon Shakesheff	-	-

OTHER INFORMATION

Fees paid to the Responsible Entity and its associates, and the number of securities in each Trust held by the Responsible Entity and its associates as at the end of the financial year are set out in Note 27 in the financial report.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9.

NON-AUDIT SERVICES

During the year, non-audit services were provided by the Group's auditor, Ernst & Young. The directors are satisfied that the provision of the non-audit services is compatible with, and did not compromise, the independence for auditors imposed by the *Corporations Act 2001* for the following reasons:

- the non-audit services were for taxation, regulatory and assurance related work, and none of this work created any conflicts with the auditor's statutory responsibilities;
- the Audit, Risk and Sustainability Committee resolved that the provision of non-audit services during the financial year by Ernst & Young as auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001*;
- the Board's own review conducted in conjunction with the Audit, Risk and Sustainability Committee, having regard to the Board policy set out in this Report, concluded that it is satisfied the non-audit services did not impact the integrity and objectivity of the auditors; and
- the declaration of independence provided by Ernst & Young, as auditor of ICH.

Refer to Note 26 of the financial statements for details on the audit and non-audit fees.

Directors' Report (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

ROUNDING OF AMOUNTS

The Trusts are of the kind referred to in ASIC Instrument 2016/191, and in accordance with that Class Order, amounts in the financial report and Director's Report have been rounded to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors of the Responsible Entity.



Jim Hazel
Chairman
Adelaide, 20 August 2024

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Auditor's Independence Declaration to the Directors of Ingenia Communities RE Limited as Responsible Entity for Ingenia Communities Fund and Ingenia Communities Management Trust

As lead auditor for the audit of the financial report of Ingenia Communities Fund and Ingenia Communities Management Trust for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Ingenia Communities Fund and the entities it controlled during the financial year and Ingenia Communities Management Trust and the entities it controlled during the financial year.

Ernst & Young

Yvonne Barnikel
Partner
20 August 2024

Consolidated Statement of Comprehensive Income

Ingenia Communities Fund and Ingenia Communities Management Trust

For the year ended 30 June 2024

	Note	ICF		ICMT	
		30 Jun 2024 \$'000	30 Jun 2023 \$'000	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Land lease home sales		-	-	37,625	51,250
Residential rental income		-	-	101,564	98,279
Tourism rental income		-	-	108,378	99,896
Annals rental income		-	-	11,032	10,647
Other revenue		41,632	40,087	68,580	55,442
Revenue		41,632	40,087	327,179	315,514
Cost of land lease homes sold		-	-	(21,362)	(27,284)
Employee expenses		-	-	(91,780)	(88,116)
Property expenses		(885)	(851)	(67,790)	(65,176)
Administrative expenses		(1,610)	(1,544)	(20,711)	(18,979)
Operational, marketing and selling expenses		-	-	(22,462)	(17,730)
Service station expenses		-	-	(9,037)	(9,371)
Responsible entity fee and expenses		(8,993)	(8,552)	(6,156)	(5,386)
Depreciation and amortisation expense	10, 11, 12	-	-	(32,879)	(32,162)
Operating profit before interest and tax		30,144	29,140	55,002	51,310
Interest income		55,133	36,454	1,843	173
Finance expense		(27,105)	(18,667)	(48,402)	(34,049)
Operating profit before tax		58,172	46,927	8,443	17,434
Share of joint venture (loss)/profit	13	(1,022)	(9,060)	171	195
Net gain/(loss) on change in fair value of:					
Investment properties	9(b)	33,484	4,807	93,186	45,352
Acquisition transaction costs	9(b)	(805)	(4,383)	(3,385)	-
Financial liabilities		(2,325)	(1,108)	(677)	(1,615)
Investments and other financial instruments		(3,983)	864	(47)	523
Impairment of goodwill		-	-	(91,815)	(4,832)
Gain/(loss) on disposal of investment property		4,626	996	68	(3,836)
Business combination transaction costs		-	-	-	1,615
Profit before tax		88,147	39,043	5,944	54,836
Income tax expense	5	-	-	(37,804)	(16,616)
Net profit/(loss) for the year		88,147	39,043	(31,860)	38,220
Total comprehensive income/(loss) for the year net of income tax		88,147	39,043	(31,860)	38,220
Profit/(loss) attributable to unit holders of:					
Ingenia Communities Fund		86,017	37,050	-	-
Ingenia Communities Management Trust		2,130	1,993	(31,860)	38,220
		88,147	39,043	(31,860)	38,220
Total comprehensive income/(loss) attributable to unit holders of:					
Ingenia Communities Fund		86,017	37,050	-	-
Ingenia Communities Management Trust		2,130	1,993	(31,860)	38,220
		88,147	39,043	(31,860)	38,220
Earnings per unit:		30 Jun 2024 Cents	30 Jun 2023 Cents	30 Jun 2024 Cents	30 Jun 2023 Cents
Basic earnings per unit	4	21.6	9.6	(7.8)	9.4
Diluted earnings per unit	4	21.4	9.5	(7.8)	9.3

Notes to the Consolidated Financial Statements are included on pages 14 to 48.

Consolidated Balance Sheet

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

		ICF		ICMT	
Note		30 Jun 2024 \$'000	30 Jun 2023 \$'000	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Current assets					
	Cash and cash equivalents	2,726	37,374	10,489	7,163
6	Trade and other receivables	305	1,274	7,914	11,122
7	Inventories	-	-	13,907	14,541
8	Assets held for sale	-	11,200	-	12,990
14	Other financial assets	3,726	3,234	-	-
	Total current assets	6,757	53,082	32,310	45,816
Non-current assets					
6	Trade and other receivables	257	733	144	144
27(e)	Receivable from related party	908,693	741,543	-	-
9	Investment properties	942,540	930,184	1,205,910	1,026,680
13	Investment in a joint venture	45,635	43,147	276	113
14	Other financial assets	235	4,102	17,136	17,119
10	Plant and equipment	-	-	9,801	8,284
11	Intangibles and goodwill	-	-	846	93,009
12	Right-of-use-assets	-	-	228,409	228,461
	Total non-current assets	1,897,360	1,719,709	1,462,522	1,373,810
	Total assets	1,904,117	1,772,791	1,494,832	1,419,626
Current liabilities					
16	Trade and other payables	8,497	8,519	58,070	58,703
17	Borrowings	1,895	1,805	17,382	28,238
	Employee liabilities	-	-	5,535	5,050
18	Other financial liabilities	-	-	795	659
	Total current liabilities	10,392	10,324	81,782	92,650
Non-current liabilities					
27(e)	Payable to related party	-	-	811,545	744,108
17	Borrowings	722,114	635,669	242,275	225,203
18	Other financial liabilities	-	-	16,665	16,941
	Employee liabilities	-	-	981	993
16	Trade and other payables	3,635	2,116	-	4,788
15	Deferred tax liability	-	-	88,570	50,766
	Total non-current liabilities	725,749	637,785	1,160,036	1,042,799
	Total liabilities	736,141	648,109	1,241,818	1,135,449
	Net assets	1,167,976	1,124,682	253,014	284,177
Equity					
19(a)	Issued units	1,473,432	1,473,451	138,800	138,803
20	(Accumulated losses)/retained earnings	(320,861)	(362,044)	114,214	146,074
	Unit holders interest	1,152,571	1,111,407	253,014	284,877
	Non-controlling interest	15,405	13,275	-	(700)
	Total equity	1,167,976	1,124,682	253,014	284,177
Attributable to unit holders of:					
	Ingenia Communities Fund	1,152,571	1,111,407	-	(700)
	Ingenia Communities Management Trust	15,405	13,275	253,014	284,877
	Total	1,167,976	1,124,682	253,014	284,177

Notes to the Consolidated Financial Statements are included on pages 14 to 48.

Consolidated Cash Flow Statement

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

	Note	ICF		ICMT	
		30 Jun 2024 \$'000	30 Jun 2023 \$'000	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Cash flows from operating activities					
Rental and other property income		-	-	264,537	256,695
Property and other expenses		(1,026)	(1,470)	(198,035)	(186,354)
Proceeds from sale of land lease homes		-	-	47,329	56,271
Purchase of land lease homes		-	-	(28,794)	(41,618)
Proceeds from sale of service station inventory		-	-	11,662	11,820
Purchase of service station inventory		-	-	(10,026)	(10,292)
Interest received		329	154	302	173
Borrowing costs paid		(33,592)	(22,071)	(39)	(62)
Other		-	-	-	(19)
30		(34,289)	(23,387)	86,936	86,614
Cash flows from investing activities					
Payments for investment properties		(11,143)	(43,364)	(28,798)	(19,525)
Additions to investment properties		(13,348)	(5,184)	(47,252)	(55,470)
Purchase and additions of plant and equipment		-	-	(4,085)	(4,355)
Proceeds from sale of investment properties		54,263	12,040	20,722	40,473
Net payments for acquisition of Seachange		-	(16,890)	-	-
Investment in joint venture		(3,500)	-	-	-
Other		1,503	-	298	-
		27,775	(53,398)	(59,115)	(38,877)
Cash flows from financing activities					
Payments for security issue costs		(19)	(13)	(3)	(3)
Distributions to unit holders		(44,834)	(44,834)	-	-
Repayment of related party borrowings		(68,602)	(8,203)	(21,733)	(50,591)
Proceeds from borrowings		404,750	289,130	-	-
Repayment of borrowings		(318,030)	(120,000)	-	-
Payments for debt issue costs		(933)	(198)	-	-
Payment for derivatives and financial instruments		-	(1,402)	-	-
Other		(466)	(813)	(2,759)	(2,811)
		(28,134)	113,667	(24,495)	(53,405)
Net (decrease)/increase in cash and cash equivalents		(34,648)	36,882	3,326	(5,668)
Cash and cash equivalents at the beginning of the year		37,374	492	7,163	12,831
Cash and cash equivalents at the end of the year		2,726	37,374	10,489	7,163

Notes to the Consolidated Financial Statements are included on pages 14 to 48.

Consolidated Statement of Changes in Equity

Ingenia Communities Fund and Ingenia Communities Management Trust

For the year ended 30 June 2024

		Attributable to security holders				
		ICF				
		Issued Capital	Retained Earnings	Total	Non-controlling interest	Total Equity
Note		\$'000	\$'000	\$'000	\$'000	\$'000
	Carrying value 1 Jul 2023	1,473,451	(362,044)	1,111,407	13,275	1,124,682
	Net profit	-	86,017	86,017	2,130	88,147
	Total comprehensive income	-	86,017	86,017	2,130	88,147
<i>Transactions with security holders in their capacity as security holders:</i>						
	Issue of securities	(19)	-	(19)	-	(19)
19(a)	Payment of distributions to security holders	-	(44,834)	(44,834)	-	(44,834)
20	Carrying value 30 Jun 2024	1,473,432	(320,861)	1,152,571	15,405	1,167,976
	Carrying value 1 Jul 2022	1,473,464	(354,260)	1,119,204	11,282	1,130,486
	Net profit	-	37,050	37,050	1,993	39,043
	Total comprehensive income	-	37,050	37,050	1,993	39,043
<i>Transactions with security holders in their capacity as security holders:</i>						
	Issue of securities	(13)	-	(13)	-	(13)
19(a)	Payment of distributions to security holders	-	(44,834)	(44,834)	-	(44,834)
20	Acquisition of subsidiaries	-	-	-	-	-
	Carrying value 30 Jun 2023	1,473,451	(362,044)	1,111,407	13,275	1,124,682
		Attributable to security holders				
		ICMT				
		Issued Capital	Retained Earnings	Total	Non-controlling interest	Total Equity
Note		\$'000	\$'000	\$'000	\$'000	\$'000
	Carrying value 1 Jul 2023	138,803	146,074	284,877	(700)	284,177
	Net profit	-	(31,860)	(31,860)	-	(31,860)
	Total comprehensive income	-	(31,860)	(31,860)	-	(31,860)
<i>Transactions with security holders in their capacity as security holders:</i>						
	Issue of securities	(3)	-	(3)	-	(3)
19(a)	Other	-	-	-	700	700
	Carrying value 30 Jun 2024	138,800	114,214	253,014	-	253,014
	Carrying value 1 Jul 2022	138,806	107,854	246,660	(700)	245,960
	Net profit	-	38,220	38,220	-	38,220
	Total comprehensive income	-	38,220	38,220	-	38,220
<i>Transactions with security holders in their capacity as security holders:</i>						
	Issue of securities	(3)	-	(3)	-	(3)
19(a)	Carrying value 30 Jun 2023	138,803	146,704	284,877	(700)	284,177

Notes to the Consolidated Financial Statements are included on pages 14 to 48.

Notes to the Financial Statements

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) The Trusts

Ingenia Communities Fund ("ICF" or the "Fund") (ARSN 107 459 576) and Ingenia Communities Management Trust ("ICMT") (ARSN 122 928 410) (together the Trusts) are Australian registered schemes. Ingenia Communities RE Limited (ACN 154 464 990; Australian Financial Services Licence number 415862), the Responsible Entity of the Trusts, is incorporated and domiciled in Australia.

The parent company of Ingenia Communities RE Limited is Ingenia Communities Holdings Limited (the Company). The shares of the Company are stapled with the units of the Trusts and trade on the Australian Securities Exchange ("ASX") effectively as one security. In this report, the Company and the Trusts are referred to collectively as the Group.

The stapling structure will cease to operate on the first to occur of:

- the Company or either of the Trusts resolving by special resolution in accordance with its constitution to terminate the stapling provisions; or
- the commencement of the winding up of the Company or either of the Trusts.

The financial report as at and for the year ended 30 June 2024 was authorised for issue by the Directors on 20 August 2024.

(b) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Australian Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*.

The financial report complies with Australian Accounting Standards as issued by the AASB and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

As permitted by Instrument 2015/838, issued by the Australian Securities and Investments Commission, this financial report is a combined financial report that presents the financial statements and accompanying notes of both ICF and ICMT. The financial statements and accompanying notes of the Trusts have been presented within this financial report.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000), unless otherwise stated as permitted by Instrument 2016/191.

The financial report is prepared on a historical cost basis, except for investment properties, residents' loans, derivative financial instruments, other financial assets and other financial liabilities, which are measured at fair value.

At 30 June 2024, ICF recorded a net current asset deficiency of \$3.6 million. ICF has access to \$187.4 million of available undrawn bank facilities. Accordingly, there are reasonable grounds to believe that ICF will be able to pay its debts as and when they become due and payable. As such, the financial report of ICF has been prepared on a going concern basis.

At 30 June 2024, ICMT recorded a net current asset deficiency of \$49.5 million. This deficiency will be satisfied by the forecast operating cashflows of ICMT, related party transactions and available undrawn debt facilities of the Group. Accordingly, there are reasonable grounds to believe that ICMT will be able to pay its debts as and when they become due and payable; and the financial report of the ICMT has been prepared on a going concern basis.

(c) Adoption of new and revised accounting standards

In the current period, the Trusts have adopted all the new and revised accounting standards, amendments to accounting standards, and interpretations that are relevant to its operations and effective for the current annual reporting period.

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Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Adoption of new and revised accounting standards (continued)

New accounting standards and interpretations have been issued or amended but are not yet effective and have not been adopted by the Trusts for the year ended 30 June 2024. The Trusts are in the process of assessing the impact of the following:

Summary	Application date of standard	Application date for Trusts
<i>AASB 2020-1 Amendment to Australian Accounting Standards - Classification of Liabilities as Current or Non-current and AASB 2022-6 Amendments to Australian Accounting standards - Non-current Liabilities with Covenants</i>	1 January 2024	1 July 2024
<i>AASB 18 Presentation and Disclosure in Financial Statements</i>	1 January 2027	1 July 2027

(d) Principles of consolidation

ICF's consolidated financial statements comprise ICF and its subsidiaries. ICMT's consolidated financial statements comprise ICMT and its subsidiaries. Subsidiaries are all those entities (including special purpose entities) whose financial and operating policies are able to be governed by a trust, so as to obtain benefits from their activities.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies. Intercompany balances and transactions, including dividends and unrealised gains and losses from intragroup transactions, have been eliminated.

Subsidiaries are consolidated from the date on which the parent obtains control. They are deconsolidated from the date that control ceases.

Investments in subsidiaries are carried at cost in the parent's financial statements.

The Company was incorporated on 24 November 2011. In accordance with Accounting Standard AASB 3 *Business Combinations*, the stapling of the Company and the Trusts was regarded as a business combination. Under AASB 3, the stapling was accounted for as a reverse acquisition with ICF "acquiring" the Company and the Company subsequently being identified as the ongoing parent for preparing consolidated financial reports. Consequently, the consolidated financial statements are a continuation of the financial statements of the Trusts, and include the results of the Company from the date of incorporation.

(e) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate consideration transferred and the amount recognised for non-controlling interest over the fair value of net identifiable assets acquired and liabilities assumed.

Goodwill is tested annually for impairment, or more frequently if changes in circumstances indicate that it might be impaired. An impairment loss is recognised when the carrying amount of the asset exceeds its recoverable amount, calculated as the higher of fair value less costs of disposal and the value in use. Impairment losses are recognised in the Consolidated Statement of Comprehensive Income.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which goodwill is monitored for management purposes and allocated to cash generating units ("CGU"). The assumptions used for determining the recoverable amount of the CGU are based on the expectation for the future, utilising both internal and external sources of data and relevant market trends.

(f) Assets held for sale

Components of the entity are classified as held for sale if their carrying value will be recovered principally through a sale transaction rather than through continuing use.

They are measured at the lower of their carrying value and fair value less costs to sell, except for assets such as investment property, which are carried at fair value.

(g) Dividends and distributions

A liability for any distribution declared on or before the end of the reporting period is recognised on the balance sheet, in the reporting period to which the distribution pertains.

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Foreign currency

Functional and presentation currencies

The functional currency and presentation currency of the Trusts and their subsidiaries, other than foreign subsidiaries, is the Australian dollar.

Translation foreign currency transactions

Transactions in foreign currency are initially recorded in the functional currency at the exchange rate prevailing at the date of the transaction. Monetary assets denominated in foreign currency are retranslated at the rate of exchange prevailing at the balance date.

(i) Leases

The Trusts assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Trusts applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets which are recognised as an expense on a straight-line basis over the lease term. The Trusts recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Trusts recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

At the commencement date of the lease, the Trusts recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Trusts and payments of penalties for terminating the lease, if the lease term reflects the Trusts exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Trusts uses the interest rate implicit in the lease. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Trusts' lease liabilities are included in Borrowings (Note 17). Leases for investment property which apply the fair value model are classified as investment property per AASB 140 *Investment Properties*.

(j) Plant and equipment

Plant and equipment is stated at cost, net of accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment, and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment require replacing at intervals, the Trusts recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, the cost is recognised in the carrying value of the plant and equipment as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Financial assets and liabilities

Current and non-current financial assets and liabilities within the scope of AASB 9 *Financial Instruments* are classified as; fair value through profit or loss; fair value through other comprehensive income; or amortised cost. The Trusts determine the classification of its financial assets and liabilities at initial recognition with the classification depending on the purpose for which the asset or liability was acquired or issued. Financial assets and liabilities are initially recognised at fair value plus directly attributable transaction costs, unless their classification is at fair value through profit or loss. They are subsequently measured at fair value or amortised cost using the effective interest method.

The fair value of financial instruments actively traded in organised financial markets are determined by reference to quoted market bid prices at close of business on balance sheet date. For those with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another substantially similar instruments; discounted cash flow analysis; option pricing models; making use of available and supportable market data and keeping judgemental inputs to a minimum.

(l) Impairment of non-financial assets

Assets other than investment property carried at fair value are tested for impairment whenever events or circumstance changes indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Non-financial assets excluding goodwill which have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(m) Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow statements comprise cash at bank, cash in hand, and short-term deposits that are readily convertible to known amounts of cash, and subject to an insignificant risk of changes in value.

(n) Trade and other receivables

Trade and other receivables are recognised initially at original invoice amount, and subsequently adjusted for ECL. An allowance is recognised by analysing the age of outstanding balances and applying historical default percentages. Historical loss rates are adjusted to reflect current and forward-looking observable data affecting the ability of customers to settle their debts.

(o) Inventories

The Trusts hold inventory in relation to the acquisition and development of land lease homes, as well as and service station fuel and supplies.

Inventories are held at the lower of cost and net realisable value.

Costs of inventories comprise all acquisition costs, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventory includes work in progress and raw materials used in the production of land lease home units.

Net realisable value is determined on the basis of an estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(p) Derivative financial instruments

The Trusts use derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date the contract is entered and are subsequently remeasured to fair value and included in the statement of comprehensive income in the period they arise, including the corresponding tax effect.

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Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(q) Investment property

Land and buildings have the function of an investment and are regarded as composite assets. In accordance with applicable accounting standards, the buildings, including plant and equipment, are not depreciated.

Investment property includes property under construction, tourism cabins and associated amenities.

Investment properties are measured initially at cost, including transaction costs. Subsequently, investment properties are stated at fair value, reflecting market conditions at reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of comprehensive income in the period they arise, including the corresponding tax effect where applicable.

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at measurement date, in the principal market for the asset or liability, or the most advantageous market in its absence. In determining the fair value of assets held for sale recent market offers have been taken into consideration.

It is the Trusts' policy to have all investment properties externally valued at intervals of not more than two years. It is the policy of the Trusts to review the fair value of each investment property every six months, and revalued investment properties to fair value when their carrying value materially differs to their fair values.

In determining fair values, the Trusts considers relevant information including the capitalisation of rental streams using market assessed capitalisation rates, expected net cash flows discounted to their present value using market determined risk-adjusted discount rates, and other available market data such as recent comparable transactions. The assessment of fair value of investment properties does not take into account potential capital gains tax assessable.

(r) Intangible assets

An intangible asset arising from software development expenditure is recognised only when the Trusts can demonstrate: the technical feasibility of completing the intangible asset so that it will be available for use; how the asset will generate future economic benefits; the availability of resources to complete the asset; and the ability to measure reliably the expenditure during its development. Costs capitalised include external direct costs of materials and service, direct payroll, and payroll related costs of employee time spent on projects.

Following the initial recognition of expenditure, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when the development is complete and the asset is available for use. Amortisation is over the period of expected future benefit.

The Trusts policy applied to capitalised development costs is as follows.

Software and associated development to capitalised development costs (assets in use)

- Useful life: Finite amortisation method using seven years on a straight-line basis; and
- Impairment test: Amortisation method reviewed at each financial year end; closing carrying value reviewed annually for indicators of impairment.

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds, and the carrying value of the asset. They are recognised in profit or loss when the asset is derecognised.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination are their fair values as at the date of acquisition. Following initial recognition, acquired intangible assets are carried at cost less any accumulated amortisation and impairment losses.

(s) Trade and other payables

Trade and other payables are carried at amortised cost, and due to their short-term nature, are not discounted. They represent liabilities for goods and services provided to the Trusts prior to the end of the financial year which are unpaid. They are recognised when the Trusts become obliged to make future payments in respect of the purchase of the goods and services.

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Provisions, including for employee benefits

General

Provisions are recognised when: the Trusts have a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount. When the Trusts expect some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of comprehensive income net of any reimbursement.

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled wholly within twelve months of the reporting date, are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments made in respect of services provided by employees, up to the reporting date, using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employees departing, and period of service. Expected future payments are discounted using market yields on high quality corporate bonds at the reporting date, with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(u) Borrowings

Borrowings are initially recorded at the fair value of the consideration received, less directly attributable transaction costs associated with the borrowings. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest rate method. Under this method, fees, costs, discounts and premiums that are yield related are included as part of the carrying value of the borrowing, and amortised over its expected life.

Borrowings are classified as current liabilities, unless the Trusts do not have an unconditional right to defer settlement to more than twelve months after reporting date.

Borrowing costs are expensed as incurred, except where they are directly attributable to the acquisition, construction or production of a qualifying asset. When this is the case, they are capitalised as part of the acquisition cost of that asset.

(v) Issued equity

Issued and paid up securities are recognised at the fair value of the consideration received by the Trusts. Any transaction costs arising on issue of ordinary securities are recognised directly in security holders' interest as a reduction of the security proceeds received.

(w) Revenue

Revenue from contracts with customers is recognised when performance obligations have been met and control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The following specific recognition criteria must also be met before revenue is recognised:

Rental income

Rental income from investment properties is recognised on a straight-line basis over the lease term. Fixed rental increases that do not represent direct compensation for underlying cost increases or capital expenditures are recognised on a straight-line basis until the next market review date. Rent paid in advance is recognised as unearned income.

Sale of homes

Revenue from the sale of land lease homes is recognised at the point in time when control of the land lease home is transferred to the customer, on settlement of the home.

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(w) Revenue (continued)

Management and other fee income

Revenue from rendering of services is recognised in accordance with performance obligations under the terms and conditions of the service agreements. The Group recognises management and other fee income over time because the customer simultaneously receives and consumes the benefits provided to them.

Distribution income

Distribution income is recognised when the Trusts right to receive the payment is established.

Interest income

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

Service station sales

Service station sales, food and beverage revenue represents the revenue earned from the provision of products and services to external parties. Sales revenue is only recognised at the point in time when control of the assets is transferred to the customer.

(x) Income tax

Current income tax

Under the current tax legislation, ICF and its subsidiaries are not liable to pay Australian income tax provided that their taxable income (including any assessable capital gains) is fully distributed to security holders each year. Tax allowances for building and fixtures depreciation are distributed to security holders in the form of the tax-deferred component of distributions. ICMT and its subsidiaries are subject to Australian income tax.

Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities based on the current period's taxable income. The tax rates and laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. The subsidiaries that previously held the Trusts' foreign properties may be subject to corporate income tax and withholding tax in the countries in which they operate. Under current Australian income tax legislation, security holders may be entitled to receive a foreign tax credit for this withholding tax.

ICF has entered the Attribution Managed Investment Trust (AMIT) regime. Under current Australian income tax legislation, ICF is not liable for income tax provided it satisfies certain legislative requirements, which were met in the current and previous financial years.

Deferred income tax

Deferred income tax represents tax (including withholding tax) expected to be payable or recoverable by taxable entities on differences between tax bases of assets and liabilities, and their carrying value for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised through continuing use, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at reporting date. Deferred tax assets are recognised for deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences. Income taxes related to items recognised directly in equity are not recognised against income. Critical accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Trust and that are believed to be reasonable under the circumstances.

Tax consolidation

The Company, ICMT, and their respective subsidiaries have formed a tax consolidation group with the Company or ICMT being the head entity. The head and controlled entities in the tax consolidation group continue to account for their own current and deferred tax amounts. Each tax consolidated group has applied a group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to the members therein.

In addition to its own current and deferred tax amounts, the head entity of each tax consolidated group also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses, and unused tax credits assumed from entities in their respective tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from, or payable to, other entities in the Group.

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(y) Goods and services tax ("GST")

Revenue, expenses and assets (with the exception of receivables) are recognised net of the amount of GST, to the extent that the GST is recoverable from the taxation authority. Where GST is not recoverable, it is recognised as part of the cost of the acquisition, or as an expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to the tax authority, is included in the balance sheet as an asset or liability.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the tax authorities, are classified as operating cash flows.

(z) Investment in a joint venture

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

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Trusts' investment in its joint venture with Sun Communities is accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying value of the investment is adjusted to recognise changes in the Trusts' share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying value of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Trusts' share of the results of operations of the joint venture. Any change in other comprehensive income ("OCI") of those investees is presented as part of the Trusts' OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Trusts' share of profit or loss of a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Trusts. When necessary, adjustments are made to bring the accounting policies in line with those of the Trusts.

Upon loss of joint control, the Trusts measure and recognise any retained investment at its fair value. Any difference between the carrying value of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(aa) Fair value measurement

The Trusts measure financial instruments, such as derivatives, investment properties, certain non-financial assets and non-financial liabilities, at fair value at each balance sheet date. Refer to Note 25.

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Trusts.

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(aa) Fair value measurement (continued)

The fair value of an asset or a liability is measured using the assumptions market participants use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its best use or by selling it to another market participant that would use the asset in its best use.

The Trusts use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described below, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Trusts determine whether transfers have occurred between Levels in the hierarchy by reassessing categorisation at the end of the reporting period. This is based on the lowest level input that is significant to the fair value measurement as a whole.

The Trusts' Audit, Risk and Sustainability Committee determines the policies and procedures for both recurring fair value measurement, such as investment properties, and for non-recurring measurement.

External valuers are involved for valuation of significant assets, such as properties and significant liabilities. Selection criteria include market knowledge, experience and qualifications; reputation; independence; and whether professional standards are maintained.

On a six month basis management presents valuation results to the Audit, Risk and Sustainability Committee as well as the Trusts' auditors. This includes a review of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Trusts have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy (see Note 25).

(bb) Earnings per share ("EPS")

Basic EPS is calculated as net profit attributable to members of the Trusts', divided by the weighted average number of ordinary securities, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to the Trusts, divided by the weighted average number of ordinary securities and dilutive potential ordinary securities, adjusted for any bonus element.

(cc) Current versus non-current classification

The Trusts present assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised, or intended to be sold, or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents, unless restricted from being exchanged or used to settle a liability for at least twelve months after reporting period.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(cc) Current versus non-current classification (continued)

All other assets are classified as non-current. The Trusts classify all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(dd) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense, it is recognised net of the related expense for which it is intended to compensate. There are no unfilled conditions or other contingencies attached to the grants.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the Trusts to exercise judgement in the process of applying its accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Trusts makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, may not equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are discussed below.

i. Valuation of investment property, other financial assets and other financial liabilities

The Trusts have investment properties and assets held for sale which together represent the estimated fair value of investment property. Other financial assets represent ICMT's investment in a number of unlisted property funds. Other financial liabilities relates to a profit share arrangement between ICMT and a third-party which is carried at fair value.

These carrying value reflect certain assumptions about expected future rentals, rent-free periods, operating costs and appropriate discount and capitalisation rates. The valuation assumption for properties to be developed reflect sales prices for new homes, sales rates, new rental tariffs, estimates of capital expenditure, discount rates and projected property growth rates. The valuation assumptions for deferred management fee villages reflect average length of stay, unit market values, estimates of capital expenditure, contract terms with residents, discount rates and projected property growth rates.

In forming these assumptions, the Trusts considered information about current and recent sales activity, current market rents, discount rates and capitalisation rates for properties similar to those owned by the Trusts, as well as independent valuations of the Trusts' property.

ii. Valuation of inventories

The Trusts have inventory primarily in the form of land lease homes which it carries at the lower of cost or net realisable value. Estimates of net realisable value are based on the most reliable evidence available at the time of estimation, the amount the inventories are expected to realise, and the estimated costs of completion. Key assumptions require the use of management judgement, and are continually reviewed.

iii. Fair value of derivatives

The fair value of derivative assets and liabilities is based on assumptions of future events, and involves significant estimates. Given the complex nature of these instruments, and various assumptions that are used in calculating mark-to-market values, the Trusts rely on counterparty valuations for derivative values. The counterparty valuations are usually based on mid-market rates, and calculates using the main variables of the forward market curve, time and volatility.

(b) Critical judgements in applying the entity's accounting policies

There were no judgements, apart from those involving estimations, that management has made in the process of applying the entity's accounting policies that had a significant effect on the amounts recognised in the financial report.

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Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

3. SEGMENT INFORMATION

(a) Description of segments

The Trusts have five reportable operating segments. During the year, a review of the operating segment results was conducted, and it was determined that support costs (People & Culture, Operational Finance, Technology and the costs associated with the Brisbane office) previously allocated to reportable operating segments would be adjusted. Only costs that can be directly attributed to a reportable operating segment are included in the reportable operating segment. Any indirect costs have now been reallocated and included in the Corporate and Other result. Historically, costs were allocated based on a proportion of segment revenue as a percentage of total revenue. There is no impact to Total EBIT. Comparative figures have been updated to be consistent with the current methodology.

The Trusts invest predominantly in rental properties located in Australia with five reportable segments:

- Lifestyle Development – comprising the development and sale of land lease homes and fees from the management of development and sales in the joint venture;
- Lifestyle Rental – comprising long-term accommodation within land lease and all age rental communities;
- Ingenia Gardens – seniors rental villages;
- Holidays & Mixed Use – comprising tourism and rental accommodation within holiday parks;
- Fuel, Food & Beverage Services – consisting of service station and food & beverage operations adjoined to Ingenia Holiday communities.

Corporate & Other comprises the Trusts support and corporate office functions including funds and joint venture management.

(b) ICF – 2024

	Residential		Tourism	Other	Total
	Lifestyle	Gardens			
	Lifestyle Rental	Ingenia Gardens	Holidays & Mixed Use	Corporate & Other	
	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue					
Rental income	20,273	11,801	8,973	585	41,632
Total revenue	20,273	11,801	8,973	585	41,632
Segment underlying profit					
Rental income	20,273	11,801	8,973	585	41,632
Property expenses	-	-	(926)	(885)	(1,811)
Administrative expenses	-	-	-	(1,610)	(1,610)
Earnings before interest and tax	20,273	11,801	8,047	(1,910)	38,211
Share of loss of a joint venture					(743)
Interest income					55,133
Finance expense					(27,105)
Total underlying profit					65,496
Net gain/(loss) on change in fair value of:					
Investment properties					34,410
Acquisition transaction costs					(805)
Financial liabilities					(2,325)
Investments and other financial instruments					(3,983)
Share of joint venture loss					(279)
Gain on disposal of investment properties					4,626
Responsible entity fees					(8,993)
Profit after tax					88,147
Segment assets	668,529	134,060	178,027	923,501	1,904,117
Assets held for sale	-	-	-	-	-
Total assets	668,529	134,060	178,027	923,501	1,904,117

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

3. SEGMENT INFORMATION (CONTINUED)

(c) ICF – 2023

	Residential		Tourism	Other	Total
	Lifestyle	Gardens			
	Lifestyle Rental \$'000	Ingenia Gardens \$'000	Holidays & Mixed Use \$'000	Corporate & Other \$'000	Total \$'000
Segment revenue					
Rental income	18,949	13,116	8,022	-	40,087
Total revenue	18,949	13,116	8,022	-	40,087
Segment underlying profit					
Rental income	18,949	13,116	8,022	-	40,087
Property expenses	-	-	(828)	(853)	(1,681)
Administrative expenses	-	-	-	(1,544)	(1,544)
Earnings before interest and tax	18,949	13,116	7,194	(2,397)	36,862
Share of loss of a joint venture					(1,690)
Interest income					36,454
Finance expense					(18,667)
Total underlying profit					52,959
Net gain/(loss) on change in fair value of:					
Investment properties					5,637
Acquisition transaction costs					(4,383)
Financial liabilities					(1,108)
Investments and other financial instruments					864
Share of joint venture loss					(7,370)
Gain on disposal of investment properties					996
Responsible entity fees					(8,552)
Profit after tax					39,043
Segment assets	629,799	168,010	170,386	793,396	1,761,591
Assets held for sale	11,200	-	-	-	11,200
Total assets	640,999	168,010	170,386	793,396	1,772,791

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

3. SEGMENT INFORMATION (CONTINUED)

(d) ICMT - 2024

(d) ICMT - 2024	Residential		Gardens	Tourism	Other		Total
	Lifestyle						
	Lifestyle Development \$'000	Lifestyle Rental \$'000			Ingenia Gardens \$'000	Holidays & Mixed Use \$'000	
Segment revenue							
Land lease home sales	37,625	-	-	-	-	-	37,625
Residential rental income	-	68,287	21,628	11,649	-	-	101,564
Tourism rental income	-	3,259	-	105,119	-	-	108,378
Annuals rental income	-	43	-	10,989	-	-	11,032
Other revenue	24,621	14,906	2,044	7,078	19,261	670	68,580
Total revenue	62,246	86,495	23,672	134,835	19,261	670	327,179
Segment underlying profit							
External segment revenue	62,246	86,495	23,672	134,835	19,261	670	327,179
Cost of land lease homes sold	(21,362)	-	-	-	-	-	(21,362)
Employee expenses	(16,772)	(14,564)	(5,287)	(36,407)	(4,209)	(14,541)	(91,780)
Property expenses	(1,004)	(19,544)	(5,171)	(28,665)	(928)	(13,825)	(69,137)
Administrative expenses	(2,118)	(3,784)	(1,427)	(4,851)	(145)	(8,386)	(20,711)
Operational, marketing and selling expenses	(8,636)	(2,975)	(167)	(6,201)	(3,326)	(1,157)	(22,462)
Service station expenses	-	-	-	(137)	(8,900)	-	(9,037)
Depreciation and amortisation expense	(160)	(378)	(1)	(792)	(47)	(31,501)	(32,879)
Earnings before interest and tax	12,194	45,250	11,619	57,782	1,706	(68,740)	59,811
Share of profit of a joint venture							171
Interest income							1,843
Finance expense							(48,402)
Income tax expense							(12,545)
Total underlying profit							878
Net gain/(loss) on change in fair value of:							
Investment properties							93,716
Acquisition transaction costs							(3,385)
Financial liabilities							140
Investments and other financial instruments							(47)
Impairment of goodwill ⁽¹⁾							(91,815)
Gain on disposal of investment properties							68
Income tax expense							(25,259)
Responsible entity fees							(6,156)
Loss after tax							(31,860)
Segment assets							
Segment assets	58,381	501,516	4,489	670,124	368	259,954	1,494,832
Assets held for sale	-	-	-	-	-	-	-
Total assets	58,381	501,516	4,489	670,124	368	259,954	1,494,832

(1) Relates to goodwill impaired at the Rentals CGU (\$91.8 million). Refer to Note 11 for further detail.

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

3. SEGMENT INFORMATION (CONTINUED)

(e) ICMT – 2023

(e) ICMT - 2023	Residential						
	Lifestyle		Gardens	Tourism	Other		
	Lifestyle Development \$'000	Lifestyle Rental \$'000	Ingenia Gardens \$'000	Holidays & Mixed Use \$'000	Fuel, Food & Beverage Services \$'000	Corporate & Other \$'000	Total \$'000
Segment revenue							
Land lease home sales	51,250	-	-	-	-	-	51,250
Residential rental income	-	62,263	24,846	11,170	-	-	98,279
Tourism rental income	-	2,592	-	97,304	-	-	99,896
Annuals rental income	-	53	-	10,594	-	-	10,647
Other revenue	12,767	11,923	2,602	7,283	19,258	1,609	55,442
Total revenue	64,017	76,831	27,448	126,351	19,258	1,609	315,514
Segment underlying profit							
External segment revenue	64,017	76,831	27,448	126,351	19,258	1,609	315,514
Cost of land lease homes sold	(27,284)	-	-	-	-	-	(27,284)
Employee expenses	(14,535)	(13,620)	(5,586)	(34,869)	(4,254)	(15,252)	(88,116)
Property expenses	(1,100)	(18,285)	(6,429)	(25,745)	(895)	(13,736)	(66,190)
Administrative expenses	(624)	(3,331)	(1,232)	(4,378)	(134)	(9,280)	(18,979)
Operational, marketing and selling expenses	(5,567)	(1,457)	(863)	(5,294)	(3,258)	(1,291)	(17,730)
Service station expenses	-	-	-	(91)	(9,280)	-	(9,371)
Depreciation and amortisation expense	(353)	(365)	(1)	(750)	(47)	(30,646)	(32,162)
Earnings before interest and tax	14,554	39,773	13,337	55,224	1,390	(68,596)	55,682
Share of profit of a joint venture							195
Interest income							173
Finance expense							(34,049)
Income tax expense							(6,481)
Total underlying profit							15,520
Net gain/(loss) on change in fair value of:							
Investment properties							45,742
Financial liabilities							(991)
Investments and other financial instruments							523
Business combination transaction costs							1,615
Impairment of goodwill							(4,832)
Loss on disposal of investment properties							(3,836)
Income tax expense							(10,135)
Responsible entity fees							(5,386)
Profit after tax							38,220
Segment assets							
Segment assets	55,876	516,551	4,340	569,833	317	259,719	1,406,636
Assets held for sale	-	-	-	12,990	-	-	12,990
Total assets	55,876	516,551	4,340	582,823	317	259,719	1,419,626

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

4. EARNINGS PER UNIT

	ICF		ICMT	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
Profit/(loss) attributable to security holders (\$'000)	88,147	39,043	(31,860)	38,220
Weighted average number of securities outstanding (thousands)				
Issued securities (thousands)	407,583	407,583	407,583	407,583
Dilutive securities (thousands)				
Long-term incentives	2,516	1,988	2,516	1,988
Short-term incentives	517	421	517	421
Talent Rights Grant	920	441	920	441
Fixed Remuneration Rights	137	89	137	89
Weighted average number of issued and dilutive potential units outstanding (thousands)	411,673	410,522	411,673	410,522
Basic earnings per unit (cents)	21.6	9.6	(7.8)	9.4
Dilutive earnings per unit (cents)	21.4	9.5	(7.8)	9.3

5. INCOME TAX EXPENSE

	ICF		ICMT	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	\$'000	\$'000	\$'000	\$'000
(a) Income tax expense				
Current tax expense	-	-	-	4
Increase in deferred tax liability	-	-	37,804	16,612
Income tax expense	-	-	37,804	16,616
(b) Reconciliation between tax expense and pre-tax net profit				
Profit before income tax	(88,147)	(39,043)	(5,944)	(54,836)
Less amounts not subject to Australian income tax	88,147	39,043	-	-
	-	-	(5,944)	(54,836)
Income tax expense at 30% (30 Jun 2023: 30%)	-	-	1,784	16,451
Tax effect of amounts that are not deductible/(taxable) in calculating taxable income:				
Prior period income tax return true-ups	-	-	7,236	3,970
Goodwill impairment	-	-	27,544	1,450
Other	-	-	1,240	686
Recognition of previously unrecognised tax losses	-	-	-	(5,941)
Income tax expense	-	-	37,804	16,616

(c) Tax consolidation

Effective from 1 July 2012, ICMT and its Australian domiciled owned subsidiaries formed a tax consolidation group with ICMT being the head entity. Under the tax funding agreement the funding of tax within the tax group is based on taxable income as if that entity was not a member of the tax group.

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

6. TRADE AND OTHER RECEIVABLES

	ICF		ICMT	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	\$'000	\$'000	\$'000	\$'000
Current				
Trade receivables	-	12	1,386	1,314
Prepayments	-	-	4,591	4,794
Deposits	-	-	370	4,106
Other receivables	305	1,262	1,567	908
Total current trade and other receivables	305	1,274	7,914	11,122
Non-current				
Other receivables	257	733	144	144
Total non-current and other receivables	257	733	144	144

7. INVENTORIES

	ICF		ICMT	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	\$'000	\$'000	\$'000	\$'000
Land lease homes				
Completed	-	-	5,500	8,553
Display homes	-	-	295	749
Under construction	-	-	7,723	4,927
Fuel, food and beverage	-	-	389	312
Total inventories	-	-	13,907	14,541

The land lease home balance includes:

- 21 new completed homes (30 Jun 2023: 30)
- 1 display homes (30 Jun 2023: 2)
- Land lease homes under construction includes 42 partially completed homes at different stages of development (30 Jun 2023: 40). It also includes demolition, site preparation costs buybacks on future development sites and refurbished/renovated/annual homes.

8. ASSETS HELD FOR SALE

	ICF		ICMT	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	\$'000	\$'000	\$'000	\$'000
Investment properties held for sale:				
Broulee, Broulee, NSW	-	-	-	7,698
Lake Hume, Bowna, NSW	-	-	-	5,292
Seachange Hervey Bay, Urangan, QLD	-	11,200	-	-
Total assets held for sale	-	11,200	-	12,990

9. INVESTMENT PROPERTIES

	ICF		ICMT	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	\$'000	\$'000	\$'000	\$'000
(a) Summary of carrying value				
Completed properties	812,975	790,491	1,158,803	981,369
Properties under development	129,565	139,693	47,107	45,311
Total carrying value	942,540	930,184	1,205,910	1,026,680

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

9. INVESTMENT PROPERTIES (CONTINUED)

(b) Movements in carrying value	ICF		ICMT	
	30 Jun 2024 \$'000	30 Jun 2023 \$'000	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Carrying value at beginning of the year	930,184	895,037	1,026,680	973,971
Acquisitions	10,805	48,834	27,764	-
Expenditure capitalised	7,447	8,120	67,508	62,290
Net gain/(loss) on change in fair value:				
Investment properties	33,484	4,807	93,186	45,352
Acquisition transaction costs	(805)	(4,383)	(3,385)	-
Transfer to assets held for sale	-	(11,200)	-	(12,990)
Disposals	(38,575)	(11,031)	(5,843)	(41,943)
Carrying value at the end of the year	942,540	930,184	1,205,910	1,026,680

(c) Description of valuation techniques used and key inputs to valuation of investment properties

Capitalisation method

Under the capitalisation method, fair value is estimated using assumptions regarding the expectation of future benefits. This method involves estimating a sustainable net operating income profile of a property and applying a capitalisation rate into perpetuity. The capitalisation rate is based on current market evidence. The sustainable net operating income profile of a property takes into account occupancy, rental income and operating expenses.

Discounted cash flow method

Under the discounted cash flow method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield normally reflects the exit value expected to be achieved upon selling the asset and is a function of the risk-adjusted returns of the asset and expected capitalisation rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment or refurbishment as well as the development of new units. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net underlying cash flows, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

10. PLANT AND EQUIPMENT

(a) Summary of carrying value	ICF		ICMT	
	30 Jun 2024 \$'000	30 Jun 2023 \$'000	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Plant and equipment	-	-	14,787	13,405
Less: accumulated depreciation	-	-	(4,986)	(5,121)
Total plant and equipment	-	-	9,801	8,284
(b) Movements in carrying value				
Carrying value at beginning of the year	-	-	8,284	6,121
Additions	-	-	4,203	4,400
Disposals	-	-	(488)	(440)
Depreciation expense	-	-	(2,198)	(1,797)
Carrying value at end of the year	-	-	9,801	8,284

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

11. INTANGIBLES AND GOODWILL

	ICF		ICMT	
	30 Jun 2024 \$'000	30 Jun 2023 \$'000	30 Jun 2024 \$'000	30 Jun 2023 \$'000
(a) Summary of carrying value				
Software and development	-	-	4,767	4,874
Goodwill	-	-	-	91,815
Less: accumulated amortisation	-	-	(3,921)	(3,680)
Total intangibles and goodwill	-	-	846	93,009
(b) Movements in carrying value				
Carrying value at beginning of the year	-	-	93,009	98,438
Additions	-	-	-	-
Disposals	-	-	(1)	-
Impairment	-	-	(91,815)	(4,832)
Amortisation expense	-	-	(347)	(597)
Carrying value at end of the year	-	-	846	93,009

Goodwill is initially measured at cost, being the excess of the aggregate consideration transferred and the amount recognised for non-controlling interest over the fair value of net identifiable assets acquired and liabilities assumed.

Goodwill is tested annually for impairment, or more frequently if changes in circumstances indicate that it might be impaired. An impairment loss is recognised when the carrying amount of the asset exceeds its recoverable amount, calculated as the higher of fair value less costs of disposal and the value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which goodwill is monitored for management purposes and allocated to cash generating units (CGU). The assumptions used for determining the recoverable amount of the CGU are based on the expectation for the future, utilising both internal and external sources of data and relevant market trends.

Rental CGU

The recoverable amount of the Lifestyle Rental business has been assessed on a discounted cash flow basis, involving the projection of a series of cash flows to the of the Lifestyle Rental business. As a result of this analysis, the goodwill allocated to the rental CGU was fully impaired at 30 June 2024. There was no further impairment to the underlying assets of the CGU which have a recoverable amount of \$546.6 million. The key determinant of the impairment was the higher discount rates applied to the future cash flows. For the year ended 30 June 2024, a discount rate of 10.4% (30 Jun 2023: 7.0%) was deemed appropriate, resulting in the full impairment of the rental CGU goodwill.

12. RIGHT-OF-USE ASSETS

	ICF		ICMT	
	30 Jun 2024 \$'000	30 Jun 2023 \$'000	30 Jun 2024 \$'000	30 Jun 2023 \$'000
(a) Summary of carrying amounts				
Plant and equipment	-	-	1,154	1,154
Land and buildings	-	-	333,059	304,710
Less: accumulated depreciation	-	-	(105,804)	(77,403)
Carrying amount at end of the year	-	-	228,409	228,461
(b) Movements in carrying amount				
Carrying value at beginning of the year	-	-	228,461	210,421
Additions	-	-	30,282	47,808
Depreciation expense	-	-	(30,334)	(29,768)
Carrying amount at end of the year	-	-	228,409	228,461

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

12. RIGHT-OF-USE ASSETS (CONTINUED)

ICF has leased investment properties to ICMT in which it has been classified as operating leases. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Future minimum rentals receivable under non-cancellable operating leases as at 30 June 2024 are as follows:

	ICF		ICMT	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	\$'000	\$'000	\$'000	\$'000
Within one year	22,160	33,400	-	-
Later than one year but not later than five years	85,830	77,010	-	-
Later than five years	173,959	173,220	-	-
Carrying amount at end of the year	281,949	283,630	-	-

13. INVESTMENT IN A JOINT VENTURE

Together, ICF and ICMT hold a 50% interest in a joint venture with Sun Communities for the development of greenfield communities. The Trusts' interest in the Joint Venture is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Trusts investment in the joint venture entities:

Balance Sheet

	ICF		ICMT	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	\$'000	\$'000	\$'000	\$'000
Cash	271	223	241	153
Trade and other receivables	675	560	274	88
Current assets	946	783	515	241
Investment property	93,001	92,487	-	-
Other non-current assets	-	-	480	226
Non-current assets	93,001	92,487	480	226
Trade and other payables	(1,134)	(384)	(327)	(187)
Current liabilities	(1,134)	(384)	(327)	(187)
Intercompany loans	(1,544)	(6,593)	(117)	(55)
Non-current liabilities	(1,544)	(6,593)	(117)	(55)
Net assets/equity	91,269	86,293	551	225
Trusts' share in equity – 50%	45,635	43,147	276	113
Group's carrying value in investment	45,635	43,147	276	113

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

13. INVESTMENT IN A JOINT VENTURE (CONTINUED)

Statement of Comprehensive Income

	ICF		ICMT	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	\$'000	\$'000	\$'000	\$'000
Residential rental income	-	-	2,809	1,202
Other income	451	243	-	-
Cost of sales	-	-	(545)	-
Expenses	(2,035)	(3,721)	(1,899)	(788)
Depreciation	-	-	(38)	(27)
(Loss)/profit before tax	(1,584)	(3,478)	327	387
Interest income	98	99	15	3
Net loss on change in fair value of investment property	(558)	(14,741)	-	-
(Loss)/profit before income tax	(2,044)	(18,120)	342	390
Income tax expense	-	-	-	-
Total comprehensive (loss)/income for the year	(2,044)	(18,120)	342	390
Group's share of (loss)/profit for the year	(1,022)	(9,060)	171	195

14. OTHER FINANCIAL ASSETS

	ICF		ICMT	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	\$'000	\$'000	\$'000	\$'000
Current				
Derivatives	3,726	3,234	-	-
Total current	3,726	3,234	-	-
Non-current				
Unlisted property funds	235	235	17,136	17,119
Derivatives	-	3,867	-	-
Total non-current	235	4,102	17,136	17,119

Refer to Note 2(a)(i) for valuation assumptions on ICMT's investment in unlisted property funds.

15. DEFERRED TAX ASSETS AND LIABILITIES

	ICF		ICMT	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	\$'000	\$'000	\$'000	\$'000
Deferred tax assets				
Tax losses	-	-	25,346	24,994
Accruals	-	-	4,263	3,852
Other	-	-	3,821	3,575
Deferred tax liabilities				
DMF receivable	-	-	-	(5)
Investment properties	-	-	(119,505)	(80,923)
Other	-	-	(2,495)	(2,259)
Net deferred tax liabilities	-	-	(88,570)	(50,766)
Tax effected carried forward tax losses for which no deferred tax asset has been recognised	-	-	2,544	3,058

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

15. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

The tax effected carried forward tax losses for which no deferred tax asset has been recognised in the current year relates to capital losses of \$2.5 million (30 Jun 2023: \$3.1 million).

The availability of carried forward tax losses to the ICMT tax consolidated group is subject to recoupment rules at the time of recoupment. Further, the rate at which certain of the revenue losses can be utilised is determined by reference to market values at the time of tax consolidation and subsequent events. The carried forward capital losses can only be recouped from future capital gains.

The Group offsets tax assets and liabilities, if and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

16. TRADE AND OTHER PAYABLES

	ICF		ICMT	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	\$'000	\$'000	\$'000	\$'000
Current				
Trade payables and accruals	7,694	8,184	35,576	37,970
Deposits	-	-	20,994	18,793
Other unearned income	803	335	1,500	1,940
	8,497	8,519	58,070	58,703
Non-current				
Other	3,635	2,116	-	4,788

17. BORROWINGS

	ICF		ICMT	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	\$'000	\$'000	\$'000	\$'000
Current				
Lease liabilities – Right-of-use assets	-	-	15,985	27,149
Lease liabilities – Ground leases	1,895	1,805	1,397	1,089
Total current	1,895	1,805	17,382	28,238
Non-current				
Bank debt	695,850	609,130	-	-
Prepaid borrowing costs	(2,759)	(3,015)	-	-
Lease liabilities – Right-of-use assets	-	-	216,346	204,864
Lease liabilities – Ground leases	29,023	29,554	25,929	20,339
Total non-current	722,114	635,669	242,275	225,203

The Group's available facilities as at 30 June 2024 was \$905.0 million (30 Jun 2023: \$780.0 million).

(a) Bank debt

As at 30 June 2024, the Group's debt balance, drawn from the facilities, was \$695.9 million (30 Jun 2023: \$609.1 million). The carrying value of investment properties and inventories at reporting date pledged as security is \$2,178.1 million (30 Jun 2023: \$1,912.5 million).

Maturity date	Amount
December 2025	\$74.5 million
September 2026	\$175.4 million
January 2027	\$200.0 million
February 2027	\$100.0 million
December 2027	\$55.0 million
February 2028	\$75.0 million
May 2028	\$100.1 million
May 2029	\$125.0 million

(b) Bank guarantees

The Group has the ability to utilise its bank facilities to provide bank guarantees, which at 30 June 2024 were \$21.7 million (30 Jun 2023: \$24.1 million).

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

18. OTHER FINANCIAL LIABILITIES

	ICF		ICMT	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	\$'000	\$'000	\$'000	\$'000
Current				
Financial liabilities	-	-	795	659
Total current	-	-	795	659
Non-current				
Financial liabilities	-	-	16,665	16,941
Total non-current	-	-	16,665	16,941

Other financial liabilities relate to a profit share arrangement with a third-party which is carried at fair value.

19. ISSUED UNITS

	ICF		ICMT	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	\$'000	\$'000	\$'000	\$'000
(a) Carrying values				
Balance at beginning of the year	1,473,451	1,473,464	138,803	138,806
Issued during the year:				
Dividend Reinvestment Plan ("DRP")	-	-	-	-
Equity raising and distribution costs	(19)	(13)	(3)	(3)
Balance at end of the year	1,473,432	1,473,451	138,800	138,803
The closing balance is attributable to the security holders of:				
Ingenia Communities Fund	1,473,432	1,473,451	-	-
Ingenia Communities Management Trust	-	-	138,800	138,803
	1,473,432	1,473,451	138,800	138,803
	ICF		ICMT	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	'000	'000	'000	'000
(b) Number of issued securities				
Balance at beginning of the year	407,583	407,583	407,583	407,583
Issued during the year:				
Dividend Reinvestment Plan ("DRP")	-	-	-	-
Balance at end of the year	407,583	407,583	407,583	407,583

(c) Term of securities

All securities are fully paid and rank equally with each other for all purposes. Each security entitles the holder to one vote, in person or by proxy, at a meeting of security holders.

20. ACCUMULATED LOSSES AND RETAINED EARNINGS

	ICF		ICMT	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the year	(362,044)	(354,260)	146,074	107,854
Net profit/(loss) for the year	88,147	39,043	(31,860)	38,220
Distributions	(44,834)	(44,834)	-	-
Profit of NCI	(2,130)	(1,993)	-	-
Balance at end of the year	(320,861)	(362,044)	114,214	146,074
The closing balance is attributable to the security holders of:				
Ingenia Communities Fund	(325,227)	(364,280)	-	-
Ingenia Communities Management Trust	4,366	2,236	114,214	146,074
	(320,861)	(362,044)	114,214	146,074

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
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21. COMMITMENTS

ICF has commitments for capital expenditure on investment properties contracted but not provided for at reporting date of \$3.4 million (30 Jun 2023: \$0.4 million). ICMT has commitments for capital expenditure on investment properties and inventories contracted but not provided for at reporting date of \$10.0 million (30 Jun 2023: \$4.8 million).

In FY23, Ingenia entered into an arrangement to acquire land adjoining Ingenia Lifestyle Plantations for a purchase price of \$18.8 million (inclusive of GST) on or before 30 April 2024. As at 30 June 2024, the acquisition was completed and the adjoining land is held in investment properties (refer Note 9).

22. CONTINGENT LIABILITIES

The Trusts have the following contingent liabilities:

- ICF has bank guarantees totalling \$21.7 million provided for under the \$905.0 million bank facility. Bank guarantees primarily relate to the Responsible Entity's AFSL capital requirements (\$10.0 million).
- ICMT has guaranteed the drawn facilities, \$717.6 million (30 Jun 2023: \$633.2 million), of associates of the Responsible Entity.

23. CAPITAL MANAGEMENT

The capital management of ICF and ICMT is managed at a consolidated Group level (ICH and subsidiaries).

The Group aims to meet its strategic objectives, operational needs and maximise returns to security holders through the appropriate use of debt and equity, taking account of the additional financial risks of higher debt levels.

In determining the optimal capital structure, the Group takes into account a number of factors, including the views of investors and the market in general, the capital needs of its portfolio, the relative cost of debt versus equity, the execution risk of raising equity or debt, and the additional financial risks of debt including increased volatility of earnings due to exposure to interest rate movements, the refinance risk of maturing debt facilities and the potential for acceleration prior to maturity.

In assessing this risk, the Group takes into account the relative stability of its income flows, the predictability of its expenses, its debt maturity profile, the degree of hedging and the overall level of debt as measured by gearing.

The actual capital structure at a point in time is the product of a number of factors, many of which are market driven and to various degrees outside of the control of the Group, particularly the impact of revaluations, the availability of new equity and the liquidity in real estate markets. While the Group periodically determines the optimal capital structure, the ability to achieve the optimal structure may be impacted by market conditions and the actual position may often differ from the optimal position.

One measure of the Group's capital position is through the Loan to Value Ratio (LVR) which is a key covenant (less than 55%) under the Group's common terms deed governing the debt facilities. LVR is calculated as the sum of bank debt, bank guarantees and interest rate swaps, less cash at bank, as a proportion of the investment properties, based on the most recent external valuation, and inventories pledged as security and expressed as a percentage. The Group's strategy is to maintain an LVR range of 30-40%. As at 30 June 2024, the LVR of 32.3% (30 June 2023: 31.4%).

In addition, the Group monitors Interest Cover Ratio (ICR) as defined under the common terms deed. At 30 June 2024, the Total Interest Cover Ratio was 4.26x (30 Jun 2023: 4.67x) and the Core Interest Cover Ratio was 3.97x (30 Jun 2023: 5.30x). The covenant for total ICR and Core ICR is greater than 2x.

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
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24. FINANCIAL INSTRUMENTS

(a) Introduction

The Trusts' principal financial instruments comprise receivables, payables, interest bearing liabilities, other financial liabilities, cash and short-term deposits and derivative financial instruments.

The main risks arising from the Trusts' financial instruments are interest rate risk, foreign exchange risk, credit risk and liquidity risk. The Trusts manage the exposure to these risks primarily through the Investments, Derivatives, and Borrowing Policy. The policy sets out various targets aimed at restricting the financial risk taken by the Trusts. Management reviews actual positions of the Trusts against these targets on a regular basis. If the target is not achieved, or the forecast is unlikely to be achieved, a plan of action is, where appropriate, put in place with the aim of meeting the target within an agreed timeframe.

Depending on the circumstances of the Trusts at a point in time, it may be that positions outside of the Investments, Derivatives, and Borrowing Policy are accepted and no plan of action is put in place to meet the treasury targets, because, for example, the risks associated with bringing the Trusts into compliance outweigh the benefits. The adequacy of the Investments, Derivatives, and Borrowing Policy in addressing the risks arising from the Trust's financial instruments is reviewed on a regular basis.

While the Trusts aim to meet the Investments, Derivatives, and Borrowing Policy targets, many factors influence the performance, and it is probable that at any one time, not all targets will be met. For example, the Trusts may be unable to negotiate the extension of bank facilities sufficiently ahead of time, so that they fail to achieve their liquidity target. When refinancing loans they may be unable to achieve the desired maturity profile or the desired level of flexibility of financial covenants, because of the cost of such terms or their unavailability. Hedging instruments may not be available, or their cost may outweigh the benefit of risk reduction or they may introduce other risks such as mark to market valuation risk. Changes in market conditions may limit the Trusts ability to raise capital through the issue of units or sale of properties.

The main risks arising from ICMT's financial instruments are interest rate risk, foreign exchange risk, credit risk and liquidity risk. These risks are not separately managed. Management of these risks for the ICF may result in consequential changes for ICMT.

(b) Interest rate risk

The Trusts' exposure to the risk of changes in market interest rates arises primarily from its use of borrowings. The main consequence of adverse changes in market interest rates is higher interest costs, reducing the Trust's profit. In addition, one or more of the Trust's loan agreements may include minimum interest cover covenants. Higher interest costs resulting from increases in market interest rates may result in these covenants being breached, providing the lender the right to call in the loan or to increase the interest rate applied to the loan.

The Trusts manage the risk of changes in market interest rates by maintaining an appropriate mix of fixed and floating rate borrowings. Fixed rate debt is achieved either through fixed rate debt funding or through derivative financial instruments permitted under the Investments, Derivatives, and Borrowing Policy. At 30 June 2024, approximately 11% of the Trust's borrowings are at a fixed rate (30 June 2023: 12%) with interest rate derivatives in place to provide further rate protection. Consequently, exposure to interest rates on 46.7% of the drawn debt has been managed (30 Jun 2023: 53%).

Exposure to changes in market interest rates also arises from financial assets such as cash deposits and loan receivables subject to floating interest rate terms. Changes in market interest rates will also change the fair value of any interest rate hedges.

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

24. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Interest rate risk exposure

ICF's exposure to interest rate risk and the effective interest rates on financial instruments at reporting date were:

30 Jun 2024 \$'000	Floating interest rate	ICF Fixed interest maturing in:			Total
		Less than 1 year	1 to 5 Years	More than 5 years	
Financial assets					
Cash at bank	2,726	-	-	-	2,726
Financial liabilities					
Bank debt	620,850	-	75,000	-	695,850
Interest rate derivatives	(250,000)	50,000	200,000	-	-
30 Jun 2023 \$'000					
Financial assets					
Cash at bank	37,374	-	-	-	37,374
Financial liabilities					
Bank debt	534,130	-	75,000	-	609,130
Interest rate derivatives	(250,000)	-	250,000	-	-

ICMT's exposure to interest rate risk and the effective interest rates on financial instruments at reporting date were:

30 Jun 2024 \$'000	Floating interest rate	ICMT Fixed interest maturing in:			Total
		Less than 1 year	1 to 5 Years	More than 5 years	
Financial assets					
Cash at bank	10,489	-	-	-	10,489
30 Jun 2023 \$'000					
Financial assets					
Cash at bank	7,163	-	-	-	7,163

(1) For the purpose of the table above, lease payments for five years are excluded for perpetual leases.

Other financial instruments of the Trusts not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

(d) Interest rate sensitivity analysis

The impact of an increase or decrease in average interest rates of 1% (100 basis points) at reporting date, with all other variables held constant, is illustrated in the tables below. This analysis is based on the interest rate risk exposures in existence at balance sheet date.

	Effect on profit before tax higher/(lower)			
	ICF		ICMT	
	30 Jun 2024 \$'000	30 Jun 2023 \$'000	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Increase in average interest rates of 100 bps:				
Variable interest rate bank debt (AUD)	(6,209)	(5,341)	-	-
Fair value of interest rate derivatives (AUD)	2,674	216	-	-
Decrease in average interest rates of 100 bps:				
Variable interest rate bank debt (AUD)	6,209	5,341	-	-
Fair value of interest rate derivatives (AUD)	(2,161)	(154)	-	-

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

24. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Foreign exchange risk

The Trusts' exposure to foreign exchange risk is limited to foreign denominated cash balances. These amounts are unhedged.

(f) Net foreign currency exposure

The Trusts net foreign currency monetary exposure as at reporting date is shown in the following table. The net foreign currency exposure reported is of foreign currencies held by entities whose functional currency is not the Australian dollar. It excludes assets and liabilities of entities, including equity accounted investments, whose functional currency is not the Australian dollar.

	Net foreign currency asset			
	ICF		ICMT	
	30 Jun 2024 \$'000	30 Jun 2023 \$'000	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Net foreign currency exposure:				
United States dollars	1,522	1,530	-	-
New Zealand dollars	-	234	-	-

The impact of an increase or decrease in average foreign exchange rates of 10% at reporting date, with all other variables held constant, is considered to be limited based on the foreign exchange risk exposures in existence at balance sheet date.

The Trusts believe that the reporting date risk exposures are representative of the risk exposure inherent in its financial instruments.

(g) Credit risk

Credit risk refers to the risk that a counterparty defaults on its contractual obligations resulting in a financial loss to the Trusts.

The major credit risk for the Trusts is default by tenants, resulting in a loss of rental income while a replacement tenant is secured and further loss if the rent level agreed with the replacement tenant is below that previously paid by the defaulting tenant.

The Trusts' assess the credit risk of prospective tenants, the credit risk of in-place tenants when acquiring properties and the credit risk of existing tenants renewing upon expiry of their leases. Factors taken into account when assessing credit risk include the financial strength of the prospective tenant and any form of security, for example a rental bond, to be provided.

The decision to accept the credit risk associated with leasing space to a particular tenant is balanced against the risk of the potential financial loss of not leasing up vacant space.

Rent receivable balances are monitored on an ongoing basis and arrears actively followed up in order to reduce, where possible, the extent of any losses should the tenant subsequently default.

The Responsible Entity believes that the Trusts' receivables that are neither past due nor impaired do not give rise to any significant credit risk.

Credit risk also arises from deposits placed with financial institutions and derivatives contracts that may have a positive value to the Trusts. The Trusts' investment, derivatives, and borrowing policy sets target limits for credit risk exposure with financial institutions and minimum counterparty credit ratings. Counterparty exposure is measured as the aggregate of all obligations of any single legal entity or economic entity to the Trusts, after allowing for appropriate set offs which are legally enforceable.

The Trusts' maximum exposure to credit risk at reporting date in relation to each class of financial instrument is the carrying value as reported in the balance sheet.

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

24. FINANCIAL INSTRUMENTS (CONTINUED)

(h) Liquidity risk

The main objective of liquidity risk management is to reduce the risk that the Trusts do not have the resources available to meet their financial obligations and working capital and committed capital expenditure requirements. The Trusts' investment, derivatives, and borrowing policy sets a target for the level of cash and available undrawn debt facilities to cover future committed expenditure in the next year, loan maturities within the next year and an allowance for unforeseen events such as tenant default.

The Trusts may also be exposed to contingent liquidity risk under its term loan facilities, where term loan facilities include covenants which if breached give the lender the right to call in the loan, thereby accelerating a cash flow which otherwise was scheduled for the loan maturity. The Trusts monitor adherence to loan covenants on a regular basis, and the investment, derivatives, and borrowing policy sets targets based on the ability to withstand adverse market movements and remain within loan covenant limits.

In addition, the Trusts ensure resilience against breaking its covenants on its primary debt facilities by assessing the following sensitivities:

- 10% reduction in value of assets for LVR covenants; and
- 2% nominal increase in interest rates combined with a 5% fall in income for ICR covenants.

The contractual maturities of the Trusts' non-derivative financial liabilities at reporting date are reflected in the following table. It shows the undiscounted contractual cash flows required to discharge the liabilities including interest at market rates.

	ICF			Total \$'000
	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	
30 Jun 2024				
Trade and other payables	8,497	3,635	-	12,132
Borrowings ⁽¹⁾	40,308	791,619	-	831,927
Ground leases (excluding perpetual lease)	1,926	8,280	29,886	40,092
	50,731	803,534	29,886	884,151
30 Jun 2023				
Trade and other payables	8,519	2,116	-	10,635
Borrowings ⁽¹⁾	15,435	717,824	-	733,259
Ground leases (excluding perpetual lease)	1,835	7,890	31,631	41,356
	25,789	727,830	31,631	785,250

(1) The balances above will not agree to the balance sheet as it includes the implied interest component.

	ICMT			Total \$'000
	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	
30 Jun 2024				
Trade and other payables	58,070	-	-	58,070
Other financial liabilities	795	16,665	-	17,460
Right-of-use asset leases ⁽¹⁾	22,702	87,223	173,959	283,884
Ground leases (excluding perpetual lease)	1,429	4,879	34,130	40,438
Ground leases (perpetual lease) ⁽²⁾	420	1,680	-	2,100
	83,416	110,447	208,089	401,952
30 Jun 2023				
Trade and other payables	58,703	4,788	-	63,491
Other financial liabilities	659	16,941	-	17,600
Right-of-use asset leases ⁽¹⁾	33,649	77,671	173,220	284,540
Ground leases (excluding perpetual lease)	1,114	3,956	25,630	30,700
Ground leases (perpetual lease) ⁽²⁾	260	1,041	-	1,301
	94,385	104,397	198,850	397,632

(1) The balances above will not agree to the balance sheet as it includes the implied interest component.

(2) For purpose of the table above, the lease payments are included for five years for the perpetual lease.

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

24. FINANCIAL INSTRUMENTS (CONTINUED)

(i) Other financial instrument risk

The Trusts carry residents' loans at fair value with resulting fair value adjustments recognised in the statement of comprehensive income. The fair value of these loans is dependent on market prices for the related retirement village units. The impact of an increase or decrease in these market prices of 10% at reporting date, with all other variables held constant, is shown in the table below. This analysis is based on the residents' loans in existence at reporting date.

	Effect on profit after tax			
	ICF		ICMT	
	Higher/(lower)		Higher/(lower)	
	30 Jun 2024 \$'000	30 Jun 2023 \$'000	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Increase in market prices of investment properties of 10%	-	-	-	(8)
Decrease in market prices of investment properties of 10%	-	-	-	8

These effects are largely offset by corresponding changes in the fair value of the Trusts' investment properties. The effect on unit holders' interest would have been the same as the effect on profit.

25. FAIR VALUE MEASUREMENT

(a) Ingenia Communities Fund

The following table provides the fair value measurement hierarchy of Ingenia Communities Fund assets and liabilities:

i. Assets measured at fair value

	Date of valuation	Fair value measurement using:			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
30 Jun 2024					
Investment properties	30-Jun-24 Note 9	-	-	942,540	942,540
Assets held for sale - investment property	30-Jun-24 Note 8	-	-	-	-
Other financial assets	30-Jun-24 Note 14	-	3,726	235	3,961
30 Jun 2023					
Investment properties	30-Jun-23 Note 9	-	-	930,184	930,184
Assets held for sale - investment property	30-Jun-23 Note 8	-	-	11,200	11,200
Other financial assets	30-Jun-23 Note 14	-	7,101	235	7,336

There have been no transfers between Level 1 and Level 2 during the year.

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

25. FAIR VALUE MEASUREMENT (CONTINUED)

(b) Ingenia Communities Management Trust

The following table provides the fair value measurement hierarchy of Ingenia Communities Management Trust assets and liabilities:

i. Assets measured at fair value

	Date of valuation	Fair value measurement using:			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
30 Jun 2024					
Investment properties	30-Jun-24 Note 9	-	-	1,205,910	1,205,910
Assets held for sale - investment property	30-Jun-24 Note 8	-	-	-	-
Other financial assets	30-Jun-24 Note 14	-	-	17,136	17,136
30 Jun 2023					
Investment properties	30-Jun-23 Note 9	-	-	1,026,680	1,026,680
Assets held for sale - investment property	30-Jun-23 Note 8	-	-	12,990	12,990
Other financial assets	30-Jun-23 Note 14	-	-	17,119	17,119

ii. Liabilities measured at fair value

	Date of valuation	Fair value measurement using:			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
30 Jun 2024					
Resident loans	30-Jun-24	-	-	-	-
Other financial liabilities	30-Jun-24 Note 18	-	-	17,460	17,460
30 Jun 2023					
Resident loans	30-Jun-23	-	-	59	59
Other financial liabilities	30-Jun-23 Note 18	-	-	17,600	17,600

There have been no transfers between Level 1 and Level 2 during the year.

26. AUDITOR'S REMUNERATION

	ICF		ICMT	
	30 Jun 2024 \$	30 Jun 2023 \$	30 Jun 2024 \$	30 Jun 2023 \$
Fees for auditing the statutory financial report	300,766	270,206	300,767	270,206
Fees for assurance services that are required by legislation:				
Australian Financial Services Licence	12,938	12,091	12,938	12,091
Fees for other services:				
Other	-	-	63,200	-
Total fees to Ernst & Young	313,704	282,297	376,905	282,297

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

27. RELATED PARTIES

(a) Responsible entity

The Responsible Entity for both Trusts from 4 June 2012 is Ingenia Communities RE Limited ("ICRE"). ICRE is an Australian domiciled company and is a wholly owned subsidiary of ICH.

(b) Fees of the responsible entity and its related parties

	ICF		ICMT	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	\$	\$	\$	\$
Ingenia Communities RE Limited:				
Asset management fees	8,993,053	8,552,237	6,156,436	5,386,443

The Responsible Entity is entitled to a fee of 0.5% of total assets. In addition, it is entitled to recover certain expenses.

The gross amount accrued and recognised but unpaid at reporting date was:

	ICF		ICMT	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	\$	\$	\$	\$
Current trade payables	2,276,398	2,228,831	1,538,818	1,385,840

The above ICF balances are netted against the receivable from related party balance on the face of the balance sheet. The above ICMT balances are included in the payable to related party balance on the face of the balance sheet, which is shown net of related party receivables.

(c) Holdings of the responsible entity and its related parties

There were no holdings of the Responsible Entity and its related parties (including managed investment schemes for which a related party is the Responsible Entity) as at 30 June 2024 and 30 June 2023.

(d) Joint venture

During the year ICMT generated fee income from the joint venture with Sun Communities.

	ICF		ICMT	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	\$	\$	\$	\$
Fee income from joint venture	-	-	372,403	1,075,800

(e) Other related party transactions

ICF has leased its investment property to ICMT. Rental villages have been classified as operating leases.

Intercompany loans are subject to a loan deed, amended on and effective from 1 July 2015, encompassing ICH, ICF and ICMT and their respective subsidiaries. The revised deed stipulates that interest is calculated on the intercompany balances between ICH, ICF and ICMT for the preceding month. Interest is charged at a margin of 2.45% on the monthly Australian Bank Bill Swap Reference Rate. Intercompany loan balances are payable in the event of default or on termination date, being 30 June 2025 (or such other date as agreed by the parties in writing).

ICMT has entered into development agreements with subsidiaries of ICH to develop land lease communities. These agreements are on arms-length terms and eliminate on consolidation in the Group results.

Pursuant to the terms of the agreements, subsidiaries of ICH received a development fee of \$9.4 million (30 June 2023: \$3.8 million).

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

27. RELATED PARTIES (CONTINUED)

There are a number of other transactions and balances that occur between the Trusts, which are detailed below:

	ICF		ICMT	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	\$	\$	\$	\$
Operating lease fees received or accrued/(paid or payable) for the year between ICF and ICMT	41,046,804	40,082,693	(41,400,127)	(40,409,242)
Interest on intercompany loans received or accrued/(paid or payable) between stapled entities	54,804,178	36,299,408	(49,232,100)	(33,001,307)
Intercompany loan balances between stapled entities	908,692,802	741,543,491	(811,545,457)	(744,108,051)

(f) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Responsible Entity.

The names of the directors and KMP of ICRE, and their dates of appointment or resignation if they were not directors for all of the financial year, are:

KMP	Position	Term
Non-Executive KMP		
Jim Hazel	Chairman	Full year
Robert Morrison	Deputy Chairman	Full year
Pippa Downes	Director	Full year
Gregory Hayes	Director	Full year
Sally Evans	Director	Full year
Lisa Scenna	Director	Appointed, effective 1 May 2024
Shane Gannon	Director	Appointed, effective 28 June 2024
Simon Shakesheff	Director	Appointed, effective 28 June 2024
John McLaren	Director	1 July 2023 to 2 November 2023
Amanda Heyworth	Director	1 July 2023 to 20 June 2024
Executive KMP		
John Carfi	Chief Executive Officer	Appointed, effective 1 April 2024
Justin Mitchell	Chief Financial Officer	Appointed, effective 10 July 2023
Natalie Kwok	CIO & General Counsel	Full year
Simon Owen	Chief Executive Officer ⁽¹⁾	1 July 2023 to 31 March 2024

(1) Mr Owen was Managing Director for the period 1 July 2023 to 21 February 2024 and CEO for the period 1 July 2023 to 31 March 2024, with the appointment of the new CEO effective 1 April 2024. Mr Owen remained in service through to 30 June 2024. Mr Owen remained in service through to 30 June 2024.

The aggregate compensation paid to Key Management Personnel ("KMP") of the Group is as follows:

	30 Jun 2024	30 Jun 2023
	\$	\$
Directors fees	1,055,054	980,708
Salaries and other short-term benefits	2,481,877	1,433,780
Short-term incentives (payable in cash)	667,406	413,775
Superannuation benefits	96,804	69,553
Share-based payments	2,175,859	1,549,363
	6,477,000	4,447,179

The amounts in the table exclude KMP termination benefits of \$2,418,877 (30 Jun 2023: \$630,678).

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

27. RELATED PARTIES (CONTINUED)

The aggregate Rights of the Group held directly by KMP and other eligible staff are as follows:

Issue date	Right Type	Vesting date	Number outstanding	
			30 Jun 2024	30 Jun 2023
FY17 ⁽¹⁾	LTIP	FY20	1,923	1,923
FY17 ⁽¹⁾	STIP	FY19	2,437	2,437
FY18 ⁽¹⁾	LTIP	FY21	170,367	170,367
FY18 ⁽¹⁾	STIP	FY20	34,300	34,300
FY19 ⁽¹⁾	LTIP	FY22	219,717	219,717
FY19 ⁽¹⁾	STIP	FY21	111,020	111,020
FY20 ⁽¹⁾	LTIP	FY23	113,747	116,326
FY20 ⁽¹⁾	STIP	FY22	111,092	111,092
FY21 ⁽¹⁾	FRR	FY22	7,778	7,778
FY21 ⁽¹⁾	LTIP	FY24	-	332,563
FY21 ⁽¹⁾	TRG	FY23	83,952	83,952
FY21 ⁽¹⁾	TRG	FY24	92,610	121,212
FY21 ⁽¹⁾	STIP	FY23	42,863	42,863
FY22 ⁽¹⁾	FRR	FY22	37,121	37,121
FY22	LTIP	FY25	366,149	377,213
FY22	TRG	FY25	44,605	44,605
FY22	TRG	FY26	47,072	47,072
FY22 ⁽¹⁾	STIP	FY24	117,046	138,240
FY23 ⁽¹⁾	FRR	FY23	56,980	56,980
FY23	LTIP	FY26	824,183	915,280
FY23	TRG	FY26	71,320	102,062
FY23	TRG	FY28	71,320	102,061
FY23	STIP	FY25	123,250	-
FY24 ⁽¹⁾	FRR	FY24	56,879	-
FY24	LTIP	FY27	1,086,151	-
FY24	TRG	FY25	59,249	-
FY24	TRG	FY26	301,996	-
FY24	TRG	FY28	301,997	-
			4,557,124	3,176,184

(1) Rights are fully vested but not exercised. All other rights are still subject to vesting conditions.

28. PARENT ENTITY FINANCIAL INFORMATION

Summary financial information about the parent of each Trust is:

	ICF		ICMT	
	30 Jun 2024 \$'000	30 Jun 2023 \$'000	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Current assets	6,447	37,368	141	362
Total assets	1,772,959	1,700,570	25,338	29,687
Current liabilities	(6,642)	(6,708)	(8,689)	(15,303)
Total liabilities	(699,736)	(612,825)	(149,853)	(96,945)
Net assets/(liabilities)	1,073,223	1,087,745	(124,515)	(67,258)
Security holders' equity:				
Issued securities	1,473,432	1,473,451	138,800	138,803
Accumulated losses	(400,209)	(385,706)	(263,315)	(206,061)
Total security holders' equity	1,073,223	1,087,745	(124,515)	(67,258)
Profit/(loss) from continuing operations	30,330	24,380	(57,254)	(32,907)
Net profit/(loss) attributable to security holders	30,330	24,380	(57,254)	(32,907)
Total comprehensive income/(loss)	30,330	24,380	(57,254)	(32,907)

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

29. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(d):

	Country of residence	30 Jun 2024 %	30 Jun 2023 %
Subsidiaries of ICF			
Bridge Street Trust	Australia	100	100
Browns Plains Road Trust	Australia	100	100
Casuarina Road Trust	Australia	100	100
Edinburgh Drive Trust	Australia	100	100
INA Community Living Subsidiary Trust	Australia	100	100
INA Kiwi Communities Subsidiary Trust No. 1	Australia	100	100
INA Sunny Trust	Australia	100	100
Jefferis Street Trust	Australia	100	100
Lovett Street Trust	Australia	100	100
Settlers Subsidiary Trust	Australia	100	100
SunnyCove Gladstone Unit Trust	Australia	100	100
SunnyCove Rockhampton Unit Trust	Australia	100	100
Taylor Street (2) Trust	Australia	100	100
INA Subsidiary Trust No.1	Australia	100	100
INA Subsidiary Trust No.4	Australia	100	100
INA Subsidiary Trust No.5	Australia	100	100
INA Subsidiary Trust No.6	Australia	100	100
INA Subsidiary Trust No.7	Australia	100	100
INA Subsidiary Trust No.8	Australia	100	100
INA Lifestyle Landowner Trust	Australia	100	100
INA Community Living Subsidiary Trust No. 2	Australia	100	100
The Seachange (Land) Unit Trust	Australia	100	100
PPV Inlet Land Unit Trust	Australia	100	100
PPV Coomera Land Unit Trust	Australia	100	100
PPV Toowoomba Land Unit Trust	Australia	100	100
PPV Victoria Point Land Unit Trust	Australia	100	100
PPV Hervey Bay Land Unit Trust	Australia	100	100
Eighth Gate Residences Fund No. 6	Australia	100	100
Eighth Gate Federation Village Park Trust	Australia	100	100
INA Community Living LLC	USA	-	100

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

29. SUBSIDIARIES (CONTINUED)

	Country of residence	30 Jun 2024 %	30 Jun 2023 %
Subsidiaries of ICMT			
Garden Villages Management Trust	Australia	100	100
INA Community Living Lynbrook Trust	Australia	100	100
Settlers Operations Trust	Australia	100	100
INA DMF Management Pty Ltd	Australia	100	100
INA Operations Trust No.1	Australia	100	100
INA Operations Trust No.2	Australia	100	100
INA Operations Trust No.3	Australia	100	100
INA Operations Trust No.4	Australia	100	100
INA Operations Trust No.6	Australia	100	100
INA Operations Trust No.7	Australia	100	100
INA Operations Trust No.8	Australia	100	100
INA Operations Trust No.9	Australia	100	100
INA Operations Trust No.10	Australia	100	100
INA Operations Trust No.11	Australia	100	100
Ridge Estate Trust	Australia	100	100
INA Subsidiary Trust No.3	Australia	100	100
INA Latitude One Pty Ltd	Australia	100	100
INA Soldiers Point Pty Ltd	Australia	100	100
INA Lifestyle Operations Trust	Australia	100	100
INA Operations Management Trust	Australia	100	100
Emmetlow Pty Ltd	Australia	100	100
Park Trust	Australia	100	100
IDCF Land Trust No. 1	Australia	100	100
INA Operations Trust No.12	Australia	100	100
Residences Fund No. 6 Pty Ltd	Australia	100	100
Ingenia Diversified Communities Trust	Australia	100	100
INA Operations Trust No.13	Australia	100	100
Ingenia Diversified Communities Head Company Pty Limited	Australia	100	100
Ingenia Holiday Parks Trust No.1	Australia	100	100

The Trusts' voting interest in all other subsidiaries is the same as the ownership interest.

Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

30. NOTES TO THE CASH FLOW STATEMENTS

Reconciliation of profit to net cash flows from operations:

	ICF		ICMT	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	\$'000	\$'000	\$'000	\$'000
Net profit/(loss) for the year	88,147	39,043	(31,860)	38,220
Adjustments for:				
Share of joint venture loss/(profit)	1,022	9,060	(171)	(195)
Impairment of goodwill	-	-	91,815	4,832
Net (gain)/loss on change in fair value of:				
Investment properties	(33,484)	(4,807)	(93,186)	(45,352)
Acquisition transaction costs	805	4,383	3,385	-
Financial liabilities	2,325	1,108	677	1,615
Investments and other financial instruments	3,983	(864)	47	(523)
Income tax expense	-	-	37,804	16,616
(Gain)/loss on disposal of investment properties	(4,626)	(996)	(68)	3,836
Business combination transaction costs	-	-	-	(1,615)
Operating profit before tax	58,172	46,927	8,443	17,434
Depreciation and amortisation expense	-	-	32,879	32,162
Net Finance costs	(61,291)	(39,704)	263	111
Operating cash flow before changes in working capital	(3,119)	7,223	41,585	49,707
Changes in working capital:				
Decrease/(increase) in receivables	1,445	15	3,208	(4,812)
Decrease/(increase) in inventory	-	-	634	(9,728)
Increase/(decrease) in other payables and provisions	1,497	3,372	(5,421)	(24,139)
(Decrease)/increase in loans to related parties	(34,112)	(33,997)	46,930	75,586
Net cash provided by operating activities	(34,289)	(23,387)	86,936	86,614

31. SUBSEQUENT EVENTS

Final FY24 distribution

On 20 August 2024, the Directors declared a final distribution of 6.1 cps amounting to \$24.9 million, to be paid on 19 September 2024.

Directors' Declaration

Ingenia Communities Fund and Ingenia Communities Management Trust
For the year ended 30 June 2024

In accordance with a resolution of the directors of Ingenia Communities Fund and of Ingenia Communities Management Trust, I state that:

1. In the opinion of the directors:
 - (a) the financial statements and notes of Ingenia Communities Fund and of Ingenia Communities Management Trust for the financial year ended 30 June 2024 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of each Trust's financial position as at 30 June 2024 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and *Corporations Regulations 2001*; and
 - (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(b).
 - (c) there are reasonable grounds to believe that Ingenia Communities Fund and Ingenia Communities Management Trust will be able to pay their debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the directors from the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2024.

On behalf of the Board



Jim Hazel
Chairman
Adelaide, 20 August 2024

For personal use only

Independent auditor's report to the unitholders of Ingenia Communities Fund

Report on the audit of the financial report

Opinion

We have audited the financial report of Ingenia Communities Fund (the "Trust") and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Valuation of Investment Properties

Why significant	How our audit addressed the key audit matter
As at 30 June 2024 Investment properties (both those recorded as investment properties and those included within equity accounted investments) totalled \$943 million and comprise 49.5% of the Group's total assets. These assets are carried at fair value, which was assessed by the directors with reference to either external independent valuations or internal valuations based on market conditions existing at reporting date. The Group has three categories of investment properties as disclosed in Note 9 of the financial report. ▶ The Garden Villages portfolio consists of investment properties earning revenue predominantly from longer term rental agreements and the key valuation judgements include capitalisation rates, market and contractual rents and forecast occupancy levels. ▶ The Lifestyle portfolio consists of investment properties earning revenue from a mix of longer-term land rental agreements and short-term accommodation rental. Lifestyle home sales. ▶ The Tourism portfolio consists of 'Holidays and Mixed Use' investment properties earning revenue from short-term residential and tourism rentals. The valuation of investment properties is inherently subjective given that there are alternative assumptions and valuation methods that may result in a range of values. The key judgements in the valuations include assumptions related to the long and short-term rental income, capitalisation rates, discount rates, market and contractual rents, forecast short-term and residential occupancy levels, historical transactions and remaining development potential for vacant land. In assessing the development potential, additional key judgements include future new homes sales prices, estimated capital expenditure and allocation of costs between investment property and inventory, discount rates, projected property growth rates and operating profit margins. Accordingly, the valuation of investment properties was considered a key audit matter.	Our audit procedures included the following: ▶ Assessed the controls in place relevant to the valuation process; ▶ Evaluated the suitability of the valuation methodology used across the portfolio and tested the valuation reports for mathematical accuracy on a sample basis; ▶ Assessed the qualifications, competence and objectivity of the independent valuation experts used by the Group; ▶ Assessed the Group's internal valuation methodology and tested the mathematical accuracy of the valuation models. We also assessed the competence, qualifications and objectivity of the internal valuer; ▶ On a sample basis, we compared the property related data used as input for both the external and internal valuations against actual and budgeted property performance; ▶ On a sample basis, we considered the key inputs and assumptions used in the valuations by comparing this information to external market data; ▶ Our real estate valuation specialists reviewed a sample of internal and independent valuations to determine whether the key judgements and methodology used were reasonable. ▶ Assessed the appropriateness of the allocation of capital expenditure between investment property and inventory assets.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2024 annual report other than the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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

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

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- ▶ the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and

for such internal control as the directors determine is necessary to enable the preparation of:

- ▶ the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error..

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in

our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Ernst & Young



Yvonne Barnikel
Partner
Sydney
20 August 2024

Independent auditor's report to the unitholders of Ingenia Communities Management Trust

Report on the audit of the financial report

Opinion

We have audited the financial report of Ingenia Communities Management Trust (the "Trust") and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Valuation of Investment Property

Why significant	How our audit addressed the key audit matter
As at 30 June 2024 Investment properties (both those recorded as investment properties and those included within equity accounted investments) totalled \$1,206 million and comprise 80.7% of the Group's total assets. These assets are carried at fair value, which was assessed by the directors with reference to either external independent valuations or internal valuations based on market conditions existing at reporting date. The Group has three categories of investment properties as disclosed in Note 9 of the financial report. ▶ The Garden Villages portfolio consists of investment properties earning revenue predominantly from longer term rental agreements and the key valuation judgements include capitalisation rates, market and contractual rents and forecast occupancy levels. ▶ The Lifestyle portfolio consists of investment properties earning revenue from a mix of longer-term land rental agreements and short-term accommodation rental. In addition, the Group earns revenue from the sale of manufactured homes to residents of the properties. ▶ The Tourism portfolio consists of 'Holidays and Mixed Use' investment properties earning revenue from short-term residential and tourism rentals. The valuation of investment properties is inherently subjective given that there are alternative assumptions and valuation methods that may result in a range of values. The key judgements in the valuations include assumptions related to the long and short-term rental income, capitalisation rates, discount rates, market and contractual rents, forecast short-term and residential occupancy levels, historical transactions and remaining development potential for vacant land. In assessing the development potential, additional key judgements include future new homes sales prices, estimated capital expenditure and allocation of costs between investment property and inventory, discount rates, projected property growth rates and operating profit margins. Accordingly, the valuation of investment properties was considered a key audit matter.	Our audit procedures included the following: ▶ Assessed the Group's controls in place relevant to the valuation process; ▶ Evaluated the suitability of the valuation methodology used across the portfolio and tested the valuation reports for mathematical accuracy on a sample basis; ▶ Assessed the qualification, competence and objectivity of the independent valuation experts used by the Group; ▶ Assessed the Group's internal valuation methodology and tested the mathematical accuracy of the valuation models. We also assessed the competence, qualifications and objectivity of the internal valuer; ▶ On a sample basis, we compared the property related data used as input for both the external and internal valuations against actual and budgeted property performance; ▶ On a sample basis, we considered the key inputs and assumptions used in the valuations by comparing this information to external market data; ▶ Our real estate valuation specialists reviewed a sample of internal and independent valuations to determine whether the key judgements and methodology used were reasonable; and ▶ Assessed the appropriateness of the allocation of capital expenditure between investment property and inventory assets.

2. Goodwill impairment testing

Why significant	How our audit addressed the key audit matter
As at 30 June 2024, the Group's consolidated balance sheet includes goodwill with a carrying value of nil, representing 0.0% of total assets. As disclosed in Note 11 of the financial report, the Group have assessed goodwill for impairment at 30 June 2024. As a result of this assessment, the Group recorded an impairment loss of \$91.8m. The assessment involved a value-in-use model, based upon discounted cash flow forecasts being used to calculate the recoverable amount of each of the Group's cash generating units (CGUs).	Our audit procedures included the following: ▶ Assessed the Group's determination of the CGUs used in the impairment model, based on our understanding of the nature of the Group's business and the economic environment in which the segments operate. We also considered internal reporting of the Group's results to assess how earnings and goodwill are monitored and reported; ▶ Evaluated whether the methodology met the requirements of Australian Accounting Standards;

Why significant	How our audit addressed the key audit matter
The assessment is a judgmental process which requires estimates concerning the forecast future cash flows associated with the CGUs, the discount rates and the growth rate of revenue and costs to be applied in determining the value in use or fair value less cost of disposal. The estimates and assumptions relate to future performance, market and economic conditions. Significant assumptions used in the impairment testing referred to above are inherently subjective and in times of economic uncertainty the degree of subjectivity is higher than it might otherwise be. Changes in certain assumptions can lead to significant changes in the recoverable amount of these assets. The disclosures in the financial report provide important information about the assumptions made in the impairment testing and the market conditions at 30 June 2024. Accordingly, we considered the impairment testing of goodwill and related disclosures in the financial report to be a key audit matter.	▶ Assessed the mathematical accuracy of the value in use cash flow models prepared by the Group to determine recoverable amount; ▶ Assessed the underlying assumptions regarding future cash flows and agreed the forecast used in the models to the Board approved business plans taking into consideration the historical accuracy of the Group's cash flow forecasting; ▶ Assessed the key assumptions such as the discount rates and growth rates (including terminal growth rates) applied in the models, with reference to external industry and market data and involvement from our valuation specialists; ▶ Performed sensitivity analysis on key assumptions including discount rates, net operating income and development profit forecasts for relevant CGUs; and ▶ Evaluated the adequacy of the related disclosures in the financial report including those made with respect to judgments and estimates.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2024 annual report other than the financial report and our auditor's report thereon. We obtained the directors' report that is to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

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

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

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

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- ▶ the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and

for such internal control as the directors determine is necessary to enable the preparation of:

- ▶ the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Ernst & Young



Yvonne Barnikel
Partner
Sydney
20 August 2024